# First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

### **PREAMENDED**

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 23-0482.01 Christopher McMichael x4775

**SENATE BILL 23-060** 

#### SENATE SPONSORSHIP

**Rodriguez and Baisley** 

### **HOUSE SPONSORSHIP**

Daugherty and Lindsay,

Senate Committees
Business, Labor, & Technology

**House Committees** 

Business Affairs & Labor

## A BILL FOR AN ACT

### 101 CONCERNING CONSUMER PROTECTIONS IN EVENT TICKET SALES.

#### **Bill Summary**

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <a href="http://leg.colorado.gov">http://leg.colorado.gov</a>.)

The bill amends consumer protection law regarding ticket sales and resales for events. **Section 1** of the bill amends definitions related to event ticket sales to:

- Specify that a "reseller" includes an event operator who acts as a reseller of event tickets; and
- Define a "rights holder" as a person with initial ownership rights to sell a ticket to an event.

Current law imposes certain restrictions on the resale of tickets.

SENATE rd Reading Unamended March 9, 2023

> SENATE Amended 2nd Reading March 7, 2023

Shading denotes HOUSE amendment.

<u>Double underlining denotes SENATE amendment.</u>

Capital letters or bold & italic numbers indicate new material to be added to existing law.

Dashes through the words or numbers indicate deletions from existing law.

**Section 1** exempts from those ticket resale restrictions tickets to events that are initially offered at no charge or as part of a charitable event or for tickets that are offered in compliance with the "Americans with Disabilities Act".

**Section 1** also allows an event operator to revoke or restrict tickets that are purchased or sold through deceptive trade practices.

**Section 2** specifies that a person engages in deceptive trade practices when, in the course of the person's business, vocation, or occupation, the person:

- Uses computer software or systems that run automated tasks to purchase tickets to events or to circumvent or disable ticket limitation and security measures;
- Displays trademarked, copyrighted, or substantially similar web designs, URLs, or other images and symbols without the consent of the trademark or copyright holder, operator, or rights holder;
- Sells a ticket to an event without disclosing the total cost of the ticket, including the cost of any service charge or other fees that must be paid, or displays service charges and fees less prominently than the total price of the ticket;
- Increases the price of a ticket once the ticket has been selected for purchase, with the exception of adding delivery fees; or
- Advertises, offers for sale, or contracts for the resale of a ticket unless the ticket conforms to its description as advertised, the person has possession or constructive possession of the ticket, and the person has permission from the rights holder.

Section 2 also outlines a civil penalty structure for transactions in which one or more tickets are sold or acquired in a manner that constitutes a deceptive trade practice.

1 Be it enacted by the General Assembly of the State of Colorado:

2 **SECTION 1.** In Colorado Revised Statutes, 6-1-718, amend

3 (1)(a), (1)(d), (1)(e), (1)(f), (1)(g), (2), (3)(b), (4), and (5); and add

4 (1)(c.5), (1)(h), and (3)(c) as follows:

5 6-1-718. Ticket sales and resales - prohibitions - unlawful

6 **conditions - definitions.** (1) As used in this section, unless the context

7 otherwise requires:

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1	(a) Operator ineans a person of entity who that owns, operates,
2	or controls a place of entertainment or who THAT promotes or produces
3	entertainment, and that sells a ticket to an event for original sale,
4	including an employee of such person. or entity.
5	(c.5) "PRIMARY TICKET SELLER" MEANS A PERSON THAT HAS BEEN
6	AUTHORIZED BY AN OPERATOR, AS DEFINED IN SUBSECTION (1)(a) OF THIS
7	SECTION, TO SELL A TICKET TO AN EVENT FOR ORIGINAL SALE.
8	(d) "Purchaser" means a person or entity who THAT purchases a
9	ticket to a place of entertainment.
10	(e) "Resale" or "resold" means a sale, other than the original sale,
11	of a ticket by a person. or entity.
12	(f) "Reseller" means a person or entity that offers or sells RESALE
13	tickets. for resale after the original sale by the operator including an entity
14	that operates a platform or exchange for the purchase and sale of tickets
15	to events that also engages in the purchase and resale of the ticket either
16	on behalf of the operator or on its own behalf if a reseller.
17	(g) "Ticket" means a license issued by the operator of a place of
18	entertainment for admission to an event at the date and time specified on
19	the ticket, subject to the terms and conditions as specified by the operator.
20	"RIGHTS HOLDER" MEANS ANY PERSON THAT HAS THE INITIAL OWNERSHIP
21	RIGHTS TO SELL A TICKET TO AN EVENT FOR WHICH TICKETS FOR ENTRY BY
22	THE PUBLIC ARE REQUIRED.
23	(h) "TICKET" MEANS A LICENSE ISSUED BY THE OPERATOR OF A
24	PLACE OF ENTERTAINMENT FOR ADMISSION TO AN EVENT AT THE DATE
25	AND TIME SPECIFIED ON THE TICKET, SUBJECT TO THE TERMS AND
26	CONDITIONS AS SPECIFIED BY THE OPERATOR.
27	(i) (I) "TICKET RESALE MARKETPLACE" MEANS A PERSON THAT

