

# LABOR AND EMPLOYMENT LAW

## INFORMATION MEMO

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### Plaintiffs Line Up to Challenge “Hidden” Ticket Fees with Class Action Complaints

In New York, there has been an uptick in class action lawsuits seeking to contest “hidden” ticket fees following online purchases. The New York Arts & Cultural Affairs Law was amended in August 2022, which has prompted dozens of nearly identical class action lawsuits to be filed in New York federal and state courts against various operators of places of entertainment related to charges incurred by consumers for admission.

#### **New York Arts & Cultural Affairs Law § 25.07**

The New York Arts & Cultural Affairs Law governs ticket sale practices for entertainment providers in New York that sell tickets to events. Under § 25.07(4), “every operator . . . of a place of entertainment . . . shall disclose the total cost of the ticket, inclusive of all ancillary fees that must be paid in order to purchase the ticket. . . Such disclosure of the total cost and fees shall be displayed in the ticket listing prior to the ticket being selected for purchase. Disclosures of subtotals, fees, charges, and any other component of the total price shall not be false or misleading and may not be presented more prominently or in the same or larger size as the total price. The price of the ticket shall not increase during the purchase process, excluding reasonable fees for the delivery of non-electronic tickets based on the delivery method selected by the purchaser, which shall be disclosed prior to accepting payment therefor.” Class action complaints have asserted that websites that facilitate online ticket sales do not properly disclose the total ticket price, inclusive of fees and other charges, prior to the ticket being selected for purchase. The complaints have also alleged that the total ticket price has not been displayed on the first webpage where the ticket price appears. The law allows for any person injured by a violation to recover any actual damages or \$50, whichever is greater. The Court may also award reasonable attorneys’ fees to a prevailing plaintiff.

#### **Plaintiffs’ Lawyers Are Not Dragging Their Heels**

Plaintiffs across New York State are filing class action lawsuits against a wide variety of businesses engaged in selling tickets through their own website and third-party websites. These class action lawsuits typically allege non-compliance with § 25.07(4) for failing to disclose service fees and other fees to customers up front. The lawsuits describe any additional fees (i.e. electronic or processing fees) as deceitful charges unfairly imposed on customers under the ambiguous guise of taxes and fees. As a remedy for violation of the law, class plaintiffs are seeking injunctive relief to stop current practices, along with class-wide monetary damages and attorney’s fees.

#### **Recommendations**

As these lawsuits continue to be filed, businesses should stay apprised of new developments and assess potential defenses to these claims.

Companies should evaluate ticket sale practices and make any necessary changes to comply with the amended New York Arts & Cultural Affairs Law. Businesses that work with third-party platforms and ticket resellers should be especially diligent in ensuring their business partners are also in compliance.

If you have any questions or would like additional information, please contact [Samuel Dobre](#), [Jason Kaufman](#), [Andrew Delzotto](#), any attorney in Bond's [labor and employment practice](#) or the Bond attorney with whom you are regularly in contact.

