

ASSEMBLY, No. 3802

STATE OF NEW JERSEY

213th LEGISLATURE

INTRODUCED MARCH 5, 2009

Sponsored by:

Assemblyman ANTHONY CHIAPPONE

District 31 (Hudson)

Assemblyman REED GUSCIORA

District 15 (Mercer)

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

SYNOPSIS

“Personal Seat License Holder’s Bill of Rights.”

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/24/2009)

1 AN ACT creating the “Personal Seat License Holder’s Bill of
2 Rights” and supplementing Title 5 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. This act shall be known and may be cited as the “Personal
8 Seat License Holder’s Bill of Rights.”

9
10 2. As used in this act:

11 “Home facility” or “facility” means a building, structure, or
12 property, including, but not limited to, a stadium, arena, field, or
13 other place where sporting events are held and where a team plays
14 its regular season home games.

15 “Licensee” means the individual or entity which has ownership
16 of a personal seat license granted by a licensor.

17 “Licensor” means the individual or entity, including, but not
18 limited to, a sports team or entity acting on behalf of a sports team,
19 which grants a personal seat license to a licensee pursuant to a
20 personal seat license agreement, but shall not include any licensee
21 who sells, gifts, bequests, or otherwise transfers his personal seat
22 license to another individual or entity.

23 “Non-personal seat license event” or “non-PSL event” means
24 any event at the facility, including, but not limited to, a sporting
25 event, concert, theatrical performance, exhibition, or other form of
26 entertainment, for which the right to purchase an ticket does not
27 require a personal seat license.

28 “Personal seat license” or “PSL” means a contractual agreement
29 whereby the licensee pays a fee to a licensor for the exclusive right
30 to purchase season tickets which correspond to a specific seat in the
31 facility in which a sports team plays its home games.

32 “Personal seat license agreement” or “PSL agreement” means the
33 agreement containing the terms and conditions of a personal seat
34 license, including, but not limited to, the rights and obligations of
35 the licensee and licensor.

36 “Personal seat license event” or “PSL event” means any event,
37 including, but not limited to, sporting events, for which all or
38 certain portion of tickets to such events are exclusively available for
39 sale to licensees pursuant to a personal seat license agreement.

40 “Season tickets” means a package of tickets, or a single ticket
41 which is valid for multiple admissions, that grants the holder
42 thereof access to all regular season home games played by a team in
43 the facility over the course of one season.

44 “Team” means the sports team which plays its home games in
45 the facility.

46
47 3. a. Ownership of a personal seat license shall confer upon the
48 licensee the guaranteed right and obligation to purchase season

1 tickets to attend every regular season game that the team to which
2 the personal seat license applies shall play in the team's home
3 facility. The licensee shall retain such right and obligation for as
4 long as the team plays its regular season home games in the facility.
5 The failure of a licensee to fulfill the obligation to purchase season
6 tickets for each of the team's regular season home games may be
7 grounds for the licensor to suspend or revoke a personal seat
8 license.

9 b. The licensee shall not be required, either as a condition of a
10 personal seat license agreement or otherwise, to purchase tickets to
11 preseason games played by the team in its home facility or in any
12 other venue. The licensee shall have the right of first refusal to
13 purchase the ticket for the seat associated with the personal seat
14 license for every preseason game played by the team in its home
15 facility or in any other venue. This right of first refusal shall lapse
16 upon waiver by the licensee or the 30th day prior to the day of the
17 preseason game for which the ticket is being sold, whichever occurs
18 first. Upon waiver or lapse of this right of first refusal, the ticket
19 may be made available to any other individual or entity at the
20 discretion of the licensor. The failure of a licensee to purchase a
21 ticket to a preseason game played by the team in its home facility or
22 in any other venue shall not be grounds for the suspension or
23 revocation of any personal seat license.

24 c. The licensee shall not be required, either as a condition of a
25 personal seat license agreement or otherwise, to purchase tickets to
26 postseason games played by the team in its home facility or in any
27 other venue. The licensee shall have the right of first refusal to
28 purchase the ticket for the seat associated with his personal seat
29 license for every postseason game played by the team in its home
30 facility or in any other venue. This right of first refusal shall lapse
31 upon waiver by the licensee or the fifth day prior to the day of the
32 postseason game for which the ticket is being sold, whichever
33 occurs first. Upon waiver or lapse of this right of first refusal, the
34 ticket may be made available to any other individual or entity at the
35 discretion of the licensor. The failure of a licensee to purchase a
36 ticket to a postseason game played by the team in its home facility
37 or in any other venue shall not be grounds for the suspension or
38 revocation of a personal seat license.