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1	OPERATES A PLATFORM OR EXCHANGE FOR THE PURCHASE AND RESALE OF
2	TICKETS BETWEEN THIRD PARTIES OR BETWEEN THE TICKET RESALE
3	MARKETPLACE AND A THIRD PARTY.
4	(II) "TICKET RESALE MARKETPLACE" INCLUDES A PRIMARY TICKET
5	SELLER TO THE EXTENT THAT THE PRIMARY TICKET SELLER ALSO
6	FACILITATES THE PURCHASE AND RESALE OF TICKETS BETWEEN THIRD
7	PARTIES.
8	(2) Resellers The Operator, Primary ticket seller, reseller,
9	OR TICKET RESALE MARKETPLACE FROM WHICH A PURCHASER BOUGHT A
10	TICKET shall guarantee a full refund OF THE TICKET to a THE purchaser if:
11	(a) The event for which the ticket was resold is canceled;
12	(b) The ticket does not or would not in fact grant the purchaser
13	admission to the event; for which the ticket was resold;
14	(c) The ticket is counterfeit; or
15	(d) The ticket fails to conform to its description as advertised or
16	as represented to the purchaser. by the reseller.
17	(3) (b) Nothing in this section shall be deemed to prohibit an
18	operator from prohibiting the resale of:
19	(I) A contractual right in a season ticket package agreement that
20	gives the original purchaser a priority or other preference to enter into a
21	subsequent season ticket package agreement with the operator; OR
22	(II) ANY TICKET OR OTHER EVIDENCE OF THE RIGHT OF ENTRY TO
23	ANY PLACE OF ENTERTAINMENT IF THE TICKET OR OTHER EVIDENCE WAS
24	INITIALLY OFFERED:
25	(A) AT NO CHARGE, AND ACCESS TO THE TICKET OR OTHER
26	EVIDENCE IS NOT CONTINGENT UPON PROVIDING ANY FORM OF MONETARY
27	CONSIDERATION;

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1	(B) As part of a charitable event for any benevolent,
2	EDUCATIONAL, PHILANTHROPIC, HUMANE, SCIENTIFIC, PATRIOTIC, SOCIAL
3	WELFARE OR ADVOCACY, PUBLIC HEALTH, ENVIRONMENTAL, CIVIC, OR
4	OTHER ELEEMOSYNARY PURPOSE, OR FOR ANY OBJECTIVE OF LAW
5	ENFORCEMENT OFFICERS, FIREFIGHTERS, OTHER PERSONS WHO PROTECT
6	THE PUBLIC SAFETY, OR VETERANS, OR FOR ANY OBJECTIVE OF
7	SPONSORING THE FREE ATTENDANCE OF PERSONS TO ANY EVENT; OR
8	(C) IN COMPLIANCE WITH THE FEDERAL "AMERICANS WITH
9	DISABILITIES ACT OF 1990", 42 U.S.C. SEC. 12101 ET SEQ., AS AMENDED.
10	(c) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROVIDE
11	LESSER PROTECTIONS FOR INDIVIDUALS WITH DISABILITIES THAN WHAT IS
12	REQUIRED IN PART 8 OF ARTICLE 34 OF TITLE 24 AND BY THE FEDERAL
13	"AMERICANS WITH DISABILITIES ACT OF 1990", 42 U.S.C. SEC 12101 ET
14	SEQ., AS AMENDED.
15	(4) A person, or entity, including an operator, that regulates
16	admission to an event shall not deny access to the event to a person in
17	possession of a valid ticket to the event, OR REVOKE A VALID TICKET TO
18	THE EVENT, regardless of whether the ticket is subject to a subscription or
19	season ticket package agreement, based solely on the ground that such
20	ticket was resold through a reseller OR TICKET RESALE MARKETPLACE that
21	was not approved by the operator.
22	(5) Nothing in this section shall be construed to prohibit an
23	operator from maintaining and enforcing policies regarding conduct or
24	behavior at or in connection with the operator's <u>venue PLACE OF</u>
25	ENTERTAINMENT. An operator may revoke or restrict season tickets for:
26	(a) Reasons relating to a violation of venue policies; and to the
27	extent the operator may deem necessary for

