

The Honorable Nathan Sosa Chair, House Committee on Commerce and Consumer Protection

The Honorable Farrah Chaichi Vice-Chair, House Committee on Commerce and Consumer Protection

The Honorable Virgle Osborne Vice-Chair, House Committee on Commerce and Consumer Protection

### RE: Support for HB 3167 – Ensuring Transparency and Fairness in Ticket Sales

Dear Chairman Sosa, Vice-Chair Chaichi, and Vice-Chair Osborne,

Thank you for the opportunity to testify in support of HB 3167. Sports Fans Coalition, founded in 2009, is a national non-profit advocacy organization devoted to representing fans wherever public policy impacts the games we love. We are best known for leading the campaign to end the Federal Communications Commission's sports blackout rule, which we accomplished in 2014 despite massive opposition from the NFL and broadcast industry. We are the creators of the Sports Bettors' Bill of Rights, a set of five principles we believe should accompany sports betting legislation to protect consumers while maximizing state revenues. We've also been on the front lines fighting massive media consolidations, the NFL's concussion cover-up, corruption within the United States Soccer Federation and their inequitable treatment of women and youth. Opening the ticket resale market and combatting ticket fraud has been a priority of SFC's for many years. We advocate on behalf of sports fans in all of these areas and more in Washington, DC and state capitals around the country.

HB 3167, as originally drafted in the base bill, is a much-needed bill that prioritizes fairness, transparency, and consumer protection in the sale and resale of event tickets. This bill addresses long-standing issues in the ticketing industry that harm Oregonians – particularly transferability restrictions, hidden fees, deceptive resale practices, and the use of predatory software that prevents fair access to tickets. The base bill would make Oregon the new gold standard for consumer protection in ticketing, surpassing states like Colorado, Connecticut, Illinois, New York, Utah, and Virginia.

### **Ensuring Transferability and Consumer Choice**

Consumers should have the right to transfer or resell their tickets without unnecessary restrictions. As drafted today, HB 3167 requires that ticket purchasers have the option to buy a transferable ticket, ensuring that they can share or resell tickets without penalty or discrimination. Furthermore, the bill prevents venues from imposing additional fees or penalties on consumers who purchase tickets from independent sellers. This provision upholds consumer freedom and fosters a fair marketplace.



Fans should have the right to transfer their previously purchased tickets freely and without restrictions. Unfortunately, monopolists in the primary industry and their allies often seek to restrict or even ban the transfer of tickets on competing resale platforms. The digital nature of today's tickets only makes matters worse. We believe once a consumer purchases their ticket, it is theirs to do with as they please, regardless if it is in paper or electronic form.

Despite stiff opposition from industry – Live Nation/Ticketmaster, other primary ticketing companies, promoters, artist groups, teams, and venues – lawmakers in six states (Colorado, Connecticut, Illinois, New York, Utah, and Virginia) have chosen to empower fans and enshrine the right to transferability.

Ticket transferability stands as a cornerstone of consumer protection for avid fans. In the world of live events, fans often find themselves securing tickets six months or longer in advance, only to have life's unexpected twists intervene. This rings particularly true for loyal fans who invest in season tickets, often holding multiple tickets for an entire sports season. When circumstances prevent a fan from attending an event, the ability to resell their ticket becomes a lifeline, allowing them to recoup potential losses. However, the significance of fan resale extends beyond individual convenience; it ushers in a wave of consumer savings.

The power of ticket holders to freely transfer tickets they've already purchased fuels the competitive secondary market for sports tickets. Given that market prices typically reflect the laws of supply and demand, many ticket holders willingly offer their tickets at a price lower than their initial purchase cost. This is true of both fans and professional ticket resellers. This phenomenon translates into tangible savings for fellow fans, making live events more accessible and affordable.

