

Sen. Steve Stadelman

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LRB103 38700 SPS 71978 a

1 AMENDMENT TO SENATE BILL 3678 2 AMENDMENT NO. . Amend Senate Bill 3678, AS AMENDED, by replacing everything after the enacting clause with the 3 4 following: "Section 5. The Ticket Sale and Resale Act is amended by 5 6 changing Sections 1.5 and 2 as follows: 7 (815 ILCS 414/1.5) (was 720 ILCS 375/1.5) Sec. 1.5. Sale of tickets at more than face value 8 9 prohibited; exceptions. 10 (a) Except as otherwise provided in subsections (b), (c), (d), (e), and (f-5) of this Section and in Section 4, it is 11 12 unlawful for any person, persons, firm or corporation to sell 13 tickets for baseball games, football games, hockey games, theatre entertainments, or any other amusement for a price 14

more than the price printed upon the face of said ticket, and

the price of said ticket shall correspond with the same price

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1	shown	at	the	box	office	or	the	office	of	original
2	distri	but i	n.							

- (b) This Act does not apply to the resale of tickets of admission to a 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 activities, and that neither the ticket broker nor any of its employees within the preceding 12 months have been convicted of a violation of this Act; and

1	(F) meets the following requirements:
2	(i) the ticket broker maintains a toll free
3	number specifically dedicated for Illinois
4	consumer complaints and inquiries concerning
5	ticket sales;
6	(ii) the ticket broker has adopted a code that
7	advocates consumer protection that includes, at a
8	minimum:
9	(a-1) consumer protection guidelines;
10	(b-1) a standard refund policy. In the
11	event a refund is due, the ticket broker shall
12	provide that refund without charge other than
13	for reasonable delivery fees for the return of
14	the tickets; and
15	(c-1) standards of professional conduct;
16	(iii) the ticket broker has adopted a
17	procedure for the binding resolution of consumer
18	complaints by an independent, disinterested third
19	party and thereby submits to the jurisdiction of
20	the State of Illinois; and
21	(iv) the ticket broker has established and
22	maintains a consumer protection rebate fund in
23	Illinois in an amount in excess of \$100,000, which
24	must be cash available for immediate disbursement
25	for satisfaction of valid consumer complaints.
26	Alternatively, the ticket broker may fulfill the

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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 its members, to provide and maintain the consumer 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

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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 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 an Internet auction listing service duly registered with the Office of the Secretary of State on a registration form provided by that Office. 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 the operator of the Internet auction listing service meets the following requirements:

- (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;

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1	(3) the operator maintains, either itself or through
2	an affiliate, a toll free number dedicated for consumer
3	complaints;
4	(4) the operator provides consumer protections that
5	include at a minimum:
6	(A) consumer protection guidelines;
7	(B) a standard refund policy that guarantees to
8	all purchasers that it will provide and in fact
9	provides a full refund of the amount paid by the
10	purchaser (including, but not limited to, all fees,
11	regardless of how characterized) if the following
12	occurs:
13	(i) the ticketed event is cancelled and the
14	purchaser returns the tickets to the seller or
15	Internet auction listing service; however,
16	reasonable delivery fees need not be refunded if

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;

the previously disclosed guarantee specifies that

the fees will not be refunded if the event is

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1	(iii) the ticket fails to conform to its
2	description on the Internet auction listing
3	service; or
4	(iv) the ticket seller willfully fails to send
5	the ticket or tickets to the purchaser, or the
6	ticket seller attempted to deliver the ticket or
7	tickets to the purchaser in the manner required by
8	the Internet auction listing service and the
9	purchaser failed to receive the ticket or tickets;
10	and
11	(C) standards of professional conduct;
12	(5) the operator has adopted an independent and
13	disinterested dispute resolution procedure that allows
14	resellers or purchasers to file complaints against the
15	other and have those complaints mediated or resolved by a
16	third party, and requires the resellers or purchasers to
17	submit to the jurisdiction of the State of Illinois for
18	complaints involving a ticketed event held in Illinois;
19	(6) the operator either:
20	(A) complies with all applicable requirements of
21	the Retailers' Occupation Tax Act and collects and
22	remits all applicable federal, State, and local taxes;
23	or
24	(B) publishes a written notice on the website

after the sale of one or more tickets that

automatically informs the ticket reseller of the

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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
- (B) has obtained and maintains in force an errors and omissions insurance policy that provides at least \$100,000 in coverage.
- (d) This Act does not apply to the resale of tickets of admission to a 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

