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SENATE, No. 2723

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED NOVEMBER 26, 2001

Sponsored by:

Senator ROBERT W. SINGER

District 30 (Burlington, Monmouth and Ocean)

Senator RONALD L. RICE

District 28 (Essex)

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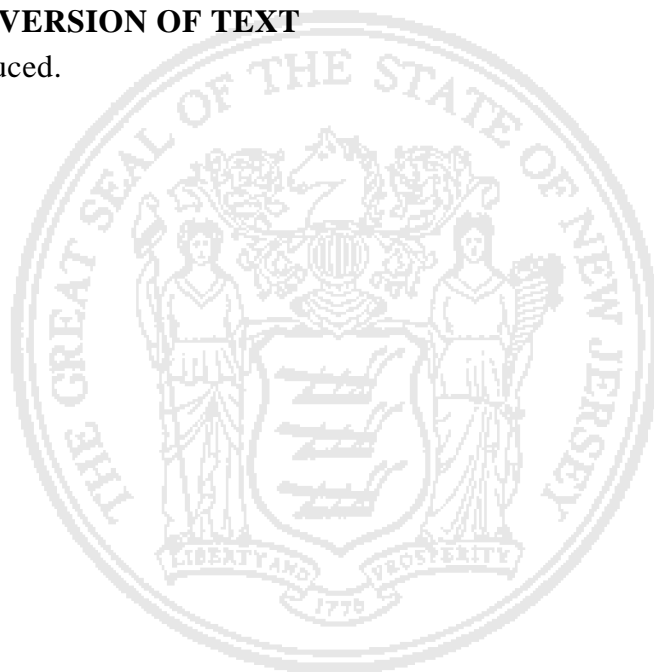
Senators Allen, Connors, Robertson and Kavanaugh

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the resale of tickets of admission to places of
2 entertainment and amending and supplementing P.L.1983, c.135.

3

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

6

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

9 1. As used in this act:

10 a. "Director" means the director of the Division of Consumer
11 Affairs in the Department of Law and Public Safety.

12 b. "Division" means the Division of Consumer Affairs in the
13 Department of Law and Public Safety.

14 c. "Person" means corporations, companies, associations, societies,
15 firms, partnerships and joint stock companies as well as individuals.

16 d. "Place of entertainment" means any privately or publicly owned
17 and operated entertainment facility within **[the] this State [of New**
18 **Jersey]** , such as a theater, stadium, museum, arena, racetrack or other
19 place where performances, concerts, exhibits, games or contests are
20 held and for which an entry fee is charged.

21 e. "Ticket" means any piece of paper which indicates that the
22 bearer has paid for entry or other evidence which permits entry to a
23 place of entertainment.

24 f. "Ticket **[agent] broker**" means any person situated in and
25 operating in this State who is involved in the business of **[selling or]**
26 reselling tickets of admission to places of entertainment and who
27 charges a premium in excess of the price, plus taxes, printed on the
28 tickets.

29 g. "Resale" means a sale by a person other than the owner or
30 operator of a place of entertainment or of the entertainment event or
31 an agent of any such person.

32 h. "Resell" means to offer for resale or to consummate a resale.

33 i. "Digger" means a person temporarily hired for the purpose of
34 securing tickets by intimidating a purchaser waiting in line to procure
35 event tickets.

36 (cf: P.L.1983, c.220, s.1)

37

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

40 2. No **[person] ticket broker** shall engage in or continue in the
41 business of reselling tickets for admission to a place of entertainment
42 without meeting the following requirements:

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

- 1 a. Owning, operating or maintaining [an] a permanent office,
2 branch office, bureau, agency, or other place of business, not including
3 a post office box, for the purpose of reselling tickets [in this State;
4 and];
- 5 b. Obtaining a [license] certificate of registration to resell or
6 engage in the business of reselling tickets from the director ;
- 7 c. Listing the ticket broker's registration number in any form of
8 advertisement or solicitation in which tickets are being sold for the
9 purpose of purchase by the general public for events in this State;
- 10 d. Maintaining records of ticket sales, deposits and refunds for a
11 period of not less than two years from the time of any of these
12 transactions;
- 13 e. Disclosing to the purchaser, by means of verbal description or
14 a map, the location of the seats represented by the tickets;
- 15 f. Disclosing to the purchaser the cancellation policy of that
16 broker;
- 17 g. Disclosing that a service charge is added by the ticket broker to
18 the stated price on the tickets and is included by the broker in any
19 advertisement or promotion for an event;
- 20 h. Disclosing to the purchaser, whenever applicable, that the ticket
21 broker has a guarantee policy. If a ticket broker guarantees delivery
22 of tickets to a purchaser and fails to deliver the tickets, the ticket
23 broker shall provide a full refund for the cost of the tickets and pay a
24 penalty, determined by the director, for each failure to deliver,
25 provided that the penalty shall not exceed the quoted price of the
26 tickets, or \$500, whichever is less;
- 27 i. Disclosing to the purchaser of tickets when he is utilizing a
28 tentative order policy, popularly known as a "try and get." When a
29 ticket broker fails to obtain tickets on a "try and get" basis, the broker
30 shall refund any deposit made by a purchaser of those tickets within a
31 reasonable time, as shall be determined by the director;
- 32 j. When guaranteeing tickets in conjunction with providing a tour
33 package, a ticket broker who fails to provide a purchaser with those
34 tickets shall refund fully the price of the tour package and tickets and
35 pay a penalty, determined by the director, which shall not exceed
36 \$1,000; and
- 37 k. Providing to a purchaser of tickets who cancels an order a full
38 refund for the cost of the tickets less shipping charges, if those tickets
39 are returned to the broker within three days after receipt; provided,
40 that when tickets are purchased within seven days of an event, a
41 refund shall be given only if the tickets are returned within one day of
42 receipt; and further provided, that no refund shall be given on any
43 tickets purchased within six days of an event unless the ticket broker
44 is able to resell the tickets.
- 45 (cf: P.L.1983, c.220, s.2)

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

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

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

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

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

19 (cf: P.L.1983, c.135, s.3)

20

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

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

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

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

40 (cf: P.L.1983, c.135, s.4)

41

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

44 5. The director shall require the applicant for a ~~license~~ certificate

1 of registration to engage in the business of reselling tickets as a ticket
2 broker to file with the application a bond in the amount of \$10,000.00
3 with two or more sufficient sureties or an authorized surety company,
4 which bond shall be approved by the director.

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

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

14

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

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

31 (cf: P.L.1983, c.220, s.3)

32

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

35 9. a. No person shall **[sell, offer to sell,]** resell **[, offer to resell]**
36 or purchase with the intent to resell any ticket, in or on any street,
37 highway, driveway, sidewalk, parking area, or common area owned by
38 a place of entertainment in this State, or any other area adjacent to or
39 in the vicinity of any place of entertainment in this State as determined
40 by the director; except that a person may resell, in an area which may
41 be designated by **[the]** a place of entertainment in this State, any
42 ticket or tickets originally purchased for his own personal or family
43 use at no greater than the lawful price permitted under this act.

44 (cf: P.L.1983, c.220, s.4)

1 8. (New section) It shall be an unlawful practice pursuant to
2 P.L.1960, c.39 (C.56:81 et seq.) for a person, who has access to
3 tickets to an event prior to the tickets' release for sale to the general
4 public, to withhold those tickets from sale to the general public in an
5 amount exceeding 5% of all available seating for the event.

6

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

13

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

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

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

42

43 11. (New section) The director and places of entertainment shall
44 create a method for season ticket holders and other ticket holders to

1 lawfully sell back tickets to the venue for events they will not be able
2 to attend.