39

40 4. a. The licensor shall be required to make the following
41 information available to all prospective licensees prior to the
42 effective date of any PSL agreement entered into between the
43 licensor and a prospective licensee:

44 (1) A season ticket price schedule indicating the maximum price
45 of the season tickets for the seat associated with the personal seat
46 license for a period of not less than the first five seasons
47 commencing after the licensee enters into any PSL agreement with
48 the licensor; and

1 (2) A parking price schedule indicating the maximum price for
2 parking at, adjacent to, or in close proximity to the home facility for
3 a period of not less than the first five seasons commencing after the
4 licensee enters into any PSL agreement with the licensor.

5 b. On an annual basis, the licensor shall provide each current
6 licensee with the following information prior to accepting any
7 payment or deposit for the purchase of season tickets for the season
8 next following:

9 (1) A season ticket price schedule indicating the maximum price
10 of the season tickets for the seat associated with the personal seat
11 license for a period of not less than the next five seasons; and

12 (2) A parking price schedule indicating the maximum price for
13 parking at, adjacent to, or in close proximity to the facility for a
14 period of not less than the next five seasons.

15 c. During the first five seasons commencing after the effective
16 date of any personal seat license agreement, the season-to-season
17 percentage increase in the price of the season tickets for a seat
18 associated with a personal seat license shall not exceed the
19 percentage increase in the Consumer Price Index for all urban
20 consumers in the New York City and Philadelphia metropolitan
21 statistical areas during the preceding calendar year as reported by
22 the United State Department of Labor.

23
24 5. a. The licensee shall be granted preferred status to purchase
25 tickets to all non-PSL events which are held at the home facility.
26 This preferred status shall give the licensee the right to purchase not
27 less than one ticket for each personal seat license owned by the
28 licensee to every non-PSL event prior to tickets for such non-PSL
29 event being sold or otherwise made available to persons or entities
30 other than licensees. Tickets to non-PSL events shall be made
31 available for purchase by licensees not less than seven days prior to
32 their being sold or otherwise made available to persons or entities
33 other than licensees. The preferred status granted to licensees under
34 this section shall in no way restrict the right of a licensee to
35 purchase tickets to a non-PSL event after tickets have begun being
36 sold or otherwise made available to persons or entities other than
37 licensees. The number of tickets for each non-PSL event which
38 shall be made available for advance purchase by licensees pursuant
39 to this subsection may be limited, but shall not be less than 25
40 percent of the capacity of the facility for the non-PSL event.

41 b. In the event that more than one licensee owns a personal seat
42 license for the same seat in the facility, the right of first refusal
43 provided to licensees under subsection a. of this section shall be
44 afforded to such licensees on a rotating basis.

45
46 6. a. For any PSL event held at a home facility, the number of
47 tickets sold subject to a requirement that the purchaser hold a

1 personal seat license shall not exceed 75 percent of the total number
2 of seats in the facility.

3 b. The operator of the facility shall be responsible for enforcing
4 the requirement established under subsection a. of this section.

5 c. The price of each ticket to a PSL event at the facility which is
6 sold without being subject to a requirement that the purchaser hold
7 a personal seat license shall not exceed by more than five percent
8 the price of a ticket for a comparable seat in the facility which was
9 purchased pursuant to a personal seat license agreement.
10

11 7. If a team relocates, vacates, or otherwise ceases to play its
12 home games in its home facility prior to playing its home games in
13 the facility for a minimum of 30 seasons after the licensor enters
14 into its first personal seat license agreement for the right to
15 purchase season tickets to the facility, a licensee shall be entitled to
16 receive his choice of one of the following forms of compensation:

17 a. Transfer, without additional cost, of the personal seat license
18 to the new facility where the team will be playing its regular season
19 home games upon vacating the facility, thus granting the licensee
20 the right and obligation to purchase season tickets for every regular
21 season home game which the team plays in the new facility; or

22 b. A prorated monetary refund for the initial price that the
23 licensee paid for the personal seat license, the amount of which
24 refund shall not be less than X divided by 30 and multiplied by the
25 initial cost of the personal seat license, where X equals 30 minus
26 the number of seasons that the team played its regular season home
27 games in the facility.
28

29 8. a. A licensee shall have the right to sell, give, bequeath, or
30 otherwise transfer a personal seat license to any other individual or
31 entity. Such transfer shall not require the authorization, consent, or
32 approval of the licensor.

