

**ASSEMBLY, No. 1517**

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**STATE OF NEW JERSEY**

**214th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

**Assemblyman ANTHONY CHIAPPONE**

**District 31 (Hudson)**

**Assemblyman REED GUSCIORA**

**District 15 (Mercer)**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**Assemblyman RALPH R. CAPUTO**

**District 28 (Essex)**

**SYNOPSIS**

“Personal Seat License Holder’s Bill of Rights.”

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



1    **AN ACT** creating the “Personal Seat License Holder’s Bill of  
2       Rights” and supplementing Title 5 of the Revised Statutes.

3

4       **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6

7       1. This act shall be known and may be cited as the “Personal  
8       Seat License Holder’s Bill of Rights.”

9

10      2. As used in this act:

11       “Home facility” or “facility” means a building, structure, or  
12       property, including, but not limited to, a stadium, arena, field, or  
13       other place where sporting events are held and where a team plays  
14       its regular season home games.

15       “Licensee” means the individual or entity which has ownership  
16       of a personal seat license granted by a licensor.

17       “Licensor” means the individual or entity, including, but not  
18       limited to, a sports team or entity acting on behalf of a sports team,  
19       which grants a personal seat license to a licensee pursuant to a  
20       personal seat license agreement, but shall not include any licensee  
21       who sells, gifts, bequests, or otherwise transfers his personal seat  
22       license to another individual or entity.

23       “Non-personal seat license event” or “non-PSL event” means  
24       any event at the facility, including, but not limited to, a sporting  
25       event, concert, theatrical performance, exhibition, or other form of  
26       entertainment, for which the right to purchase an ticket does not  
27       require a personal seat license.

28       “Personal seat license” or “PSL” means a contractual agreement  
29       whereby the licensee pays a fee to a licensor for the exclusive right  
30       to purchase season tickets which correspond to a specific seat in the  
31       facility in which a sports team plays its home games.

32       “Personal seat license agreement” or “PSL agreement” means the  
33       agreement containing the terms and conditions of a personal seat  
34       license, including, but not limited to, the rights and obligations of  
35       the licensee and licensor.

36       “Personal seat license event” or “PSL event” means any event,  
37       including, but not limited to, sporting events, for which all or  
38       certain portion of tickets to such events are exclusively available for  
39       sale to licensees pursuant to a personal seat license agreement.

40       “Season tickets” means a package of tickets, or a single ticket  
41       which is valid for multiple admissions, that grants the holder  
42       thereof access to all regular season home games played by a team in  
43       the facility over the course of one season.

44       “Team” means the sports team which plays its home games in  
45       the facility.

1       3. a. Ownership of a personal seat license shall confer upon the  
2 licensee the guaranteed right and obligation to purchase season  
3 tickets to attend every regular season game that the team to which  
4 the personal seat license applies shall play in the team's home  
5 facility. The licensee shall retain such right and obligation for as  
6 long as the team plays its regular season home games in the facility.  
7 The failure of a licensee to fulfill the obligation to purchase season  
8 tickets for each of the team's regular season home games may be  
9 grounds for the licensor to suspend or revoke a personal seat  
10 license.

11       b. The licensee shall not be required, either as a condition of a  
12 personal seat license agreement or otherwise, to purchase tickets to  
13 preseason games played by the team in its home facility or in any  
14 other venue. The licensee shall have the right of first refusal to  
15 purchase the ticket for the seat associated with the personal seat  
16 license for every preseason game played by the team in its home  
17 facility or in any other venue. This right of first refusal shall lapse  
18 upon waiver by the licensee or the 30th day prior to the day of the  
19 preseason game for which the ticket is being sold, whichever occurs  
20 first. Upon waiver or lapse of this right of first refusal, the ticket  
21 may be made available to any other individual or entity at the  
22 discretion of the licensor. The failure of a licensee to purchase a  
23 ticket to a preseason game played by the team in its home facility or  
24 in any other venue shall not be grounds for the suspension or  
25 revocation of any personal seat license.

26       c. The licensee shall not be required, either as a condition of a  
27 personal seat license agreement or otherwise, to purchase tickets to  
28 postseason games played by the team in its home facility or in any  
29 other venue. The licensee shall have the right of first refusal to  
30 purchase the ticket for the seat associated with his personal seat  
31 license for every postseason game played by the team in its home  
32 facility or in any other venue. This right of first refusal shall lapse  
33 upon waiver by the licensee or the fifth day prior to the day of the  
34 postseason game for which the ticket is being sold, whichever  
35 occurs first. Upon waiver or lapse of this right of first refusal, the  
36 ticket may be made available to any other individual or entity at the  
37 discretion of the licensor. The failure of a licensee to purchase a  
38 ticket to a postseason game played by the team in its home facility  
39 or in any other venue shall not be grounds for the suspension or  
40 revocation of a personal seat license.