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1	(b) The protection of the safety of patrons; or
2	(c) To address fraud or misconduct.
3	SECTION 2. In Colorado Revised Statutes, amend 6-1-720 as
4	follows:
5	6-1-720. Online event ticket sales - deceptive trade practice -
6	<u>penalties -</u> definitions. (1) <u>A person AN OPERATOR, A PRIMARY TICKET</u>
7	SELLER, A RESELLER, A TICKET RESALE MARKETPLACE, AN INDIVIDUAL, OR
8	ANY OTHER PERSON engages in a deceptive trade practice when, in the
9	course of the person's business, vocation, or occupation, such THE person:
10	(a) Uses or causes to be used a software application that runs
11	automated tasks over the internet to access a computer, computer
12	network, or computer system, or any part thereof OF A COMPUTER,
13	COMPUTER NETWORK, OR COMPUTER SYSTEM, for the purpose of
14	purchasing tickets; in excess of authorized limits for an online event
15	ticket sale with the intent to resell such tickets; or
16	(b) Uses or causes to be used a software application that runs
17	automated tasks over the internet, that circumvents or disables OR USES OR
18	CAUSES TO BE USED MULTIPLE ELECTRONIC MAIL ADDRESSES OR INTERNET
19	SERVICE PROVIDERS, TO CIRCUMVENT OR DISABLE any electronic queues,
20	waiting periods, or other sales volume limitation systems associated with
21	an online event ticket sale;
22	(c) USES OR CAUSES TO BE USED A SOFTWARE APPLICATION THAT
23	RUNS AUTOMATED TASKS OVER THE INTERNET TO CIRCUMVENT OR
24	DISABLE A SECURITY MEASURE, ACCESS CONTROL SYSTEM, OR OTHER
25	TECHNOLOGICAL CONTROL OR MEASURE ON AN INTERNET WEBSITE OR
26	ONLINE SERVICE THAT IS USED BY THE OPERATOR TO FACILITATE
2.7	AUTHORIZED ENTRY INTO AN EVENT

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1	(d) IS AWARE OF THE USE OF SOFTWARE APPLICATIONS FOR EVENT
2	TICKET SALES AS DESCRIBED IN SUBSECTIONS $(1)(a)$ , $(1)(b)$ , AND $(1)(c)$ OF
3	THIS SECTION AND FAILS TO NOTIFY THE ATTORNEY GENERAL OF THE USE
4	OF THOSE SOFTWARE APPLICATIONS;
5	(e) Uses or causes to be used an internet website to
6	DISPLAY A TRADEMARKED OR COPYRIGHTED URL, TITLE DESIGNATION,
7	IMAGE, MARK, OR OTHER SYMBOL WITHOUT THE WRITTEN CONSENT OF THE
8	TRADEMARK OR COPYRIGHT HOLDER;
9	(f) Uses or causes to be used an internet website to display
10	ANY COMBINATION OF TEXT, IMAGES, WEB DESIGNS, OR INTERNET
11	ADDRESSES, WHICH INTERNET WEBSITE IS SUBSTANTIALLY SIMILAR TO THE
12	INTERNET WEBSITE OF AN OPERATOR OR RIGHTS HOLDER, WITHOUT THE
13	WRITTEN CONSENT OF THE OPERATOR OR RIGHTS HOLDER;
14	(g) SELLS A TICKET TO AN EVENT AT A PLACE OF ENTERTAINMENT
15	WITHOUT DISCLOSING THE TOTAL COST OF THE TICKET, INCLUSIVE OF ALL
16	ANCILLARY FEES THAT MUST BE PAID IN ORDER TO PURCHASE THE TICKET,
17	IN THE TICKET LISTING PRIOR TO THE TICKET BEING SELECTED FOR
18	PURCHASE;
19	(h) SELLS A TICKET TO AN EVENT AT A PLACE OF ENTERTAINMENT
20	WITHOUT DISCLOSING THE PORTION OF THE TICKET THAT REPRESENTS A
21	SERVICE CHARGE, OR ANY OTHER FEE OR SURCHARGE FOR THE PURCHASE,
22	IN A CLEAR AND CONSPICUOUS MANNER;
23	(i) Makes a false or misleading disclosure of subtotals,
24	FEES, CHARGES, OR ANY OTHER COMPONENT OF THE TOTAL PRICE OF A
25	TICKET OR PRESENTS SUBTOTALS, FEES, CHARGES, OR OTHER COMPONENTS
26	OF THE TOTAL PRICE OF THE TICKET LESS PROMINENTLY OR IN A FONT SIZE
27	THAT IS SMALLED THAN THE FONT SIZE LISED TO DDESENT THE TOTAL DDICE

