

# Legislative Analysis



## REPEAL BAN ON TICKET SCALPING

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**House Bill 4015 as introduced**  
**Sponsor: Rep. Tim Kelly**  
**Committee: Criminal Justice**

Analysis available at  
<http://www.legislature.mi.gov>

**Complete to 3-6-15**

### SUMMARY:

The bill would repeal the current ban on reselling a ticket for an event at a price higher than face value (scalping) without the express permission of the event's venue. The bill would also increase the maximum term of imprisonment for an event venue that fails to comply with certain event ticket printing requirements. The bill is a reintroduction of House Bill 5018 of the 2013-2015 legislative session.

House Bill 4015 would amend the Michigan Penal Code to eliminate the prohibition on the practice known as scalping (MCL 750.465). Specifically, the bill would delete a provision that prohibits a venue or a ticketholder from selling a ticket to an event at a theatre, circus, athletic game, or place of public entertainment or amusement at a price in excess of the advertised general admission price unless the venue's owner or manager permitted the excess charge in writing.

Also eliminated would be:

- A provision prohibiting a person from establishing an agency or suboffice for the sale of a seat ticket to a theatre, circus, athletic grounds, or place of public entertainment or amusement at a price greater than at the box office of the venue for that ticket.
- A provision making the owner or manager of a venue who allowed a person to sell tickets on the grounds of that venue for an inflated price other than lawfully allowed as liable and guilty as the person scalping the tickets.
- A provision prohibiting a person from selling a nontransferable ticket that contains the name of the person who originally bought the ticket.

The bill would retain a provision that requires certain information to be printed on each ticket (e.g., the price of the ticket; the number of the seat, if seats are numbered; and any ticket surcharge if bought other than at the venue's box office, along with a statement that the surcharge could be avoided by purchasing the ticket at the box office of the venue where the event will be held.)

Currently, a violation of any of the anti-scalping provisions is a misdemeanor, but a specific penalty is not listed. In such a case, the default penalty is a maximum term of imprisonment of 90 days and/or a fine of not more than \$500. Under the bill, the penalty would only apply to noncompliance with certain event ticket printing requirements as described above.

The bill would retain the maximum fine amount of \$500 but the maximum term of imprisonment would be increased from 90 days to 93 days. (By increasing the penalty to 93 days, the bill will trigger certain fingerprint and record retention requirements by the Department of State Police.)

## **FISCAL IMPACT:**

Depending on the number of people actually charged in the past under provisions that are being eliminated, the bill could result in a decrease in costs for local units of government related to county jails and/or local misdemeanor probation supervision. The costs of local incarceration in county jails and local misdemeanor probation supervision vary by jurisdiction. There could also be a decrease in penal fine revenues, which would decrease funding for local libraries, which are the constitutionally-designated recipients of those revenues.

Retaining the requirement that certain information to be printed on tickets, and increasing the maximum jail time for noncompliance, could result in future misdemeanor convictions. Future convictions could increase costs related to county jails and/or local misdemeanor probation supervision. Again, the costs of local incarceration in a county jail and local misdemeanor probation supervision vary by jurisdiction. Any increase in penal fine revenues would increase funding for local libraries.

In addition, the bill would likely have no significant fiscal impact on state and local law enforcement agencies. The Michigan State Police doesn't have data on the number of arrests for violating any facets of MCL 750.465, suggesting that any such violations (where the law is enforced) might have been written under local ordinance rather than state law or under other related laws, such as those for disorderly conduct. Anecdotally, it doesn't appear that the prohibition against ticket scalping (especially in cases where the tickets are initially obtain through legitimate means) is enforced to any great degree. The scalping of tickets obtained through illegitimate means (i.e. stolen) would still involve an illegal act and could still be prosecuted under separate statutory provisions.

The bill also increases the penalties for failing to adhere to the ticket printing requirements to a 93-day misdemeanor. This change would trigger certain fingerprinting requirements under 1925 PA 289 (MCL 28.243), requiring fingerprints and other biometric data to be taken by local law enforcement and forwarded to the Michigan State Police. That data is then forwarded by MSP to the FBI. This provision would likely have no material fiscal impact on MSP. As noted above, MSP doesn't have any records of violations of MCL 750.465, including the ticket printing provision.

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