33 b. A licensor shall not restrict, pursuant to a PSL agreement or
34 through any other means, the right of a licensee to sell, give,
35 bequeath, or otherwise transfer a personal seat license. The licensor
36 may charge an administrative or processing fee to offset any costs
37 associated with the transfer of a personal seat license from one
38 licensee to another. Such fee shall not exceed one percent of the
39 initial sale price of the personal seat license being transferred.

40 c. A licensee shall have the right to sell a personal seat license
41 for a profit and the licensor shall in no way restrict this right.
42

43 9. This act shall take effect immediately.

STATEMENT

This bill would establish a “Personal Seat License Holder’s Bill of Rights.” A “personal seat license” or “PSL” is a contractual agreement whereby the licensee pays a fee to a licensor for the exclusive right to purchase season tickets which correspond to a specific seat in the facility in which a sports team plays its home games.

Under the bill, the owner of a PSL (“licensee”) would be guaranteed the right and obligation to purchase season tickets to attend every regular season home game a team plays in the team’s home facility. The failure of a licensee to purchase season tickets would be grounds for the suspension or revocation of the PSL by the licensor. The bill provides that a licensee shall not be obligated to purchase tickets to preseason or postseason games as a condition of any PSL agreement. However, the bill provides the licensee with the right of first refusal to purchase tickets to all preseason and postseason games the team plays in the home facility or elsewhere.

The bill would require the licensor of a PSL to make the following information available to prospective licensees prior to the effective date of any PSL agreement and to current licensees on an annual basis:

- 1) a season ticket price schedule indicating the maximum price of season tickets for the seat associated with the PSL for the next five seasons, and

- 2) a parking price schedule indicating the maximum price of parking at the home facility for the next five seasons.

The bill would limit the annual increase in the price of season tickets for the first five seasons after the effective date of any personal seat license agreement to no more than the rate of the annual increase in the Consumer Price Index for the New York and Philadelphia metropolitan areas.

The bill would provide licensees with preferred status to purchase tickets to other events at the home facility (“non-PSL events”), such as concerts and other forms of entertainment, which do not require a PSL in order to purchase such tickets. Tickets to non-PSL events would be made available for purchase by licensees at least seven days prior to tickets being sold or made available to non-licensees. The bill would require tickets for at least 25 percent of the capacity of the facility for all non-PSL events to be made available for advance purchase by licensees pursuant to the preferred status granted to them under the bill. If multiple licensees exist for a particular seat in the facility, then the preferred status would be afforded to the such licensees on a rotating basis.

The bill would limit to no more than 75 percent the number of tickets to PSL events that may be sold subject to a requirement that the purchaser hold a PSL. The remaining 25 percent of the tickets would not require a PSL for the right to purchase. Under the bill,

1 the price of a ticket to a PSL event which does not require the
2 purchaser to hold a PSL would not be allowed to exceed by more
3 than five percent the price of ticket for a comparable seat purchased
4 pursuant to a PSL agreement.

5 The bill would entitle licensees to compensation if a team
6 vacates the home facility prior to playing at least 30 seasons in the
7 home facility after the issuance of the first PSL. If the team vacates
8 the facility prior to playing its homes games there for 30 seasons,
9 then a licensee would be entitled to his choice of one of the
10 following:

11 1) Free transfer of the PSL to the new facility where the team
12 will play its regular season home games, or

13 2) A prorated monetary refund of the initial price of the PSL
14 which is directly related to the number of seasons under 30 that the
15 team played its regular season home games in the facility.

16 The bill would grant a licensee the right to sell or otherwise
17 transfer his PSL to any other individual or entity without the
18 authorization, approval, or consent of the licensor. The licensor
19 would be prohibited from restricting this right of sale or transfer in
20 any way, but would be permitted to charge an administrative or
21 processing fee to offset any costs associated with the transfer of a
22 PSL. The bill would also grant the licensee the right to profit from
23 the sale of a PSL and would prohibit the licensor from restricting
24 this right.