



Honorable James B. Kraft  
Chair, Judiciary and Legislative Investigations  
Baltimore City Council  
Du Burns Council Chamber, 4th Floor  
Baltimore, MD 21202

**Council Bill 12-0239. Favorable.**

July 2, 2013

Chair Kraft and Members of the Committee:

My name is Marceline White and I'm a resident of District 11 as well as the Executive Director of the Maryland Consumer Rights Coalition (MCRC). MCRC is a statewide coalition that advances fairness and justice for Maryland consumers through research, education, and advocacy.

I am here today in support of Council Bill 12-0239.

As you may recall, MCRC was concerned about the Council's decision last February to support Council Bill 13-0194. That bill exempted ticket sellers from the City's 1948 anti-scalping law while still imposing fines on Baltimore City residents.

As the Maryland Court of Appeals decision upheld in *Bourgeois vs. Live Nation*, Ticketmaster's service fees violated Baltimore's long-standing scalping ordinance and carried a \$1000 penalty per violation, which the City should collect.

Council Bill 12-0239 provides new consumer disclosures and sets important fee caps on the amount that ticket sellers may charge. The bill requires ticket agents to clearly disclose the box office ticket price as well as the gross ticket price. This gross price is further itemized by state and Baltimore City tax and service or other charges. Without fee caps such as those in Council Bill 12-0239, Ticketmaster and other agents will be able to continue to charge fees that add 20% or more to the cost of a ticket.

Although MCRC maintains that “all-in-one pricing” provides the clearest and strongest consumer protection, we agree that Council Bill 12-0239 helps to level the playing field for consumers.

To do nothing or, worse, to pass a bill that does not cap fees or include strong disclosures would free Ticketmaster and other ticket vendors to gouge city ticket buyers with high fees and cost the city revenue it badly needs.

Some questions remain unanswered by this bill and the questions are important ones for Council Members to address. Our concerns include the following:

- **How is the City pursuing the collection of amusement taxes that Ticketmaster, other ticket agents, and entertainment venues owe Baltimore City?** As we noted in our February testimony, part of Ticketmaster’s service fee gets kicked back to the venue for every ticket. The City’s amusement tax is 10% but the amusement tax is paid only on the face value of the tickets, not on the service charge-depriving Baltimore City of vitally needed revenue.
- **How is the City pursuing the collection of fines that Ticketmaster owes the City for its past violations of Baltimore City’s anti-scalping law?** The violations could boost City coffers and send a strong message to corporations that they are not above the law. Failure to collect these fines sends corporations and Baltimore City residents a clear message: there is one system of justice in Baltimore City for corporations and the elite and another for City residents who follow the law and struggle to pay for potential new water rate hikes, stormwater fees, and other new fees.

MCRC supports Council Bill 12-0239 and opposes any amendments to reduce fee caps or disclosures. Furthermore we look forward to answers from City Council on how the City will be collecting the revenue owed to it by Ticketmaster and entertainment venues.

Sincerely,

Marceline White

Executive Director