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- Section 10-1 of the Auction License Act.
 - (e) 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 reselling activities regulated under this Act, and the operator's officers and directors have not been convicted of a violation of this Act within the preceding 12 months;
 - (4) the operator maintains a toll free number specifically dedicated for consumer complaints and inquiries regarding ticket resales made through the website;
 - (5) the operator either:
 - (A) has established and maintains a consumer

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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

- (B) has obtained and maintains in force an errors and omissions policy of insurance in the minimum amount of \$100,000 for the satisfaction of valid consumer complaints;
- 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 complaints involving a ticketed event held in Illinois;

(7) 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

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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 the fees will not be refunded if the event is cancelled;
 - (B) 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 the purchaser;

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L	(C)	the	ticket	fails	to	conform	to	its	description
2	on the w	rebsi	te; or						

- (D) 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 website operator and the purchaser failed to receive the ticket or tickets.
- Nothing in this subsection (e) shall be deemed to imply any limitation on ticket sales made in accordance with subsections (b), (c), and (d) of this Section or any limitation on sales made in accordance with Section 4.
- (f) The provisions of subsections (b), (c), (d), and (e) of this Section apply only to the resale of a ticket after the initial sale of that ticket. No reseller of a ticket may refuse to sell tickets to another ticket reseller solely on the basis that the purchaser is a ticket reseller or ticket broker authorized to resell tickets pursuant to this Act.
- (f-5) In addition to the requirements imposed under subsections (b), (c), (d), (e), and (f) of this Section, ticket brokers and resellers must comply with the requirements of this subsection. Before accepting any payment from a purchaser, a ticket broker or reseller must disclose to the purchaser in a clear, conspicuous, and readily noticeable manner the following information:
 - (1) the registered name and city of the event venue;

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(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
- (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:

- (1) the ticket received by the purchaser does not grant the purchaser admission to the event described on the ticket, unless it is due to an act or omission by the purchaser;
- (2) the ticket fails to conform substantially to its description as advertised; or
 - (3) the event for which the ticket has been resold is cancelled and not rescheduled.

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1	This	subsection	(f-5)	does	not	apply	to	an	Internet
2	auction l	isting servi	ce.						

- (f-10) A person or entity that does not have actual or constructive possession of an event ticket shall not sell, offer for sale, or advertise for sale the event ticket. Nothing in this subsection shall prohibit any person or entity from offering a service to a consumer to obtain an event ticket on behalf of the consumer, if the person or entity complies with the following:
- (1) does not market or list the service as an event ticket;
 - (2) displays the total price for the service at the time the service is first listed for sale, which includes all applicable required fees (excluding taxes or any fees assessed for the physical delivery of tickets), in any advertisement, marketing, price list, social media promotion, or other interface where a price is displayed for the service, including at the time it is first displayed to the individual and anytime throughout the purchasing process;
 - (3) clearly and conspicuously discloses, prior to selection of the service, that the service is not an event ticket and that the purchase of the service does not quarantee a ticket to the event; and
 - (4) does not obtain more tickets in each transaction than the numerical limitations for tickets set by the

1 venue and artist for each respective event.

2	If the person or entity is unable to obtain the specified
3	event ticket for the consumer, the person or entity shall
4	provide the consumer, within a reasonable amount of time, with
5	a full refund for the total cost of the service to obtain the
6	ticket, including any fees or taxes, or, subject to
7	availability, a replacement event ticket in the same or a
8	comparable location with the approval of the consumer.
9	(f-15) A ticket issuer, ticket broker, or ticket resale
10	marketplace shall not offer for sale an event ticket unless
11	the ticket issuer, ticket broker, or ticket resale
12	<pre>marketplace:</pre>
13	(1) clearly and conspicuously:
14	(A) displays the total event ticket price at the
15	time the ticket is first listed for sale in any
16	advertisement, marketing, price list, social media
17	promotion, or other interface where a price is
18	displayed for the event ticket; and
19	(B) discloses to a consumer who seeks to purchase
20	an event ticket:
21	(i) the total event ticket price at the time
22	the ticket is first displayed to the individual
23	and anytime throughout the ticket purchasing
24	process, and, prior to checkout, shall include an
25	itemized breakdown of the base event ticket price
26	of the event ticket and all applicable event