3

4 12. (New section) A person operating in violation of the
5 provisions of this amendatory and supplementary act shall be subject
6 to the following penalties, in addition to the penalties of the consumer
7 fraud law, P.L.1960, c.39 (C.56:8-1 et seq.):

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

11 b. For the use of diggers to acquire tickets, a fine of not more than
12 \$500 for the first offense and not more than \$1,000 for the second and
13 each subsequent offense;

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

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

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

24 f. For improper use of another ticket broker's certificate of
25 registration number in an advertisement, a fine of not more than
26 \$5,000 for the first offense and not more than \$10,000 for the second
27 and each subsequent offense; and

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

32

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

34

35

36

STATEMENT

37

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

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

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

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

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

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

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2723

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2001

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2723.

This bill, as amended by the committee, addresses practices of ticket brokers examined by the State "Ticket Brokering Study Commission." 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 within this State and who charge premiums in excess of the price, plus taxes, printed on the tickets. The bill requires a ticket broker to:

- (1) Maintain a permanent office for the purpose of reselling tickets;
- (2) List his registration number in his advertisements for ticket resales;
- (3) Maintain records of ticket sales, deposits and refunds for at least two years;
- (4) Disclose to the purchaser the location of the seats represented by the tickets;
- (5) Disclose to the purchaser the cancellation policy of the broker;
- (6) Disclose that a service charge is added to the ticket price;
- (7) Disclose to the purchaser any applicable guarantee policy;
- (8) Disclose to the purchaser when the dealer is using a tentative order policy, and refund any deposit within a reasonable time if the tickets are not secured;
- (9) Fully refund the price of the tour package and tickets if the broker fails to provide the tickets when he guaranteed the tickets in conjunction with providing a tour package; and
- (10) Provide a full refund less shipping charges, if tickets are returned within three days of receipt, with certain exceptions.

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 provides that application and renewal fees are to be determined by the director but cannot exceed \$500.

Additionally, the bill changes the current statutory maximum premium that may be charged by registered ticket brokers and season ticket holders. The bill restricts resale premiums charged by registered ticket brokers and season ticket holders to a maximum of an additional 50% of the price paid to acquire the ticket, plus lawful taxes. The bill prohibits others from reselling a ticket for more than 20 percent above the face value of the ticket or \$3, whichever is greater, plus lawful taxes. The bill also prohibits the withholding of more than 5% of available seating from sale to the general public for any event. If tickets are special ordered and paid for in advance, a ticket broker is not required to refund the money, if the purchaser is notified in advance of this policy, unless he is able to find another person to purchase them.

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.

The bill prohibits the use of "diggers," meaning persons temporarily hired for the purpose of securing tickets by intimidating purchasers waiting in line to procure event tickets.

Finally, the bill increases the penalties under the consumer fraud law to \$10,000 for a first offense and \$20,000 for a second and any subsequent offense.

The amendments adopted by the committee: delete the provision that required every applicant for registration to be a member in good standing of a ticket broker association that has been in existence for at least one year; delete the "Ticket Broker's Mediation Panel" and the accompanying provisions; provide that ticket brokers and season ticket holders may charge for a ticket an additional 50% of the price paid to acquire the ticket, plus lawful taxes and prohibit others from reselling a ticket for more than 20 percent above the face value of the ticket or \$3, whichever is greater, plus lawful taxes, instead of the bill's current provisions which have no restriction on the premium registered ticket brokers and season ticket holders may charge and restrict others to 50 percent of the price paid for the ticket; and provide that it is an unlawful practice for a person to use a digger to acquire any ticket. In addition, the amendments raise the limits on penalties to be assessed pursuant to the consumer fraud law from \$7,500 for a first offense and \$15,000 for a second and any subsequent offense to \$10,000 for a first offense and \$20,000 for a second and any subsequent offense.

[First Reprint]

SENATE, No. 2723

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED NOVEMBER 26, 2001

Sponsored by:

Senator ROBERT W. SINGER

District 30 (Burlington, Monmouth and Ocean)

Senator RONALD L. RICE

District 28 (Essex)

Co-Sponsored by:

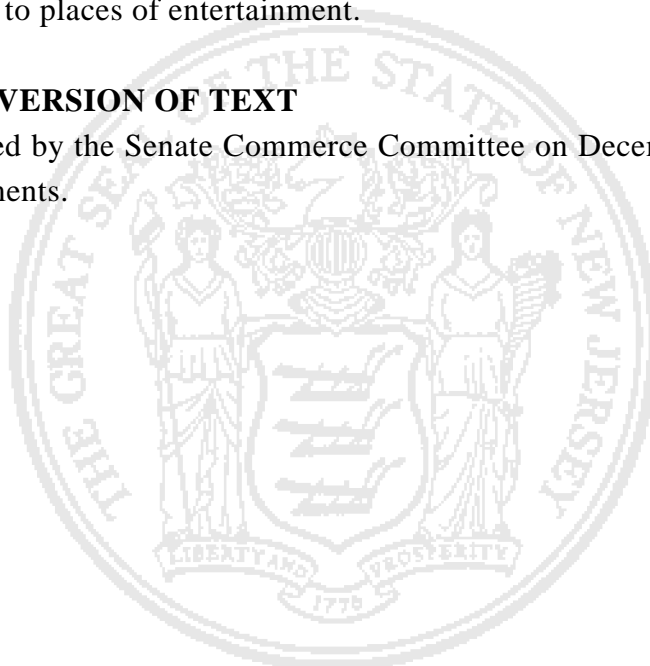
**Senators Allen, Connors, Robertson, Kavanaugh, Assemblymen Moran
and Impreveduto**

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee on December 13, 2001, with amendments.



(Sponsorship Updated As Of: 1/8/2002)

1 AN ACT concerning the resale of tickets of admission to places of
2 entertainment¹, amending P.L.1966, c.39¹ and amending and
3 supplementing P.L.1983, c.135.

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

7
8 1. Section 1 of P.L.1983, c.135 (C.56:8-26) is amended to read as
9 follows:

10 1. As used in this act:

11 a. "Director" means the director of the Division of Consumer
12 Affairs in the Department of Law and Public Safety.

13 b. "Division" means the Division of Consumer Affairs in the
14 Department of Law and Public Safety.

15 c. "Person" means corporations, companies, associations, societies,
16 firms, partnerships and joint stock companies as well as individuals.

17 d. "Place of entertainment" means any privately or publicly owned
18 and operated entertainment facility within **[the] this State [of New**
19 **Jersey]**, such as a theater, stadium, museum, arena, racetrack or other
20 place where performances, concerts, exhibits, games or contests are
21 held and for which an entry fee is charged.

22 e. "Ticket" means any piece of paper which indicates that the
23 bearer has paid for entry or other evidence which permits entry to a
24 place of entertainment.

25 f. "Ticket **[agent] broker**" means any person situated in and
26 operating in this State who is involved in the business of **[selling or]**
27 reselling tickets of admission to places of entertainment and who
28 charges a premium in excess of the price, plus taxes, printed on the
29 tickets.

30 g. "Resale" means a sale by a person other than the owner or
31 operator of a place of entertainment or of the entertainment event or
32 an agent of any such person.

33 h. "Resell" means to offer for resale or to consummate a resale.

34 i. "Digger" means a person temporarily hired for the purpose of
35 securing tickets by intimidating a purchaser waiting in line to procure
36 event tickets.

37 (cf: P.L.1983, c.220, s.1)

38

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

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted December 13, 2001.

