

102ND GENERAL ASSEMBLY State of Illinois 2021 and 2022 HB5444

Introduced 1/31/2022, by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

815 ILCS 414/1 was 720 ILCS 375/1 815 ILCS 414/1.5 was 720 ILCS 375/1.5 815 ILCS 414/1.7 new 815 ILCS 414/1.9 new 815 ILCS 414/2 was 720 ILCS 375/2

Amends the Ticket Sale and Resale Act. Revises the nomenclature used in the Act. Provides for the regulation of primary sellers and venues (rather than a theater, circus, baseball park, and place of public entertainment or amusement). Provides for resale marketplaces instead of Internet auction sites. Prohibits the restriction of the ability of a purchaser to resell tickets. Provides alternative refund provisions for primary sellers and resale marketplaces that include store credits, time limits, and discounts on future events. Adds a provision concerning refund alternatives for ticket order cancellations and postponements due to events caused by epidemics and pandemics. Changes penalties for violating the Act. Defines terms. Makes other changes.

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1 AN ACT concerning business.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- Section 5. The Ticket Sale and Resale Act is amended by changing Sections 1, 1.5, and 2 and by adding Sections 1.7 and 1.9 as follows:
- 7 (815 ILCS 414/1) (was 720 ILCS 375/1)
- 8 Sec. 1. Sale of tickets other than at box office 9 prohibited; exceptions.
 - (a) It is unlawful for any person, firm or corporation, owner, lessee, manager, trustee, or any of their employees or agents, owning, conducting, managing or operating any theater, circus, sporting event baseball park, or place of public entertainment or amusement where tickets of admission are sold for any such places of amusement or public entertainment (each hereinafter referred to as a "primary seller") to do any of the following:
 - (1) sell or permit the sale, barter or exchange of such admission tickets at any other place than in the box office or on the premises of such theater, circus, sporting event baseball park, or place of public entertainment or amusement (each hereinafter referred to as a "venue"), but nothing herein prevents such primary

seller theater, circus, baseball park, or place of public entertainment or amusement from placing any of its admission tickets for sale at any other place at the same price such admission tickets are sold by such primary seller theater, circus, baseball park, or other place of public entertainment or amusement at its box office or on the premises of such venue places, at the same advertised price or printed rate thereof;

- (2) restrict the ability of a purchaser who has purchased tickets from such primary seller to resell any such tickets (A) independent of such primary seller and any secondary ticket sales marketplace owned or affiliated with such primary seller and (B) on the secondary ticket sales marketplace of the purchaser's choice; or
- (3) sanction or deny admission to an event on the basis that such purchaser resold a ticket, gifted a ticket, or purchased a resold ticket or otherwise discriminate against a purchaser who has resold, gifted, or purchased a resold ticket by: (A) charging any transfer or other fees, regardless of how characterized, for the transfer of a ticket outside of the ticketing system operated by the primary seller, (B) requiring the provision of any data regarding the resale transaction other than data required to validate and fulfill the ticket transfer request, or (C) otherwise impeding the transfer of a ticket through technological obstacles or

1 other means.

- (b) Any term or condition of the original sale of a ticket to any venue theater, circus, baseball park, or place of public entertainment or amusement where tickets of admission are sold that purports to limit the terms or conditions of resale of the ticket (including but not limited to the resale price of the ticket) is unenforceable, null, and void if the resale transaction is carried out by any of the means set forth in subsections (b), (c), (d), and (f-5), and (e) of Section 1.5 of this Act. This subsection shall not apply to a term or condition of the original sale of a ticket to any venue theater, circus, baseball park, or place of public entertainment or amusement where tickets of admission are sold that purports to limit the terms or conditions of resale of a ticket specifically designated as seating in a special section for a person with a physical disability.
- 17 (Source: P.A. 99-78, eff. 7-20-15.)
- 18 (815 ILCS 414/1.5) (was 720 ILCS 375/1.5)
- 19 Sec. 1.5. Sale of tickets at more than face value 20 prohibited; exceptions.
- (a) Except as otherwise provided in subsections (b), (c),

 (d), (e), and (f-5) of this Section and in Section 4, it is

 unlawful for any person, persons, firm or corporation to sell

 tickets for baseball games, football games, hockey games,

 theater theatre entertainments, or any other amusement for a

1	price more than the price printed upon the face of said ticket,
2	and the price of said ticket shall correspond with the same
3	price shown at the box office or the office of original
4	distribution.

