

SB3678



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3678

Introduced 2/9/2024, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

815 ILCS 414/1.5

was 720 ILCS 375/1.5

Amends the Ticket Sale and Resale Act. Provides that 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 unless specified conditions are satisfied. A ticket issuer, ticket broker, or ticket reseller shall not offer for sale an event ticket unless the ticket issuer, ticket broker, or ticket reseller makes specified disclosures. Sets forth provisions concerning refunds, if an event is cancelled or postponed, and advertisements. Defines terms.

LRB103 38700 SPS 68837 b

A BILL FOR

1 AN ACT concerning business.

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

4 Section 5. The Ticket Sale and Resale Act is amended by
5 changing Section 1.5 as follows:

6 (815 ILCS 414/1.5) (was 720 ILCS 375/1.5)

7 Sec. 1.5. Sale of tickets at more than face value
8 prohibited; exceptions.

9 (a) Except as otherwise provided in subsections (b), (c),
10 (d), (e), and (f-5) of this Section and in Section 4, it is
11 unlawful for any person, persons, firm or corporation to sell
12 tickets for baseball games, football games, hockey games,
13 theatre entertainments, or any other amusement for a price
14 more than the price printed upon the face of said ticket, and
15 the price of said ticket shall correspond with the same price
16 shown at the box office or the office of original
17 distribution.

18 (b) This Act does not apply to the resale of tickets of
19 admission to a sporting event, theater, musical performance,
20 or place of public entertainment or amusement of any kind for a
21 price in excess of the printed box office ticket price by a
22 ticket broker who meets all of the following requirements:

23 (1) The ticket broker is duly registered with the

1 Office of the Secretary of State on a registration form
2 provided by that Office. The registration must contain a
3 certification that the ticket broker:

4 (A) engages in the resale of tickets on a regular
5 and ongoing basis from one or more permanent or fixed
6 locations located within this State;

7 (B) maintains as the principal business activity
8 at those locations the resale of tickets;

9 (C) displays at those locations the ticket
10 broker's registration;

11 (D) maintains at those locations a listing of the
12 names and addresses of all persons employed by the
13 ticket broker;

14 (E) is in compliance with all applicable federal,
15 State, and local laws relating to its ticket selling
16 activities, and that neither the ticket broker nor any
17 of its employees within the preceding 12 months have
18 been convicted of a violation of this Act; and

19 (F) meets the following requirements:

20 (i) the ticket broker maintains a toll free
21 number specifically dedicated for Illinois
22 consumer complaints and inquiries concerning
23 ticket sales;

24 (ii) the ticket broker has adopted a code that
25 advocates consumer protection that includes, at a
26 minimum:

- 1 (a-1) consumer protection guidelines;
- 2 (b-1) a standard refund policy. In the
3 event a refund is due, the ticket broker shall
4 provide that refund without charge other than
5 for reasonable delivery fees for the return of
6 the tickets; and
- 7 (c-1) standards of professional conduct;
- 8 (iii) the ticket broker has adopted a
9 procedure for the binding resolution of consumer
10 complaints by an independent, disinterested third
11 party and thereby submits to the jurisdiction of
12 the State of Illinois; and
- 13 (iv) the ticket broker has established and
14 maintains a consumer protection rebate fund in
15 Illinois in an amount in excess of \$100,000, which
16 must be cash available for immediate disbursement
17 for satisfaction of valid consumer complaints.

18 Alternatively, the ticket broker may fulfill the
19 requirements of subparagraph (F) of this paragraph (1) if
20 the ticket broker certifies that he or she belongs to a
21 professional association organized under the laws of this
22 State, or organized under the laws of any other state and
23 authorized to conduct business in Illinois, that has been
24 in existence for at least 3 years prior to the date of that
25 broker's registration with the Office of the Secretary of
26 State, and is specifically dedicated, for and on behalf of

1 its members, to provide and maintain the consumer
2 protection requirements of subparagraph (F) of this
3 paragraph (1) to maintain the integrity of the ticket
4 brokerage industry.

