

## Aggressive Ticket Brokering and Colorado VOTE YES ON SB 71

### It's About Fairness

Ticket brokering and scalping, the resale of an event ticket for a profit, has become a very lucrative segment of the music, sporting and arts industries. It has also become a deceptive and unfair segment that has forced into place laws from coast to coast addressing the issue. From laws that address the unfair practices by ticket brokers of circumventing ticket seller's website's security features to unfairly obtain the best seats to laws that require that agencies post a bond conditioned on the promise that they will not be guilty of fraud or extortion, it has become obvious that there is a need for regulation in this industry.

### It's About Consumer Protection

When an event is announced, tickets and the right to sale are purchased by licensed ticket sellers and are then sold at a price determined by the individual or company in possession of the tickets. When that supply is depleted, the event is considered 'sold-out', of course increasing the market value for that ticket. With the amount of tickets available for any particular event being static, this has caused a secondary market for sale at extremely inflated prices.

As a reaction to this reality, the ticket brokering industry was born. And with that birth came a need to procure tickets to events in large demand. Ticket brokers use many methods to secure the best seats creating an unfair advantage over the general public and manipulating the supply and demand for their gain. These practices include the use of software bots, which circumvent a ticket seller's website to allow the broker to monitor multiple events in multiple browsers. To tackle the problem of 'captchas', an often used security feature of many ticket sellers, brokers purchase the use of a service which out sources captcha typing to workers in India.<sup>1</sup> Brokers also use 'diggers' who are hired to obtain tickets by intimidating purchasers waiting in line to buy tickets.<sup>2</sup>

With a profit margin of up to 2000%, creative means of undercutting the average sports, arts or music fan has become common practice. This is not the free market in action. This is price gouging and these practices decrease competition, increase prices and inhibit consumer choice.

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<sup>1</sup> Thompson, B. 2008, "RMG Technologies claims they are not the bad guys", Ticket News, Mar 26

<sup>2</sup> OLR *Ticket Scalping Research Report*, p.2.

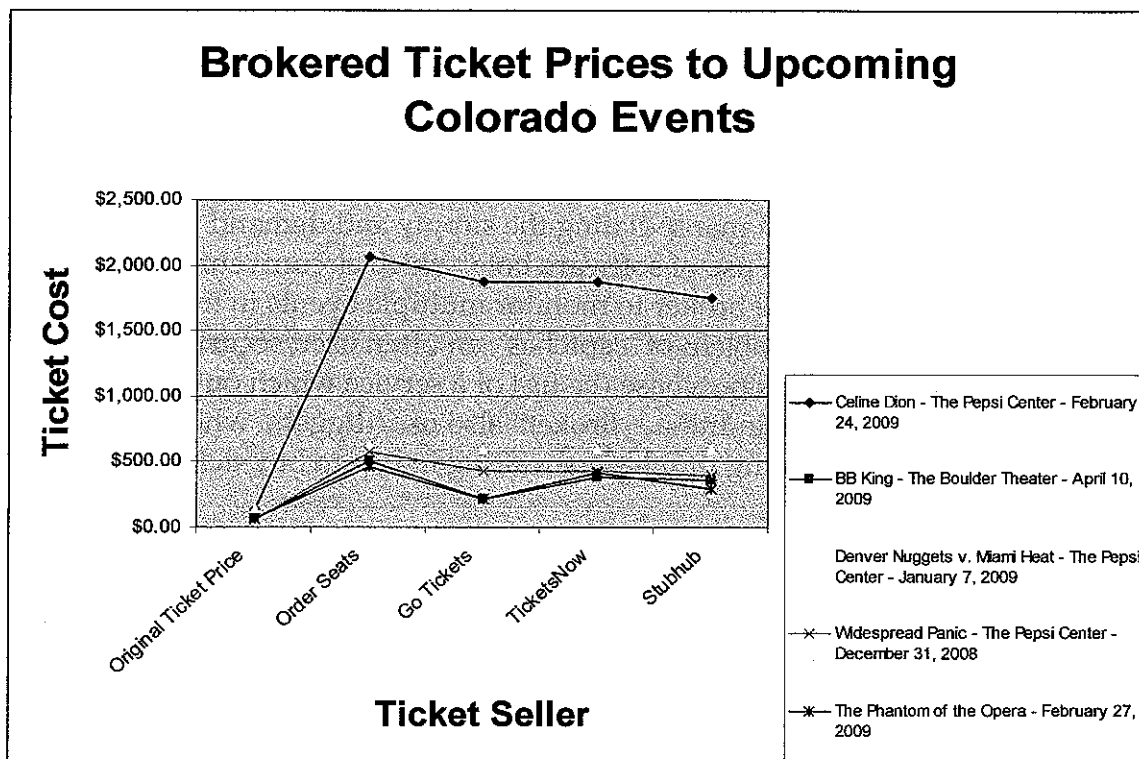
## It's About Time

The ticket resale market is a \$5 billion-a-year business that serves to manipulate the market by making resources scarce creating an unfair advantage of ticket brokers and scalpers over the public.

Currently, 27 states have enacted laws on ticket scalping and Colorado needs to follow their lead.<sup>3</sup> In order to create a fair market place and to honor the public who often times is attempting to purchase tickets to events that are held at municipally owned or publicly financed venues and stadiums, Colorado needs to enact a law that prohibits the sale of an event ticket for a profit.

### Vote YES on SB 71

SB 71 levels the playing field by limiting what a scalper can charge for an event ticket to no more than \$5 of 25% of the original value, above the original value. SB 71 also limits what a primary ticket seller can charge in service fees to no more than 10% of the original value. Please support and vote yes on SB 71 and create a fair marketplace for ticket sales.



<sup>3</sup> OLR *Ticket Scalping Research Report*, p. 1.