

Carl M. Szabo, Vice President and General Counsel
1401 K St NW, Suite 502
Washington, DC 20005
202-420-7485
www.netchoice.org

February 22, 2023

RE: Support for HB 398 – Empowering Georgia Fans.

NetChoice enthusiastically supports HB 398 and asks for its passage.

HB 398 would modernize Georgia law to ensure that Georgia fans enjoy easy ways to buy, sell, and give away their sports and concert tickets. This bill would help fans and citizens throughout the state enjoy choice, convenience, and competition in the primary and secondary markets for event tickets.

HB 398 aims to maintain consumer protection, choice, and convenience, as well as promote market competition by:

- allowing Georgia fans to freely transfer a ticket to a friend, client, or family member;
- preventing denial of admission to anyone seeking to use a transferable ticket;
- allowing fans to sell tickets they are not going to use;
- enabling fans to choose among competing secondary markets to buy and sell tickets.

The evolution of ticketing technologies and a growing concentration of market power is putting the squeeze on Georgia fans, and that’s why HB 398 is needed now.

Without HB 398, Ticketmaster can limit fans to restricted Tickets.

Increasingly, consumers are facing restrictions on the transferability of the tickets they rightfully purchase. These restrictions are unilaterally dictated by the ticket issuer and may tickets prevent fans from giving away their tickets to friends and family altogether, or more likely, require that all transfer/resale occur through the platform where the tickets were originally purchased.

Ticketmaster has been increasing the use of these restrictions, notably through their “SafeTix” digital ticketing system which requires all transfers to occur through the Ticketmaster app. In fact, Ticketmaster has stated that they intend to sell all of their tickets via “SafeTix” beginning by 2021.

Without HB 398, Ticketmaster can deny citizens and businesses the ability to give away tickets to friends, family, or clients, because the purchaser’s name won’t match the ticketholder’s name.

HB 398 ensures that consumers are empowered in the ticket purchase transaction by allowing them the choice to purchase tickets without transferability restrictions at the original point of sale. HB 398 puts consumers in control, not ticket issuers.

Other states are protecting their fans from restricted tickets

Connecticut,¹ New York,² Colorado,³ Utah,⁴ and Virginia⁵ enacted similar laws to HB 398.

These legislators protected their state's fans' ability to freely transfer, resell, and give away their tickets.

Fans didn't suffer these restrictions when artists perform in Colorado, Connecticut, New York, Utah, or Virginia. These states have laws with the similar protections as those in HB 398.

Big-name acts regularly perform in these states, so there's simply no credibility to any claim that passing HB 398 would discourage concerts from coming to Georgia.

At the same time, Ticketmaster's claims that "the artists made us do it" ring hollow. Ticketmaster's parent company, Livenation, is the leading artist promoter in the world – essentially it's Ticketmaster-Livenation telling the artists to use Ticketmaster and make the tickets non-transferable. And regardless, Georgia lawmakers should stick up for the rights of Georgia fans and protect the free market, not defer to artists from other states.

Now is the Time to Enact HB 398

The primary event ticket marketplace is broken.

Ticketmaster controls more than 70% of the market for ticketing and live events. Ticketmaster controls more than 80% for live concerts.⁶ This is evidence of monopolistic market power.

The "service fees" that Ticketmaster charges continue to increase while quality falls. Evidence of consumer harm.

The hearings before the US Senate Judiciary Committee showed how Ticketmaster and its parent company Livenation used their market power to force venues to only sell through Ticketmaster.⁷ This is evidence of abuse of market power.

Without HB 398 it's going to get worse

Ticketmaster is aggressively expanding its restricted tickets program. This will limit fan choice and could impose a new battery of "convenience fees" just to give a ticket to a friend.

¹ CT Pub Act. 17-28 (2017). "No person shall employ an entertainment event ticketing sales system that fails to give the purchaser an option to purchase tickets that the purchaser may transfer to any party, at any price and at any time, without additional fees and without the consent of the person employing such ticketing system."

² NY Arts & Cult Aff L § 25.30 "[I]t shall be prohibited for any operator of a place of entertainment, or operator's agent, to: (a) restrict by any means the resale of any tickets...(b) deny access to a ticket holder who possesses a resold subscription or season ticket to a performance based solely on the grounds that such ticket has been resold...(c) employ a paperless ticketing system unless the consumer is given an option to purchase paperless tickets that the consumer can transfer at any price, and at any time, and without additional fees, independent of the operator or operator's agent." (emphasis added).

³ Colorado Rev. Stat. § 6-1-718(3) "It is void as against public policy to apply a term or condition to the original sale to the purchaser to limit the terms or conditions of resale... A person or entity, including an operator, that regulates admission to an event shall not deny access to the event to a person in possession of a valid ticket to the event...based solely on the ground that such ticket was resold through a reseller that was not approved by the operator." (emphasis added).

⁴ UT Code §§ 13-54-102 (2019). "(1) Except as provided in Subsection (2), each ticket issued for an event shall be a transferrable ticket."

⁵ VA Stat. §§ 59.1-466.5-.7. "No person that issues tickets for admission to an event shall issue any such ticket solely through a delivery method that substantially prevents the purchaser of the ticket from lawfully reselling the ticket on the Internet ticketing platform of the ticket purchaser's choice... No person shall be discriminated against or denied admission to an event solely on the basis that the person resold a ticket, or purchased a resold ticket, on a specific Internet ticketing platform."

⁶ Florian Ederer, *Did Ticketmaster's Market Dominance Fuel the Chaos for Swifties?*, Yale Insights (Nov. 23, 2022)

⁷ See, *That's the Ticket: Promoting Competition and Protecting Consumers in Live Entertainment*, US Sen. Jud. Cmtee. (Jan. 24, 2023)

Although Ticketmaster may claim they have no plans for such a program, they have spent incredible sums on lobbying to defeat a bill that they claim has no impact on them.

Now is the time to pass HB 398 and help Georgia protect consumers and enable them to enjoy the choice and convenience of an open tickets marketplace and bring Georgia fans the same rights that are enjoyed in many other states.

As a result, we ask for the passage of HB 398.

Sincerely,

Carl Szabo
Vice President and General Counsel, NetChoice