SYNOPSIS
Establishes requirements for ticket brokers concerning the resale of tickets of admission to places of entertainment.

CURRENT VERSION OF TEXT
As introduced.
AN ACT concerning the resale of tickets of admission to places of

BE IT ENACTED by the Senate and General Assembly of the State
of New Jersey:

1. Section 1 of P.L.1983, c.135 (C.56:8-26) is amended to read as
follows:

a. "Director" means the director of the Division of Consumer
Affairs in the Department of Law and Public Safety.
b. "Division" means the Division of Consumer Affairs in the
Department of Law and Public Safety.
c. "Person" means corporations, companies, associations, societies,
          firms, partnerships and joint stock companies as well as individuals.
d. "Place of entertainment" means any privately or publicly owned
       and operated entertainment facility within [the] this State [of New
       Jersey], such as a theater, stadium, museum, arena, racetrack or other
place where performances, concerts, exhibits, games or contests are
held and for which an entry fee is charged.
e. "Ticket" means any piece of paper which indicates that the
     bearer has paid for entry or other evidence which permits entry to a
place of entertainment.
f. "Ticket [agent] broker" means any person situated in and
operating in this State who is involved in the business of selling or
reselling tickets of admission to places of entertainment and who
charges a premium in excess of the price, plus taxes, printed on the
tickets.
g. "Resale" means a sale by a person other than the owner or
operator of a place of entertainment or of the entertainment event or
an agent of any such person.
h. "Resell" means to offer for resale or to consummate a resale.
i. "Digger" means a person temporarily hired for the purpose of
securing tickets by intimidating a purchaser waiting in line to procure
event tickets.

2. Section 2 of P.L.1983, c.135 (C.56:8-27) is amended to read as
follows:

a. Owning, operating or maintaining [an] a permanent office,
branch office, bureau, agency, or other place of business, not including
a post office box, for the purpose of reselling tickets [in this State; and]

b. Obtaining a [license] certificate of registration to resell or
engage in the business of reselling tickets from the director;

c. Listing the ticket broker's registration number in any form of
advertisement or solicitation in which tickets are being sold for the
purpose of purchase by the general public for events in this State;

d. Maintaining records of ticket sales, deposits and refunds for a
period of not less than two years from the time of any of these
transactions;

e. Disclosing to the purchaser, by means of verbal description or
a map, the location of the seats represented by the tickets;

f. Disclosing to the purchaser the cancellation policy of that
broker;

g. Disclosing that a service charge is added by the ticket broker to
the stated price on the tickets and is included by the broker in any
advertisement or promotion for an event;

h. Disclosing to the purchaser, whenever applicable, that the ticket
broker has a guarantee policy. If a ticket broker guarantees delivery
of tickets to a purchaser and fails to deliver the tickets, the ticket
broker shall provide a full refund for the cost of the tickets and pay a
penalty, determined by the director, for each failure to deliver,
provided that the penalty shall not exceed the quoted price of the
tickets, or $500, whichever is less;

i. Disclosing to the purchaser of tickets when he is utilizing a
tentative order policy, popularly known as a "try and get." When a
ticket broker fails to obtain tickets on a "try and get" basis, the broker
shall refund any deposit made by a purchaser of those tickets within a
reasonable time, as shall be determined by the director;

j. When guaranteeing tickets in conjunction with providing a tour
package, a ticket broker who fails to provide a purchaser with those
tickets shall refund fully the price of the tour package and tickets and
pay a penalty, determined by the director, which shall not exceed
$1,000; and

k. Providing to a purchaser of tickets who cancels an order a full
refund for the cost of the tickets less shipping charges, if those tickets
are returned to the broker within three days after receipt; provided,
that when tickets are purchased within seven days of an event, a
refund shall be given only if the tickets are returned within one day of
receipt; and further provided, that no refund shall be given on any
tickets purchased within six days of an event unless the ticket broker
is able to resell the tickets.

(cf: P.L.1983, c.220, s.2)
3. Section 3 of P.L.1983, c.135 (C.56:8-28) is amended to read as follows:

   a. The division shall prepare and furnish to applicants for [licenses] registration application forms and requirements prescribed by the director pertaining to the applications for and the [issuances] issuance of [licenses] certificates of registration to ticket brokers.

   b. Every applicant for a [license] certificate of registration to engage in the business of reselling tickets as a ticket broker shall file [his] a written application with the division on the form furnished by, and consistent with, the regulations prescribed by the director.

   c. Each application shall be accompanied by a fee [which shall be determined by the director] of $200, and a description of the location where the applicant proposes to conduct his business.

   d. Every applicant for a certificate of registration to engage in the business of reselling tickets shall provide information in a form satisfactory to the director demonstrating that the applicant is a member in good standing of a ticket broker association that has been in existence for at least one year.