- 1 2. No [person] ticket broker shall engage in or continue in the
2 business of reselling tickets for admission to a place of entertainment
3 without meeting the following requirements:
- 4 a. Owning, operating or maintaining [an] a permanent office,
5 branch office, bureau, agency, or other place of business, not including
6 a post office box, for the purpose of reselling tickets [in this State;
7 and];
- 8 b. Obtaining a [license] certificate of registration to resell or
9 engage in the business of reselling tickets from the director;
- 10 c. Listing the ticket broker's registration number in any form of
11 advertisement or solicitation in which tickets are being sold for the
12 purpose of purchase by the general public for events in this State;
- 13 d. Maintaining records of ticket sales, deposits and refunds for a
14 period of not less than two years from the time of any of these
15 transactions;
- 16 e. Disclosing to the purchaser, by means of verbal description or
17 a map, the location of the seats represented by the tickets;
- 18 f. Disclosing to the purchaser the cancellation policy of that
19 broker;
- 20 g. Disclosing that a service charge is added by the ticket broker to
21 the stated price on the tickets and is included by the broker in any
22 advertisement or promotion for an event;
- 23 h. Disclosing to the purchaser, whenever applicable, that the ticket
24 broker has a guarantee policy. If a ticket broker guarantees delivery
25 of tickets to a purchaser and fails to deliver the tickets, the ticket
26 broker shall provide a full refund for the cost of the tickets¹[and pay
27 a penalty, determined by the director, for each failure to deliver,
28 provided that the penalty shall not exceed the quoted price of the
29 tickets, or \$500, whichever is less]¹;
- 30 i. Disclosing to the purchaser of tickets when he is utilizing a
31 tentative order policy, popularly known as a "try and get." When a
32 ticket broker fails to obtain tickets on a "try and get" basis, the broker
33 shall refund any deposit made by a purchaser of those tickets within a
34 reasonable time, as shall be determined by the director;
- 35 j. When guaranteeing tickets in conjunction with providing a tour
36 package, a ticket broker who fails to provide a purchaser with those
37 tickets shall refund fully the price of the tour package and tickets
38 ¹[and pay a penalty, determined by the director, which shall not
39 exceed \$1,000]¹; and
- 40 k. Providing to a purchaser of tickets who cancels an order a full
41 refund for the cost of the tickets less shipping charges, if those tickets
42 are returned to the broker within three days after receipt; provided,
43 that when tickets are purchased within seven days of an event, a
44 refund shall be given only if the tickets are returned within one day of

1 receipt; and further provided, that no refund shall be given on any
2 tickets purchased within six days of an event unless the ticket broker
3 is able to resell the tickets.

4 (cf: P.L.1983, c.220, s.2)

5
6 3. Section 3 of P.L.1983, c.135 (C.56:8-28) is amended to read as
7 follows:

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

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

16 c. Each application shall be accompanied by a fee [which shall be
17 determined by the director] ¹[of \$200] which shall be determined by
18 the director and shall not exceed \$500¹, and a description of the
19 location where the applicant proposes to conduct his business.

20 ¹[d. Every applicant for a certificate of registration to engage in
21 the business of reselling tickets shall provide information in a form
22 satisfactory to the director demonstrating that the applicant is a
23 member in good standing of a ticket broker association that has been
24 in existence for at least one year.]¹

25 (cf: P.L.1983, c.135, s.3)

26
27 4. Section 4 of P.L.1983, c.135 (C.56:8-29) is amended to read as
28 follows:

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

34 b. The [license] certificate of registration granted may be renewed
35 for a period of two years upon the payment of a renewal fee [which
36 shall be determined by the director] ¹[of \$200] which shall be
37 determined by the director and shall not exceed \$500¹.

38 c. No [license] certificate of registration shall be transferred or
39 assigned without the approval of the director. [No] Any request for
40 a change in the location of the premises operated by [the licensee] any
41 registrant situated in and operating in this State shall be [made except
42 by permission of the director, and upon payment of a fee established
43 by the director] submitted to the director in writing no less than
44 30 days prior to that relocation. The [license] certificate of

1 registration shall run to January 1 in the second year next ensuing the
2 date thereof unless sooner revoked by the director.

3 (cf: P.L.1983, c.135, s.4)

4

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

7 5. The director shall require the applicant for a ~~[license]~~ certificate
8 of registration to engage in the business of reselling tickets as a ticket
9 broker to file with the application a bond in the amount of \$10,000.00
10 with two or more sufficient sureties or an authorized surety company,
11 which bond shall be approved by the director.

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

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

21

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

24 8. ¹a.¹ Each place of entertainment shall print on the face of each
25 ticket and include in any advertising for any event the price charged
26 therefor. ~~[Except for tickets]~~ Tickets printed prior to the enactment
27 of ~~[this act, each ticket]~~ P.L. c. (C.) (now pending before
28 the Legislature as this bill) shall have endorsed thereon the maximum
29 premium not to exceed 20% of the ticket price or \$3.00, whichever is
30 greater, plus lawful taxes, at which the ticket may be resold. ¹Tickets
31 printed on or after the effective date of P.L. c. (C.) (now
32 pending before the Legislature as this bill) shall have endorsed thereon
33 the maximum premium not to exceed 20% of the ticket price or \$3.00,
34 whichever is greater, plus lawful taxes, at which the ticket may be
35 resold, except for tickets resold by registered ticket brokers or season
36 ticket holders.

37 b. No person other than a registered ticket broker or season ticket
38 holder shall resell or purchase with the intent to resell a ticket for
39 admission to a place of entertainment at a maximum premium in excess
40 of 20% of the ticket price or \$3.00, whichever is greater, plus lawful
41 taxes.¹ No ¹[person except registered ticket brokers, ticket brokers
42 operating in another state and season ticket holders] registered ticket
43 broker or season ticket holder¹ shall resell[, offer to resell,] or
44 purchase with the intent to resell a ticket [at any premium in excess of

1 the maximum premium as set forth in this act] for admission to a place
2 of entertainment ¹[printed on or after the date of enactment of
3 P.L. c. (C.) (now pending before the Legislature as this bill)]¹
4 at a premium in excess of 50% of the price paid to acquire the ticket¹,
5 plus lawful taxes¹.

6 (cf: P.L.1983, c.220, s.3)

7

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

10 9. a. No person shall [sell, offer to sell,] resell [, offer to resell]
11 or purchase with the intent to resell any ticket, in or on any street,
12 highway, driveway, sidewalk, parking area, or common area owned by
13 a place of entertainment in this State, or any other area adjacent to or
14 in the vicinity of any place of entertainment in this State as determined
15 by the director; except that a person may resell, in an area which may
16 be designated by [the] a place of entertainment in this State, any
17 ticket or tickets originally purchased for his own personal or family
18 use at no greater than the lawful price permitted under this act.

19 (cf: P.L.1983, c.220, s.4)

20

21 8. (New section) It shall be an unlawful practice ¹[pursuant to
22 P.L.1960, c.39 (C.56:8.1 et seq.)]¹ for a person, who has access to
23 tickets to an event prior to the tickets' release for sale to the general
24 public, to withhold those tickets from sale to the general public in an
25 amount exceeding 5% of all available seating for the event.

26

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

33

34 10. ¹[(New section) a. There is established a Ticket Broker's
35 Mediation Panel in the Division of Consumer Affairs, which shall
36 consist of five members: one of whom shall be the director or his
37 designee; two of whom shall be members of the general public with a
38 background in mediation; and two of whom shall be registered ticket
39 brokers, to be selected by the Governor. Of the public members, one
40 shall be a representative of ticket brokers from the southern region of
41 this State and one shall be a representative from the northern region
42 of this State. Of the public members first appointed, one shall be
43 appointed for a term of two years and one for a term of three years.
44 Of the ticket broker members first appointed, one shall be appointed

1 for a term of two years and one for a term of three years. Their
2 successors shall be appointed for terms of three years. The director or
3 his designee shall serve as chairperson of the mediation panel. A
4 vacancy occurring in the membership of the mediation panel for any
5 cause, other than the expiration of term, shall be filled by the Governor
6 and the person so appointed shall hold office for the unexpired term of
7 the member whose office has become vacant.

