

Legislative Analysis



EVENT ONLINE TICKET SALES ACT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5661 as introduced
Sponsor: Rep. Mike McFall

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

House Bill 5662 as introduced
Sponsor: Rep. Graham Filler

Committee: Regulatory Reform
Complete to 6-10-24

SUMMARY:

House Bill 5661 would create a new act, the Event Online Ticket Sales Act, which would prohibit a *person* from using or creating a *bot* to do any of the following:

- Purchase a number of *tickets* for an *entertainment event* in excess of the *ticket limit*.
- Use multiple internet protocol (IP) addresses, purchaser accounts, or email addresses to purchase a number of tickets for an entertainment event in excess of the ticket limit.
- Circumvent or disable an electronic queue, waiting period, presale code, or other sales volume limitation system associated with an online ticket sale.
- Circumvent or disable a security measure, access control system, or other control or measure that is used to validate that a ticket is not fraudulent.

Person would mean any of the following:

- An individual.
- A sole proprietorship, partnership, association, corporation, limited liability company, or other legal entity.
- Any combination of the above.

Bot would mean an automated software application programmed to perform automatic and repetitive tasks and designed to impersonate or replicate human activity online.

Ticket would mean a physical, electronic, or other form of a certificate, voucher, document, token, or other evidence indicating that the person entitled to possession through purchase or otherwise has a right to enter a place for an entertainment event at the date and time specified on the ticket.

Entertainment event would mean a concert, theatrical performance, sporting event, exhibition, show, or similar scheduled activity held in Michigan that meets all of the following:

- Is open to the public.
- Is held in a public or private venue.
- Charges an admission fee to attend.

Ticket limit would mean the posted limit stating the number of tickets a person may purchase for a specific entertainment event during an online ticket sale.

House Bill 5662 would create a new act to prescribe sanctions for violating the Event Online Ticket Sales Act (HB 5661) and require the attorney general to investigate claims of violations.

Specifically, a person that violates that act would be subject to a civil fine of up to \$5,000 for each ticket acquired as part of the violation, which would be deposited into the general fund.

The attorney general could bring a civil action to restrain or enjoin a person found to be in the process of violating that act from continuing to violate it. In addition, a civil action could be brought to collect the civil fine described above and recover restitution.

A person that violates a court order or injunction to enforce that act would also be subject to a civil fine of up to \$5,000.

Finally, the court could allow the attorney general to recover reasonable costs and attorney fees incurred in an action resulting in the imposition of a civil fine under the bill.

The bills are tie-barred together and would not take effect unless both are enacted

FISCAL IMPACT:

House Bills 5661 and 5662 would result in marginal revenue increases from deposits to the state general fund from the collection of civil fines, of up to \$5,000 per ticket, from violations of HB 5661. Actual revenue would depend on the number of violations, level of enforcement, and per-ticket fine imposed on violators. The bills would have no fiscal impact on the Department of Attorney General related to investigating and prosecuting violators.

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