

April 2, 2013

Members of the Business and Industry Committee  
Texas House of Representatives

Dear Legislator,

The Institute for Policy Innovation (IPI) commends you for taking up the cause of preserving secondary markets in tickets by considering HB 3041. The foundation of limited government and free markets is the recognition of spontaneous order and the ability of people to self-organize and to self-govern. Free people in a free economy naturally create markets and organize themselves for the betterment of the community and for economic efficiency. Government doesn't create markets—markets happen naturally in a free economy.

The secondary market for tickets is a great example. People have always given away or resold tickets that they didn't want or couldn't use. It's a natural, spontaneous, secondary market, and it's the kind of self-organization that it is our duty to preserve, if we believe in free markets and limited government.

We are not suspicious when people organize themselves into markets. Rather, our suspicions are aroused when somebody tries to eliminate such a naturally occurring market.

Unfortunately, venues, promoters and ticketing companies are increasingly trying to go beyond reasonable terms and conditions and are extending those conditions in order to eliminate or monopolize the secondary market. It is important and proper for the legislature to clearly defend the rights of ticket holders to participate in secondary markets.

The legislation before you (HB 3041 / SB 1558) protects these natural secondary markets for tickets against those who seek to extinguish or monopolize them and defines the rights of ticket purchasers. It is a perfectly appropriate consumer protection, especially since no one is harmed from a vibrant secondary market for tickets, as venues have already received whatever price they chose for the ticket.

Thank you for acting to preserve the rights of ticket purchasers.

Sincerely,

Tom Giovanetti  
President

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