- (b) This Act does not apply to the resale of tickets of admission to a <u>venue</u> sporting event, theater, musical performance, or place of public entertainment or amusement of any kind for a price in excess of the printed box office ticket price by a ticket broker who meets all of the following requirements:
 - (1) The ticket broker is duly registered with the Office of the Secretary of State on a registration form provided by that Office. The registration must contain a certification that the ticket broker:
 - (A) engages in the resale of tickets on a regular and ongoing basis from one or more permanent or fixed locations located within this State;
 - (B) maintains as the principal business activity at those locations the resale of tickets;
 - (C) displays at those locations the ticket broker's registration;
 - (D) maintains at those locations a listing of the names and addresses of all persons employed by the ticket broker;
 - (E) is in compliance with all applicable federal, State, and local laws relating to its ticket selling

Τ.	activities, and that helther the ticket broker nor any
2	of its employees within the preceding 12 months have
3	been convicted of a violation of this Act; and
4	(F) meets the following requirements:
5	(i) the ticket broker maintains a toll free
6	number specifically dedicated for Illinois
7	consumer complaints and inquiries concerning
8	ticket sales;
9	(ii) the ticket broker has adopted a code that
10	advocates consumer protection that includes, at a
11	minimum:
12	(a-1) consumer protection guidelines;
13	(b-1) a standard refund policy. In the
14	event a refund is due, the ticket broker shall
15	provide that refund without charge other than
16	for reasonable delivery fees for the return of
17	the tickets; and
18	(c-1) standards of professional conduct;
19	(iii) the ticket broker has adopted a
20	procedure for the binding resolution of consumer
21	complaints by an independent, disinterested third
22	party and thereby submits to the jurisdiction of
23	the State of Illinois; and
24	(iv) the ticket broker has established and
25	maintains a consumer protection rebate fund in
26	Illinois in an amount in excess of \$100,000, which

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1 must be cash available for immediate disbursement 2 for satisfaction of valid consumer complaints.

> Alternatively, the ticket broker may fulfill the requirements of subparagraph (F) of this paragraph (1) if the ticket broker certifies that he or she belongs to a professional association organized under the laws of this State, or organized under the laws of any other state and authorized to conduct business in Illinois, that has been in existence for at least 3 years prior to the date of that broker's registration with the Office of the Secretary of State, and is specifically dedicated, for and on behalf of members, to provide and maintain the consumer its protection requirements of subparagraph (F) of this paragraph (1) to maintain the integrity of the ticket brokerage industry.

- (2) (Blank).
- (3) The ticket broker and his employees must not engage in the practice of selling, or attempting to sell, tickets for any event while sitting or standing near the facility at which the event is to be held or is being held unless the ticket broker or his or her employees are on property they own, lease, or have permission to occupy.
- (4) The ticket broker must comply with all requirements of the Retailers' Occupation Tax Act and collect and remit all other applicable federal, State and local taxes in connection with the ticket broker's ticket

selling activities.

- (5) Beginning January 1, 1996, no ticket broker shall advertise for resale any tickets within this State unless the advertisement contains the name of the ticket broker and the Illinois registration number issued by the Office of the Secretary of State under this Section.
- (6) Each ticket broker registered under this Act shall pay an annual registration fee of \$100.
- (c) This Act does not apply to the sale of tickets of admission to a venue sporting event, theater, musical performance, or place of public entertainment or amusement of any kind for a price in excess of the printed box office ticket price by a reseller engaged in interstate or intrastate commerce on a resale marketplace an Internet auction listing service duly registered with the Office of the Secretary of State on a registration form provided by that Office. "Resale marketplace" means any business, including a website, software application for a mobile device, or any other digital platform, or portion thereof, which facilitates the resale of tickets between sellers and purchasers. This subsection (c) applies to both sales through an online bid submission process and sales at a fixed price on the same website or interactive computer service as an Internet auction listing service.