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1	OF THE TICKET;
2	(j) Increases the price of a ticket after a purchaser has
3	SELECTED A TICKET FOR PURCHASE; EXCEPT THAT THE PERSON MAY ADD
4	FEES FOR THE DELIVERY OF NONELECTRONIC TICKETS, THE AMOUNT OF
5	WHICH IS BASED UPON THE DELIVERY METHOD SELECTED BY THE
6	PURCHASER, SO LONG AS THE PERSON DISCLOSES THE AMOUNT OF THE
7	DELIVERY FEES PRIOR TO ACCEPTING PAYMENT;
8	(k) Advertises, offers for sale, or contracts for the
9	RESALE OF A TICKET OR ACCEPTS FULL OR PARTIAL CONSIDERATION FOR
10	THE RESALE OF A TICKET, UNLESS:
11	(I) THE TICKET CONFORMS TO ITS DESCRIPTION AS ADVERTISED;
12	(II) (A) THE PERSON HAS POSSESSION OR CONSTRUCTIVE
13	POSSESSION OF THE TICKET; OR
14	(B) THE PERSON HAS A WRITTEN CONTRACT TO OBTAIN THE TICKET
15	AT A CERTAIN PRICE FROM THE RIGHTS HOLDER OF THE TICKET; AND
16	(III) THE RIGHTS HOLDER:
17	(A) HAS MADE THE TICKET AVAILABLE TO THE PUBLIC, INCLUDING
18	THROUGH A PRESALE, FAN CLUB PRESALE, OR ANY OTHER PROMOTIONAL
19	PRESALE EVENT; OR
20	(B) HAS OTHERWISE PROVIDED PERMISSION TO THE PERSON TO
21	ADVERTISE, OFFER FOR SALE, OR CONTRACT FOR THE RESALE OF A TICKET
22	OR TO ACCEPT FULL OR PARTIAL CONSIDERATION FOR THE RESALE OF A
23	TICKET; OR
24	(1) FAILS TO CLEARLY AND CONSPICUOUSLY DISCLOSE ON A
25	WEBSITE BEING UTILIZED FOR THE ORIGINAL SALE OF TICKETS TO AN
26	EVENT:
27	(I) THE TOTAL NUMBER OF TICKETS THAT WILL BE OFFERED FOR

