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City ticket bill clarifies fees but leaves consumers subject to large add-on charges

Baltimore, MD. The Maryland Consumer Rights Coalition (MCRC) is pleased that the city ticket law Councilman Carl Stokes proposed yesterday would cap service fees and give ticket buyers clear notice of all ticket fees. MCRC is concerned, however, that the bill does little to promote the kind of competition between ticket vendors that could lead to lower prices for consumers.

The legislation limits add-on fees to 15% of the first \$50 of a ticket fee, 10% of the cost between \$50 and \$150, and 5% of fees over \$150. Those fees could add up to \$7.50 to the cost of a \$50 ticket and \$12.50 to a \$100 ticket.

The bill would require all ticket sellers to display the full price of the ticket (including all service and add-on fees) prominently on the ticket itself, in any advertisements for the event, and at any box office or website that sells tickets, and to itemize all fees at the point of sale.

“The price caps and clear disclosures are positive steps forward for ticket vendors and consumers in Baltimore City,” said Marceline White, Executive Director of MCRC. “However, we still believe that the ‘all-in-one pricing’ system that Ticketmaster and other vendors follow in Arkansas would offer the best incentives for more competition, clearer pricing, and lower service fees for consumers.”

All-in-one pricing simply means that the service charges are included in the established, face price of the ticket so that the ticket price includes all ticket costs. All-in-one pricing would give ticket vendors stronger incentive to sell their business to a concert venue by offering service charges lower than the fee caps in the bill -- creating more competition among ticket-sellers and lower prices for consumers.

MCRC is also troubled that Baltimore’s cash-strapped city governments has made no effort to collect the hundreds of thousands of dollars Ticketmaster may owe for its past violations of the city’s anti-scalping law.

With city residents facing big hikes in water and sewer fees and the city looking at new trash collection fees and budget cuts to balance its books, we find it outrageous that the city is overlooking this obvious source of much-needed revenue,” Marceline White observes.

MCRC would like to see the current legislation revised to create more incentives for venues to work with lower-cost ticket agents and make sure that venues and ticket agencies are paying the 10% amusement tax required on all ticket charges for sports and entertainment events.

Background

In January, the Maryland Court of Appeals ruled that the service fees Ticketmaster adds to ticket prices, which often add 15% to 20% to the price of concerts and entertainment events, violated the city's 1948 anti-scalping law. Each ticket sold in violation of that law carries a fine of up to \$1,000.

In March, the City Council passed a bill that temporarily exempted Ticketmaster and other ticket servicers from the city's old anti-scalping law. If it is passed in time, the bill Councilman Stokes proposed yesterday would take effect when the bill passed in March sunsets in September.

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The Maryland Consumer Rights Coalition (MCRC) advances fairness and justice for Maryland consumers through research, education, and advocacy. Find MCRC on the web at www.marylandconsumers.org, on Facebook at facebook.com/mdconsumers and on Twitter at twitter.com/mdconsumers.