This subsection (c) applies to resales described in this subsection only if <u>such resales are made through a resale</u>

<u>marketplace that the operator of the Internet auction listing</u>

1	service	meets	the	following	requirements:
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- (1) the operator maintains a listing of the names and addresses of its corporate officers;
- (2) the operator is in compliance with all applicable federal, State, and local laws relating to ticket selling activities, and the operator's officers and directors have not been convicted of a violation of this Act within the preceding 12 months;
- (3) the operator maintains, either itself or through an affiliate, a toll free number dedicated for consumer complaints;
- (4) the operator provides consumer protections that include at a minimum:
 - (A) consumer protection guidelines;
 - (B) a standard refund policy that guarantees to all purchasers that it will provide and in fact provides a full refund of the amount paid by the purchaser (including, but not limited to, all fees, regardless of how characterized) if the following occurs:
 - (i) the ticketed event is cancelled and the purchaser returns the tickets to the seller or Internet auction listing service; however, reasonable delivery fees need not be refunded if the previously disclosed guarantee specifies that the fees will not be refunded if the event is

cancelled;

(ii) the ticket received by the purchaser does not allow the purchaser to enter the ticketed event for reasons that may include, without limitation, that the ticket is counterfeit or that the ticket has been cancelled by the issuer due to non-payment, unless the ticket is cancelled due to an act or omission by such purchaser;

- (iii) the ticket fails to conform to its description on the <u>resale marketplace</u> Internet auction listing service; or
- (iv) the ticket seller willfully fails to send the ticket or tickets to the purchaser, or the ticket seller attempted to deliver the ticket or tickets to the purchaser in the manner required by the resale marketplace Internet auction listing service and the purchaser failed to receive the ticket or tickets, unless such failure of delivery was due to an act or omission of the purchaser; and (C) standards of professional conduct;
- (5) the operator has adopted an independent and disinterested dispute resolution procedure that allows resellers or purchasers to file complaints against the other and have those complaints mediated or resolved by a third party, and requires the resellers or purchasers to submit to the jurisdiction of the State of Illinois for

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(6) the operator either:

- (A) complies with all applicable requirements of the Retailers' Occupation Tax Act and collects and remits all applicable federal, State, and local taxes; or
- (B) publishes a written notice on the website after the sale of one or more tickets automatically informs the ticket reseller of the ticket reseller's potential legal obligation to pay any applicable local amusement tax in connection with the reseller's sale of tickets, and discloses to law enforcement or other government tax officials, without subpoena, the name, city, state, telephone number, e-mail address, user ID history, fraud complaints, and bidding and listing history of any specifically identified reseller or purchaser upon the receipt of a verified request from law enforcement or other government tax officials relating to a criminal investigation or alleged illegal activity; and

(7) the operator either:

(A) has established and maintains a consumer protection rebate fund in Illinois in an amount in excess of \$100,000, which must be cash available for immediate disbursement for satisfaction of valid consumer complaints; or

L	(B) has obtained and maintains in force an errors
2	and omissions insurance policy that provides at least
3	\$100,000 in coverage.

- (d) This Act does not apply to the resale of tickets of admission to a <u>venue</u> sporting event, theater, musical performance, or place of public entertainment or amusement of any kind for a price in excess of the printed box office ticket price conducted at an auction solely by or for a not-for-profit organization for charitable purposes under clause (a) (1) of Section 10-1 of the Auction License Act.
- (e) (Blank). This Act does not apply to the resale of a ticket for admission to a baseball game, football game, hockey game, theatre entertainment, or any other amusement for a price more than the price printed on the face of the ticket and for more than the price of the ticket at the box office if the resale is made through an Internet website whose operator meets the following requirements:
 - (1) the operator has a business presence and physical street address in the State of Illinois and clearly and conspicuously posts that address on the website;
 - (2) the operator maintains a listing of the names of the operator's directors and officers, and is duly registered with the Office of the Secretary of State on a registration form provided by that Office;
 - (3) the operator is in compliance with all applicable federal, State, and local laws relating to its ticket

1	reselling activities regulated under this Act, and the
2	operator's officers and directors have not been convicted
3	of a violation of this Act within the preceding 12 months;
4	(4) the operator maintains a toll free number
5	specifically dedicated for consumer complaints and
6	inquiries regarding ticket resales made through the
7	website;
8	(5) the operator either:
9	(A) has established and maintains a consumer
10	protection rebate fund in Illinois in an amount in
11	excess of \$100,000, which must be cash available for
12	immediate disbursement for satisfaction of valid
13	consumer complaints; or
14	(B) has obtained and maintains in force an errors
15	and omissions policy of insurance in the minimum
16	amount of \$100,000 for the satisfaction of valid
17	<pre>consumer complaints;</pre>
18	(6) the operator has adopted an independent and
19	disinterested dispute resolution procedure that allows
20	resellers or purchasers to file complaints against the
21	other and have those complaints mediated or resolved by a
22	third party, and requires the resellers or purchasers to
23	submit to the jurisdiction of the State of Illinois for
24	complaints involving a ticketed event held in Illinois;
25	(7) the operator either:
26	(A) complies with all applicable requirements of

the Retailers' Occupation Tax Act and collects and remits all applicable federal, State, and local taxes;