4. Section 4 of P.L.1983, c.135 (C.56:8-29) is amended to read as follows:

   a. [Upon] Within 120 days after receipt of the completed application, fee and bond, if any, and when the director is satisfied that the applicant has complied with all of the requirements of this act, the director shall grant and issue a [license] certificate of registration to the applicant.

   b. The [license] certificate of registration granted may be renewed for a period of two years upon the payment of a renewal fee [which shall be determined by the director] of $200.

   c. No [license] certificate of registration shall be transferred or assigned without the approval of the director. [No] Any request for a change in the location of the premises operated by [the licensee] any registrant situated in and operating in this State shall be [made except by permission of the director, and upon payment of a fee established by the director] submitted to the director in writing no less than 30 days prior to that relocation. The [license] certificate of registration shall run to January 1 in the second year next ensuing the date thereof unless sooner revoked by the director.

5. Section 5 of P.L.1983, c.135 (C.56:8-30) is amended to read as follows:

   The director shall require the applicant for a [license] certificate of registration to engage in the business of reselling tickets as a ticket broker to provide information in a form satisfactory to the director demonstrating that the applicant is a member in good standing of a ticket broker association that has been in existence for at least one year.
broker to file with the application a bond in the amount of $10,000.00
with two or more sufficient sureties or an authorized surety company,
which bond shall be approved by the director.

Each bond shall be conditioned on the promise that the applicant,
his agents or employees will not be guilty of fraud or extortion, will
not violate any of the provisions of this act, will comply with the rules
and regulations promulgated by the director, and will pay all damages
occasioned to any person by reason of misstatement, misrepresentation, fraud or deceit or any unlawful act or omission in
connection with the provisions of this act and the business conducted
under this act.

(cf: P.L.1983, c.135, s.5)

6. Section 8 of P.L.1983, c.135 (C.56:8-33) is amended to read as
follows:

8. Each place of entertainment shall print on the face of each ticket
and include in any advertising for any event the price charged therefor.
[Except for tickets] Tickets printed prior to the enactment of [this
act, each ticket] P.L. c. (C. ) (now pending before the
Legislature as this bill) shall have endorsed thereon the maximum
premium not to exceed 20% of the ticket price or $3.00, whichever is
greater, plus lawful taxes, at which the ticket may be resold. No
person except registered ticket brokers, ticket brokers operating in
another state and season ticket holders shall resell [, offer to resell,]
or purchase with the intent to resell a ticket [at any premium in excess
of the maximum premium as set forth in this act] for admission to a
place of entertainment printed on or after the date of enactment of
P.L. c. (C. ) (now pending before the Legislature as this bill) at
a premium in excess of 50% of the price paid to acquire the ticket.
(cf: P.L.1983, c.220, s.3)

7. Section 9 of P.L.1983, c.135 (C.56:8-34) is amended to read as
follows:

9. No person shall [, sell, offer to sell,] resell[, offer to resell] or
purchase with the intent to resell any ticket, in or on any street,
highway, driveway, sidewalk, parking area, or common area owned by
a place of entertainment in this State, or any other area adjacent to or
in the vicinity of any place of entertainment in this State as determined
by the director; except that a person may resell, in an area which may
be designated by [the] a place of entertainment in this State, any
ticket or tickets originally purchased for his own personal or family
use at no greater than the lawful price permitted under this act.
(cf: P.L.1983, c.220, s.4)

8. (New section) It shall be an unlawful practice pursuant to
P.L.1960, c.39 (C.56:8.1 et seq.) for a person, who has access to
tickets to an event prior to the tickets' release for sale to the general
public, to withhold those tickets from sale to the general public in an
amount exceeding 5% of all available seating for the event.

9.  a. (New section) A purchaser of tickets who places a special
order with a ticket broker for tickets that are not in stock or are
obtained for a purchaser’s specific need and are paid for in advance by
the ticket broker, shall not be eligible to receive a refund for that
purchase unless the ticket broker is able to find someone else to
purchase the tickets and as long as the purchaser is notified in advance
of this policy.

