# SENATE BILL REPORT SB 6105

As Reported by Senate Committee On: Labor & Commerce, January 29, 2024

**Title:** An act relating to creating safer working conditions in adult entertainment establishments.

**Brief Description:** Creating safer working conditions in adult entertainment establishments.

Sponsors: Senators Saldaña, Trudeau, Nguyen, Hunt, Lovelett, Pedersen and Wilson, C...

#### **Brief History:**

Committee Activity: Labor & Commerce: 1/15/24, 1/29/24 [DPS, DNP, w/oRec].

## **Brief Summary of First Substitute Bill**

- Requires adult entertainment establishments to provide certain training to its employees.
- Provides additional requirements regarding panic buttons, customer behavior, security personnel, and notice of termination and limits certain charges to entertainers.
- Requires the Liquor and Cannabis Board (LCB) to modify or adopt rules to allow adult entertainment establishments to hold liquor licenses.
- Prevents LCB from issuing a liquor license and requires suspension of a license if an establishment receives a citation for a violation of laws related to adult entertainers and establishments and has not abated the violation.

### SENATE COMMITTEE ON LABOR & COMMERCE

**Majority Report:** That Substitute Senate Bill No. 6105 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; King,

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This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Ranking Member; Hansen and Stanford.

Minority Report: Do not pass.

Signed by Senator Schoesler.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Braun and MacEwen.

**Staff:** Susan Jones (786-7404)

**Background:** In 2019 certain laws were passed regarding adult entertainment establishments (establishments) and entertainers. The law required that:

- the Department of Labor and Industries (L&I) develop training for entertainers, which was developed, and convene an Adult Entertainer Advisory Committee;
- establishments provide panic buttons; and
- establishments keep a list of certain customers and decline admission in certain circumstances.

A Liquor and Cannabis Board (Board) rule effectively prohibits the sale of alcohol in these establishments because of the prohibited activities it identifies for premises holding a liquor license.

The advisory committee provided a report to the Legislature in November 2020. The committee recommendations are as follows:

- legalize the service of alcohol in establishments;
- require mandatory training for all staff in establishments;
- eliminate the practice of charging back rent to entertainers; and
- set minimum requirements for security staffing in establishments.

**Summary of Bill (First Substitute):** Training. An adult entertainment establishment require its employees to take third party professionally developed training by January 1, 2025, or within 30 days of hiring for recorded content or 120 days of hiring for live courses, whichever is later, and at least every two years to minimize occurrences of unprofessional behavior and enable employees to support entertainers in times of conflict. The training must include topics on preventing sexual harassment and discrimination, assault in the workplace, conflict de-escalation, and first aid. Entertainers may take the training. L&I may require annual reporting on the training.

<u>Panic Buttons, Customers Procedures, Security, and Other Requirements.</u> An establishment must:

- provide required panic buttons accessible in rooms where an entertainer may be alone with a customer;
- provide annually to L&I proof of compliance with the requirements regarding panic buttons and maintenance records;
- have a written process and procedure for submitting allegations regarding customers,

- responding to violence and criminal activity, and ejecting certain customers;
- provide at least one person on the premises during business hours whose primary duty is security. L&I may adopt rules that require additional security persons based on additional factors;
- provide cleaning supplies and a keypad for dressing rooms;
- display signage about customer etiquette;
- restrict minors from the premises; and
- display signage that entertainers are not required to surrender tips.

The entertainer advisory committee provisions are removed.

Entertainer Charges. Fees charged by an establishment must apply equally to all entertainers in an establishment, be stated in a written contract, and continue for at least three months. An establishment may not charge an entertainer any fees or interest for late or nonpayment, for failure to appear at a scheduled time, or that result in the entertainer carrying forward an unpaid balance. An establishment may not charge for use of the premises in an amount greater than the entertainer receives during the period of usage; or within an eight-hour period, any fee that exceeds the lesser of \$150 or 30 percent of amounts collected by the entertainer for nonprivate performance areas plus 30 percent of amounts collected by the entertainer for private performance areas.

<u>Notice of Reasons for Termination.</u> No establishment may refuse to provide entertainers with written notice stating the reasons for the termination or refusal to rehire the entertainer.

<u>Liquor Licenses.</u> If an establishment has received a citation for a violation of laws or rules related to adult entertainers and establishments or the provisions related to entertainer charges and has not abated the violation within the time period provided in the citation, the Board:

- may not issue or reissue a liquor license to the establishment until L&I affirms the violation has been abated; and
- must suspend or cancel the establishment's existing liquor license until L&I affirms the violation has been abated.

L&I must share information about violations with the Liquor and Cannabis Board (LCB). LCB must modify or adopt rules to allow establishments to hold liquor licenses. An establishment with a liquor licenses must be limited to person 21 years and older.

