



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bills 384 and 385 (as introduced 6-20-19)
Sponsor: Senator Erika Geiss (S.B. 384)
Senator Tom Barrett (S.B. 385)
Committee: Economic and Small Business Development

Date Completed: 10-9-19

CONTENT

Senate Bill 384 would amend Chapter 68 (Public Exhibitions and Entertainment) of the Michigan Penal Code to create definitions for terms used in Senate Bill 385.

Senate Bill 385 would amend Chapter 68 of the Michigan Penal Code to do the following:

- Delete various provisions pertaining to the prohibition of the sale of tickets for admission to a theatre, circus, athletic game, or place of public entertainment or amusement at prices greater than what are printed on the tickets.
- Delete the misdemeanor penalty for violating the provisions described above.
- Prohibit a person from knowingly selling, giving, transferring, using, distributing, or possessing with the intent to distribute software that was primarily designed or produced to interfere with certain ticket sale operations.
- Prohibit a person owning, operating, or controlling a ticket website for an event scheduled at a venue in Michigan from using an internet domain name or subdomain thereof in the ticket website's URL (uniform resource locator) that contained certain information.
- Prohibit a ticket seller from contracting for the sale of tickets or accepting consideration for payment in full or for a deposit for the sale of tickets unless the ticket seller met certain requirements.
- Specify that a person that violated the bill would be guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a maximum fine of \$500, or both.

The bills are tie-barred, and each bill would take effect 90 days after its enactment.

Senate Bill 384

"Ticket website" would mean a website advertising the sale of tickets, offering the sale of tickets, or facilitating a secondary ticket exchange. "Venue" would include a sports venue, concert venue, theatrical venue, club, convention center, fairgrounds, public assembly facility, or mass gathering location. "Internet domain name" would mean a globally unique, hierarchical reference to an internet host or server, which is assigned through a centralized internet naming authority, and which is composed of a series of character strings separated by periods with the rightmost string specifying the top of the hierarchy. "URL" would mean the uniform resource locator for a website on the internet.

Senate Bill 385

Under the Code, a person owning, occupying, managing, or controlling a building, room, park,

or enclosure for the sale of tickets for a theatre, circus, athletic game, or place of public entertainment or amusement, who asks, demands, or receives from a person for the sale of the ticket to that event or place, a price in excess of the general admission advertised or charged for the same privilege, or a person who offers for sale upon a public place or thoroughfare, a ticket to one of those places, at a price in excess of that demanded or received from the general public for the same privilege, or in excess of the advertised or printed rate, must be punished as provided in the Code, except if the request, demand, or receipt is with the written permission of the owner, lessee, operator, or manager of that place where the event occurs. If the owner, lessee, operator, or manager allows a change in excess of the box office price, it must be limited to the sales of tickets at locations other than the box office where the event occurs.

Except as otherwise provided, a person may not establish an agency or suboffice for the sale of a seat ticket of admission to those places at a price greater than the sale of a seat ticket at the box office of those places, or in excess of the advertised price of the seat ticket.

Except as otherwise provided, the owner, lessee, operator, or occupant of a building, room, enclosure, or other place open to the public, who permits a person to sell or exhibit for sale in the building, room, enclosure, or other place open to the public, one or more tickets for a theatre, circus, athletic grounds, or place of public entertainment or amusement, for more than the price printed on the ticket, is liable and guilty equally as the person.

If the owner, lessee, operator, or manager of a circus, theatre, athletic grounds, or place of public entertainment or amusement has sold a ticket or admission to a person, under restrictive conditions and at a less rate than the general admission charged, and whose name appears on the face of the ticket or is registered in the office of the owner, lessee, operator, or managers as the holder of the ticket and if it is printed on the face of the ticket that the ticket is nontransferable and sold only to the person whose name appears on the face of the ticket or is registered, the ticket holder may not sell it to another person. A person who sells the ticket must be punished as provided in the Code.

A person who violates these provisions is guilty of a misdemeanor.

The bill would delete these provisions.

Software; Ticket Interference

Under the bill, a person could not knowingly sell, give, transfer, use, distribute, or possess with the intent to distribute software that was primarily designed or produced for the purpose of interfering with the ticket sale operations of any owner, lessee, operator, or manager of a theatre, circus, athletic grounds, or place of public entertainment or amusement over the internet by circumventing any measures or controls on the seller's website that were instituted to enforce event ticket purchasing limits or to maintain the integrity of online purchasing order rules.

Internet Domain Name; Ticket Website

Except as otherwise provided, a person owning, operating, or controlling a ticket website for an event scheduled at a venue in Michigan could not use an internet domain name or subdomain thereof in the ticket website's URL that contained any of the following:

- The name of the venue.
- The name of the event, including the name of a person or entity scheduled to perform or appear at the event.

-- The name substantially similar to those described above.

This would not apply if the person owning, operating, or controlling a ticket website for an event scheduled in Michigan were acting on behalf of the venue, event, person, or entity scheduled to perform or appear at the event.

Ticket Seller Requirements

A ticket seller could not contract for the sale of tickets or accept consideration for payment in full or for a deposit for the sale of tickets unless he or she met one or more of the following requirements:

- The ticket seller had the ticket in his or her possession.
- The ticket seller had a written contract to obtain the offered ticket at a certain price from a person in possession of the ticket or from a person who had a contractual right to obtain the ticket from the primary contractor.
- The ticket seller informed the purchaser at the time of the contract or receipt of consideration, whichever was earlier, and again in writing within two business days, that the seller did not have possession of the tickets, had no contract to obtain the offered ticket at a certain price from a person in possession of the ticket or from a person who had a contractual right to obtain the ticket from the primary contractor, and would not be able to supply the ticket at the contracted price or range of prices.

These provisions would not prohibit a ticket seller from accepting a deposit from a prospective purchaser as part of an agreement that the ticket seller would make best efforts to obtain a ticket at a specified price or price range and within a specified time, provided that he or she informed the purchaser at the time of the contract or receipt of consideration, whichever was earlier, and again in writing within two business days, of the terms of the deposit agreement, and included in the notices the disclosures otherwise required.

Penalty

A person who violated the bill would be guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a maximum fine of \$500, or both.

Proposed MCL 750.464b (S.B. 384)
MCL 750.465 (S.B. 385)

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

Senate Bill 384

The bill would have no fiscal impact on State or local government.

Senate Bill 385

The bill would have a negative fiscal impact on the State and local government. New misdemeanor arrests and convictions under the bill could increase resource demands on law enforcement, court systems, community supervision, and jails. However, it is unknown how many people would be prosecuted under the bill's provisions. Any additional revenue from imposed fines would go to local libraries.

Fiscal Analyst: Joe Carrasco

SAS\S1920\s384sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.