Washington State Register

WSR 24-11-023 PREPROPOSAL STATEMENT OF INQUIRY DEPARTMENT OF LABOR AND INDUSTRIES

[Filed May 7, 2024, 9:18 a.m.]

Subject of Possible Rule Making: Labor standards for adult entertainment establishments; new section under chapter 296-128 WAC.

Statutes Authorizing the Agency to Adopt Rules on this Subject: Chapter 49.46 RCW.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: ESSB 6105, to be codified under chapter 49.46 RCW, addresses protections for entertainers at adult entertainment establishments. ESSB 6105 includes the following labor standard requirements for an adult entertainment establishment:

- Apply leasing or other fees equally to all entertainers in an establishment, be stated in a written contract, and continue for at least three months;
- May not charge an entertainer any fees or interest for late or nonpayments, for failure to appear at a scheduled time, or that result in the entertainer carrying forward an unpaid balance from any previously incurred leasing fee;
- May not charge a leasing fee in an amount greater than the entertainer receives during the period of access or usage; or within an eight-hour period, any leasing fee that exceeds the lesser of \$150 or 30 percent of amounts collected by the entertainer for nonprivate performance areas and 30 percent of amounts collected by the entertainer for private performance areas;
- If charging a leasing fee, the contract must include a method for estimating the total amounts collected by the entertainer in any eight-hour period;
- Must display signage in designated areas on forbiddance of entertainers surrendering any tips or gratuities;
- May not take adverse action against an entertainer in response to the entertainer's use or collection of tips or gratuities; and
- Provide an entertainer with written notice of the reason or reasons for any termination or refusal to rehire the entertainer within 10 business days.

Chapter 49.46 RCW provides for the department of labor and industries (L&I) enforcement of the above requirements.

L&I's fraud prevention and labor standards (FPLS) division must adopt rules under WAC to implement and enforce these requirements related to adult entertainment establishments.

Other requirements related to adult entertainment establishments are enforced by L&I's division of occupational safety and health and those requirements are being adopted under a separate, but coordinated, rule-making effort.

ESSB 6105 becomes effective January 1, 2025.

Process for Developing New Rule: Stakeholder meetings will be held to allow those affected by the rule to provide input prior to the rule proposal being filed. Parties interested in the formulation of these rules for proposal may contact the individual listed below. The public may also participate by commenting after the rules are proposed by providing written comments or giving oral testimony during the public hearing and comment process.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Bridget Osborne, Administrative Regulations Analyst, L&I, FPLS, Employment Standards, P.O. Box 44510, Olympia, WA 98504-4510, phone 360-902-5552, email esrules@Lni.wa.gov, website https://www.Lni.wa.gov/rulemaking-activity/.

May 7, 2024 Joel Sacks Director