



New York State to Require Transparent Pricing for Live Events

By Carolyn D. Richmond, Glenn S. Grindlinger and Timothy A. Gumaer

New York Gov. Kathy Hochul signed a bill last month that will demand greater transparency from establishments that sell tickets for live events. The new law is set to take effect on August 29, 2022, and will ban hidden fees and prohibit delivery fees on tickets that are sent electronically or printed at home.

Who Does This Law Apply To?

While the main purpose of the bill ([S.9461](#)) appears aimed at prohibiting deceptive practices by large third-party ticket reselling agencies, many restrictions also apply to individual places of “entertainment” such as nightlife establishments, clubs, cabarets and theaters that directly sell tickets to consumers for scheduled entertainment events. The law defines “entertainment” as “all forms of entertainment including, but not limited to, theatrical or operatic performances, concerts, motion pictures, all forms of entertainment at fair grounds, amusement parks and all types of athletic competitions[.]”

Additionally, while the law requires sellers to list the total cost of the ticket prior to being selected for purchase, inclusive of all mandatory fees, the law also requires sellers to explicitly set forth what portion of the total cost is attributed to any mandatory fees. In other words, prior to the ticket being selected for purchase, ticket sellers must disclose (a) the cost of the ticket itself; (b) the cost of

mandatory fees; and (c) the total aggregate cost.

Ticket sellers are warned that such fee disclosure cannot be misleading or false, nor may they be presented more prominently or in a larger font than the total cost.

Further, sellers cannot increase the price at any point of the purchasing process except for the addition of a delivery fee when a non-electronic delivery method is chosen by the purchaser.

Sellers May Not Apply a Delivery Fee to Electronic Tickets or Tickets Self-Printed by the Buyer

The law also prohibits establishments that sell tickets online from charging any fee related to the delivery of tickets if such delivery is made electronically or when purchasers can print the purchased tickets at home. However, ticket sellers are permitted to charge a “reasonable and actual cost” for the physical delivery of the tickets if the purchaser selects this method of delivery.

Penalties for Deceptive Ticket Pricing

A violator of these pricing regulations will be subject to a fine of at least \$250; however, when the violator is an establishment rather than an individual, the state has the discretion to increase this fine to up to (a) \$500 or (b) three times the amount of the establishment’s gain on the deceptive sale.

The law also allows an individual injured by a violation to bring a private right of action to enjoin the unlawful act and to recover their actual damages or \$50, whichever is greater. The court may also award reasonable attorney's fees to a successful plaintiff.

As explained above, this new law appears to be primarily geared to prohibiting deceptive practices in the ticket reselling market. However, places of entertainment—including nightlife venues—that directly sell tickets must

also ensure that they are transparent about their prices so that consumers can make an informed decision.

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