

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 609 - HB 1000

March 13, 2013

CORRECTED SUMMARY OF BILL: Creates the *Fairness in Ticketing Act*. Requires ticket resellers to register as ticket brokers with the Department of Commerce and Insurance. Requires brokers to post terms detailing a purchaser's right to cancel a purchase at such place of business or website, to disclose the refund policy and, prior to sale, disclose the difference between the face value of a ticket and the purchase price. Brokers are required to include his or her Department-issued registration number on any printed, broadcasted, or internet advertisement.

Requires ticket resale websites to disclose the following information: the face value and exact location to which a ticket grants a right at or in a respective venue; the broker's active registration number if such broker is the operator of the event; whether the ticket for sale is in possession of the reseller or available for delivery; and whether such reseller is actively making an offer to procure the ticket. If the ticket is not in the physical possession of the broker, he or she must provide a time at which the ticket is expected to be in hand.

Requires brokers to register with the Department within 180 days of January 1, 2014, or within 30 days of commencing business as a broker, whichever is later. Any violation of the Fairness in Ticketing Act is punishable as a fine only Class B Misdemeanor offense. Violations are able to be appealed by written complaint either with the Department's Division of Consumer Affairs or the Office of the Attorney General and Reporter, which holds authority to investigate any complaint.

ESTIMATED FISCAL IMPACT:

On February 25, 2013, a fiscal memorandum was issued with an incorrect summary that misstated a violation that was not included in the bill. The fiscal impact remains unchanged.

Increase State Revenue - \$49,500/FY13-14 and Subsequent Years

Increase State Expenditures – \$30,800/FY13-14

\$49,300/FY14-15 and Subsequent Years

Increase Local Revenue – Not Significant

Increase Local Expenditures – Not Significant

Assumptions:

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- It is estimated that all brokers will become licensed with the Department by June 30, 2014.
- According to the Department, there will be approximately 55 individuals who will purchase a ticket broker license.
- The program is required to be self-supporting; therefore, it is assumed the annual ticket broker license will cost at least \$900 resulting in recurring increase in state revenue of \$49,500 (\$900 x 55).
- According to the Department, one administrative position will be required to handle the work created by this new license type. The Department will not hire this position until January 1, 2014, resulting in first year expenditures of six months.
- In FY13-14, this position will result in an increase in state expenditures of \$24,637 [(\$29,100 salary + \$5,999 insurance + \$4,374 benefits + \$2,000 phone/network + \$600 supplies + \$1,700 office lease + \$5,500 administrative division) / 2].
- In FY14-15 and subsequent years, this position will result in a recurring increase in state expenditures of \$49,273 (\$29,100 salary + \$5,999 insurance + \$4,374 benefits + \$2,000 phone/network + \$600 supplies + \$1,700 office lease + \$5,500 administrative division).
- There will be a one-time increase in state expenditures in FY13-14 of \$6,200 (\$1,200 computer/software + \$2,000 office landscaping + \$3,000 computer setup/rulemaking/printing).
- Any increase in state or local sales tax revenue is estimated to be not significant.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jdb