41  
42       4. a. The licensor shall be required to make the following  
43 information available to all prospective licensees prior to the  
44 effective date of any PSL agreement entered into between the  
45 licensor and a prospective licensee:

46       (1) A season ticket price schedule indicating the maximum price  
47 of the season tickets for the seat associated with the personal seat

1 license for a period of not less than the first five seasons  
2 commencing after the licensee enters into any PSL agreement with  
3 the licensor; and

4 (2) A parking price schedule indicating the maximum price for  
5 parking at, adjacent to, or in close proximity to the home facility for  
6 a period of not less than the first five seasons commencing after the  
7 licensee enters into any PSL agreement with the licensor.

8 b. On an annual basis, the licensor shall provide each current  
9 licensee with the following information prior to accepting any  
10 payment or deposit for the purchase of season tickets for the season  
11 next following:

12 (1) A season ticket price schedule indicating the maximum price  
13 of the season tickets for the seat associated with the personal seat  
14 license for a period of not less than the next five seasons; and

15 (2) A parking price schedule indicating the maximum price for  
16 parking at, adjacent to, or in close proximity to the facility for a  
17 period of not less than the next five seasons.

18 c. During the first five seasons commencing after the effective  
19 date of any personal seat license agreement, the season-to-season  
20 percentage increase in the price of the season tickets for a seat  
21 associated with a personal seat license shall not exceed the  
22 percentage increase in the Consumer Price Index for all urban  
23 consumers in the New York City and Philadelphia metropolitan  
24 statistical areas during the preceding calendar year as reported by  
25 the United State Department of Labor.

26  
27 5. a. The licensee shall be granted preferred status to purchase  
28 tickets to all non-PSL events which are held at the home facility.  
29 This preferred status shall give the licensee the right to purchase not  
30 less than one ticket for each personal seat license owned by the  
31 licensee to every non-PSL event prior to tickets for such non-PSL  
32 event being sold or otherwise made available to persons or entities  
33 other than licensees. Tickets to non-PSL events shall be made  
34 available for purchase by licensees not less than seven days prior to  
35 their being sold or otherwise made available to persons or entities  
36 other than licensees. The preferred status granted to licensees under  
37 this section shall in no way restrict the right of a licensee to  
38 purchase tickets to a non-PSL event after tickets have begun being  
39 sold or otherwise made available to persons or entities other than  
40 licensees. The number of tickets for each non-PSL event which  
41 shall be made available for advance purchase by licensees pursuant  
42 to this subsection may be limited, but shall not be less than 25  
43 percent of the capacity of the facility for the non-PSL event.

44 b. In the event that more than one licensee owns a personal seat  
45 license for the same seat in the facility, the right of first refusal  
46 provided to licensees under subsection a. of this section shall be  
47 afforded to such licensees on a rotating basis.

1       6. a. For any PSL event held at a home facility, the number of  
2 tickets sold subject to a requirement that the purchaser hold a  
3 personal seat license shall not exceed 75 percent of the total number  
4 of seats in the facility.

5       b. The operator of the facility shall be responsible for enforcing  
6 the requirement established under subsection a. of this section.

7       c. The price of each ticket to a PSL event at the facility which is  
8 sold without being subject to a requirement that the purchaser hold  
9 a personal seat license shall not exceed by more than five percent  
10 the price of a ticket for a comparable seat in the facility which was  
11 purchased pursuant to a personal seat license agreement.

12  
13       7. If a team relocates, vacates, or otherwise ceases to play its  
14 home games in its home facility prior to playing its home games in  
15 the facility for a minimum of 30 seasons after the licensor enters  
16 into its first personal seat license agreement for the right to  
17 purchase season tickets to the facility, a licensee shall be entitled to  
18 receive his choice of one of the following forms of compensation:

19       a. Transfer, without additional cost, of the personal seat license  
20 to the new facility where the team will be playing its regular season  
21 home games upon vacating the facility, thus granting the licensee  
22 the right and obligation to purchase season tickets for every regular  
23 season home game which the team plays in the new facility; or

24       b. A prorated monetary refund for the initial price that the  
25 licensee paid for the personal seat license, the amount of which  
26 refund shall not be less than X divided by 30 and multiplied by the  
27 initial cost of the personal seat license, where X equals 30 minus  
28 the number of seasons that the team played its regular season home  
29 games in the facility.