5 (2) (Blank).

6 (3) The ticket broker and his employees must not
7 engage in the practice of selling, or attempting to sell,
8 tickets for any event while sitting or standing near the
9 facility at which the event is to be held or is being held
10 unless the ticket broker or his or her employees are on
11 property they own, lease, or have permission to occupy.

12 (4) The ticket broker must comply with all
13 requirements of the Retailers' Occupation Tax Act and
14 collect and remit all other applicable federal, State and
15 local taxes in connection with the ticket broker's ticket
16 selling activities.

17 (5) Beginning January 1, 1996, no ticket broker shall
18 advertise for resale any tickets within this State unless
19 the advertisement contains the name of the ticket broker
20 and the Illinois registration number issued by the Office
21 of the Secretary of State under this Section.

22 (6) Each ticket broker registered under this Act shall
23 pay an annual registration fee of \$100.

24 (c) This Act does not apply to the sale of tickets of
25 admission to a sporting event, theater, musical performance,
26 or place of public entertainment or amusement of any kind for a

1 price in excess of the printed box office ticket price by a
2 reseller engaged in interstate or intrastate commerce on an
3 Internet auction listing service duly registered with the
4 Office of the Secretary of State on a registration form
5 provided by that Office. This subsection (c) applies to both
6 sales through an online bid submission process and sales at a
7 fixed price on the same website or interactive computer
8 service as an Internet auction listing service.

9 This subsection (c) applies to resales described in this
10 subsection only if the operator of the Internet auction
11 listing service meets the following requirements:

12 (1) the operator maintains a listing of the names and
13 addresses of its corporate officers;

14 (2) the operator is in compliance with all applicable
15 federal, State, and local laws relating to ticket selling
16 activities, and the operator's officers and directors have
17 not been convicted of a violation of this Act within the
18 preceding 12 months;

19 (3) the operator maintains, either itself or through
20 an affiliate, a toll free number dedicated for consumer
21 complaints;

22 (4) the operator provides consumer protections that
23 include at a minimum:

24 (A) consumer protection guidelines;

25 (B) a standard refund policy that guarantees to
26 all purchasers that it will provide and in fact

1 provides a full refund of the amount paid by the
2 purchaser (including, but not limited to, all fees,
3 regardless of how characterized) if the following
4 occurs:

5 (i) the ticketed event is cancelled and the
6 purchaser returns the tickets to the seller or
7 Internet auction listing service; however,
8 reasonable delivery fees need not be refunded if
9 the previously disclosed guarantee specifies that
10 the fees will not be refunded if the event is
11 cancelled;

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

19 (iii) the ticket fails to conform to its
20 description on the Internet auction listing
21 service; or

22 (iv) the ticket seller willfully fails to send
23 the ticket or tickets to the purchaser, or the
24 ticket seller attempted to deliver the ticket or
25 tickets to the purchaser in the manner required by
26 the Internet auction listing service and the

1 purchaser failed to receive the ticket or tickets;

2 and

3 (C) standards of professional conduct;

4 (5) the operator has adopted an independent and
5 disinterested dispute resolution procedure that allows
6 resellers or purchasers to file complaints against the
7 other and have those complaints mediated or resolved by a
8 third party, and requires the resellers or purchasers to
9 submit to the jurisdiction of the State of Illinois for
10 complaints involving a ticketed event held in Illinois;

11 (6) the operator either:

12 (A) complies with all applicable requirements of
13 the Retailers' Occupation Tax Act and collects and
14 remits all applicable federal, State, and local taxes;
15 or

16 (B) publishes a written notice on the website
17 after the sale of one or more tickets that
18 automatically informs the ticket reseller of the
19 ticket reseller's potential legal obligation to pay
20 any applicable local amusement tax in connection with
21 the reseller's sale of tickets, and discloses to law
22 enforcement or other government tax officials, without
23 subpoena, the name, city, state, telephone number,
24 e-mail address, user ID history, fraud complaints, and
25 bidding and listing history of any specifically
26 identified reseller or purchaser upon the receipt of a

1 verified request from law enforcement or other
2 government tax officials relating to a criminal
3 investigation or alleged illegal activity; and

4 (7) the operator either:

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

10 (B) has obtained and maintains in force an errors
11 and omissions insurance policy that provides at least
12 \$100,000 in coverage.

