

## Approaches for Regulating Ticket Resales

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January 27, 2020 | 2020-R-0024

### Issue

This report provides an overview of event (i.e., entertainment) ticket resale laws across the country. This report does not address generally applicable unfair trade practices, peddling, or solicitation laws, even though states may rely on such provisions to regulate ticket resales.

This report updates OLR Report [2011-R-0346](#) using information in Squire Patton Boggs' [January 2020 survey](#) of states' ticket resale laws.

OLR Report [2020-R-0028](#) provides additional information on regulating speculative ticket sales. OLR Report [2020-R-0029](#) provides additional information on deceptive ticket broker websites.

### Summary

Almost every state has laws addressing reselling (scalping) event (e.g., theatre, sporting event, concert) tickets. Provisions may restrict if and where tickets can be resold, limit who may resell tickets (e.g., requiring brokers to be licensed), prohibit the use of nontransferable tickets, and cap ticket resale prices, among other things. In recent years, due to a surge in online ticket sales, state laws have also begun addressing refund requirements, the use of deceptive domain names, and ticket bots.

Squire Patton Boggs' survey notes that there is significant variation in the regulatory scheme from jurisdiction to jurisdiction. Laws vary for a few reasons. Some states have not updated their ticket resale laws recently, thus their laws may not address online ticket sales, among other things. In states that have updated their laws more recently, policies vary depending on whether the state takes a hands-off approach (leaving it to counties or municipalities to regulate such sales) or has

enacted legislation concerning consumers, venues, or brokers. Below, we provide examples of states' regulatory methods and briefly summarize applicable Connecticut law.

Federal law generally does not address ticket resales; this is regulated at the state or local level. However, [federal law](#) generally prohibits the use of “ticket bots” for entertainment tickets. Ticket bots are computer programs that buy numerous tickets, generally as soon as they go on sale, circumventing security measures or other systems intended to enforce ticket purchasing limits or order rules. (The use of bots reduces the public's access to online ticket sales at the intended original price.) Under the federal law, tickets purchased using bots cannot be resold (in practice, ticket brokers (scalpers) violate this law regularly). Federal law gives the Federal Trade Commission (FTC) and state attorneys general the authority to pursue violators (Better Online Ticket Sales (BOTS) Act of 2016, Pub. L. No. 114-274). Many states, including Connecticut ([CGS § 53-289e](#)), have enacted legislation similar to the BOTS Act (e.g., Florida, Nevada, Vermont, and Washington).

A few states do not have statewide legislation on ticket resales, and instead defer to local authorities (e.g., Kansas, Nebraska, South Dakota, and West Virginia). Other states use a combined approach: certain ticket resale laws exist at the state level, and local jurisdictions can adopt complementary restrictions (e.g., Georgia, Missouri, and Virginia).

## **Methods States Use to Regulate Ticket Resales**

### ***Geographic Restrictions***

Connecticut allows ticket resales but restricts where they may be sold. Connecticut generally prohibits reselling tickets for a profit within 1,500 feet of the venue on the day of the event ([CGS § 53-289c](#)). Other states that restrict sales close to the venue include Arizona, Georgia, Illinois, New Jersey, and New York.

### ***Licensing Resellers***

Several states require resellers to be licensed (or registered) and adhere to certain professional standards, such as maintaining a physical place of business, posting a license bond or maintaining insurance, disclosing the ticket's face value, and offering a standard refund policy (e.g., Georgia, Illinois, Massachusetts, New Jersey, New York).

Some states only allow those who are licensed to resell tickets above face value, a specified dollar cap, or a percentage of face value (e.g., Alabama, New Jersey, New Mexico, Pennsylvania).

## ***Resale Ban and Capping Resale Price***

Some states prohibit reselling a ticket over face value, including Arkansas, Mississippi (applies to collegiate sports and events on state property only), and Wisconsin (applies to state fair park events only). Some states make an exception for credit card fees and reasonable service charges (e.g., Arkansas and North Carolina). Some exempt internet sales from the prohibition on reselling tickets for a profit (e.g., Illinois (brokers are also exempt) and Louisiana).

Other states set maximum resale prices, either as a percentage of the ticket's face value or a dollar amount (e.g., Pennsylvania and Massachusetts). And some states do not impose limits on resale prices (e.g., California (as long as sale is not occurring on the venue's grounds), New York, and Texas).

## ***Refund Policies***

In Connecticut, ticket resellers must refund a ticket's purchase price if the (1) event is cancelled, (2) ticket does not grant admission to the event, or (3) ticket does not conform to the reseller's advertisement of it. A ticket reseller must provide the purchaser with contact information allowing the purchaser to obtain a refund ([CGS § 53-289b](#)). Many other states impose similar requirements on ticket resales, including Colorado, Georgia, Illinois, New Jersey, and North Carolina.

## ***Price Disclosure***

In Connecticut, ticket advertisements must conspicuously disclose the ticket's total price and the portion of the ticket price that represents a service charge, if there is one ([CGS § 53-289a](#)). New York and Nevada are examples of states with similar requirements.

## ***Ticket Transferability***

In Connecticut, tickets must generally be transferable unless they are purchased through a paperless ticketing system and the purchaser was given the option, at the time of initial sale, to purchase the tickets in a transferrable form. Tickets sold by or on behalf of a college and tickets sold by venues with 3,500 seats or fewer generally do not have to be transferable ([CGS § 53-289d](#)).

Other states also restrict venue operators' ability to limit ticket transferability, but the approaches appear to vary. For example, Michigan allows venues to limit transferability only if the ticket was sold at a discounted rate. Colorado prohibits venues from restricting the resale of tickets purchased as part of a subscription or season ticket package. And Utah requires at least 90% of tickets issued for an event to be transferable but allows, each year, a venue to issue only nontransferable tickets for up to 10% of its events.

### ***Deceptive Website URLs***

Deceptive domain names (e.g., those that contain or are substantially similar to venue or performer names) can lead consumers to believe they are buying tickets from the event's official ticket website, rather than a reseller. Several state laws prohibit the use of deceptive or confusing domain names, including Maryland, New Jersey, New York, Tennessee, and Texas.

OLR Report [2020-R-0029](#) provides additional information on deceptive ticket broker websites.

### ***Speculative Tickets***

Some resellers offer “speculative tickets,” meaning they sell tickets that they do not have but will try to purchase after securing a buyer (i.e., a tentative ticket order policy or “try and get” policy). A few states have laws requiring sellers to provide certain disclosures to individuals purchasing speculative tickets, such as (1) the approximate date of ticket delivery and (2) the number of tickets and their location (e.g., zone); sellers must also issue refunds if they are unable to secure the promised tickets (e.g., New Jersey, Tennessee). New York requires sellers to inform prospective purchasers that they do not have possession of the offered ticket and do not have a contractual right to obtain it.

OLR Report [2020-R-0028](#) provides additional information on regulating speculative ticket sales.

### ***Holds and Presales***

Although it is [an issue](#) under discussion by regulators, we did not identify any states that restrict venues from putting tickets on hold (i.e., reserving some tickets for industry insiders, such as promoters and artists) or selling tickets at pre-sale events (e.g., making tickets available to non-public groups, such as fan clubs or particular credit card holders, before the general public has access).

### ***Ticket Bots***

Please see summary.

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