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SUBSTITUTE SENATE BILL 5614

State of Washington 68th Legislature 2023 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators Saldaña, Nguyen, and C. Wilson)

READ FIRST TIME 02/15/23.

- AN ACT Relating to adult entertainment establishments; amending RCW 9A.88.010, 9A.88.030, 9A.88.030, and 49.17.470; adding a new section to chapter 49.44 RCW; adding a new section to chapter 66.24 RCW; creating a new section; providing an effective date; and providing an expiration date.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 **Sec. 1.** RCW 9A.88.010 and 2003 c 53 s 92 are each amended to 8 read as follows:
 - (1) A person is guilty of indecent exposure if he or she intentionally makes any open and obscene exposure of his or her person or the person of another knowing that such conduct is likely to cause reasonable affront or alarm. The act of breastfeeding or expressing breast milk is not indecent exposure.
- 14 (2)(a) Except as provided in (b) and (c) of this subsection, 15 indecent exposure is a misdemeanor.
- 16 (b) Indecent exposure is a gross misdemeanor on the first offense 17 if the person exposes himself or herself to a person under the age of 18 fourteen years.
- 19 (c) Indecent exposure is a class C felony if the person has 20 previously been convicted under this section or of a sex offense as 21 defined in RCW 9.94A.030.

p. 1 SSB 5614

- 1 (3) Adult entertainment as defined in RCW 49.17.470 is not indecent exposure.
- 3 **Sec. 2.** RCW 9A.88.030 and 1988 c 145 s 16 are each amended to 4 read as follows:
- 5 (1) A person is guilty of prostitution if such person engages or 6 agrees or offers to engage in sexual conduct with another person in 7 return for a fee.
- 8 (2) For purposes of this section, "sexual conduct" means "sexual 9 intercourse" or "sexual contact," both as defined in chapter 9A.44 10 RCW.
- 11 (3) Prostitution is a misdemeanor.
- 12 <u>(4) Adult entertainment as defined in RCW 49.17.470 is not sexual</u>
 13 conduct.
- 14 **Sec. 3.** RCW 9A.88.030 and 2020 c 331 s 4 are each amended to 15 read as follows:
- 16 (1) A person age eighteen or older is guilty of prostitution if 17 such person engages or agrees or offers to engage in sexual conduct 18 with another person in return for a fee.
- 19 (2) For purposes of this section, "sexual conduct" means "sexual 20 intercourse" or "sexual contact," both as defined in chapter 9A.44 21 RCW.
- 22 (3) Prostitution is a misdemeanor.
- 23 <u>(4) Adult entertainment as defined in RCW 49.17.470 is not sexual</u> 24 conduct.
- 25 **Sec. 4.** RCW 49.17.470 and 2019 c 304 s 1 are each amended to 26 read as follows:
- 27 (1)(a) The department shall develop or contract for the 28 development of training for entertainers. The training must include, 29 but not be limited to:
- 30 (i) Education about the rights and responsibilities of 31 entertainers, including with respect to working as an employee or 32 independent contractor;
- 33 (ii) Reporting of workplace injuries, including sexual and 34 physical abuse and sexual harassment;
- 35 (iii) The risk of human trafficking;
- 36 (iv) Financial aspects of the entertainer profession; and
- 37 (v) Resources for assistance.

p. 2 SSB 5614

(b) As a condition of receiving or renewing an adult entertainer license issued by a local government on or after July 1, 2020, an entertainer must provide proof that the entertainer took the training described in (a) of this subsection. The department must make the training reasonably available to allow entertainers sufficient time to take the training in order to receive or renew their licenses on or after July 1, 2020.