13 (d) This Act does not apply to the resale of tickets of
14 admission to a sporting event, theater, musical performance,
15 or place of public entertainment or amusement of any kind for a
16 price in excess of the printed box office ticket price
17 conducted at an auction solely by or for a not-for-profit
18 organization for charitable purposes under clause (a)(1) of
19 Section 10-1 of the Auction License Act.

20 (e) This Act does not apply to the resale of a ticket for
21 admission to a baseball game, football game, hockey game,
22 theatre entertainment, or any other amusement for a price more
23 than the price printed on the face of the ticket and for more
24 than the price of the ticket at the box office if the resale is
25 made through an Internet website whose operator meets the
26 following requirements:

1 (1) the operator has a business presence and physical
2 street address in the State of Illinois and clearly and
3 conspicuously posts that address on the website;

4 (2) the operator maintains a listing of the names of
5 the operator's directors and officers, and is duly
6 registered with the Office of the Secretary of State on a
7 registration form provided by that Office;

8 (3) the operator is in compliance with all applicable
9 federal, State, and local laws relating to its ticket
10 reselling activities regulated under this Act, and the
11 operator's officers and directors have not been convicted
12 of a violation of this Act within the preceding 12 months;

13 (4) the operator maintains a toll free number
14 specifically dedicated for consumer complaints and
15 inquiries regarding ticket resales made through the
16 website;

17 (5) the operator either:

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

23 (B) has obtained and maintains in force an errors
24 and omissions policy of insurance in the minimum
25 amount of \$100,000 for the satisfaction of valid
26 consumer complaints;

1 (6) the operator has adopted an independent and
2 disinterested dispute resolution procedure that allows
3 resellers or purchasers to file complaints against the
4 other and have those complaints mediated or resolved by a
5 third party, and requires the resellers or purchasers to
6 submit to the jurisdiction of the State of Illinois for
7 complaints involving a ticketed event held in Illinois;

8 (7) the operator either:

9 (A) complies with all applicable requirements of
10 the Retailers' Occupation Tax Act and collects and
11 remits all applicable federal, State, and local taxes;
12 or

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

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

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

12 (B) the ticket received by the purchaser does not
13 allow the purchaser to enter the ticketed event for
14 reasons that may include, without limitation, that the
15 ticket is counterfeit or that the ticket has been
16 cancelled by the issuer due to non-payment, unless the
17 ticket is cancelled due to an act or omission by the
18 purchaser;

19 (C) the ticket fails to conform to its description
20 on the website; or

21 (D) the ticket seller willfully fails to send the
22 ticket or tickets to the purchaser, or the ticket
23 seller attempted to deliver the ticket or tickets to
24 the purchaser in the manner required by the website
25 operator and the purchaser failed to receive the
26 ticket or tickets.

1 Nothing in this subsection (e) shall be deemed to imply
2 any limitation on ticket sales made in accordance with
3 subsections (b), (c), and (d) of this Section or any
4 limitation on sales made in accordance with Section 4.

5 (f) The provisions of subsections (b), (c), (d), and (e)
6 of this Section apply only to the resale of a ticket after the
7 initial sale of that ticket. No reseller of a ticket may refuse
8 to sell tickets to another ticket reseller solely on the basis
9 that the purchaser is a ticket reseller or ticket broker
10 authorized to resell tickets pursuant to this Act.

11 (f-5) In addition to the requirements imposed under
12 subsections (b), (c), (d), (e), and (f) of this Section,
13 ticket brokers and resellers must comply with the requirements
14 of this subsection. Before accepting any payment from a
15 purchaser, a ticket broker or reseller must disclose to the
16 purchaser in a clear, conspicuous, and readily noticeable
17 manner the following information:

18 (1) the registered name and city of the event venue;

19 (2) that the ticket broker or reseller is not the
20 event venue box office or its licensed ticket agent, but
21 is, instead, a ticket broker or reseller and that lost or
22 stolen tickets may be reissued only by ticket brokers or
23 resellers;

24 (3) whether it is registered under this Act; and

25 (4) its refund policy, name, and contact information.

