

Approaches for Regulating Speculative Ticket Sales

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Issue

Provide examples of states that regulate speculative event ticket sales.

This report does not describe states' generally applicable unfair or deceptive trade practices laws, which may be used to address speculative ticket sales. Instead, it focuses on laws specifically targeting speculative ticket sales.

For information on how states regulate event ticket resales generally, see OLR Report [2020-R-0024](#).

Summary

Some event ticket resellers offer “speculative tickets,” meaning they sell tickets that they do not have in their possession and cannot guarantee they will be able to obtain. Regulators are interested in speculative listings because, among other things, sometimes ticket brokers do not deliver the advertised tickets (i.e., purchasers get a lesser seat or no seat).

According to a Squire Patton Boggs [survey](#) of states' ticket resale laws from January 2020, at least two states prohibit speculative ticket sales under certain circumstances: Nevada prohibits all sales and Arkansas prohibits speculatively listing tickets online before the official ticketing entity makes them available to the public. At least three states require sellers to (1) adequately disclose that they are offering speculative tickets and (2) issue refunds if they do not obtain the advertised ticket. The five speculative ticket laws that we identified are summarized below.

State Laws Regulating Speculative Ticket Sales

Arkansas ([Ark. Code Ann. § 4-70-103](#))

With an exception, Arkansas prohibits internet sales of event tickets before they are placed on sale to the public by the venue or event, or their agent. Under the exception, tickets to sporting or athletic events may be speculatively listed. (Tickets made available by the event host for purchase through fan clubs or other promotions are considered available to the public.)

With the exception of sales benefiting a college, Arkansas also generally prohibits event ticket resales in which the reseller charges more than face value (or the official event host's price) plus a reasonable handling charge or credit card fee ([Ark. Code Ann. § 5-63-201](#)).

Nevada ([Nev. Rev. Stat. Ann. § 598.3979](#))

Nevada prohibits speculative ticket sales. Under Nevada law, one may offer to sell tickets before they are available to the public (including promotional sales and fan clubs) only if permission is granted by the entity which has the initial ownership rights to sell them.

New Jersey ([N.J. Stat. Ann. § 56:8-34](#)) ***and Tennessee*** ([Tenn. Code Ann. § 47-50-119](#))

New Jersey prohibits prospective ticket sales unless certain disclosures are made at the transaction's outset. Resellers must inform the purchaser that they do not have the tickets being sold in their possession and provide (1) an approximate delivery date and (2) the number of tickets that are guaranteed together, including the zone or section number. If speculatively sold tickets cannot be obtained, resellers must refund any deposit within 10 days after the event.

Tennessee's law is very similar, except that it specifies that if the reseller cannot guarantee specific seats at the time of sale, then the seller must inform the purchaser at the transaction's outset.

(New Jersey's law does not apply to nonprofit or political organizations, if proceeds are used for the organization's lawful purpose ([N.J. Stat. Ann. § 56:8-38](#)).)

New York ([N.Y. Arts & Cult. Aff. Law § 25.10](#))

New York regulates speculative ticket sales similarly to New Jersey and Tennessee. New York law requires ticket resellers, before a transaction is completed, to inform prospective purchasers of the terms of the purchase and in a clear and conspicuous manner that the reseller:

1. does not have possession of the ticket,
2. does not have a contractual right to acquire the ticket at a certain price, and
3. may not be able to supply the purchased ticket at the contracted price or price range.

Purchasers must expressly confirm that they have read the disclosure before making the purchase.

Speculatively sold tickets must be refunded within 10 business days of a refund request if the reseller cannot supply the purchased ticket.

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