

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1407 (Fifth Edition)

SHORT TITLE: Resale of Tickets via Internet.

SPONSOR(S): Senator Hartsell

FISCAL IMPACT

Yes () No () No Estimate Available (X)

FY 2008-09 FY 2009-10 FY 2010-11 FY 2011-12 FY 2012-13

REVENUES **No Estimate Available**

EXPENDITURES

POSITIONS (cumulative):

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Department of Revenue

EFFECTIVE DATE: This act becomes effective August 1, 2008. Section 3 of this act applies to offenses committed on or after that date.

BILL SUMMARY:

Senate Bill 1407 enacts GS 14-344.1, allowing internet sales of admission tickets in excess of the printed price, when authorized by the organizer of the event or the operator of the location. Authorized sales through the Web must carry a guarantee of full refund, in specified circumstances. It lists conditions that would allow a venue to prohibit Internet ticket resale. Student tickets issued by institutions of higher education in North Carolina for sporting events are excluded.

The bill enacts GS 14-344.2 to prohibit any person from selling, giving, transferring, using, distributing or possessing software that is primarily designed for the purpose of interfering with the operation of any online ticket seller that has executed a written agreement with the management of any North Carolina venue. The ticket seller and venue hosting the ticketing have standing to bring a private right of action under GS 75-1.1 for violations of GS 14-344.2.

GS 105-37.3 is added to require a website operator that facilitates the sale of tickets in excess of the purchase price to collect the privilege tax provided under G.S. 105-37.1 based on the difference between the Internet sales price and the printed price.

ASSUMPTIONS AND METHODOLOGY:

Under GS 105-37.1(b), the rate of the privilege tax that would be imposed on a Website operator facilitating the sale of tickets in excess of their printed price would be 3% of the difference between the Internet sales price and the printed price.

It is not possible to estimate how many Internet ticket resellers make North Carolina based events available through their websites. Also, the demand for tickets varies by event, making data regarding the number and price of Internet sales of tickets above the printed price difficult to determine.

SOURCES OF DATA:

TECHNICAL CONSIDERATIONS: None

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