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1	SALE TO THE EVENT NOT LESS THAN ONE DAY BEFORE THE DATE ON WHICH
2	THE TICKETS ARE MADE AVAILABLE FOR SALE;
3	(II) WHETHER ADDITIONAL TICKETS WILL BE MADE AVAILABLE FOR
4	SALE AT A LATER DATE;
5	(III) AN HOURLY UPDATE REGARDING THE NUMBER OF TICKETS
6	STILL AVAILABLE TO THE PUBLIC FOR PURCHASE;
7	(IV) FOR TICKETS DISCLOSED PURSUANT TO SUBSECTION (1)(I)(I)
8	OF THIS SECTION, THE PRICE OF THOSE TICKETS, INCLUDING THE NUMBER
9	AND TOTAL COST OF TICKETS OFFERED AT A SET PRICE; AND
10	(V) THE NUMBER OF TICKETS WITH PRICES THAT WILL FLUCTUATE
11	TO REFLECT MARKET DEMAND.
12	(2) As used in this section, unless the context otherwise requires:
13	(a) "In excess of authorized limits", with regard to an online
14	purchase of tickets, means exceeding a restriction on the number of
15	individual tickets that can be purchased by any single person or
16	circumventing any other terms and conditions of access to an online event
17	ticket sale established by the event sponsor or promoter.
18	(b) "Online event ticket sale" means an electronic system utilized
19	by the OPERATOR, sponsor, or promoter RIGHTS HOLDER of a sporting or
20	entertainment event to sell tickets to such event to the public over the
21	internet.
22	(c) "OPERATOR" HAS THE SAME MEANING AS SET FORTH IN
23	SECTION 6-1-718 (1)(a).
24	(d) "PLACE OF ENTERTAINMENT" HAS THE SAME MEANING AS SET
25	FORTH IN SECTION 6-1-718 (1)(c).
26	(e) "PRIMARY TICKET SELLER" HAS THE SAME MEANING SET FORTH
27	IN SECTION 6-1-718 (1)(c.5).

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1	(f) "RESELLER" HAS THE SAME MEANING SET FORTH IN SECTION
2	<u>6-1-718 (1)(f).</u>
3	(g) "RIGHTS HOLDER" HAS THE SAME MEANING AS SET FORTH IN
4	SECTION $6-1-718$ (1)(g).
5	(h) "TICKET" HAS THE SAME MEANING AS SET FORTH IN SECTION
6	6-1-718 (1)(h).
7	(i) "TICKET RESALE MARKETPLACE" HAS THE SAME MEANING AS
8	SET FORTH IN SECTION $6-1-718$ (1)(i).
9	(j) "URL" MEANS THE UNIFORM RESOURCE LOCATOR ASSOCIATED
10	WITH AN INTERNET WEBSITE.
11	(3) EXCEPT AS PROVIDED IN SUBSECTION (1) OF THIS SECTION, this
12	section shall DOES not prohibit the resale of tickets in a secondary market
13	by a person other than the event OPERATOR, sponsor, or promoter RIGHTS
14	HOLDER.
15	(4) (a) Every ticket Transaction in which one or more tickets
16	IS acquired OR SOLD in violation of this section shall constitute
17	CONSTITUTES a separate violation for purposes of assessing a civil penalty
18	under section 6-1-112 (1)(a) and (1)(b) AND SUBSECTION (4)(b) OF THIS
19	SECTION.
20	(b) NOTWITHSTANDING THE CIVIL PENALTIES SPECIFIED IN SECTION
21	6-1-112 (1)(a) AND (1)(b):
22	(I) THE CIVIL PENALTY FOR A VIOLATION OF THIS SECTION IS AS
23	FOLLOWS:
24	(A) A FINE IN AN AMOUNT OF AT LEAST TEN THOUSAND DOLLARS
25	BUT NOT MORE THAN TWENTY THOUSAND DOLLARS FOR A FIRST
26	VIOLATION;
27	(B) A FINE IN AN AMOUNT OF AT LEAST TWENTY-FIVE THOUSAND

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1	DOLLARS BUT NOT MORE THAN FIFTY THOUSAND DOLLARS FOR A SECOND
2	VIOLATION;
3	(C) A FINE IN AN AMOUNT OF AT LEAST ONE HUNDRED THOUSAND
4	DOLLARS BUT NOT MORE THAN TWO HUNDRED THOUSAND DOLLARS FOR
5	A THIRD VIOLATION; AND
6	(D) A FINE IN AN AMOUNT OF AT LEAST ONE MILLION DOLLARS BUT
7	NOT MORE THAN TWO MILLION DOLLARS FOR A FOURTH OR SUBSEQUENT
8	VIOLATION.
9	(II) THE CIVIL PENALTY FOR A VIOLATION OF A COURT ORDER OR
10	INJUNCTION ISSUED TO ENFORCE THIS SECTION SHALL NOT EXCEED ONE
11	HUNDRED THOUSAND DOLLARS FOR EACH VIOLATION.
12	SECTION 3. Applicability. This act applies to conduct occurring
13	on or after the effective date of this act.
14	SECTION 4. Safety clause. The general assembly hereby finds,
15	determines, and declares that this act is necessary for the immediate
16	preservation of the public peace, health, or safety.

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