According to an analysis by Sports Fans Coalition of 43,707,045 tickets resold from 2017 through 2024 for Major League Baseball (MLB), National Basketball Association (NBA), National Football League (NFL), and the National Hockey League (NHL), fans across the country have saved \$475 million by buying tickets on the secondary market. Tickets are often sold well below face value (more than a third of the time). This creates an opportunity for lower-income or price-sensitive fans to attend a game. On average, fans who purchased below-face tickets saved \$30 per ticket from secondary sales. States that protect transferability yielded significantly more savings, on average, than those that do not protect transferability.<sup>1</sup> In Oregon, Trail Blazers fans saved almost \$4 million in that same time and saved \$27 per ticket.<sup>2</sup>

Similarly, according to the American Consumer Institute (ACI), in 2023 alone, events on secondary websites offered tickets below the original price 55% of the time, resulting in more

<sup>&</sup>lt;sup>1</sup>Sports Fans Coalition, "Ticket Transferability Saves Sports Fans \$475 Million Since 2017," February 18th, 2025,

https://www.sportsfans.org/latest-news/ticket-transferability-saves-sports-fans-475-million-since-2017 <sup>2</sup> Sports Fans Coalition, "United States of Ticketing: Oregon," https://www.sportsfans.org/united-states-of-ticketing/oregon



than \$440 million in savings for fans. ACI also found that on resale markets, the average ticket price decreased from \$170 to \$114 between the first month of a ticket's sale and the last month.<sup>3</sup>

# We are pleased to see transferability protections included in Paragraph 4(a) and urge you to protect this vital consumer right.

## Providing Fans with Much-needed Transparency

Without question, the current state of the ticketing marketplace frustrates fans. The transparency provisions included in HB 3167 would address much of what plagues them. We support the intent behind all of the transparency provisions of this bill. However, we urge technical fixes to better conform the provisions with federal regulations and the TICKET Act.

The TICKET Act almost became law last year. It passed the House Energy & Commerce Committee unanimously and then the House of Representatives by a bipartisan vote of 388-24. Nearly every stakeholder expressed support for the TICKET Act, from consumer protection advocates to ticketing companies, venues, artists management firms, artists, teams, promoters and others. In December, an agreement was reached and included in the continuing resolution package proposed by House and Senate leadership.

Unfortunately, that package didn't become law for extraneous political reasons. At the first mark up of this year, the Senate Commerce Committee passed the TICKET Act by voice vote, putting the bill in good position to become law. This bill mandates all-in pricing, bans deceptive websites, and prohibits speculative ticketing. Similarly, at the end of last year the Federal Trade Commission created a new junk fee rule, which would mandate all-in pricing for live event tickets.

### All-in pricing

The first number a fan sees should be the only number a fan sees. Consumers should not have to navigate a maze of hidden fees, service charges, and surcharges that only appear at checkout. The total cost of a ticket should be clear from the outset, allowing consumers to make informed purchasing decisions without fear of deception. When fans get the cost upfront, they are better equipped to comparison shop across all platforms, injecting much-needed competition into the space. We believe that when you combine all-in pricing with transferability, prices could fall for fans.

<sup>&</sup>lt;sup>3</sup> American Consumer Institute, "Report: Antitrust Ticketing Case Fails to Solve Pricing Problems," June 26th, 2024,

https://www.theamericanconsumer.org/2024/06/consumergram-antitrust-ticketing-case-fails-to-solve-pricing-problems/



The language in the bill and the -3 amendment may run into conflict with both the FTC junk fee rule which takes effect May 12, 2025 and the TICKET Act (S. 281/HB. 1402). In a scenario where the FTC rule takes effect, HB 3167 passes, and the TICKET Act becomes law, Oregonians will have to deal with three different standards, leading to further confusion for fans and compliance difficulties for Oregon's small businesses.

### **Deceptive Websites**

We agree that white label ticket sites deceive fans who think they are buying directly from a venue box office at face value, but in reality are buying from a third party pretending to be an official site. Often using misleading URLs, link titles, imagery, and logos, white label ticket sites get away with inflating ticket prices and charging enormous additional fees, which are often hidden until a buyer's credit card info is entered. Unequivocally, this behavior should be prohibited. Laws like this have been enacted in California, Colorado, Maryland, Michigan, Nevada, New Jersey, New York, Tennessee, Texas, Utah, and Virginia. The federal TICKET Act, also addresses this concern.

