THIRD SUBSTITUTE HOUSE BILL 1648

State of Washington 68th Legislature 2024 Regular Session

By House Consumer Protection & Business (originally sponsored by Representatives Reeves, Ryu, Berry, Walen, Simmons, Ramel, Orwall, Duerr, Gregerson, Doglio, Stonier, Pollet, and Morgan)

AN ACT Relating to ticket sales; amending RCW 19.345.010, 19.345.020, 43.24.150, and 18.235.020; adding new sections to chapter 3 19.345 RCW; creating new sections; prescribing penalties; and 4 providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 <u>NEW SECTION.</u> Sec. 1. This act may be known and cited as the 7 ticket sales warrant integrity, fairness, and transparency for 8 consumer protection act, or TSWIFT consumer protection act.

9 Sec. 2. RCW 19.345.010 and 2015 c 129 s 2 are each amended to 10 read as follows:

11 The definitions in this section apply throughout this chapter 12 unless the context clearly requires otherwise.

13 (1) "Admission ticket" means evidence of a right of entry to a 14 venue or an entertainment event.

(2) "Affinity group" means an identifiable group of people who
 are members of the same organization, or who are customers of the
 same person, and who enjoy special privileges.

(3) <u>"All-in price" means the total cost of an admission ticket,</u>
 including all fees, which may include, but is not limited to, a

service fee, processing fee, delivery fee, facility fee, and resale
 fee that must be paid to purchase the admission ticket.

3 (4) "Base price" means the dollar value of an admission ticket,
4 which value must reflect the dollar amount that the customer is
5 required to pay, and which excludes any charges, fees, and taxes.

6 7 (5) "Department" means the department of licensing.(6) "Director" means the director of the department of licensing.

8 <u>(7)</u> "Event" means a concert, theatrical performance, sporting 9 event, exhibition, show, or other similar activity held in this 10 state.

11 (((4))) <u>(8)</u> "Initial sale" means the first sale of an admission 12 ticket by the ticket seller. "Initial sale" also includes the 13 distribution of admission tickets under an agreement between the 14 ticket seller and the recipient.

15 (((5))) (9) "Internet domain name" means a globally unique, 16 <u>hierarchical reference to an internet host or server, which is</u> 17 <u>assigned through a centralized internet naming authority, and which</u> 18 <u>is composed of a series of character strings separated by periods</u> 19 <u>with the rightmost string specifying the top of the hierarchy.</u>

20 <u>(10)</u> "Person" means any individual, partnership, corporation, 21 limited liability company, other organization, or any combination 22 thereof.

(((6))) <u>(11)</u> "Place of entertainment" means any privately or publicly owned or operated entertainment facility within this state, such as a theater, stadium, museum, arena, park, racetrack, or other place where concerts, theatrical performances, sporting events, exhibitions, shows, or other similar activities are held and for which an entry fee is charged.

(((7))) <u>(12)</u> "Presale" means a sale of admission tickets at or below the ((price printed on the ticket by)) <u>base price</u>, or with the permission of, a ticket seller, prior to their release to the general public<u>, and which may include an initial sale</u>.

33 (((8))) <u>(13)</u> "Promoter" means a person who organizes financing 34 and publicity for an entertainment event.

35 (((9))) <u>(14) "Resale" means a sale other than the initial sale or</u> 36 presale of an admission ticket.

37 (15) "Ticket resale marketplace" means a person or entity that 38 operates a platform or exchange to facilitate the resale or offering 39 for resale of admission tickets between third parties, which includes 40 platforms or exchanges operating by means of an internet website, 1 application, phone system, or other similar technology, and who does not generally maintain their own ticket inventory, and which may 2 3 include a ticket seller.