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

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

18 Section 1 of P.L.1966, c.39 (C.56:8-13) is amended to read as
19 follows:

20 1. Any person who violates any of the provisions of the act to
21 which this act is a supplement shall, in addition to any other penalty
22 provided by law, be liable to a penalty of not more than **[\$7,500]**
23 \$10,000 for the first offense and not more than **[\$15,000]** \$20,000 for
24 the second and each subsequent offense. The penalty shall be
25 exclusive of and in addition to any moneys or property ordered to be
26 paid or restored to any person in interest pursuant to section 2 of
27 P.L.1966, c.39 (C.56:8-14) or section 3 of P.L.1971, c.247
28 (C.56:8-15).¹

29 (cf: P.L.1999, c.298, s.3)

30

31 11. (New section) The director and places of entertainment shall
32 create a method for season ticket holders and other ticket holders to
33 lawfully sell back tickets to the venue for events they will not be able
34 to attend.

35

36 12. (New section) ¹[A person operating in violation of the
37 provisions of this amendatory and supplementary act shall be subject
38 to the following penalties, in addition to the penalties of the consumer
39 fraud law, P.L.1960, c.39 (C.56:8-1 et seq.):

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

43 b. For the use of diggers to acquire tickets, a fine of not more than
44 \$500 for the first offense and not more than \$1,000 for the second and

1 each subsequent offense;

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

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

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

12 f. For improper use of another ticket broker's certificate of
13 registration number in an advertisement, a fine of not more than
14 \$5,000 for the first offense and not more than \$10,000 for the second
15 and each subsequent offense; and

16 g. For reselling a ticket for more than the maximum amount as
17 allowed by law, a full refund to the purchaser and a fine of not more
18 than \$1,000 for the first offense and \$2,000 for the second and each
19 subsequent offense.] It shall be an unlawful practice for a person to
20 use a digger to acquire any ticket.¹

21

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

ASSEMBLY, No. 3958

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED NOVEMBER 29, 2001

Sponsored by:

Assemblyman JEFFREY W. MORAN

District 9 (Atlantic, Burlington and Ocean)

Assemblyman ANTHONY IMPREVEDUTO

District 32 (Bergen and Hudson)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the resale of tickets of admission to places of
2 entertainment and amending and supplementing P.L.1983, c.135.

3

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

6

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

9 1. As used in this act:

10 a. "Director" means the director of the Division of Consumer
11 Affairs in the Department of Law and Public Safety.

12 b. "Division" means the Division of Consumer Affairs in the
13 Department of Law and Public Safety.

14 c. "Person" means corporations, companies, associations, societies,
15 firms, partnerships and joint stock companies as well as individuals.

16 d. "Place of entertainment" means any privately or publicly owned
17 and operated entertainment facility within [the] this State [of New
18 Jersey] , such as a theater, stadium, museum, arena, racetrack or other
19 place where performances, concerts, exhibits, games or contests are
20 held and for which an entry fee is charged.

21 e. "Ticket" means any piece of paper which indicates that the
22 bearer has paid for entry or other evidence which permits entry to a
23 place of entertainment.

24 f. "Ticket [agent] broker" means any person situated in and
25 operating in this State who is involved in the business of [selling or]
26 reselling tickets of admission to places of entertainment and who
27 charges a premium in excess of the price, plus taxes, printed on the
28 tickets.

29 g. "Resale" means a sale by a person other than the owner or
30 operator of a place of entertainment or of the entertainment event or
31 an agent of any such person.

32 h. "Resell" means to offer for resale or to consummate a resale.

33 i. "Digger" means a person temporarily hired for the purpose of
34 securing tickets by intimidating a purchaser waiting in line to procure
35 event tickets.

36 (cf: P.L.1983, c.220, s.1)

37

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

40 2. No [person] ticket broker shall engage in or continue in the
41 business of reselling tickets for admission to a place of entertainment
42 without meeting the following requirements:

43 a. Owning, operating or maintaining [an] a permanent office,

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

- 1 branch office, bureau, agency, or other place of business, not including
2 a post office box, for the purpose of reselling tickets [in this State;
3 and];
- 4 b. Obtaining a [license] certificate of registration to resell or
5 engage in the business of reselling tickets from the director ;
- 6 c. Listing the ticket broker's registration number in any form of
7 advertisement or solicitation in which tickets are being sold for the
8 purpose of purchase by the general public for events in this State;
- 9 d. Maintaining records of ticket sales, deposits and refunds for a
10 period of not less than two years from the time of any of these
11 transactions;
- 12 e. Disclosing to the purchaser, by means of verbal description or
13 a map, the location of the seats represented by the tickets;
- 14 f. Disclosing to the purchaser the cancellation policy of that
15 broker;
- 16 g. Disclosing that a service charge is added by the ticket broker to
17 the stated price on the tickets and is included by the broker in any
18 advertisement or promotion for an event;
- 19 h. Disclosing to the purchaser, whenever applicable, that the ticket
20 broker has a guarantee policy. If a ticket broker guarantees delivery
21 of tickets to a purchaser and fails to deliver the tickets, the ticket
22 broker shall provide a full refund for the cost of the tickets and pay a
23 penalty, determined by the director, for each failure to deliver,
24 provided that the penalty shall not exceed the quoted price of the
25 tickets, or \$500, whichever is less;
- 26 i. Disclosing to the purchaser of tickets when he is utilizing a
27 tentative order policy, popularly known as a "try and get." When a
28 ticket broker fails to obtain tickets on a "try and get" basis, the broker
29 shall refund any deposit made by a purchaser of those tickets within a
30 reasonable time, as shall be determined by the director;
- 31 j. When guaranteeing tickets in conjunction with providing a tour
32 package, a ticket broker who fails to provide a purchaser with those
33 tickets shall refund fully the price of the tour package and tickets and
34 pay a penalty, determined by the director, which shall not exceed
35 \$1,000; and
- 36 k. Providing to a purchaser of tickets who cancels an order a full
37 refund for the cost of the tickets less shipping charges, if those tickets
38 are returned to the broker within three days after receipt; provided,
39 that when tickets are purchased within seven days of an event, a
40 refund shall be given only if the tickets are returned within one day of
41 receipt; and further provided, that no refund shall be given on any
42 tickets purchased within six days of an event unless the ticket broker
43 is able to resell the tickets.
- 44 (cf: P.L.1983, c.220, s.2)

A3958 MORAN, IMPREVEDUTO

4

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

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

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

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

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

19 (cf: P.L.1983, c.135, s.3)

20

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

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

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

31 c. No ~~license~~ certificate of registration shall be transferred or
32 assigned without the approval of the director. ~~No~~ Any request for
33 a change in the location of the premises operated by [the licensee] any
34 registrant situated in and operating in this State shall be [made except
35 by permission of the director, and upon payment of a fee established
36 by the director] submitted to the director in writing no less than
37 30 days prior to that relocation. The ~~license~~ certificate of
38 registration shall run to January 1 in the second year next ensuing the
39 date thereof unless sooner revoked by the director.

40 (cf: P.L.1983, c.135, s.4)

41

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

44 5. The director shall require the applicant for a ~~license~~ certificate
45 of registration to engage in the business of reselling tickets as a ticket

1 broker to file with the application a bond in the amount of \$10,000.00
2 with two or more sufficient sureties or an authorized surety company,
3 which bond shall be approved by the director.

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

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

13

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

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

30 (cf: P.L.1983, c.220, s.3)

31

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

34 9. No person shall ~~[sell, offer to sell,]~~ resell ~~[, offer to resell]~~ or
35 purchase with the intent to resell any ticket, in or on any street,
36 highway, driveway, sidewalk, parking area, or common area owned by
37 a place of entertainment in this State, or any other area adjacent to or
38 in the vicinity of any place of entertainment in this State as determined
39 by the director; except that a person may resell, in an area which may
40 be designated by ~~[the]~~ a place of entertainment in this State, any
41 ticket or tickets originally purchased for his own personal or family
42 use at no greater than the lawful price permitted under this act.