The definition of part of the definition of adult entertainment related to touching, caressing, and fondling applies only to the entertainer's own body. For purposes of certain issues related to fees and charges and other requirements and prohibitions for establishments, the term entertainer means any person who provides adult entertainment within an adult entertainment establishment, whether or not a fee is charged or accepted for entertainment and whether or not the person is an employee.

# EFFECT OF CHANGES MADE BY LABOR & COMMERCE COMMITTEE (First Substitute):

- Provides that the employee training requirement does not include entertainers who are
  employees; requires the training by January 1,2025 or within 30 days of hiring for
  recorded content and 120 days of hiring for live courses, whichever is later; requires
  the training be provided by a third party qualified professional; expands the topics for
  training; requires allowing entertainers to opt in to the trainings; and requires annual
  reports to L&I on the training.
- Requires an establishment to record accusations of customers having committed sex trafficking, prostitution, promotion of prostitution.
- Removes the requirement that a dedicated security person have no other duties between 9 p.m. and 9 a.m.
- Mandates L&I to share information of violations with LCB.
- Removes the limitation on state agencies adopting certain laws regarding adult entertainment and the ability for local governments to adopt ordinances providing more protections for entertainers.
- Requires L&I to adjust certain dollar amounts every two years beginning in 2027, rather than every ten years beginning in 2034.
- Provides a definition for entertainer.
- Requires LCB to modify its rule regarding prohibited conduct on premises with a liquor license—WAC 314-11-050—to implement the act.
- Changes the term accusation to allegation and provides that allegations relate to customers.
- Requires an adult entertainment establishment to retain written detail about an incident related to a customer allegation.
- Limits the part of the definition of adult entertainment related to touching, caressing, and fondling to only the entertainer's own body.
- Removes prohibitions on local governments adopting ordinances or regulations related to adult entertainers collecting payments from customers or restricting their proximity from others.
- Provides that an adult entertainment establishment with a liquor license may not allow persons under 21 years of age and must comply with all other age restrictions under the liquor license laws and the liquor enforcement laws.
- Requires LCB to modify or adopt rules to allow adult entertainment establishments to hold liquor licenses.

**Appropriation:** None.

Fiscal Note: Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** The committee recommended a different version of the bill than what was heard. PRO: This bill builds on previous legislation. It makes sure establishments are safe for workers; providing training for the entire workforce; preventing worker exploitation; and allowing freedom in working. There is additional enforcement related to alcohol. No Washington law prohibits alcohol in adult entertainment establishments but the bill would allow LCB to reconsider their rule on alcohol.

This bill will minimize coercion, decriminalize conduct, and empowers workers. Club owners and community have not made needed changes. Dancers are deemed not entitled to basic rights. Many are marginalized communities. The contract provisions will prevent discrimination. Dancers are vulnerable without standardized practices. Dancers can be sexually harassed by other workers. There needs to be training creating a higher standard to protect dancers. The current model lacks security and dancers address customer safety issues. Managers lack training. Other states' clubs prioritize dancer safety. A dancer described being bullied by customers. There was no security. She stopped working in Washington. Customers pushed physical boundaries and staff supported them because they tipped them. Portland is a better place to dance but it is exhausting to drive there and they have to be away from their families.

COVID-19 has impacted the number of customers. Dancers need a sustainable workplace. There are fewer customers and less economic resources. Dancers pay high rent fees to work. If clubs are slow, they can end up owing money and are expected to tip out staff. Fees have increased. Clubs have closed because there is not enough money. Washington clubs need more sustainable model. The states that allow alcohol are safe working environments.

It is illegal to take money upfront under some local ordinances. The issue of distance has been litigated. The language about more protective is ambiguous.

OTHER: We support safety measures. We do not support Section 2(11) to comply with criminal law. Section 2(9) regarding local ordinances needs to include human trafficking training. The 2019 bill described what adult entertainment is. In the VIP rooms, entertainers' bodies are a commodity. The local ordinance provision should be removed. Local ordinance distance requirements protects dancers. Human trafficking training needs to be revamped to help identify a situation.

Washington has the fewest number of establishments per capita in the U.S. One establishment opened its doors to law makers. The bill needs more clarity. These are complex issues. Many states have figured this out. Most states have frameworks for alcohol that varies dramatically.

**Persons Testifying:** PRO: Senator Rebecca Saldaña, Prime Sponsor; Eva Bhagwandin, Strippers are Workers; Madison Zack-Wu, Strippers Are Workers; Kasey Champion,

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Strippers Are Workers; Lexy Bove, Strippers Are Workers; Erica R, Strippers Are Workers; Alexa S, Strippers Are Workers; Andrea L, Strippers Are Workers; KJ M, Strippers Are Workers; Arijanna Z, Strippers Are Workers.

OTHER: Isaac Kastama, Expressive Rights Alliance; Lindsey Hueer, Association of Washington Cities; Rebekah Fonden, Wase Forward; Jeri Moomaw, Wase Forward.

Persons Signed In To Testify But Not Testifying: No one.

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