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Senate Bills 158 and 159 (Substitute S-1 as reported)

Sponsor: Senator Mary Cavanagh (S.B. 158) Senator John N. Damoose (S.B. 159)

Committee: Finance, Insurance, and Consumer Protection

CONTENT

<u>Senate Bill 158 (S-1)</u> would enact the "Event Online Ticket Sales Act" to prohibit a person from using or creating a bot to circumvent or disable a measure used to enforce ticket purchase limits, enforce order within ticket sales, or validate authentic event tickets.

A person that violated the Act would be subject to a civil fine of up to \$5,000, which would have to be deposited into the General Fund. Each ticket transaction in which a ticket was acquired in violation of the Act would constitute a separate violation for the purpose of assessing a civil fine. Additionally, a person that violated a court order or injunction issued to enforce the Act would be subject to a civil fine of up to \$5,000.

<u>Senate Bill 159 (S-1)</u> would enact a new law to prescribe a civil fine of up to \$5,000 for each violation of the proposed "Event Online Ticket Sales Act" and allow the Attorney General (AG) to bring a civil action against violations of the Act.

BRIEF RATIONALE

According to testimony, ticket prices for live events have risen significantly due to bots quickly buying up large quantities of tickets, reducing the opportunities for human customers to purchase these tickets directly. The bot-bought tickets are often sold on a secondary market at prices that most consumers cannot meet. Some have argued that live events are large drivers of economic activity and that bots should not be allowed in the ticket purchasing process.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

Senate Bills 158 and 159 are respectively reintroductions of House Bills 5661 and 5662 from the 2023-2024 Legislative Session. House Bills 5661 and 5662 passed the House and were referred to the Senate Committee on Finance, Insurance, and Consumer Protection but received no further action.

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bills would not have a fiscal impact on the AG, and no fiscal impact is anticipated for local units of government. The bills would empower the AG to enforce the "Event Online Ticket Sales Act", which could create expenses for the AG; however, the bills also would allow the AG to recover costs for these litigious expenses. The bills also could generate revenue for the State's General Fund in the form of civil fines at a rate of \$5,000 per violation. It is unknown how much revenue this would generate for the State.

Date Completed: 6-16-25 Fiscal Analyst: Michael Siracuse

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Bill Analysis @ sfa.senate.michigan.gov/

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.