

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

**SENATE BILL 1407
RATIFIED BILL**

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. A person who resells an admission ticket under this section acknowledges liability for the informational report required under subsection (e) of this section.

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

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

- (1) The ticketed event is cancelled. Reasonable handling and delivery fees may be withheld from the refund price of a cancelled ticketed event if the ticket guarantee on the Web site specifically informs the purchaser that handling and delivery fees will be withheld from the refunded amount.
- (2) The purchaser is denied admission to the ticketed event. This subdivision does not apply if admission to the ticketed event is denied to the purchaser because of an action or omission of the purchaser.
- (3) The ticket is not delivered to the purchaser in the manner described on the Web site or pursuant to the delivery guarantee made by the reseller.

and the failure results in the purchaser's inability to attend the ticketed event.

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

(e) Report on Receipts. – A person who resells or offers to resell admission tickets under this section must report each month to the Department of Revenue, under oath, on a form provided by the Department. The report is due by the 10th day after the end of each month and covers the gross receipts received during the previous month from reselling admission tickets to an event or venue in this State. The report must include all of the following:

- (1) The total amount of gross receipts derived from reselling an admission ticket on the Internet to an event or venue in this State. For purposes of this subsection, gross receipts exclude the price printed on the face of the ticket.
- (2) The event for which admission tickets are sold and the venue where the event will occur.
- (3) The person or venue from whom the reseller purchased admission tickets.
- (4) The acquisition price of the admission tickets.
- (5) The price received by the reseller for the admission tickets.
- (6) The name and address of the person to whom the admission ticket is resold, if the purchaser is a reseller.
- (7) Any other information required by the Secretary of Revenue."

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

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

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

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

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

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

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

Any person, firm, or corporation shall be allowed to add a reasonable service fee to the face value of the tickets sold, and the person, firm, or corporation which sells or resells such tickets shall not be permitted to recoup funds greater than the combined face value of the ticket, tax, and the authorized service fee. This service fee may not exceed three dollars (\$3.00) for each ticket except that a promoter or operator of the property where the event is to be held and a ticket sales agency may agree in writing on a reasonable service fee greater than three dollars (\$3.00) for the first sale of tickets by the ticket sales agent. This service fee may be a pre-established amount per ticket or a percentage of each ticket. The existence of the service fee shall be made known to the public by printing or writing the amount of the fee on the tickets which are printed for

the event. Any person, firm or corporation which sells or offers to sell a ticket for a price greater than the price permitted by this section or as permitted by G.S. 14-344.1 shall be guilty of a Class 2 misdemeanor."

SECTION 4. This act becomes effective August 1, 2008, and expires June 30, 2009. The expiration of this act does not relieve a person's liability to file the report required under G.S. 14-344.1(e) for gross receipts received in June 2009. Liability for acts or omissions before the expiration date of this act are not abated or affected by the expiration. Section 3 of this act applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 18th day of July, 2008.

Marc Basnight
President Pro Tempore of the Senate

Joe Hackney
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____ .m. this _____ day of _____, 2008