### Speculative Ticketing

The practice known as speculative ticket sales involves the sale of tickets by a seller who does not currently possess or have constructive possession of those tickets but intends to acquire them in the future. Without proper disclosure, this practice misleads consumers into believing the seller already has the tickets they are selling and that the order is secure. In reality, if the seller does not possess or have constructive possession of the tickets, the order could be at risk if the seller isn't able to obtain the ticket they offered. These consumer harms are exacerbated if the consumer traveled for the event under the false assumption they had a ticket. The TICKET Act also bans speculative ticketing.

# We recommend amending these transparency provisions to conform to the TICKET Act (S. 281/HB 1402) to prevent potential future conflicts.

## **Protecting Consumers from Bots**

Too often, automated ticket-buying software—commonly referred to as "bots"—manipulates online sales, buying up tickets before the general public even has a chance. These tickets are then resold at drastically higher prices, creating an unfair marketplace that prioritizes profit over consumer access. Federal law<sup>4</sup> already prohibits the use of bots to unfairly purchase event tickets. However, this legislation has only been enforced once,<sup>5</sup> primarily because these ticketing giants have failed to report such criminal activities to law enforcement, leaving the

<sup>&</sup>lt;sup>4</sup> Better Online Ticket Sales Act of 2016, Pub. L. No. 114-274, 130 Stat. 1395 (2016)

<sup>&</sup>lt;sup>5</sup> Bureau of Competition & Office of Technology. "FTC Brings First-Ever Cases under the Bots Act." Federal Trade Commission, January 22, 2021.

https://www.ftc.gov/news-events/news/press-releases/2021/01/ftc-brings-first-ever-cases-under-bots-act



Federal Trade Commission and/or state Attorneys General with little ability to locate and penalize offenders.

Given their significant influence and market presence, corporations like Ticketmaster and AXS play a pivotal role in combating bots. In 2018, Ticketmaster claims to have stopped more than 10 billion bot purchase attempts.<sup>6</sup> Data on these failed attempts would be extremely valuable to law enforcement efforts. However, it is unclear whether Ticketmaster shared this data with law enforcement. If they had, many advocates believe there would have been more enforcement actions.

Establishing reporting requirements on illegal bots usage is a pragmatic and necessary stride toward enhancing the overall fan experience. It is incumbent upon these industry leaders to collaborate with law enforcement, making concerted efforts to halt bot-related misconduct and restore fairness to ticket distribution. Reporting requirements like this have been proposed at the federal level through the MAIN Event Act<sup>7</sup>, which has been endorsed by nearly all stakeholders. HB 3167 prohibits the use of such software and gives the Oregon Attorney General the authority to investigate and enforce penalties against those who engage in this predatory behavior.

### We urge you to support this provision.

#### Proposed Amendment-3

As discussed, enshrining a fan's right to transfer tickets is a fundamental consumer protection. Sadly, this amendment takes away this vital protection and maintains the status quo, which already does not serve fans. However, the amendment still maintains the important transparency provisions, and we support the intent of those provisions. However, as discussed previously, the language could use further improvements. Our suggested redlines have been provided.

# We urge further amendments to clarify the provisions and align it with federal regulations.

### Conclusion

HB 3167, as originally drafted, takes a comprehensive, consumer-first approach to ticket sales, guaranteeing that Oregonians have access to fair prices, transparent transactions, and protection from bad actors in the marketplace. For too long, ticket buyers have faced deceptive fees, fraudulent resales, and restricted access due to unfair practices. If passed, the base bill

<sup>&</sup>lt;sup>6</sup> "Ticketmaster Discusses How to Protect Fans at the FTC Bots Workshop," Ticketmaster, February 8, 2022,

https://business.ticketmaster.com/business-solutions/ticketmaster-discusses-how-to-protect-fans-at-the-ft c-bots-workshop/.

<sup>&</sup>lt;sup>7</sup> S.196 - 119th Congress (2025-2026): MAIN Event Act. <u>https://www.congress.gov/bill/119th-congress/senate-bill/196/</u>



would have made Oregon the nation's leader for consumer protection in ticketing, usurping Colorado's current position. However, the amended still provides other necessary consumer protections that promote much-needed transparency.

We urge you to pass HB 3167 with the transferability protections, transparency amendments, and bots reporting without delay and make Oregon the gold standard for live event consumer protections.

Thank you for your leadership in standing up for Oregon's consumers.

Sincerely,

Brian Hess Executive Director, Sports Fans Coalition