

# THE Mecklenburg TIMES

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## State officials: Anti-scalping bill couldn't be enforced

BY CAROLYN STEEVES

CHARLOTTE — A bill on Gov. Mike Easley's desk would legalize ticket scalping in North Carolina, as long as it is online and the vendor guarantees the legitimacy of the ticket. The bill would also require resellers to file monthly reports to the Department of Revenue showing their receipts, detailing gross revenues.

But it's that provision that could end up turning a well-intentioned piece of legislation into a paper tiger. There's no real way to enforce those reports, a Department of Revenue official told **The Mecklenburg Times** last week.

State Sen. Fletcher Hartsell, R-Concord, introduced the bill last year and it was sent to the governor's office a few weeks ago. The bill was in response to outcry from local sports franchises, such as the Bobcats or the Panthers, about improper sales.

Also bringing attention to the issue have been debacles in ticket sales for concert events like the recent Hannah Montana show in Charlotte, for which tickets were

## Unenforceable

CONTINUED FROM PAGE 1

gone in minutes and then sold at sometimes triple the face value.

Hartsell said he was "just trying to solve what we perceived as a problem." The bill that was sent to the governor is a consensus of multiple parties with venues, Web sites and the Senate Finance Committee.

Existing anti-scalping law in North Carolina forbids reselling tickets for \$3 above their face value. This bill would exempt online resale from that law. However, it would require online resellers to provide guarantees to consumers that tickets are legitimate and will be delivered on time. To track reseller activity, they would be required to file monthly reports.

William Spencer, the director of the Policy Analysis and Statistics division for the North Carolina Department of Revenue, said department officials knew they would be called upon to handle this, so they've been having discussions about it. And officials have reached a significant conclusion about how it will work.

"There's no way that I can think of that we can enforce filing reports," Spencer said. "There's no penalty for not filing, and if someone doesn't file there's no way we would know that they didn't."

The bill on Easley's desk says a "person who resells or offers to resell admission tickets under this section must report each month to the Department of Revenue, under oath, on a form provided by the Department."

Spencer said they attribute "person" to mean anybody "any human or any company" that resells tickets.

Revenue officials are developing a form, which will be ready by Aug. 1 — when the measure would take effect, if signed into law. Spencer said their plan is to make that form available on the department's Web site, "since we don't

have any way of knowing who to send the form to."

Gregory Bradford, the director of the Corporate, Excise and Insurance Tax Division of the Department of Revenue, said there is "no known database of Internet resellers" so advertising on the Web site is the best way to put the form out there. He also pointed out that while there is nothing in the revenue laws to enforce filing, there could be something in the criminal laws.

Hartsell is aware of shortcomings in the measure. He told **The Mecklenburg Times** that the bill is "the best we could come up with for the time being." The bill expires on June 30 of next year, which Hartsell said would "give use some opportunity to assess the value and the usefulness of it."

One major local venue affected by scalping is uptown Charlotte's Time Warner Cable Arena, where the Charlotte Bobcats play. Fred Whitfield, the president and chief operating officer of the Bobcats, hopes that the bill, if signed into law, will protect customers from purchasing counterfeit tickets.

"We aren't really that concerned about what scalpers are doing on the market because once you have scarcity in the market, you'll always have scalpers," Whitfield told **The Mecklenburg Times**.

He said they want to make sure there are outlets where consumers can buy tickets that they know are legitimate.

Whitfield was less troubled about making sure the resellers file their monthly reports. He said his concern was making sure tickets are authentic and protecting "any individual who's willing to spend money to come out and watch us play."

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