26 Before selling and accepting payment for a ticket, a

1 ticket broker or reseller must require the purchaser to
2 acknowledge by an affirmative act the disclosures required
3 under this subsection. The disclosures required by this
4 subsection must be made in a clear and conspicuous manner,
5 appear together, and be preceded by the heading "IMPORTANT
6 NOTICE" which must be in bold face font that is larger than the
7 font size of the required disclosures.

8 Ticket brokers and resellers must guarantee a full refund
9 of the amount paid by the purchaser, including handling and
10 delivery fees, if any of the following occurs:

11 (1) the ticket received by the purchaser does not
12 grant the purchaser admission to the event described on
13 the ticket, unless it is due to an act or omission by the
14 purchaser;

15 (2) the ticket fails to conform substantially to its
16 description as advertised; or

17 (3) the event for which the ticket has been resold is
18 cancelled and not rescheduled.

19 This subsection (f-5) does not apply to an Internet
20 auction listing service.

21 (f-10) A person or entity that does not have actual or
22 constructive possession of an event ticket shall not sell,
23 offer for sale, or advertise for sale the event ticket.
24 Nothing in this subsection shall prohibit any person or entity
25 from offering a service to a consumer to obtain an event ticket
26 on behalf of the consumer, if the person or entity complies

1 with the following:

2 (1) does not market or list the service as an event
3 ticket;

4 (2) lists the price for the service separately from
5 the total event ticket price paid by the service provider
6 for the event ticket in any advertisement, marketing,
7 price list, social media promotion, or other interface
8 that displays a price for the service;

9 (3) clearly and conspicuously discloses, prior to
10 selection of the service, that the service is not an event
11 ticket and that the purchase of the service does not
12 guarantee a ticket to the event; and

13 (4) does not obtain more tickets in each transaction
14 than the numerical limitations for tickets set by the
15 venue and artist for each respective event; and

16 If the person or entity is unable to obtain the specified
17 event ticket for the consumer, the person or entity shall
18 provide the consumer with a full refund for the total cost of
19 the service to obtain the ticket, including any ancillary fees
20 or taxes, or, subject to availability, a replacement event
21 ticket in the same or a comparable location with the approval
22 of the consumer.

23 (f-15) A ticket issuer, ticket broker, or ticket reseller
24 shall not offer for sale an event ticket unless the ticket
25 issuer, ticket broker, or ticket reseller:

26 (1) clearly and conspicuously:

1 (A) displays the total event ticket price in any
2 advertisement, marketing, price list, social media
3 promotion, or other interface that displays a price
4 for the event ticket; and

5 (B) discloses to a consumer who seeks to purchase
6 an event ticket:

7 (i) the total event ticket price at the time
8 the ticket is first displayed to the individual
9 and anytime throughout the ticket purchasing
10 process, including an itemized breakdown of the
11 face value of the event ticket and all applicable
12 taxes and ancillary fees;

13 (ii) the space within the venue that the event
14 ticket entitles the bearer to occupy for the
15 event, whether that is general admission or a
16 specific seat or section;

17 (iii) the refund policies and how to obtain a
18 refund, including under what circumstances a full
19 refund will be issued and how to obtain a full
20 refund of the total cost of the ticket, event
21 ticket fees, ancillary fees, and taxes;

22 (iv) the date and means of delivery for the
23 event ticket;

24 (v) any restrictions on resale of the event
25 ticket under the terms and conditions of the event
26 ticket; and

1 (vi) a link to the full terms and conditions
2 of the event ticket to any individual who seeks to
3 purchase an event ticket prior to purchase.