43 (cf: P.L.1983, c.220, s.4)

44

45 8. (New section) It shall be an unlawful practice pursuant to
46 P.L.1960, c.39 (C.56:8.1 et seq.) for a person, who has access to

1 tickets to an event prior to the tickets' release for sale to the general
2 public, to withhold those tickets from sale to the general public in an
3 amount exceeding 5% of all available seating for the event.

4
5 9. a. (New section) A purchaser of tickets who places a special
6 order with a ticket broker for tickets that are not in stock or are
7 obtained for a purchaser's specific need and are paid for in advance by
8 the ticket broker, shall not be eligible to receive a refund for that
9 purchase unless the ticket broker is able to find someone else to
10 purchase the tickets and as long as the purchaser is notified in advance
11 of this policy.

12
13 10. (New section) a. There is established a Ticket Broker's
14 Mediation Panel in the Division of Consumer Affairs, which shall
15 consist of five members: one of whom shall be the director or his
16 designee; two of whom shall be members of the general public with a
17 background in mediation; and two of whom shall be registered ticket
18 brokers, to be selected by the Governor. Of the public members, one
19 shall be a representative of ticket brokers from the southern region of
20 this State and one shall be a representative from the northern region
21 of this State. Of the public members first appointed, one shall be
22 appointed for a term of two years and one for a term of three years.
23 Of the ticket broker members first appointed, one shall be appointed
24 for a term of two years and one for a term of three years. Their
25 successors shall be appointed for terms of three years. The director or
26 his designee shall serve as chairperson of the mediation panel. A
27 vacancy occurring in the membership of the mediation panel for any
28 cause, other than the expiration of term, shall be filled by the Governor
29 and the person so appointed shall hold office for the unexpired term of
30 the member whose office has become vacant.

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

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

41
42 11. (New section) The director and places of entertainment shall
43 create a method for season ticket holders and other ticket holders to
44 lawfully sell back tickets to the venue for events they will not be able
45 to attend.

1 12. (New section) A person operating in violation of the
2 provisions of this amendatory and supplementary act shall be subject
3 to the following penalties, in addition to the penalties of the consumer
4 fraud law, P.L.1960, c.39 (C.56:8-1 et seq.):

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

8 b. For the use of diggers to acquire tickets, a fine of not more than
9 \$500 for the first offense and not more than \$1,000 for the second and
10 each subsequent offense;

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

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

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

21 f. For improper use of another ticket broker's certificate of
22 registration number in an advertisement, a fine of not more than
23 \$5,000 for the first offense and not more than \$10,000 for the second
24 and each subsequent offense; and

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

29
30 13. This act shall take effect on the 90th day following enactment.
31
32

33 STATEMENT
34

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

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

46 Additionally, the bill removes the current statutory maximum

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

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

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

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

ASSEMBLY CONSUMER AFFAIRS AND REGULATED
PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3958

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2001

The Assembly Consumer Affairs and Regulated Professions Committee reports favorably and with committee amendments Assembly Bill No. 3958.

This bill, as amended by the committee, addresses practices of ticket brokers examined by the State "Ticket Brokering Study Commission." 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 within this State and who charge premiums in excess of the price, plus taxes, printed on the tickets. The bill requires a ticket broker to:

- (1) Maintain a permanent office for the purpose of reselling tickets;
- (2) List his registration number in his advertisements for ticket resales;
- (3) Maintain records of ticket sales, deposits and refunds for at least two years;
- (4) Disclose to the purchaser the location of the seats represented by the tickets;
- (5) Disclose to the purchaser the cancellation policy of the broker;
- (6) Disclose that a service charge is added to the ticket price;
- (7) Disclose to the purchaser any applicable guarantee policy;
- (8) Disclose to the purchaser when the dealer is using a tentative order policy, and refund any deposit within a reasonable time if the tickets are not secured;
- (9) Fully refund the price of the tour package and tickets and pay a penalty not to exceed \$1,000 if the broker fails to provide the tickets when he guaranteed the tickets in conjunction with providing a tour package; and
- (10) Provide a full refund less shipping charges, if tickets are returned within three days of receipt, with certain exceptions.

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 provides that application and renewal fees are to be determined by the director but cannot exceed \$500.

Additionally, the bill changes the current statutory maximum premium that may be charged by registered ticket brokers and season ticket holders. The bill restricts resale premiums charged by registered ticket brokers and season ticket holders to a maximum of an additional 50% of the price paid to acquire the ticket, plus lawful taxes. The bill prohibits others from reselling a ticket for more than 20 percent above the face value of the ticket or \$3, whichever is greater, plus lawful taxes. The bill also prohibits the withholding of more than 5% of available seating from sale to the general public for any event. If tickets are special ordered and paid for in advance, a ticket broker is not required to refund the money, if the purchaser is notified in advance of this policy, unless he is able to find another person to purchase them.

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.

The amendments adopted by the committee: delete the provision that required every applicant for registration to be a member in good standing of a ticket broker association that has been in existence for at least one year; delete the "Ticket Broker's Mediation Panel" and the accompanying provisions; provide that ticket brokers and season ticket holders may charge for a ticket an additional 50% of the price paid to acquire the ticket, plus lawful taxes and prohibit others from reselling a ticket for more than 20 percent above the face value of the ticket or \$3, whichever is greater, plus lawful taxes, instead of the bill's current provisions which have no restriction on the premium registered ticket brokers and season ticket holders may charge and restrict others to 50 percent of the price paid for the ticket; and provide that it is an unlawful practice for a person to use a digger to acquire any ticket. In addition, the amendments raise the limits on penalties to be assessed pursuant to the consumer fraud law from \$7,500 for a first offense and \$15,000 for a second and any subsequent offense to \$10,000 for a first offense and \$20,000 for a second and any subsequent offense.

[First Reprint]

ASSEMBLY, No. 3958

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED NOVEMBER 29, 2001

Sponsored by:

Assemblyman JEFFREY W. MORAN

District 9 (Atlantic, Burlington and Ocean)

Assemblyman ANTHONY IMPREVEDUTO

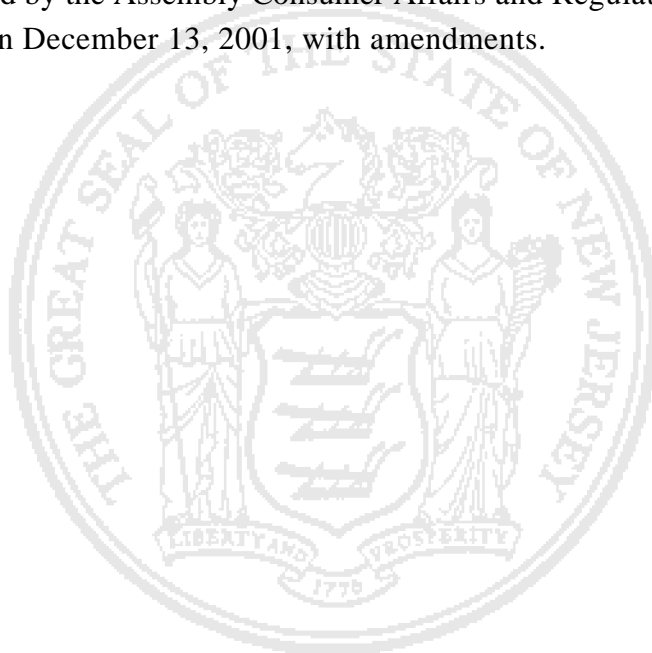
District 32 (Bergen and Hudson)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Assembly Consumer Affairs and Regulated Professions Committee on December 13, 2001, with amendments.



1 AN ACT concerning the resale of tickets of admission to places of
2 entertainment ¹, amending P.L.1966, c.39¹ and amending and
3 supplementing P.L.1983, c.135.
4

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

7
8 1. Section 1 of P.L.1983, c.135 (C.56:8-26) is amended to read as
9 follows:

10 1. As used in this act:

11 a. "Director" means the director of the Division of Consumer
12 Affairs in the Department of Law and Public Safety.

