

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 1534
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 1534 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require an event operator to disclose the number of tickets available for sale to the general public for an event;
- (2) Prohibit a place of entertainment that is funded by donations, public funds, or is tax exempt from entering into exclusive ticketing contracts; and
- (3) Prohibit ticket sellers from disclosing ticket purchasers' personally identifiable information.

Your Committee received testimony in support of this measure from TicketNetwork. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Department of Enterprise Services and Aloha Group International. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Department of the Attorney General.



Your Committee finds that, in 2018, the United States Government Accountability Office published a report that found ten to thirty percent of tickets for major concerts typically are offered through presales, although for major artists performing at large venues, this figure may be as high as sixty-five percent. In addition to presales, additional tickets were reserved by parties such as the venue, artist, or promoter as "holds", meaning that at the time of the official initial sale of tickets, consumers do not really have a reasonable opportunity to obtain a general on-sale ticket. Your Committee further finds that ticket sellers often exploit or share customer and business partner information with the venue, artist, team, or league without permission from the customer. This measure is intended to protect consumers by requiring greater transparency in the ticket industry.

Your Committee, however, has considered the testimony expressing concerns regarding the prohibition on exclusive ticketing contracts, as certain venues require ticket companies that are willing to take on diverse sizes and types of events. Non-exclusivity would require box office staff to navigate multiple ticket platform hardware and software, creating an untenable workload and potentially comprising customer service. Further, there are a number of practical reasons why it may be difficult for promoters to determine the number of tickets to be sold for an event at the time of original sale.

Your Committee notes that this measure is intended to be limited to those places of entertainment and venues in excess of one thousand seats and believes further clarification and consideration are warranted as this measure moves through the legislative process.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have required disclosure of the number of tickets to be sold;
- (2) Deleting language that would have prohibited exclusive ticketing contracts;



- (3) Clarifying that this measure applies only to places of entertainment that exceed an unspecified number of seats;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1534, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