(16) "Ticket reseller" means a person or entity that resells or 4 offers for resale admission tickets. 5

6 (17) "Ticket seller" means a person that makes admission tickets available, directly or indirectly, at an initial ((presale or)) sale 7 or presale to the general public, and may include an owner or 8 operator of a place of entertainment, a sponsor or promoter of an 9 event, a sports team participating in an event, a fan club or 10 11 affinity group, a theater company, a musical group, or similar participant in an event, or an employee or agent of any such person. 12

13

EXCLUSIONS

14 <u>NEW SECTION.</u> Sec. 3. (1) Sections 9 and 10 of this act do not 15 apply to:

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(a) Agricultural fairs as provided in RCW 15.76.120;

(b) Public and private K-12 schools; 17

18 (c) Institutions of higher education as defined in RCW 19 28B.92.030;

20 (d) Nonprofit cultural institutions, including accredited zoos 21 and aquariums;

(e) Movie theaters; 22

23 (f) Collegiate athletic teams; and

24 (g) Federally recognized tribes.

(2) Sections 1, 5, 6, 8 through 14, and 19 of this act and RCW 25 26 19.345.010 and 43.24.150 do not apply to:

27 Individual persons who are the original purchaser for (a) personal use of one or more admission tickets to an event covered 28 29 under this chapter, including persons who are the original purchaser 30 for personal use of season tickets to theatrical performances or sporting events; and 31

(b) Individual employees of a ticket seller, ticket reseller, or 32 ticket resale marketplace if the employee is conducting business in 33 34 the name of and under the registration of the registered and licensed ticket seller, ticket reseller, or ticket resale marketplace, and all 35 money received by the employee is collected in the name of the 36 37 registered and licensed ticket seller, ticket reseller, or ticket resale marketplace as required by this chapter. 38

3SHB 1648

1 Sec. 4. RCW 19.345.020 and 2015 c 129 s 3 are each amended to 2 read as follows:

3 (1) A person may not:

(a) Use software to circumvent, thwart, interfere with, or evade
a security measure, access control system, or other control or
measure on a ticket seller's internet website, application, phone
system, or similar technology that is used to enforce posted event
admission ticket purchasing limits or to maintain the integrity of
posted online admission ticket purchasing order rules; or

10 (b) Sell software that is advertised for profit with the express 11 purpose to circumvent, thwart, interfere with, or evade a security 12 measure, access control system, or other control or measure on a 13 ticket seller's internet website, application, phone system, or 14 similar technology that is used to enforce posted event admission 15 ticket purchasing limits or to maintain the integrity of posted 16 online admission ticket purchasing order rules.

17 (2) The use or sale of software as described in subsection (1) of 18 this section only violates this section if the user or seller knows 19 or should know that the purpose of the software is to circumvent, 20 thwart, interfere with, or evade a security measure, access control 21 system, or other control or measure on a ticket seller's internet 22 website, application, phone system, or similar technology that is 23 used to enforce posted event admission ticket purchasing limits or to maintain the integrity of posted online admission ticket purchasing 24 25 order rules.

26 (3) A person may not knowingly resell or offer to resell an 27 admission ticket that was obtained using software to circumvent, 28 thwart, interfere with, or evade a security measure, access control system, or other control or measure on a ticket seller's internet 29 website, application, phone system, or similar technology that is 30 31 used to enforce posted event admission ticket purchasing limits or to 32 maintain the integrity of posted online admission ticket purchasing order rules, and was not obtained for the person's own use or the use 33 of their invitees, employees, or agents. 34

35 <u>(4)</u> The legislature finds that the conduct described in 36 subsections (1) and (3) of this section, and section 13 of this act 37 <u>(speculative tickets)</u> vitally affects the public interest for the 38 purpose of applying the consumer protection act, chapter 19.86 RCW. 39 Using or selling software to circumvent, thwart, or evade a control 40 or measure, which is used on a ticket seller's internet website,

1 <u>application, phone system, or similar technology</u> to ensure an 2 equitable distribution of tickets, is not reasonable in relation to 3 the development and preservation of business and is an unfair or 4 deceptive act in trade or commerce and an unfair method of 5 competition for the purposes of applying the consumer protection act, 6 chapter 19.86 RCW.