13 b. "Division" means the Division of Consumer Affairs in the
14 Department of Law and Public Safety.

15 c. "Person" means corporations, companies, associations, societies,
16 firms, partnerships and joint stock companies as well as individuals.

17 d. "Place of entertainment" means any privately or publicly owned
18 and operated entertainment facility within **[the]** this State **[of New**
19 **Jersey]** , such as a theater, stadium, museum, arena, racetrack or other
20 place where performances, concerts, exhibits, games or contests are
21 held and for which an entry fee is charged.

22 e. "Ticket" means any piece of paper which indicates that the
23 bearer has paid for entry or other evidence which permits entry to a
24 place of entertainment.

25 f. "Ticket **[agent]** broker" means any person situated in and
26 operating in this State who is involved in the business of **[selling or]**
27 reselling tickets of admission to places of entertainment and who
28 charges a premium in excess of the price, plus taxes, printed on the
29 tickets.

30 g. "Resale" means a sale by a person other than the owner or
31 operator of a place of entertainment or of the entertainment event or
32 an agent of any such person.

33 h. "Resell" means to offer for resale or to consummate a resale.

34 i. "Digger" means a person temporarily hired for the purpose of
35 securing tickets by intimidating a purchaser waiting in line to procure
36 event tickets.

37 (cf: P.L.1983, c.220, s.1)
38

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

41 2. No **[person]** ticket broker shall engage in or continue in the
42 business of reselling tickets for admission to a place of entertainment

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACP committee amendments adopted December 13, 2001.

1 without meeting the following requirements:

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

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

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

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

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

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

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

21 h. Disclosing to the purchaser, whenever applicable, that the ticket
22 broker has a guarantee policy. If a ticket broker guarantees delivery
23 of tickets to a purchaser and fails to deliver the tickets, the ticket
24 broker shall provide a full refund for the cost of the tickets ¹[and pay
25 a penalty, determined by the director, for each failure to deliver,
26 provided that the penalty shall not exceed the quoted price of the
27 tickets, or \$500, whichever is less]¹ ;

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

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

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

46 (cf: P.L.1983, c.220, s.2)

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

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

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

11 c. Each application shall be accompanied by a fee ~~[which shall be~~
12 ~~determined by the director]~~ ¹[of \$200] which shall be determined by
13 the director and shall not exceed \$500¹, and a description of the
14 location where the applicant proposes to conduct his business.

15 ¹[d. Every applicant for a certificate of registration to engage in
16 the business of reselling tickets shall provide information in a form
17 satisfactory to the director demonstrating that the applicant is a
18 member in good standing of a ticket broker association that has been
19 in existence for at least one year.]¹

20 (cf: P.L.1983, c.135, s.3)

21

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

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

29 b. The ~~[license]~~ certificate of registration granted may be renewed
30 for a period of two years upon the payment of a renewal fee ~~[which~~
31 ~~shall be determined by the director]~~ ¹[of \$200] which shall be
32 determined by the director and shall not exceed \$500¹.

33 c. No ~~[license]~~ certificate of registration shall be transferred or
34 assigned without the approval of the director. ~~[No]~~ Any request for
35 a change in the location of the premises operated by [the licensee] any
36 registrant situated in and operating in this State shall be [made except
37 by permission of the director, and upon payment of a fee established
38 by the director] submitted to the director in writing no less than
39 30 days prior to that relocation. The ~~[license]~~ certificate of
40 registration shall run to January 1 in the second year next ensuing the
41 date thereof unless sooner revoked by the director.

42 (cf: P.L.1983, c.135, s.4)

43

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

46 5. The director shall require the applicant for a ~~[license]~~ certificate

1 of registration to engage in the business of reselling tickets as a ticket
2 broker to file with the application a bond in the amount of \$10,000.00
3 with two or more sufficient sureties or an authorized surety company,
4 which bond shall be approved by the director.

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

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

14

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

17 8. ¹a.¹ Each place of entertainment shall print on the face of each
18 ticket and include in any advertising for any event the price charged
19 therefor. ~~【Except for tickets】~~ Tickets printed prior to the enactment
20 of ~~【this act, each ticket】~~ P.L. c. (C.) (now pending before the
21 Legislature as this bill) shall have endorsed thereon the maximum
22 premium not to exceed 20% of the ticket price or \$3.00, whichever is
23 greater, plus lawful taxes, at which the ticket may be resold. ¹Tickets
24 printed on or after the effective date of P.L. c. (C.) (now pending
25 before the Legislature as this bill) shall have endorsed thereon the
26 maximum premium not to exceed 20% of the ticket price or \$3.00,
27 whichever is greater, plus lawful taxes, at which the ticket may be
28 resold, except for tickets resold by registered ticket brokers or season
29 ticket holders.

30 b. No person other than a registered ticket broker or season ticket
31 holder shall resell or purchase with the intent to resell a ticket for
32 admission to a place of entertainment at a maximum premium in excess
33 of 20% of the ticket price or \$3.00, whichever is greater, plus lawful
34 taxes.¹ ~~No~~ ¹【person except registered ticket brokers, ticket brokers
35 operating in another state and season ticket holders】 registered ticket
36 broker or season ticket holder¹ shall resell ~~【, offer to resell,】~~ or
37 purchase with the intent to resell a ticket ~~【at any premium in excess of~~
38 ~~the maximum premium as set forth in this act】~~ for admission to a place
39 of entertainment ¹【 printed on or after the date of enactment of P.L.
40 c. (C.) (now pending before the Legislature as this bill) 】¹ at a
41 premium in excess of 50% of the price paid to acquire the ticket ¹,
42 plus lawful taxes¹.

43 (cf: P.L.1983, c.220, s.3)

44

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

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

11
12 8. (New section) It shall be an unlawful practice ¹[pursuant to
13 P.L.1960, c.39 (C.56:8.1 et seq.)]¹ for a person, who has access to
14 tickets to an event prior to the tickets' release for sale to the general
15 public, to withhold those tickets from sale to the general public in an
16 amount exceeding 5% of all available seating for the event.

17
18 9. a. (New section) A purchaser of tickets who places a special
19 order with a ticket broker for tickets that are not in stock or are
20 obtained for a purchaser's specific need and are paid for in advance by
21 the ticket broker, shall not be eligible to receive a refund for that
22 purchase unless the ticket broker is able to find someone else to
23 purchase the tickets and as long as the purchaser is notified in advance
24 of this policy.

25
26 10. ¹[(New section) a. There is established a Ticket Broker's
27 Mediation Panel in the Division of Consumer Affairs, which shall
28 consist of five members: one of whom shall be the director or his
29 designee; two of whom shall be members of the general public with a
30 background in mediation; and two of whom shall be registered ticket
31 brokers, to be selected by the Governor. Of the public members, one
32 shall be a representative of ticket brokers from the southern region of
33 this State and one shall be a representative from the northern region
34 of this State. Of the public members first appointed, one shall be
35 appointed for a term of two years and one for a term of three years.
36 Of the ticket broker members first appointed, one shall be appointed
37 for a term of two years and one for a term of three years. Their
38 successors shall be appointed for terms of three years. The director or
39 his designee shall serve as chairperson of the mediation panel. A
40 vacancy occurring in the membership of the mediation panel for any
41 cause, other than the expiration of term, shall be filled by the Governor
42 and the person so appointed shall hold office for the unexpired term of
43 the member whose office has become vacant.

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

1 expenses necessarily incurred in the performance of their duties.