(B) publishes a written notice on the website after the sale of one or more tickets that automatically informs the ticket reseller of the ticket reseller's potential legal obligation to pay any applicable local amusement tax in connection with the reseller's sale of tickets, and discloses to law enforcement or other government tax officials, without subpoena, the name, city, state, telephone number, e-mail address, user ID history, fraud complaints, and bidding and listing history of any specifically identified reseller or purchaser upon the receipt of a verified request from law enforcement or other government tax officials relating to a criminal investigation or alleged illegal activity; and

(8) the operator guarantees to all purchasers that it will provide and in fact provides a full refund of the amount paid by the purchaser (including, but not limited to, all fees, regardless of how characterized) if any of the following occurs:

(A) the ticketed event is cancelled and the purchaser returns the tickets to the website operator; however, reasonable delivery fees need not be refunded if the previously disclosed guarantee specifies that

1	the fees will not be refunded if the event is
2	cancelled;
3	(B) the ticket received by the purchaser does not
4	allow the purchaser to enter the ticketed event for
5	reasons that may include, without limitation, that the
6	ticket is counterfeit or that the ticket has been
7	cancelled by the issuer due to non payment, unless the
8	ticket is cancelled due to an act or omission by the
9	purchaser;
10	(C) the ticket fails to conform to its description
11	on the website; or
12	(D) the ticket seller willfully fails to send the
13	ticket or tickets to the purchaser, or the ticket
14	seller attempted to deliver the ticket or tickets to
15	the purchaser in the manner required by the website
16	operator and the purchaser failed to receive the
17	ticket or tickets.
18	Nothing in this subsection (e) shall be deemed to imply
19	any limitation on ticket sales made in accordance with
20	subsections (b), (c), and (d) of this Section or any
21	limitation on sales made in accordance with Section 4.
22	(f) The provisions of subsections (b), (c), \underline{and} (d), and
23	(e) of this Section apply only to the resale of a ticket after
24	the initial sale of that ticket. No reseller of a ticket may
25	refuse to sell tickets to another ticket reseller solely on

26 the basis that the purchaser is a ticket reseller or ticket

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- 1 broker authorized to resell tickets pursuant to this Act.
- 2 (f-5) In addition to the requirements imposed under 3 subsections (b), (c), (d), (e), and (f) of this Section, 4 ticket brokers and resellers must comply with the requirements 5 of this subsection. Before accepting any payment from a 6 purchaser, a ticket broker or reseller must disclose to the 7 purchaser in a clear, conspicuous, and readily noticeable
- 8 manner the following information:
 - (1) the registered name and city of the event venue;
 - (2) that the ticket broker or reseller is not the event venue box office or its licensed ticket agent, but is, instead, a ticket broker or reseller and that lost or stolen tickets may be reissued only by ticket brokers or resellers:
 - (3) whether it is registered under this Act; and
- 16 (4) its refund policy, name, and contact information.

Before selling and accepting payment for a ticket, a ticket broker or reseller must require the purchaser to acknowledge by an affirmative act the disclosures required under this subsection. The disclosures required by this subsection must be made in a clear and conspicuous manner, appear together, and be preceded by the heading "IMPORTANT NOTICE" which must be in bold face font that is larger than the font size of the required disclosures.