7 <u>(5) Ticket sellers have an affirmative obligation to notify the</u> 8 <u>attorney general of the use of software as described in this section.</u>

9 <u>NEW SECTION.</u> Sec. 5. Businesses domiciled outside the state of 10 Washington are subject to Washington law when selling admission 11 tickets to events in this state, regardless of where the buyer and 12 seller are domiciled.

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TICKET SALES LICENSE

14 <u>NEW SECTION.</u> Sec. 6. (1) In order to engage in the business of 15 a ticket seller, ticket reseller, or ticket resale marketplace, a 16 person must:

(a) Apply to the department for a ticket sales license on a form
designated by the department, pay an annual license fee, and renew
the license annually;

(b) Be registered with the department of revenue pursuant to RCW 82.32.030 and, if an ownership entity other than sole proprietor or general partnership, be registered with the secretary of state for a business license to do business in this state; and

24 (c) Comply with the requirements of this chapter and department 25 rules adopted under this chapter.

26 (2) A ticket sales license may only be granted upon an application setting forth such information as the department may 27 28 require. The license must include an endorsement from the department 29 indicating whether the licensee is engaging in the business of a ticket seller, ticket reseller, or ticket resale marketplace. The 30 department must require applicants to disclose in their applications 31 whether the applicant owns, is owned by, or shares common ownership 32 33 with any other ticket seller or ticket reseller.

34 Sec. 7. RCW 43.24.150 and 2017 c 281 s 40 are each amended to 35 read as follows:

1 (1) The business and professions account is created in the state treasury. All receipts from business or professional 2 licenses, 3 registrations, certifications, renewals, examinations, or civil penalties assessed and collected by the department from the following 4 5 chapters must be deposited into the account: 6 (a) Chapter 18.11 RCW, auctioneers; 7 (b) Chapter 18.16 RCW, cosmetologists, barbers, and manicurists; (c) Chapter 18.145 RCW, court reporters; 8 (d) Chapter 18.165 RCW, private investigators; 9 (e) Chapter 18.170 RCW, security guards; 10 11 (f) Chapter 18.185 RCW, bail bond agents; 12 (g) Chapter 18.280 RCW, home inspectors; (h) Chapter 19.16 RCW, collection agencies; 13 (i) Chapter 19.31 RCW, employment agencies; 14 (j) Chapter 19.105 RCW, camping resorts; 15 (k) Chapter 19.138 RCW, sellers of travel; 16 17 (1) Chapter 42.45 RCW, notaries public; 18 (m) Chapter 64.36 RCW, timeshares; (n) Chapter 67.08 RCW, boxing, martial arts, and wrestling; 19 (o) Chapter 18.300 RCW, body art, body piercing, and tattooing; 20 21 (p) Chapter 79A.60 RCW, whitewater river outfitters; 22 Chapter 19.158 RCW, commercial telephone solicitation; (q) 23 ((and)) (r) Chapter 19.290 RCW, scrap metal businesses; and 24 25 (s) Chapter 19.345 RCW, ticket sales. Moneys in the account may be spent only after appropriation. 26 Expenditures from the account may be used only for expenses incurred 27 in carrying out these business and professions licensing activities 28 29 of the department. Any residue in the account must be accumulated and may not revert to the general fund at the end of the biennium. 30 31 However, during the 2013-2015 fiscal biennium the legislature may 32 transfer to the state general fund such amounts as reflect the excess

33 fund balance in the account.

34 (2) The director must biennially prepare a budget request based 35 on the anticipated costs of administering the business and 36 professions licensing activities listed in subsection (1) of this 37 section, which must include the estimated income from these business 38 and professions fees.