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

7 Section 1 of P.L.1966, c.39 (C.56:8-13) is amended to read as
8 follows:

9 1. Any person who violates any of the provisions of the act to
10 which this act is a supplement shall, in addition to any other penalty
11 provided by law, be liable to a penalty of not more than ~~[\$7,500]~~
12 \$10,000 for the first offense and not more than ~~[\$15,000]~~ \$20,000 for
13 the second and each subsequent offense. The penalty shall be
14 exclusive of and in addition to any moneys or property ordered to be
15 paid or restored to any person in interest pursuant to section 2 of
16 P.L.1966, c.39 (C.56:8-14) or section 3 of P.L.1971, c.247
17 (C.56:8-15).¹

18 (cf: P.L.1999, c.298, s.3)

19

20 11. (New section) The director and places of entertainment shall
21 create a method for season ticket holders and other ticket holders to
22 lawfully sell back tickets to the venue for events they will not be able
23 to attend.

24

25 12. (New section) ¹[A person operating in violation of the
26 provisions of this amendatory and supplementary act shall be subject
27 to the following penalties, in addition to the penalties of the consumer
28 fraud law, P.L.1960, c.39 (C.56:8-1 et seq.):

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

32 b. For the use of diggers to acquire tickets, a fine of not more than
33 \$500 for the first offense and not more than \$1,000 for the second and
34 each subsequent offense;

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

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

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

45 f. For improper use of another ticket broker's certificate of
46 registration number in an advertisement, a fine of not more than
47 \$5,000 for the first offense and not more than \$10,000 for the second

1 and each subsequent offense; and

2 g. For reselling a ticket for more than the maximum amount as
3 allowed by law, a full refund to the purchaser and a fine of not more
4 than \$1,000 for the first offense and \$2,000 for the second and each
5 subsequent offense.] It shall be an unlawful practice for a person to
6 use a digger to acquire any ticket.¹

7

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

P.L. 2001, CHAPTER 394, *approved January 8, 2002*
Senate, No. 2723 (*First Reprint*)

1 AN ACT concerning the resale of tickets of admission to places of
2 entertainment¹, amending P.L.1966, c.39¹ and amending and
3 supplementing P.L.1983, c.135.

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

7
8 1. Section 1 of P.L.1983, c.135 (C.56:8-26) is amended to read as
9 follows:

10 1. As used in this act:

11 a. "Director" means the director of the Division of Consumer
12 Affairs in the Department of Law and Public Safety.

13 b. "Division" means the Division of Consumer Affairs in the
14 Department of Law and Public Safety.

15 c. "Person" means corporations, companies, associations, societies,
16 firms, partnerships and joint stock companies as well as individuals.

17 d. "Place of entertainment" means any privately or publicly owned
18 and operated entertainment facility within ~~[the]~~ this State ~~[of New~~
19 ~~Jersey]~~, such as a theater, stadium, museum, arena, racetrack or other
20 place where performances, concerts, exhibits, games or contests are
21 held and for which an entry fee is charged.

22 e. "Ticket" means any piece of paper which indicates that the
23 bearer has paid for entry or other evidence which permits entry to a
24 place of entertainment.

25 f. "Ticket ~~[agent]~~ broker" means any person situated in and
26 operating in this State who is involved in the business of ~~[selling or]~~
27 reselling tickets of admission to places of entertainment and who
28 charges a premium in excess of the price, plus taxes, printed on the
29 tickets.

30 g. "Resale" means a sale by a person other than the owner or
31 operator of a place of entertainment or of the entertainment event or
32 an agent of any such person.

33 h. "Resell" means to offer for resale or to consummate a resale.

34 i. "Digger" means a person temporarily hired for the purpose of
35 securing tickets by intimidating a purchaser waiting in line to procure
36 event tickets.

37 (cf: P.L.1983, c.220, s.1)

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted December 13, 2001.

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

3 2. No ~~[person] ticket broker~~ shall engage in or continue in the
4 business of reselling tickets for admission to a place of entertainment
5 without meeting the following requirements:

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

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

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

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

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

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

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

25 h. Disclosing to the purchaser, whenever applicable, that the ticket
26 broker has a guarantee policy. If a ticket broker guarantees delivery
27 of tickets to a purchaser and fails to deliver the tickets, the ticket
28 broker shall provide a full refund for the cost of the tickets ¹[and pay
29 a penalty, determined by the director, for each failure to deliver,
30 provided that the penalty shall not exceed the quoted price of the
31 tickets, or \$500, whichever is less] ¹;

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

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

42 k. Providing to a purchaser of tickets who cancels an order a full
43 refund for the cost of the tickets less shipping charges, if those tickets
44 are returned to the broker within three days after receipt; provided,

1 that when tickets are purchased within seven days of an event, a
2 refund shall be given only if the tickets are returned within one day of
3 receipt; and further provided, that no refund shall be given on any
4 tickets purchased within six days of an event unless the ticket broker
5 is able to resell the tickets.

6 (cf: P.L.1983, c.220, s.2)

7
8 3. Section 3 of P.L.1983, c.135 (C.56:8-28) is amended to read as
9 follows:

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

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

18 c. Each application shall be accompanied by a fee ~~[which shall be~~
19 ~~determined by the director]~~ ¹~~[of \$200]~~ which shall be determined by
20 the director and shall not exceed \$500¹, and a description of the
21 location where the applicant proposes to conduct his business.

22 ¹~~[d. Every applicant for a certificate of registration to engage in~~
23 the business of reselling tickets shall provide information in a form
24 satisfactory to the director demonstrating that the applicant is a
25 member in good standing of a ticket broker association that has been
26 in existence for at least one year.]¹

27 (cf: P.L.1983, c.135, s.3)

28
29 4. Section 4 of P.L.1983, c.135 (C.56:8-29) is amended to read as
30 follows:

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

36 b. The ~~[license]~~ certificate of registration granted may be renewed
37 for a period of two years upon the payment of a renewal fee ~~[which~~
38 ~~shall be determined by the director]~~ ¹~~[of \$200]~~ which shall be
39 determined by the director and shall not exceed \$500¹.

40 c. No ~~[license]~~ certificate of registration shall be transferred or
41 assigned without the approval of the director. ~~[No]~~ Any request for
42 a change in the location of the premises operated by [the licensee] any
43 registrant situated in and operating in this State shall be [made except
44 by permission of the director, and upon payment of a fee established

1 by the director] submitted to the director in writing no less than
2 30 days prior to that relocation. The [license] certificate of
3 registration shall run to January 1 in the second year next ensuing the
4 date thereof unless sooner revoked by the director.

5 (cf: P.L.1983, c.135, s.4)

6

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

9 5. The director shall require the applicant for a [license] certificate
10 of registration to engage in the business of reselling tickets as a ticket
11 broker to file with the application a bond in the amount of \$10,000.00
12 with two or more sufficient sureties or an authorized surety company,
13 which bond shall be approved by the director.

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

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

23

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

26 8. ¹a.¹ Each place of entertainment shall print on the face of each
27 ticket and include in any advertising for any event the price charged
28 therefor. [Except for tickets] Tickets printed prior to the enactment
29 of [this act, each ticket] P.L. c. (C.) (now pending before
30 the Legislature as this bill) shall have endorsed thereon the maximum
31 premium not to exceed 20% of the ticket price or \$3.00, whichever is
32 greater, plus lawful taxes, at which the ticket may be resold. ¹Tickets
33 printed on or after the effective date of P.L. c. (C.) (now
34 pending before the Legislature as this bill) shall have endorsed thereon
35 the maximum premium not to exceed 20% of the ticket price or \$3.00,
36 whichever is greater, plus lawful taxes, at which the ticket may be
37 resold, except for tickets resold by registered ticket brokers or season
38 ticket holders.

