Assembly Bill 2808

Consumer Choice in Live Event Ticketing

Assemblymember Buffy Wicks (AD-14)

THIS BILL

AB 2808 would expand consumer choice in live entertainment ticketing by increasing competition in the primary ticket market.

BACKGROUND

Most of the live entertainment event ticketing ecosystem is comprised of two online marketplaces; the primary market and the secondary, or resale market. As noted by a 2024 background paper on online ticketing and access to live entertainment by the Assembly Privacy and Consumer Protection Committee, most consumers buy and sell live entertainment event tickets in one of these two spaces. In the primary market, event organizers control the ticket prices, and the sharing of revenue between artists and venue operators. They also decide which ticketing platform will sell the tickets.

In the secondary market, tickets that are purchased in the primary market are resold. The final price a consumer pays in the secondary market can include fees from the platform facilitating the resale, and a price markup by the customer reselling the ticket. In addition to individuals reselling their own tickets, ticket brokers, whose business model relies on their purchase and resale of a large number of tickets, can also sell tickets in the secondary market. While some brokers work with primary ticket sellers, these companies often add costs to consumers by charging prices much higher than a ticket's face value. or the original price the business paid in the primary market.

California has regulated ticket sales of live entertainment events for almost 40 years. The Ticket Sellers Law, first passed in 1986, addresses many topics related to live event ticketing, including upfront disclosure of seat locations, refunds for canceled or rescheduled events, and more recently, the regulation of "bots," or automated software used to purchase tickets in bulk. However, most provisions of the Ticket Sellers Law have not evolved to keep pace with the current online ticket sales ecosystem.

THE ISSUE

While consumers have options to purchase tickets in the primary or secondary marketplaces, there is one company that controls an estimated 80% of primary ticketing, a high percentage of the secondary ticketing market, and approximately 84% of the ticketing for professional basketball, football and hockey teams. This same company owns or has contracts with an estimated 78% of the highest grossing arenas in the United States. Through exclusivity provisions in these contracts, the one company often prohibits the venues they work with from using multiple vendors to sell tickets. In addition, since this company also manages and promotes live shows for an estimated 400 artists, it opts to use its own ticketing platform when contracting with the venues. The monopoly created by the outsized control this one company has over multiple levels of the live entertainment industry has virtually eliminated competition in the primary ticket marketplace. It has also ushered in an anti-consumer environment where fans have less access to live events and pay higher ticket prices when they attend.

SOLUTION

AB 2808 would disrupt the monopoly in the primary ticketing market by prohibiting exclusivity contracts and requiring ticketing enterprise systems, as defined, to establish a uniform set of terms that would allow multiple

ticketing companies to sell primary tickets. This change will increase competition and consumer choice at the initial point of sale. In addition, the bill would help fight bots and fraudulent ticket sales by requiring that every ticket sold or resold by participating retail platforms to be verified by a single source.

The bill would also give consumers control over the tickets they purchase by creating the right for individuals to donate, sell, or give away their tickets at their discretion. In addition, AB 2808 creates a civil penalty of \$2500 per violation that can be assessed and recovered at the state or local level. This allows the California Attorney General, or a local district attorney, city attorney or city prosecutor to seek redress on behalf of consumers when companies violate the provisions of this bill.

AB 2808 will give consumers more options in the primary live entertainment ticketing marketplace by increasing competition at the initial point of sale. This will give consumers a choice about where to buy their tickets, and help reduce the fees they pay on top of the face value of the ticket. It will also give consumers the rights to resell or give away the ticket they buy and it will reduce the prevalence of fraudulent tickets and bots that artificially inflate ticket prices.

SUPPORT

Consumer Federation of California (Sponsor)
California League of United Latin American
Citizens
Hispanic 100
Latin Business Association
Latin Entertainment Network – USA
National Action Network – Sacramento
Si Se Puede, Fresno Tulare Kings & Kern
Central Valley Yemen Society

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