<u>NEW SECTION.</u> Sec. 8. In addition to any other duties imposed by
 law, the director has the following powers and duties:

3 (1) To set license and renewal fees in accordance with RCW 4 43.24.086;

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(2) To adopt rules necessary to implement this chapter;

6 (3) To prepare and administer or approve the preparation and 7 administration of licensing under this chapter;

8 (4) To maintain the official department record of applicants and 9 licensees;

10 (5) To set license expiration dates and renewal periods for all 11 licenses consistent with this chapter;

12 (6) To ensure that all informational notices produced by the 13 department regarding statutory and regulatory changes affecting 14 licensees are provided to each licensee in good standing; and

15 (7) To make information available to the department of revenue to 16 assist in collecting taxes from persons and businesses required to be 17 licensed under this chapter.

18

PRICE DISCLOSURES

19 <u>NEW SECTION.</u> Sec. 9. (1) Ticket sellers, ticket resellers, and ticket resale marketplaces may not sell, offer for sale, resell, or 20 offer for resale an admission ticket, including by means of an 21 22 internet website, application, phone system or other technology used to sell tickets, without disclosing to a consumer the total amount 23 24 that the consumer will be charged before the consumer purchases the admission ticket, including any fees which represent a portion of the 25 total amount to be charged. 26

(2) (a) The following disclosures must be made by ticket sellers,
 ticket resellers, and ticket resale marketplaces to a user prior to
 the user selecting a ticket:

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(i) The base price of the admission ticket; and

31 (ii) The all-in price.

32 (b) Disclosures of subtotals, fees, and any other component of an 33 admission ticket purchase price must not be false or misleading, must 34 not be presented more prominently or in the same or larger size as 35 the all-in price, and must be fully disclosed before a user is 36 required to enter login credentials if the user is using a platform 37 or exchange that requires login credentials to complete a purchase. 1 (c) The price of an admission ticket may not increase between 2 selection and purchase, excluding reasonable fees for the delivery of 3 nonelectronic tickets based on the delivery method selected by the 4 purchaser, which must be disclosed prior to acceptance of payment.

5

CONSUMER DISCLOSURES

6 <u>NEW SECTION.</u> Sec. 10. (1) Prior to a user's completion of a 7 purchase of an admission ticket, including by means of an internet 8 website, application, phone system, or other technology used to sell 9 tickets, the following must be disclosed to a user by a ticket 10 seller, ticket reseller, and ticket resale marketplace:

11 (a) The terms of a purchaser's right to cancel the purchase of an 12 admission ticket from the ticket seller or ticket reseller;

13 (b) The refund policy of the ticket seller or ticket reseller 14 should an event be canceled;

15 (c) Whether the ticket seller, ticket reseller, or ticket resale 16 marketplace is owned by, owns, or shares common ownership with 17 another ticket seller or ticket reseller;

18 (d) Whether an admission ticket is transferable, as provided for 19 in section 11 of this act;

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(e) A hyperlink to a copy of the licensee's license;

(f) Contact information to submit a consumer complaint including, but not limited to, information for the Washington state consumer protection division complaint website; and

(g) A statement that Washington state has consumer protections for consumers of admission tickets for events, and where those laws may be found.

(2) If a ticket reseller is owned by, owns, or shares common ownership with a ticket seller, prior to a user's completion of a purchase of an admission ticket the ticket reseller must disclose the following:

(a) Whether admission tickets for an event are still available
 for purchase from the ticket seller with whom the ticket reseller
 shares common ownership, owns, or is owned by; and

34 (b) The base price of the admission ticket available for purchase 35 from that ticket seller.

36

TICKET TRANSFERABILITY

1 NEW SECTION. Sec. 11. (1) A ticket seller may employ a 2 nontransferable admission ticketing system only if the consumer is offered an option at the time of initial sale or presale to purchase 3 same admission ticket in a transferable form that allows 4 the admission tickets to be given away or resold independent of and 5 6 without requiring the consumer to access or log into the ticket 7 seller's website or platform, without penalty or discrimination.