4 If the event ticket is an electronic ticket, the ticket
5 issuer, ticket broker, or ticket reseller shall deliver
6 written proof of purchase to the purchaser as soon as is
7 practicable, and no later than 24 hours, after the purchase of
8 the event ticket. The written proof of purchase shall include
9 the disclosures required under paragraph (B).

10 (f-20) Notwithstanding any provision of this Section, if
11 an event is canceled or postponed a ticket issuer, ticket
12 broker, or ticket reseller shall provide the consumer, at the
13 option of the purchaser:

14 (1) a full refund for the total cost of the event
15 ticket, including event ticket fees, ancillary fees, and
16 taxes; or

17 (2) subject to availability and the approval of the
18 consumer, if the event is postponed, a replacement event
19 ticket, in the same or a comparable location, once the
20 event has been rescheduled.

21 The refund described in paragraph (1) shall not apply if
22 an event is canceled due to a cause beyond the reasonable
23 control of the event organizer or ticket issuer, including a
24 natural disaster, civil disturbance, or otherwise
25 unforeseeable impediment.

26 (f-25) A ticket issuer, ticket broker, or ticket reseller,

1 or operator of any website purporting to sell or offer for sale
2 event tickets shall not:

3 (1) use any artist name, venue name, or event
4 organizer name or a graphic, marketing logo, image, or
5 other intellectual property of the artist, venue, or event
6 organizer in any promotional materials, social media
7 promotions, or on an Internet website without the prior
8 authorization of the artist, venue, or event organizer;

9 (2) use any name substantially similar to an artist
10 name, venue name, or event organizer name, including a
11 misspelling of the name; or

12 (3) state or imply that the ticket issuer, ticket
13 broker, or ticket reseller, or operator of any website
14 purporting to sell or offer for sale event tickets is
15 affiliated with or endorsed by an artist name, venue name,
16 or event, including by using words such as "official" in
17 promotional materials, social media promotions, search
18 engine optimization, paid advertising, Internet website,
19 without written consent of the venue, team, or artist, as
20 applicable.

21 This subsection does not prohibit a ticket issuer, ticket
22 broker, or ticket reseller from using text containing the name
23 of an artist, venue, or event organizers to describe an event,
24 identify the location where an event will occur, or provide
25 information identifying the space within the venue that an
26 event ticket would entitle the bearer to occupy for an event.

1 (f-30) As used in this Section:

2 "Ancillary fee" means any additional charge added to the
3 face value of an event ticket, excluding taxes.

4 "Artist" means any performer, musician, comedian, athlete,
5 producer, ensemble, or production entity of a theatrical
6 production, sports team owner, or similar individual or entity
7 that contracts with an event organizer to put on an event.

8 "Event ticket" means any physical, electronic, or other
9 form of a certificate, document, voucher, token, or other
10 evidence indicating that a person has a license to enter an
11 event venue or occupy a particular seat or area in an event
12 venue with respect to one or more events or an entitlement to
13 purchase a license with respect to one or more future events.

14 "Event ticket fee" means a charge that must be paid in
15 addition to the face value price of the ticket in order to
16 obtain an event ticket from a ticket issuer, secondary market
17 ticket issuer, or secondary market ticket exchange, seller, or
18 reseller, including any ancillary fee, service fee, charge and
19 order processing fee, delivery fee, facility charge fee, and
20 any other charge. "Event ticket fee" does not include any
21 charge or fee for an optional product or service associated
22 with the event that may be selected by a purchaser of an event
23 ticket.

24 "Face value" means the initial or acquisition price for
25 the primary sale of the event ticket, exclusive of any taxes or
26 ancillary fees.

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

4 "Total event ticket price" means the total cost of the
5 event ticket, including the face value price and any ancillary
6 fees but excluding taxes.

7 (g) The provisions of Public Act 89-406 are severable
8 under Section 1.31 of the Statute on Statutes.

9 (h) The provisions of this amendatory Act of the 94th
10 General Assembly are severable under Section 1.31 of the
11 Statute on Statutes.

12

13 (Source: P.A. 99-431, eff. 1-1-16; 100-534, eff. 9-22-17.)