

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL 1407
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Short Title: Resale of Tickets via Internet.

(Public)

Sponsors:

Referred to:

March 26, 2007

A BILL TO BE ENTITLED

AN ACT TO PROTECT CUSTOMERS WHEN PURCHASING TICKETS VIA THE
INTERNET AND TO PROHIBIT THE USE OF SOFTWARE TO UNFAIRLY
PURCHASE TICKETS OVER THE INTERNET.

The General Assembly of North Carolina enacts:

SECTION 1. Article 44 of Chapter 14 of the General Statutes is amended by
adding a new section to read:

"§ 14-344.1. Internet sale of admission tickets in excess of printed price.

(a) Internet Resale. – A person may resell an admission ticket under this section
on the Internet at a price greater than the price on the face of the ticket unless the venue
where the event will occur prohibits the Internet ticket resale as provided under
subsection (b) of this section. To resell an admission ticket under this section, the person
reselling the ticket must offer the ticket for resale on a Web site with a ticket guarantee
that meets the requirements of subsection (c) of this section. A prospective purchaser
must be directed to the guarantee before completion of the resale transaction.

(b) Resale Prohibited. – The venue where an event will occur may prohibit the
resale of admission tickets for the event at a price greater than the price on the face of
the ticket. To prohibit the resale of tickets under this section, the venue must file a
notice of prohibition of the resale of admission tickets for a specified event with the
Secretary of State and must post the notice of prohibition conspicuously on its Web site.
The primary ticket seller for the event must also post the notice conspicuously on its
Web site. A prohibition under this subsection may not become valid until 30 days after
the notice is posted on the venue's Web site. The prohibition expires on December 31 of
each year unless the prohibition is renewed. To renew a prohibition, a venue must renew
its notice of prohibition filed with the Secretary of State and must post the notice as

1 required under this subsection. A venue who files a notice of prohibition must pay a fee
2 in the amount set in G.S. 55-1-22 for filing articles of incorporation. A venue that
3 renews a notice of prohibition must pay a fee in the amount set in G.S. 55-1-22 for
4 filing a paper annual report.

5 (c) Ticket Guarantee. – A person who resells or offers to resell admission tickets
6 under this section must guarantee to the purchaser a full refund of the amount paid for
7 the ticket under each of the following conditions:

8 (1) The ticketed event is cancelled. Reasonable handling and delivery fees
9 may be withheld from the refund price of a cancelled ticketed event if
10 the ticket guarantee on the Web site specifically informs the purchaser
11 that handling and delivery fees will be withheld from the refunded
12 amount.

13 (2) The purchaser is denied admission to the ticketed event. This
14 subdivision does not apply if admission to the ticketed event is denied
15 to the purchaser because of an action or omission of the purchaser.

16 (3) The ticket is not delivered to the purchaser in the manner described on
17 the Web site or pursuant to the delivery guarantee made by the reseller,
18 and the failure results in the purchaser's inability to attend the ticketed
19 event.

20 (d) Student Tickets. – This section does not apply to student tickets issued by
21 institutions of higher education in North Carolina for sporting events."

22 **SECTION 2.** Article 44 of Chapter 14 of the General Statutes is amended by
23 adding a new section to read:

24 **"§ 14-344.2. Prohibition on ticket purchasing software.**

25 (a) Definition. – The term 'ticket seller' means a person who has executed a
26 written agreement with the management of any venue in North Carolina for a sporting
27 event, theater, musical performance, or public entertainment of any kind to sell tickets
28 to the event over the Internet.

29 (b) Unfair Trade Practice. – A person who knowingly sells, gives, transfers, uses,
30 distributes, or possesses software that is primarily designed or produced for the purpose
31 of interfering with the operation of a ticket seller who sells, over the Internet, tickets of
32 admission to a sporting event, theater, musical performance, or public entertainment of
33 any kind by circumventing any security measures on the ticket seller's Web site,
34 circumventing any access control systems of the ticket seller's Web site, circumventing
35 any access control solutions of the ticket seller's Web site, or circumventing any
36 controls or measures that are instituted by the ticket seller on its Web site to ensure an
37 equitable ticket buying process shall be in violation of G.S. 75-1.1. The ticket seller and
38 venue hosting the ticketed event have standing to bring a private right of action under
39 G.S. 75-1.1 for violation of this section.

40 (c) Original Ticket Seller. – A person or firm is not liable under this section with
41 respect to tickets for which the person or firm is the original ticket seller."

42 **SECTION 3.** G.S. 14-344 reads as rewritten:

43 **"§ 14-344. Sale of admission tickets in excess of printed price.**

1 Any person, firm, or corporation shall be allowed to add a reasonable service fee to
2 the face value of the tickets sold, and the person, firm, or corporation which sells or
3 resells such tickets shall not be permitted to recoup funds greater than the combined
4 face value of the ticket, tax, and the authorized service fee. This service fee may not
5 exceed three dollars (\$3.00) for each ticket except that a promoter or operator of the
6 property where the event is to be held and a ticket sales agency may agree in writing on
7 a reasonable service fee greater than three dollars (\$3.00) for the first sale of tickets by
8 the ticket sales agent. This service fee may be a pre-established amount per ticket or a
9 percentage of each ticket. The existence of the service fee shall be made known to the
10 public by printing or writing the amount of the fee on the tickets which are printed for
11 the event. Any person, firm or corporation which sells or offers to sell a ticket for a
12 price greater than the price permitted by this section or as permitted by G.S. 14-344.1
13 shall be guilty of a Class 2 misdemeanor."

14 **SECTION 4.** This act becomes effective August 1, 2008. Section 3 of this
15 act applies to offenses committed on or after that date.