(2) A person may not be penalized, discriminated against, or 8 denied access to an event solely on the grounds that the admission 9 ticket was resold or that the admission ticket was resold on a ticket 10 11 resale marketplace or other admission ticket platform not affiliated with the ticket seller. 12

(3) Nothing in this section prohibits a ticket seller from 13 14 maintaining and enforcing policies with respect to conduct, behavior, or age at entertainment venue, or establish limits on the quantity of 15 16 admission tickets that may be purchased for an event.

17

DECEPTIVE URLS

NEW SECTION. Sec. 12. (1) The website of a ticket seller, 18 19 ticket reseller, or ticket resale marketplace selling admission tickets to an event scheduled at a place of entertainment in this 20 state shall not use an internet domain name or subdomain thereof in 21 22 the website's uniform resource locator that contains any of the 23 following:

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(a) The name of a place of entertainment;

25 (b) The name of an event, including the name of a person or entity scheduled to perform or appear at the event; or 26

27 (c) A name substantially similar to those described in (a) and (b) of this subsection. 28

29 (2) The restriction in subsection (1) of this section does not apply if the ticket seller, ticket reseller, or ticket resale 30 marketplace selling admission tickets to an event scheduled in this 31 state is acting on behalf of the place of entertainment, event, 32 33 person, or entity scheduled to perform or appear at the event.

34

SPECULATIVE TICKET BAN

35 NEW SECTION. Sec. 13. (1) In addition to any other restrictions imposed by the rights holder of an admission ticket, a ticket 36

1 reseller or any affiliate of a ticket reseller shall not resell an 2 admission ticket or advertise an admission ticket for resale unless:

3 (a) (i) The admission ticket is in the possession or constructive
4 possession of the ticket reseller; or

5 (ii) The ticket reseller has a written contract with the rights 6 holder of the admission ticket to obtain the admission ticket; and

7 (b) The ticket reseller discloses to an admission ticket 8 purchaser at the outset of the transaction the information required 9 under subsection (2) of this section, as applicable.

10 (2) The disclosure under subsection (1) of this section must 11 include an approximate delivery date and the number of admission 12 tickets that are guaranteed to be grouped together, including any 13 designation by the venue of an assigned seating zone, section number, 14 or seat number. If the ticket reseller cannot guarantee specific 15 seats, then the ticket reseller must also disclose this fact to an 16 admission ticket purchaser at the outset of the transaction.

17 (3) If a ticket reseller is unsuccessful in securing the 18 tentative tickets contemplated in this section, then the ticket 19 reseller must refund any deposit made by the purchaser of those 20 admission tickets no later than 10 days after the date of the 21 ticketed event.

22

UNIFORM REGULATION OF BUSINESS AND PROFESSIONS ACT

23 <u>NEW SECTION.</u> Sec. 14. The uniform regulation of business and 24 professions act, chapter 18.235 RCW, governs unlicensed practice, the 25 issuance and denial of licenses, and the discipline of licensees 26 under this chapter.

27 Sec. 15. RCW 18.235.020 and 2017 c 281 s 37 are each amended to 28 read as follows:

(1) This chapter applies only to the director and the boards and commissions having jurisdiction in relation to the businesses and professions licensed under the chapters specified in this section. This chapter does not apply to any business or profession not licensed under the chapters specified in this section.

34 (2) (a) The director has authority under this chapter in relation35 to the following businesses and professions:

36 (i) Auctioneers under chapter 18.11 RCW;

