

STATE OF NEW YORK

7011

IN SENATE

(Prefiled)

January 3, 2018

Introduced by Sen. HOYLMAN -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the arts and cultural affairs law, in relation to limiting the re-sale price of tickets to charitable events and criminalizing violations of the limitation

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The arts and cultural affairs law is amended by adding a
2 new section 25.06 to read as follows:

3 § 25.06. Ticket speculators; charitable or not-for-profit events. 1.
4 Every operator of a place of entertainment shall, if a price be charged
5 for admission thereto for entertainment dedicated to charity or not-for-
6 profit cause, print or endorse on the face of each such ticket the
7 established price, or the final auction price if such ticket was sold or
8 resold by auction through the operator or its agent. Each such operator
9 shall also be required to print or endorse on each ticket that the
10 established price is the maximum price at which such ticket or other
11 evidence of the right of entry may be resold or offered for resale if an
12 event generates ticket sales revenue dedicated to a charity or not-for-
13 profit cause. It shall be unlawful for any person, firm or corporation
14 to resell or offer to resell any ticket or other evidence of right of
15 entry to any place of entertainment if an event generates ticket sale
16 revenue dedicated to a charity or not-for-profit cause for more than the
17 established price.

18 2. a. Any person, firm or corporation which, in violation of subdivi-
19 sion one of this section, unlawfully resells, or offers to resell, a
20 ticket to an event that generates ticket sale revenue dedicated to a
21 charity or not-for-profit cause at a price that exceeds the maximum
22 price at which such ticket may be resold or offered for resale shall be
23 guilty of a misdemeanor punishable by a term of imprisonment not to
24 exceed one year or by a fine not to exceed seven hundred fifty dollars
25 on the first conviction; one thousand five hundred dollars on the second

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 conviction; and two thousand dollars, on each subsequent conviction or
2 by both such fine and imprisonment.

3 b. Notwithstanding any other provision to the contrary, when the fines
4 included in this section are imposed on a firm, corporation or other
5 entity that is not a single person, such fines may be imposed at up to
6 two times the amount otherwise allowed, or, where applicable, three
7 times the amount of the defendant's gain.

8 3. As used in this section the term: a. "entertainment dedicated to a
9 charity or not-for-profit cause" means all forms of entertainment
10 including, but not limited to, theatrical or operatic performances,
11 concerts, motion pictures, all forms of entertainment at fair grounds,
12 amusement parks and all types of athletic competitions including foot-
13 ball, basketball, baseball, boxing, tennis, hockey, and any other sport,
14 and all other forms of diversion, recreation or show from which signif-
15 icant revenue is designated for a not-for-profit organization as defined
16 in paragraph d of this subdivision; and

17 b. "established price" means the price fixed at the time of sale by
18 the operator of any place of entertainment for admission thereto, which
19 must be printed or endorsed on each ticket of admission;

20 c. "final auction price" shall mean the price paid for a single ticket
21 by a winning bidder. In the case of a single action price for a ticket
22 package, including packages containing tickets to multiple events, the
23 final auction price per ticket shall be established by evenly dividing a
24 prorated share of the winning bid, which shall be determined by the
25 seller, by the number of tickets to such event;

26 d. "not-for-profit organization" means a domestic corporation incorpo-
27 rated pursuant to or otherwise subject to the not-for-profit corporation
28 law, a charitable organization registered with the department of law, a
29 religious corporation as defined in section sixty-six of the general
30 construction law, a trustee as defined in section 8-1.4 of the estates,
31 powers and trusts law, an institution or corporation formed pursuant to
32 the education law, a special act corporation created pursuant to chapter
33 four hundred sixty-eight of the laws of eighteen hundred ninety-nine, as
34 amended, a special act corporation formed pursuant to chapter two
35 hundred fifty-six of the laws of nineteen hundred seventeen, as amended,
36 a corporation authorized pursuant to an act of congress approved January
37 fifth, nineteen hundred five, (33 stat. 599), as amended, a corporation
38 established by merger of charitable organizations pursuant to an order
39 of the supreme court, New York county dated July twenty-first, nineteen
40 hundred eighty-six and filed in the department of state on July twenty-
41 ninth, nineteen hundred eighty-six, or a corporation having tax exempt
42 status under section 501 (c) (3) of the United States Internal Revenue
43 Code, and shall further be deemed to mean and include any federation of
44 charitable organizations.

45 e. "operator" means any person who owns, operates, or controls a place
46 of entertainment or who promotes or produces an entertainment;

47 f. "place of entertainment" means any privately or publicly owned and
48 operated entertainment facility such as a theatre, stadium, arena, race-
49 track, museum, amusement park, or other place where performances,
50 concerts, exhibits, athletic games or contests are held for which an
51 entry fee is charged;

52 g. "resale" means any sale of a ticket for entrance to a place of
53 entertainment located within the boundaries of the state of New York
54 other than a sale by the operator or the operator's agent who is
55 expressly authorized to make first sales of such tickets. Resale shall
56 include sales by any means, including in person, or by means of tele-

1 phone, mail, delivery service, facsimile, internet, email or other elec-
2 tronic means, where the venue for which the ticket grants admission is
3 located in New York state. Except as provided in section 25.11 of this
4 article, the term "resale" shall not apply to any person, firm or corpo-
5 ration which purchases any tickets solely for their own use or the use
6 of their invitees, employees and agents or which purchases tickets on
7 behalf of others and resells such tickets to such invitees, employees
8 and agents or others at or less than the established price. Similarly,
9 the term "resale" shall not apply to any not-for-profit organization, or
10 person acting on behalf of such not-for-profit organization, as long as
11 any profit realized from ticket reselling is wholly dedicated to the
12 purposes of such not-for-profit organization; and

13 h. "ticket" means any evidence of the right of entry to any place of
14 entertainment.

15 § 2. This act shall take effect on the forty-fifth day after it shall
16 have become a law; provided, however, that section 25.06 of the arts and
17 cultural affairs law, as added by section one of this act, shall survive
18 the expiration and reversion of article 25 of such law as provided in
19 section 4 of chapter 704 of the laws of 1991, as amended.