30  
31       8. a. A licensee shall have the right to sell, give, bequeath, or  
32 otherwise transfer a personal seat license to any other individual or  
33 entity. Such transfer shall not require the authorization, consent, or  
34 approval of the licensor.

35       b. A licensor shall not restrict, pursuant to a PSL agreement or  
36 through any other means, the right of a licensee to sell, give,  
37 bequeath, or otherwise transfer a personal seat license. The licensor  
38 may charge an administrative or processing fee to offset any costs  
39 associated with the transfer of a personal seat license from one  
40 licensee to another. Such fee shall not exceed one percent of the  
41 initial sale price of the personal seat license being transferred.

42       c. A licensee shall have the right to sell a personal seat license  
43 for a profit and the licensor shall in no way restrict this right.

44  
45       9. This act shall take effect immediately.

## STATEMENT

This bill would establish a “Personal Seat License Holder’s Bill of Rights.” A “personal seat license” or “PSL” is a contractual agreement whereby the licensee pays a fee to a licensor for the exclusive right to purchase season tickets which correspond to a specific seat in the facility in which a sports team plays its home games.

Under the bill, the owner of a PSL (“licensee”) would be guaranteed the right and obligation to purchase season tickets to attend every regular season home game a team plays in the team’s home facility. The failure of a licensee to purchase season tickets would be grounds for the suspension or revocation of the PSL by the licensor. The bill provides that a licensee shall not be obligated to purchase tickets to preseason or postseason games as a condition of any PSL agreement. However, the bill provides the licensee with the right of first refusal to purchase tickets to all preseason and postseason games the team plays in the home facility or elsewhere.

The bill would require the licensor of a PSL to make the following information available to prospective licensees prior to the effective date of any PSL agreement and to current licensees on an annual basis:

1) a season ticket price schedule indicating the maximum price of season tickets for the seat associated with the PSL for the next five seasons, and

2) a parking price schedule indicating the maximum price of parking at the home facility for the next five seasons.

The bill would limit the annual increase in the price of season tickets for the first five seasons after the effective date of any personal seat license agreement to no more than the rate of the annual increase in the Consumer Price Index for the New York and Philadelphia metropolitan areas.

The bill would provide licensees with preferred status to purchase tickets to other events at the home facility (“non-PSL events”), such as concerts and other forms of entertainment, which do not require a PSL in order to purchase such tickets. Tickets to non-PSL events would be made available for purchase by licensees at least seven days prior to tickets being sold or made available to non-licensees. The bill would require tickets for at least 25 percent of the capacity of the facility for all non-PSL events to be made available for advance purchase by licensees pursuant to the preferred status granted to them under the bill. If multiple licensees exist for a particular seat in the facility, then the preferred status would be afforded to the such licensees on a rotating basis.

The bill would limit to no more than 75 percent the number of tickets to PSL events that may be sold subject to a requirement that the purchaser hold a PSL. The remaining 25 percent of the tickets

1 would not require a PSL for the right to purchase. Under the bill,  
2 the price of a ticket to a PSL event which does not require the  
3 purchaser to hold a PSL would not be allowed to exceed by more  
4 than five percent the price of ticket for a comparable seat purchased  
5 pursuant to a PSL agreement.

6 The bill would entitle licensees to compensation if a team  
7 vacates the home facility prior to playing at least 30 seasons in the  
8 home facility after the issuance of the first PSL. If the team vacates  
9 the facility prior to playing its homes games there for 30 seasons,  
10 then a licensee would be entitled to his choice of one of the  
11 following:

12 1) Free transfer of the PSL to the new facility where the team  
13 will play its regular season home games, or

14 2) A prorated monetary refund of the initial price of the PSL  
15 which is directly related to the number of seasons under 30 that the  
16 team played its regular season home games in the facility.

17 The bill would grant a licensee the right to sell or otherwise  
18 transfer his PSL to any other individual or entity without the  
19 authorization, approval, or consent of the licensor. The licensor  
20 would be prohibited from restricting this right of sale or transfer in  
21 any way, but would be permitted to charge an administrative or  
22 processing fee to offset any costs associated with the transfer of a  
23 PSL. The bill would also grant the licensee the right to profit from  
24 the sale of a PSL and would prohibit the licensor from restricting  
25 this right.