Ticket brokers and resellers must guarantee a full refund of the amount paid by the purchaser, including handling and

- delivery fees, if any of the following occurs:
- 2 (1) the ticket received by the purchaser does not
- 3 grant the purchaser admission to the event described on
- 4 the ticket, unless it is due to an act or omission by the
- 5 purchaser;
- 6 (2) the ticket fails to conform substantially to its
- 7 description as advertised; or
- 8 (3) the event for which the ticket has been resold is
- 9 cancelled and not rescheduled.
- 10 This subsection (f-5) does not apply to <u>a resale</u>
- 11 marketplace an Internet auction listing service.
- 12 (g) The provisions of Public Act 89-406 are severable
- under Section 1.31 of the Statute on Statutes.
- 14 (h) The provisions of this amendatory Act of the 94th
- 15 General Assembly are severable under Section 1.31 of the
- 16 Statute on Statutes.
- 17 (Source: P.A. 99-431, eff. 1-1-16; 100-534, eff. 9-22-17.)
- 18 (815 ILCS 414/1.7 new)
- 19 Sec. 1.7. Refund alternative for cancellations and
- 20 postponements of events caused by epidemics and pandemics;
- 21 primary sellers and resale marketplaces.
- 22 (a) This Section applies to ticket orders sold by primary
- 23 sellers and resale marketplaces after January 1, 2023.
- 24 (b) If a ticketed event is canceled and not rescheduled by
- 25 reason of any epidemic or pandemic or any other similar cause

marketplace, any ticket sales refunding requirement set forth in other provisions of this Act do not apply and, as soon as a time period of 45 days has elapsed after the official cancellation of such ticketed event, the ticket purchaser may request full compensation worth at least 100% of the value of the purchaser's ticket order (including all fees, regardless of how characterized) from the entity that directly sold the purchaser the ticket.

(c) If a ticketed event is postponed or rescheduled by reason of any epidemic or pandemic or any other similar cause not under the control of the primary seller or resale marketplace and the original tickets are valid for entry at the time of the rescheduled event, then any purchaser of such tickets shall not be entitled to a refund or other compensation unless and until such ticketed event is canceled. Notwithstanding the foregoing, if a postponed or rescheduled ticketed event is rescheduled by the primary seller on a date that is more than 12 months after the date that such event was originally scheduled to occur, or remains postponed without a rescheduled date announced for a 12-month period following the originally scheduled date of performance, then as soon as the date that is 12 months from the original date of performance of the ticketed event occurs, the ticket purchaser may either:

(1) request full compensation worth at least 100% of the value of the purchaser's ticket order (including all

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- 3 (2) retain and use the valid ticket at the rescheduled event.
- (d) Nothing in this Section shall prevent a primary seller or resale marketplace from offering a full refund of the amount paid to a purchaser upon such purchaser's request at any time if such primary seller or resale marketplace opts to do so.
- 10 (815 ILCS 414/1.9 new)

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- Sec. 1.9. Prohibition of certain ticket purchasing
 software. A person may not knowingly use or sell software to
 circumvent a security measure, access control system, or other
 control or measure used by a primary seller or venue to enforce
 event ticket purchasing limits or to maintain the integrity of
 online ticket purchasing order rules.
- 17 (815 ILCS 414/2) (was 720 ILCS 375/2)
 - Sec. 2. (a) Whoever violates any of the provisions of Section 1, 1.5, 1.7, or 1.9 of this Act shall be guilty of a business offense Class A misdemeanor and may be fined up to \$5,000.00 for each offense and whoever violates any other provision of this Act may be enjoined and be required to make restitution to all injured consumers upon application for injunctive relief by the State's Attorney or Attorney General

- and shall also be guilty of a Class A misdemeanor, and any owner, lessee, manager or trustee convicted under this Act shall, in addition to the penalty herein provided, forfeit the license of such theater theatre, circus, baseball park, or place of public entertainment or amusement so granted and the same shall be revoked by the authorities granting the same.
- (b) (Blank). Tickets sold or offered for sale by a person, firm or corporation in violation of Section 1.5 of this Act may be confiscated by a court on motion of the Attorney General, a State's Attorney, the sponsor of the event for which the tickets are being sold, or the owner or operator of the facility at which the event is to be held, and may be donated by order of the court to an appropriate organization as defined under Section 2 of the Charitable Games Act.
- of an event for which tickets are being sold, or the owner or operator of the facility at which an event is to be held may seek an injunction restraining any person, firm or corporation from selling or offering for sale tickets in violation of the provisions of this Act. In addition, on motion of the Attorney General, a State's Attorney, the sponsor of an event for which tickets are being sold, or the owner or operator of the facility at which an event is to be held, a court may permanently enjoin a person, firm or corporation found guilty of violating Section 1.5 of this Act from engaging in the offer or sale of tickets.

1 (Source: P.A. 99-78, eff. 7-20-15.)