10. (New section) a. There is established a Ticket Broker's
Mediation Panel in the Division of Consumer Affairs, which shall
consist of five members: one of whom shall be the director or his
designee; two of whom shall be members of the general public with a
background in mediation; and two of whom shall be registered ticket
brokers, to be selected by the Governor. Of the public members, one
shall be a representative of ticket brokers from the southern region of
this State and one shall be a representative from the northern region
of this State. Of the public members first appointed, one shall be
appointed for a term of two years and one for a term of three years.
Of the ticket broker members first appointed, one shall be appointed
for a term of two years and one for a term of three years. Their
successors shall be appointed for terms of three years. The director or
his designee shall serve as chairperson of the mediation panel. A
vacancy occurring in the membership of the mediation panel for any
cause, other than the expiration of term, shall be filled by the Governor
and the person so appointed shall hold office for the unexpired term of
the member whose office has become vacant.

b. Members of the Ticket Broker's Mediation Panel shall serve
without compensation for performing their duties as members, but the
director may, within the limits of funds appropriated or otherwise
made available therefor, reimburse public members for the actual
expenses necessarily incurred in the performance of their duties.

c. The Ticket Broker's Mediation Panel shall participate in hearing
and making recommendations that are not binding regarding questions
brought before it involving controversies concerning contractual
agreements between purchasers and ticket brokers and between ticket
brokers.

11. (New section) The director and places of entertainment shall
create a method for season ticket holders and other ticket holders to
lawfully sell back tickets to the venue for events they will not be able
to attend.
12. (New section) A person operating in violation of the provisions of this amendatory and supplementary act shall be subject to the following penalties, in addition to the penalties of the consumer fraud law, P.L.1960, c.39 (C.56:8-1 et seq.):

   a. For withholding more than 5% of available seating from sale to the general public, a fine of not more than $2,500 for the first offense and not more than $5,000 for the second and each subsequent offense;

   b. For the use of diggers to acquire tickets, a fine of not more than $500 for the first offense and not more than $1,000 for the second and each subsequent offense;

   c. For failure to obtain a certificate of registration, a fine of not more than $1,500 for the first offense and not more than $3,000 for the second and each subsequent offense;

   d. For failure to carry a bond in the amount of $10,000 with two or more sufficient sureties or an authorized surety company, a fine of not more than $500 for the first offense and not more than $1,000 for the second and each subsequent offense;

   e. For failure to use a proper certificate of registration number in an advertisement, a fine of not more than $2,500 for the first offense and not more than $5,000 for the second and each subsequent offense;

   f. For improper use of another ticket broker's certificate of registration number in an advertisement, a fine of not more than $5,000 for the first offense and not more than $10,000 for the second and each subsequent offense; and

   g. For reselling a ticket for more than the maximum amount as allowed by law, a full refund to the purchaser and a fine of not more than $1,000 for the first offense and $2,000 for the second and each subsequent offense.

13. This act shall take effect on the 90th day following enactment.

STATEMENT

This bill concerns practices of ticket brokers, which are defined by the bill as persons situated in and operating in the State who are involved in the business of reselling tickets of admission to places of entertainment to State residents and who charge premiums in excess of the price, plus taxes, printed on the tickets. The bill imposes certain requirements on ticket brokers, including disclosures to purchasers and refund policies.

The bill requires that ticket brokers register with the Division of Consumer Affairs, replacing the current requirement that resellers of tickets be licensed by the State. The bill also fixes application and renewal fees.

Additionally, the bill removes the current statutory maximum
premium that may be charged by registered ticket brokers, out-of-
State ticket brokers and season ticket holders. The bill restricts resale
premiums charged by other persons, however, to a maximum of an
additional 50% of the price paid by that person to acquire the ticket.
The bill also prohibits the withholding of more than 5% of available
seating from sale to the public for any event.

The bill establishes a five-member "Ticket Broker's Mediation
Panel" to mediate disputes arising from contractual arrangements
between purchasers and ticket brokers, as well as controversies
between ticket brokers. The members are to include the Director of
the Division of Consumer Affairs, who will serve as chairperson of the
panel, two ticket brokers and two members of the general public.

The bill also mandates that the Director of the Division of
Consumer Affairs and places of entertainment create a method for
season ticket holders and other ticket holders to lawfully sell back
tickets to the venue for events they will not be able to attend.

Finally, the bill creates penalties in addition to those provided in the
consumer fraud law for certain enumerated violations of the bill's
provisions, including: the withholding of more than 5% of available
seating from sale to the public for an event; the use of "diggers,"
meaning persons temporarily hired for the purpose of securing tickets
by intimidating purchasers waiting in line to procure event tickets;
failure to obtain a certificate of registration; failure to carry a bond in
the amount of $10,000; failure to use a proper certificate of
registration number in an advertisement; use of another ticket broker's
certificate of registration number in an advertisement; and reselling a
ticket for more than the maximum amount as allowed by law.