OLR Bill Analysis sHB 7182 (as amended by House "A")*

AN ACT CONCERNING ENTERTAINMENT EVENT TICKETS.

SUMMARY

This bill makes numerous changes related to entertainment event ticketing.

Regarding contracts with ticket resellers, the bill:

- 1. prohibits a ticket reseller from entering a contract or accepting any payment from a ticket purchaser unless the reseller (a) has the ticket, (b) has a contract to get the ticket, or (c) discloses to the purchaser that the reseller does not have the ticket or a contract to get it and may not be able to get it at a price or within a price range set in the contract with the purchaser; and
- 2. permits contracts requiring a reseller to make best efforts to get a ticket at a price or within a price range by a specified time if the reseller makes similar disclosures.

Regarding disclosure of the total ticket price to an entertainment event and the amount of any service charge, the bill:

- 1. makes minor and technical changes to the types of tickets that are subject to these requirements;
- 2. adjusts the timing of when a price disclosure is required;
- 3. adjusts the time period when a ticket price may not increase;
- 4. requires ticket sellers and resellers to refund the total price of a ticket to a live entertainment event that is cancelled;
- 5. allows the Department of Consumer Protection (DCP) to adopt regulations to implement these provisions; and

6. makes violations of these provisions a Connecticut Unfair Trade Practices Act (CUTPA) violation.

The bill also prohibits anyone who is not acting on behalf of an entertainment event venue from advertising or facilitating the sale or resale of entertainment event tickets on a website domain or subdomain that contains the venue's or event's name, or a substantially similar name.

*<u>House Amendment "A"</u> adds the provisions on ticket resale contracts and websites with domains and subdomains using venue and event names and changes the ticket disclosure and price change provisions by (1) removing provisions that limited their application to certain ticket sellers and resellers and prohibited venue operators from entering exclusive agreements with ticket sellers or resellers and (2) adding provisions on disclosing that a ticket is for resale, dynamic pricing, and timing out of transactions.

EFFECTIVE DATE: October 1, 2025

§ 1 — ENTERTAINMENT EVENT TICKET RESELLER CONTRACTS

The bill prohibits a ticket reseller (a person who advertises or facilitates resale of an entertainment event ticket) from entering contracts with, or accepting consideration as full payment or a deposit from, a purchaser unless the reseller:

- 1. has the ticket;
- has entered a written contract (a) with a person who has the ticket or has a contractual right to get the ticket from the person who has the ticket and (b) that entitles the reseller to get the ticket at the price specified in the contract; or
- 3. at the time of entering the contract with the purchaser or accepting consideration, whichever is earlier, discloses to the purchaser that the reseller does not have the ticket or a written contract to get the ticket as described above and may not be able to provide the ticket at the price or price range set in the reseller's

contract with the purchaser.

The bill does not prevent a reseller from accepting a deposit for an entertainment event ticket under a contract requiring the reseller to make best efforts to get the ticket at a price or within a price range by a specified time if the reseller discloses, at the earlier of the time of entering the contract or accepting the deposit, that the reseller:

- does not have the ticket or a written contract (a) with a person who has the ticket or a contractual right to get the ticket from the person who has the ticket and (b) that entitles the reseller to get the ticket from that person at the price specified in the contract and
- 2. may not be able to provide the ticket at the price or price range set in the contract.

For both of the disclosures described above, if the reseller makes the disclosure orally, the reseller must also give the purchaser a written disclosure within two days of the oral disclosure.

The bill makes a violation of these provisions a CUTPA violation.

§ 2 — WEBSITES USED BY ENTERTAINMENT EVENT TICKET SELLERS AND RESELLERS

The bill prohibits anyone, other than a person acting on behalf of an entertainment event venue, from advertising or facilitating the sale or resale of an entertainment event ticket on a website with a domain or subdomain that contains:

- 1. the entertainment event venue's name;
- 2. the entertainment event's name, such as the name of the person or group performing or appearing at the event; or
- 3. a name substantially similar to the venue's or event's name.

The bill makes a violation of these provisions a CUTPA violation.

§ 3 —TICKET PRICE DISCLOSURES AND PRICE CHANGES

Researcher: CR

Price Disclosure and Price Increases

Generally, the law requires conspicuously disclosing in an advertisement of ticket prices the total price for each ticket and the dollar amount that represents a service charge (an administrative fee, service fee, surcharge, or other fee or charge using substantially similar terms). Individuals and entities facilitating the sale or resale of a ticket must also disclose the total price, as well as the amount of any included service charges.

The bill also requires that the price disclosure be made when the ticket is initially offered for sale or resale to a purchaser, instead of when the ticket is selected for purchase.

Lastly, the law prohibits increasing a ticket price during a specified period of time. Currently, the total price cannot increase beginning when a ticket is selected for purchase and until the ticket is purchased. The bill instead begins this period when the ticket is initially offered for sale or resale to a purchaser.

Price Changes

The bill does not prohibit a ticket price change after a person times out of a transaction without making a purchase. It also does not prohibit dynamic pricing, as long as the price does not increase after the ticket is initially offered to the purchaser and before the person makes a purchase or times out of the transaction, whichever occurs first.

Disclosure that Ticket is for Resale

The bill requires anyone that advertises or facilitates the resale of an entertainment event ticket on a website or online platform primarily intended for reselling these tickets to clearly and conspicuously disclose that the ticket is being resold and its price may differ from the price of the ticket from the event presenter.

The bill requires this disclosure when the ticket is initially offered for sale to a purchaser and the price cannot increase after the initial offer and until the ticket is purchased. As under existing law, a reasonable service charge is allowed for delivery of a nonelectronic ticket.

Live Event Ticket Refunds

For live entertainment events that are cancelled, the bill requires ticket sellers and resellers to refund purchasers their total ticket price within 30 days of the cancellation (excluding any reasonable service charge allowed by law for delivering a nonelectronic ticket). It requires ticket sellers and resellers to clearly and conspicuously disclose this refund requirement to purchasers of live entertainment event tickets before a purchase.

BACKGROUND

CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, impose civil penalties of up to \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$25,000 for a restraining order violation.

Federal Regulation

As of May 12, 2025, a federal regulation makes it an unfair and deceptive practice to offer, display, or advertise the price of a live event ticket or short-term lodging without clearly and conspicuously disclosing the total price. The total price includes all fees, charges, and required ancillary goods or services, but does not include government charges, shipping charges, and optional ancillary goods or services.

The federal regulation does not affect state law except to the extent a state law is inconsistent. A state law is not inconsistent if it provides greater consumer protections (16 C.F.R. 464).

Related Bill

sHB 6858 (File 349), favorably reported by the General Law

Researcher: CR

Committee, contains similar provisions on ticket resale contracts, websites used by ticket sellers, and ticket price disclosures.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute Yea 21 Nay 0 (03/21/2025)