

BILL ANALYSIS

H.B. 3477
By: Goldman
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties have raised concerns about certain methods that have been developed to circumvent restrictions placed on the number of tickets that a consumer may purchase for sporting events, concerts, musicals, or other entertainment. Although such restrictions are intended to allow a wide number of individuals to access tickets when the tickets are offered for sale in the primary marketplace, these parties note that certain types of computer programs known as "BOTs," which is short for robots, are used to override established website protocols and to make it difficult for a website to differentiate between a BOT and an individual logging on to make a purchase. The parties contend that while certain persons use the BOTs to buy more tickets than allowed for the purpose of reselling those tickets, many real fans are shut out when tickets that otherwise would be available for purchase by the general public are no longer available through authorized outlets, which increases the transaction costs for ticket issuers who are forced to keep up with the evolving sophistication of BOTs and other subversion tools. H.B. 3477 seeks to remedy this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3477 amends the Occupations Code to prohibit a person from selling, using, or causing to be used any method, technology, device, or software in the sale or resale of event tickets on a ticket issuer's or resale ticket agent's website that functions as a bypass in the ticket purchasing process, disguises the identity of the ticket purchaser, permits the purchase of a quantity of event tickets in a number that exceeds the maximum number of tickets that may be sold to one purchaser as specified by the event owner or operator on the website, or circumvents a security measure, access control system, or other control, authorization, or measure in the ticket purchasing process. The bill prohibits a person from decoding, decrypting, modifying, or reverse engineering any event ticket or an underlying algorithm or barcode used in the ticket's production or on any website in the sale or resale of the ticket.

H.B. 3477 authorizes the attorney general to investigate a claim made by any person that a person violated the bill's provisions, to bring an action in district court to enjoin a person from violating such provisions, to sue for money damages on behalf of a ticket issuer or resale ticket agent who is a Texas resident and is injured by such a violation, and to recover reasonable expenses incurred in obtaining injunctive or civil relief. The bill authorizes the ticket issuer or

resale ticket agent, if the issuer or agent prevails in such a suit, to recover court costs, attorney's fees, expenses, and actual damages.

EFFECTIVE DATE

September 1, 2015.