1	ticket fees and taxes;
2	(ii) the space within the venue that the event
3	ticket entitles the bearer to occupy for the
4	event, whether that is general admission or a
5	specific row or section;
6	(iii) the refund policies and how to obtain a
7	refund, including under what circumstances a full
8	refund will be issued and how to obtain a full
9	refund of the total event ticket price and taxes;
10	(iv) the estimated date and means of delivery
11	for the event ticket; and
12	(v) a link to the full terms and conditions
13	applied by the ticket issuer, ticket broker, or
14	ticket resale marketplace of the event ticket to
15	any individual who seeks to purchase an event
16	ticket prior to purchase.
17	If the event ticket is an electronic ticket, the ticket
18	issuer, ticket broker, or ticket resale marketplace shall
19	deliver written proof of purchase to the purchaser as soon as
20	is practicable, and no later than 24 hours, after the purchase
21	of the event ticket. The written proof of purchase shall
22	include the disclosures required under subparagraph (B).
23	(f-20) As used in this Section:
24	"Base event ticket price" means the price for the sale of
25	the event ticket, exclusive of any taxes or event ticket fees.
26	"Event ticket" means any physical, electronic, or other

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form of a certificate, document, voucher, token, or other 1 2 evidence indicating that a person has the right to be admitted 3 to an event. 4 "Event ticket fee" means a charge that must be paid in 5

addition to the base event ticket price in order to obtain an event ticket from a ticket issuer, secondary market ticket issuer, or secondary market ticket exchange, seller, or reseller, including any service fee, charge and order processing fee, facility charge fee, and any other charge. "Event ticket fee" does not include any charge or fee for an optional product or service associated with the event that may be selected by a purchaser of an event ticket or fees to send physical tickets to a consumer through the mail, including private mail services.

"Optional product or service" means a product or service that an individual does not need to purchase to use or take possession of an event ticket.

"Ticket broker" means any person, including a ticket issuer, that resells or makes a secondary sale of an event ticket to the general public in the regular course of the trade or business of the person.

"Ticket issuer" means any person who makes event tickets available, directly or indirectly, to the general public, and may include:

- (1) the operator of the venue;
- 26 (2) the sponsor or promoter of an event;

1	(3) a	sports	team	participating	in	an	event	or	a
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- (4) a theater company, musical group, or similar 3 participant in an event; and 4
- 5 (5) an agent for any such person.

"Ticket resale marketplace" means a person that operates a 6 7 platform or exchange for the resale of tickets between third 8 parties or between the ticket resale marketplace and a third 9 party. "Ticket resale marketplace" includes a ticket issuer 10 only to the extent the ticket issuer is acting to facilitate the resale of tickets between third parties or between the 11 ticket issuer, acting as a ticket resale marketplace, and a 12 13 third party.

- 14 "Total event ticket price" means the total cost of the 15 event ticket, including the base event ticket price and any event ticket fees but excluding taxes. 16
- (q) The provisions of Public Act 89-406 are severable 17 under Section 1.31 of the Statute on Statutes. 18
- (h) The provisions of this amendatory Act of the 94th 19 20 General Assembly are severable under Section 1.31 of the 21 Statute on Statutes.
- (Source: P.A. 99-431, eff. 1-1-16; 100-534, eff. 9-22-17.) 22
- 23 (815 ILCS 414/2) (was 720 ILCS 375/2)
- 24 Sec. 2. (a) Whoever violates any of the provisions of
- Section 1.5 of this Act, except for subsections (f-10), 25

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- (f-15), and (f-20) of Section 1.5, shall be quilty of a Class A misdemeanor and may be fined up to $$5,000 \frac{$5,000.00}{}$ for each offense, whoever violates subsections (f-10), (f-15), and (f-20) of Section 1.5 may be fined up to \$5,000 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 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) 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.
 - (c) 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 may seek an injunction restraining any person, firm or corporation

- from selling or offering for sale tickets in violation of the 1
- 2 provisions of this Act. In addition, on motion of the Attorney
- 3 General, a State's Attorney, the sponsor of an event for which
- 4 tickets are being sold, or the owner or operator of the
- 5 facility at which an event is to be held, a court may
- permanently enjoin a person, firm or corporation found guilty 6
- of violating Section 1.5 of this Act from engaging in the offer 7
- or sale of tickets.
- (Source: P.A. 99-78, eff. 7-20-15.)". 9