

Legislative Analysis



EVENT ONLINE TICKET SALES ACT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4262 as introduced
Sponsor: Rep. Mike Harris

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4263 as introduced
Sponsor: Rep. Mike McFall

Committee: Judiciary
Complete to 5-20-25

SUMMARY:

House Bill 4263 would create a new act, the Event Online Ticket Sales Act (EOTSA), to regulate the online sale of *tickets* for *entertainment events* and to prohibit a person (an individual or any other legal entity) from circumventing or disabling a security measure, access control system, or other technological control or measure used to do any of the following:

- Enforce a *ticket purchasing limit*.
- Enforce an electronic queue, waiting period, presale code, or other sales volume limitation system associated with an online ticket sale.
- Validate that a ticket is not fraudulent.

Ticket would mean a physical, electronic, or other form of certificate, voucher, document, token, or other evidence indicating that the person entitled to possession through purchase or otherwise has a right to enter a venue for an entertainment event at the date and time specified on the ticket.

Entertainment event would mean a concert, theatrical performance, sporting event, exhibition, show, or similar scheduled activity held in Michigan that meets all of the following:

- It is open to the public.
- It is held in a public or private venue.
- It charges an admission fee to attend.

Ticket purchasing limit would mean the posted limit stating the number of tickets a person may purchase for a specific entertainment event during an online ticket sale.

House Bill 4262 would create a new act to prescribe sanctions for violating EOTSA and authorize the Department of Attorney General (AG) to investigate claims of violations. Under the bill, a person that violates EOTSA would be subject to a civil fine of up to \$5,000 for each ticket acquired in violation of the act, collections on which would be deposited into the general fund.

The AG also could bring a civil action against a person who violates EOTSA for appropriate relief, including injunctive relief, or to collect the civil fine described above and recover

restitution. The bill would subject a person that violates a court order or injunction issued under this provision to a civil fine of up to \$5,000.

The bills are tie-barred and cannot take effect unless both are enacted.

BACKGROUND:

The language of the bills closely mirrors provisions of the federal Better Online Tickets Sales (BOTS) Act,¹ which prohibits the use of automated “bots” to circumvent ticket purchase limits at the federal level. The BOTS Act authorizes the U.S. Federal Trade Commission, state attorneys general, and other state consumer protection officers to investigate violations and initiate civil action in federal court against entities that violate the act. House Bills 4262 and 4263 would essentially create an analogous cause of action that would allow the attorney general to pursue similar relief in state courts.

The bills are reintroductions of House Bills 5661 and 5662 of the 2023-24 legislative session. Those bills were passed by the House of Representatives.

FISCAL IMPACT:

House Bill 4262 would have an indeterminate fiscal impact on the state and on local units of government. Under the bill, a person that violates provisions of the Event Online Ticket Sales Act (HB 4263) would be subject to a civil fine of up to \$5,000. Civil fine revenue collected would be deposited into the state general fund under the bill. Also, under section 8827(4) of the Revised Judicature Act, \$10 of the civil fine would be required to be deposited into the state’s Justice System Fund, which supports various justice-related endeavors in the judicial branch and legislative branches of government and the Departments of State Police, Corrections, Health and Human Services, and Treasury. The fiscal impact on local court systems would depend on how provisions of the bill affected court caseloads and related administrative costs. Because there is no practical way to determine the number of violations that will occur, an estimate of the amount of fine revenue collected or costs to local courts cannot be made.

The bill would not have a significant fiscal impact on the Department of Attorney General, which would be able to investigate and prosecute violators of HB 4263 with existing financial and personnel resources.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

¹ <https://www.law.cornell.edu/uscode/text/15/45c>