1 (ii) Bail bond agents and bail bond recovery agents under chapter 2 18.185 RCW; (iii) Camping resorts' operators and salespersons under chapter 3 19.105 RCW; 4 (iv) Commercial telephone solicitors under chapter 19.158 RCW; 5 6 (v) Cosmetologists, barbers, manicurists, and estheticians under 7 chapter 18.16 RCW; (vi) Court reporters under chapter 18.145 RCW; 8 (vii) Driver training schools and instructors under chapter 46.82 9 RCW; 10 11 (viii) Employment agencies under chapter 19.31 RCW; 12 (ix) For hire vehicle operators under chapter 46.72 RCW; (x) Limousines under chapter 46.72A RCW; 13 (xi) Notaries public under chapter 42.45 RCW; 14 (xii) Private investigators under chapter 18.165 RCW; 15 (xiii) Professional boxing, martial arts, and wrestling under 16 17 chapter 67.08 RCW; 18 (xiv) Real estate appraisers under chapter 18.140 RCW; (xv) Real estate brokers and salespersons under chapters 18.85 19 and 18.86 RCW; 20 21 (xvi) Scrap metal processors, scrap metal recyclers, and scrap 22 metal suppliers under chapter 19.290 RCW; 23 (xvii) Security guards under chapter 18.170 RCW; (xviii) Sellers of travel under chapter 19.138 RCW; 24 25 (xix) Timeshares and timeshare salespersons under chapter 64.36 26 RCW; 27 (xx) Whitewater river outfitters under chapter 79A.60 RCW; (xxi) Home inspectors under chapter 18.280 RCW; 28 29 (xxii) Body artists, body piercers, and tattoo artists, and body art, body piercing, and tattooing shops and businesses, under chapter 30 31 18.300 RCW; ((and)) 32 (xxiii) Appraisal management companies under chapter 18.310 RCW; 33 and (xxiv) Ticket sales under chapter 19.345 RCW. 34 35 (b) The boards and commissions having authority under this 36 chapter are as follows: (i) The state board for architects established in chapter 18.08 37 38 RCW; 39 (ii) The Washington state collection agency board established in 40 chapter 19.16 RCW;

(iii) The state board of registration for professional engineers
 and land surveyors established in chapter 18.43 RCW governing
 licenses issued under chapters 18.43 and 18.210 RCW;

4 (iv) The funeral and cemetery board established in chapter 18.39 5 RCW governing licenses issued under chapters 18.39 and 68.05 RCW;

6 (v) The state board of licensure for landscape architects 7 established in chapter 18.96 RCW; and

8 (vi) The state geologist licensing board established in chapter 9 18.220 RCW.

(3) In addition to the authority to discipline license holders, 10 11 the disciplinary authority may grant or deny licenses based on the 12 conditions and criteria established in this chapter and the chapters specified in subsection (2) of this section. This chapter also 13 governs any investigation, hearing, or proceeding relating to denial 14 of licensure or issuance of a license conditioned on the applicant's 15 16 compliance with an order entered under RCW 18.235.110 by the 17 disciplinary authority.

18 <u>NEW SECTION.</u> Sec. 16. If any provision of this act or its 19 application to any person or circumstance is held invalid, the 20 remainder of the act or the application of the provision to other 21 persons or circumstances is not affected.

22 <u>NEW SECTION.</u> Sec. 17. Sections 3, 5, 6, and 8 through 14 of 23 this act are each added to chapter 19.345 RCW.

24 <u>NEW SECTION.</u> Sec. 18. This act takes effect January 1, 2026.

25 <u>NEW SECTION.</u> Sec. 19. (1) The legislature finds that 26 Washingtonians are proud to support the arts and music and 27 entertainment events; value the opportunity to attend live events; 28 and appreciate the economic benefit these events and venues bring to 29 local communities.

30 (2) The legislature submits that in multiple instances, consumers 31 have had negative ticket sales experiences, including the most recent 32 Taylor Swift concert tour. These concert fans were frustrated at the 33 "nightmare dressed like a daydream" when trying to get access to 34 their favorite artist's live events. When fans felt the ticket sales 35 industry created "bad blood" with consumers, they refused to be told 36 "you need to calm down."

(3) The legislature believes ticket sellers should be "fearless"
 in providing integrity, fairness, and transparency with consumers,
 and therefore, the legislature refuses to "shake it off."

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