39 b. No person other than a registered ticket broker or season ticket
40 holder shall resell or purchase with the intent to resell a ticket for
41 admission to a place of entertainment at a maximum premium in excess
42 of 20% of the ticket price or \$3.00, whichever is greater, plus lawful
43 taxes.¹ No ¹[person except registered ticket brokers, ticket brokers
44 operating in another state and season ticket holders] registered ticket
45 broker or season ticket holder¹ shall resell[, offer to resell,] or

1 purchase with the intent to resell a ticket [at any premium in excess of
2 the maximum premium as set forth in this act] for admission to a place
3 of entertainment ¹[printed on or after the date of enactment of
4 P.L. c. (C.) (now pending before the Legislature as this bill)]¹
5 at a premium in excess of 50% of the price paid to acquire the ticket¹,
6 plus lawful taxes¹.

7 (cf: P.L.1983, c.220, s.3)

8

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

11 9. a. No person shall [sell, offer to sell,] resell [, offer to resell]
12 or purchase with the intent to resell any ticket, in or on any street,
13 highway, driveway, sidewalk, parking area, or common area owned by
14 a place of entertainment in this State, or any other area adjacent to or
15 in the vicinity of any place of entertainment in this State as determined
16 by the director; except that a person may resell, in an area which may
17 be designated by [the] a place of entertainment in this State, any
18 ticket or tickets originally purchased for his own personal or family
19 use at no greater than the lawful price permitted under this act.

20 (cf: P.L.1983, c.220, s.4)

21

22 8. (New section) It shall be an unlawful practice ¹[pursuant to
23 P.L.1960, c.39 (C.56:8.1 et seq.)]¹ for a person, who has access to
24 tickets to an event prior to the tickets' release for sale to the general
25 public, to withhold those tickets from sale to the general public in an
26 amount exceeding 5% of all available seating for the event.

27

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

34

35 10. ¹[(New section) a. There is established a Ticket Broker's
36 Mediation Panel in the Division of Consumer Affairs, which shall
37 consist of five members: one of whom shall be the director or his
38 designee; two of whom shall be members of the general public with a
39 background in mediation; and two of whom shall be registered ticket
40 brokers, to be selected by the Governor. Of the public members, one
41 shall be a representative of ticket brokers from the southern region of
42 this State and one shall be a representative from the northern region
43 of this State. Of the public members first appointed, one shall be
44 appointed for a term of two years and one for a term of three years.

1 Of the ticket broker members first appointed, one shall be appointed
2 for a term of two years and one for a term of three years. Their
3 successors shall be appointed for terms of three years. The director or
4 his designee shall serve as chairperson of the mediation panel. A
5 vacancy occurring in the membership of the mediation panel for any
6 cause, other than the expiration of term, shall be filled by the Governor
7 and the person so appointed shall hold office for the unexpired term of
8 the member whose office has become vacant.

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

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

19 Section 1 of P.L.1966, c.39 (C.56:8-13) is amended to read as
20 follows:

21 1. Any person who violates any of the provisions of the act to
22 which this act is a supplement shall, in addition to any other penalty
23 provided by law, be liable to a penalty of not more than **[\$7,500]**
24 \$10,000 for the first offense and not more than **[\$15,000]** \$20,000 for
25 the second and each subsequent offense. The penalty shall be
26 exclusive of and in addition to any moneys or property ordered to be
27 paid or restored to any person in interest pursuant to section 2 of
28 P.L.1966, c.39 (C.56:8-14) or section 3 of P.L.1971, c.247
29 (C.56:8-15).¹

30 (cf: P.L.1999, c.298, s.3)

31

32 11. (New section) The director and places of entertainment shall
33 create a method for season ticket holders and other ticket holders to
34 lawfully sell back tickets to the venue for events they will not be able
35 to attend.

36

37 12. (New section) ¹[A person operating in violation of the
38 provisions of this amendatory and supplementary act shall be subject
39 to the following penalties, in addition to the penalties of the consumer
40 fraud law, P.L.1960, c.39 (C.56:8-1 et seq.):

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

44 b. For the use of diggers to acquire tickets, a fine of not more than

1 \$500 for the first offense and not more than \$1,000 for the second and
2 each subsequent offense;

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

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

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

13 f. For improper use of another ticket broker's certificate of
14 registration number in an advertisement, a fine of not more than
15 \$5,000 for the first offense and not more than \$10,000 for the second
16 and each subsequent offense; and

17 g. For reselling a ticket for more than the maximum amount as
18 allowed by law, a full refund to the purchaser and a fine of not more
19 than \$1,000 for the first offense and \$2,000 for the second and each
20 subsequent offense.] It shall be an unlawful practice for a person to
21 use a digger to acquire any ticket.¹

22

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

24

25

26

27

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

CHAPTER 394

AN ACT concerning the resale of tickets of admission to places of entertainment, amending P.L.1966, c.39 and amending and supplementing P.L.1983, c.135.

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:

C.56:8-26 Definitions.

1. As used in this act:
 - 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 this State, 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 broker" means any person situated in and operating in this State who is involved in the business of 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:

C.56:8-27 Requirements for ticket broker.

2. No ticket broker shall engage in or continue in the business of reselling tickets for admission to a place of entertainment without meeting the following requirements:
 - a. Owning, operating or maintaining a permanent office, branch office, bureau, agency, or other place of business, not including a post office box, for the purpose of reselling tickets;
 - b. Obtaining a 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;
 - 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

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.

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

C.56:8-28 Application for registration, fee.

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

b. Every applicant for a certificate of registration to engage in the business of reselling tickets as a ticket broker shall file 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 and shall not exceed \$500, and a description of the location where the applicant proposes to conduct his business.

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

C.56:8-29 Issuance of certificate of registration.

4. a. 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 certificate of registration to the applicant.

b. The 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 and shall not exceed \$500.

c. No certificate of registration shall be transferred or assigned without the approval of the director. Any request for a change in the location of the premises operated by any registrant situated in and operating in this State shall be submitted to the director in writing no less than 30 days prior to that relocation. The 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:

C.56:8-30 Bond required to engage in business of reselling tickets as a ticket broker.

5. The director shall require the applicant for a certificate of registration to engage in the business of reselling tickets as a ticket 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.

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

C.56:8-33 Price charged printed on ticket, maximum premium for reseller.

8. a. Each place of entertainment shall print on the face of each ticket and include in any advertising for any event the price charged therefor. Tickets printed prior to the enactment of P.L.2001, c.394 (C.56:8-35.1 et al.) 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. Tickets printed on or after the effective date of P.L.2001, c.394 (C.56:8-35.1 et al.) 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, except for tickets resold by registered ticket brokers or season ticket holders.

b. No person other than a registered ticket broker or season ticket holder shall resell or purchase with the intent to resell a ticket for admission to a place of entertainment at a maximum premium in excess of 20% of the ticket price or \$3.00, whichever is greater, plus lawful taxes. No registered ticket broker or season ticket holder shall resell or purchase with the intent to resell a ticket for admission to a place of entertainment at a premium in excess of 50% of the price paid to acquire the ticket, plus lawful taxes.

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

C.56:8-34 Reselling tickets prohibited in certain area;exceptions.

9. a. No person shall 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 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.

C.56:8-35.1 Withholding tickets from sale, prohibited amount.

8. It shall be an unlawful practice 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.

C.56:8-35.2 Refunds prohibited under certain circumstances.

9. 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. Section 1 of P.L.1966, c.39 (C.56:8-13) is amended to read as follows:

C.56:8-13 Penalties.

1. Any person who violates any of the provisions of the act to which this act is a supplement shall, in addition to any other penalty provided by law, be liable to a penalty of not more than \$10,000 for the first offense and not more than \$20,000 for the second and each subsequent offense. The penalty shall be exclusive of and in addition to any moneys or property ordered to be paid or restored to any person in interest pursuant to section 2 of P.L.1966, c.39 (C.56:8-14) or section 3 of P.L.1971, c.247 (C.56:8-15).

C.56:8-35.3 Method for lawful sell back.

11. 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.

C.56:8-35.4 Use of digger unlawful.

12. It shall be an unlawful practice for a person to use a digger to acquire any ticket.

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

Approved January 8, 2002.