STAND. COM. REP. NO. 268

Honolulu, Hawaii

FEB 1 6 2024

RE: S.B. No. 367 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 367 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Cap the service charges for a primary and secondary ticket seller;
- (2) Require website operators to guarantee refunds in certain circumstances and disclose that the website is not the primary ticket seller;
- (3) Prohibit variable demand pricing, speculative tickets, and the usage of bots; and
- (4) Make conforming amendments.

Your Committee received testimony in support of this measure from Rick Bartalini Presents.

Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs Office of Consumer Protection.

Your Committee finds that customer frustration with the ticket-purchasing process for popular events is on the rise due to a lack of transparency. Your Committee further finds that technology has proliferated and enabled secondary market profiteers, commonly known as scalpers, who exacerbate the frustrations of the ticket-purchasing process to the detriment of ordinary consumers. While the issue of secondary market profiteers is multifaceted, your Committee believes that an intermediate approach is the most pragmatic at providing consumers with protection and fairness in the ticket-purchasing process.

Your Committee has amended this measure by:

- (1) Deleting the contents of the chapter except language prohibiting tickets to be sold at a higher price than the original price charged by the primary venue ticket provider;
- (2) Inserting an effective date of January 1, 2050, to encourage further discussion;
- (3) Amending section 1 to reflect its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 367, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Judiciary.

Respectfully submitted on behalf of the members of the Committee on Transportation and Culture and the Arts,

CHRIS LEE, Chair

The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Transportation and Culture and the Arts TCA

Bill / Resolution No.:*	Committee Referral:			Date:		
SB 367	TCA, CPN/JDC			2-13-2024		
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye/	Aye (WI	R)	Nay	Excused
LEE, Chris (C)						
INOUYE, Lorraine R. (VC)		V/				
ELEFANTE, Brandon J.C.	<u> </u>	V /				
KANUHA, Dru Mamo		V				
AWA, Brenton		<u> </u>	ļ			V
	 					
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TOTAL		4	<u> </u>			
Recommendation: Adopted Not Adopted						
Chair's or Designee's Signature:						
Faraine R. Junye						
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy						

*Only one measure per Record of Votes