- (2) An adult entertainment establishment must provide a panic button in each room in the establishment in which an entertainer may be alone with a customer, and in bathrooms and dressing rooms. An entertainer may use the panic button if the entertainer has been harmed, reasonably believes there is a risk of harm, or there is an other emergency in the entertainer's presence. The entertainer may cease work and leave the immediate area to await the arrival of assistance.
- (3) (a) An adult entertainment establishment must record the accusations it receives that a customer has committed an act of violence, including assault, sexual assault, or sexual harassment, towards an entertainer. The establishment must make every effort to obtain the customer's name and if the establishment cannot determine the name, it must record as much identifying information about the customer as is reasonably possible. The establishment must retain a record of the customer's identifying information for at least five years after the most recent accusation.
- (b) If an accusation is supported by a statement made under penalty of perjury or other evidence, the adult entertainment establishment must decline to allow the customer to return to the establishment for at least three years after the date of the incident. The establishment must share the information about the customer with other establishments with common ownership and those establishments with common ownership must also decline to allow the customer to enter those establishments for at least three years after the date of the incident. No entertainer may be required to provide such a statement.
- (4) For the purposes of enforcement, except for subsection (1) of this section, this section shall be considered a safety or health standard under this chapter.
- (5) (a) Each establishment must develop training for establishment employees to minimize occurrences of unprofessional behavior by the establishments' employees and enable the employees to support

p. 3 SSB 5614

- 1 entertainers in times of conflict. Training topics must include, but
 2 are not limited to, topics related to:
 - (i) Conflict de-escalation; and
 - (ii) First aid.

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- 5 (b) An establishment must require all establishment employees to
 6 take the training within 30 days of hiring and at least every two
 7 years.
 - (6) An adult entertainment establishment must provide at least one security person during business hours. The department may adopt rules that require additional security persons based on additional factors, including but not limited to:
 - (a) The size of the establishment;
 - (b) The layout and floor plan of the establishment;
- 14 <u>(c) The patron volume;</u>
 - (d) Security cameras and panic buttons; and
 - (e) The history of security events at the establishment.
 - (7) This section does not affect an employer's responsibility to provide a place of employment free from recognized hazards or to otherwise comply with this chapter and other employment laws.
 - (((6) The department shall convene an entertainer advisory committee to assist with the implementation of this section, including the elements of the training under subsection (1) of this section. At least half of the advisory committee members must be former entertainers who held or current entertainers who have held an adult entertainer license issued by a local government for at least five years. At least one member of the advisory committee must be an adult entertainment establishment which is licensed by a local government and operating in the state of Washington. The advisory committee shall also consider whether additional measures would increase the safety and security of entertainers, such as by examining ways to make the procedures described in subsection (3) of this section more effective and reviewing the fee structure for entertainers. If the advisory committee finds and recommends additional measures that would increase the safety and security of entertainers and that those additional measures would require legislative action, the department must report those recommendations to the appropriate committees of the legislature.
- (7)) (8) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

p. 4 SSB 5614

(a) "Adult entertainment" means any exhibition, performance, or dance of any type conducted in a premises where such exhibition, performance, or dance involves an entertainer who:

- (i) Is unclothed or in such attire, costume, or clothing as to expose to view any portion of the breast below the top of the areola or any portion of the pubic region, anus, buttocks, vulva, or genitals; or
- (ii) Touches, caresses, or fondles the breasts, buttocks, anus, genitals, or pubic region of another person, or permits the touching, caressing, or fondling of the entertainer's own breasts, buttocks, anus, genitals, or pubic region by another person, with the intent to sexually arouse or excite another person.
- (b) "Adult entertainment establishment" or "establishment" means any business to which the public, patrons, or members are invited or admitted where an entertainer provides adult entertainment to a member of the public, a patron, or a member.
- (c) "Adult entertainment nightclub" means an adult entertainment establishment that has met the requirements of subsection (9) of this section.
- (d) "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 under RCW 49.17.020.
- $((\frac{d}{d}))$ <u>(e)</u> "Panic button" means an emergency contact device by which the entertainer may summon immediate on-scene assistance from another entertainer, a security guard, or a representative of the $((\frac{adult}{d}))$ <u>adult</u> entertainment establishment.
- (9) (a) In order to qualify as an adult entertainment nightclub the establishment must demonstrate in a manner determined by the department that it:
- (i) Has written processes and procedures accessible to all its
 employees and entertainers who are not employees for:
- 33 (A) Responding to customer violence or criminal activity, 34 including when police are called;
- 35 <u>(B) Ejecting customers who violate club policies, including</u> 36 intoxication or other inappropriate or illegal behavior; and
- 37 (C) Processing requests from entertainers to place a patron on the list under subsection (3)(b) of this section;
- (ii) Provides to the department at least annually a customer complaint log including, but not limited to, the number of

p. 5 SSB 5614

- 1 <u>entertainer complaints and the number of customers related to</u> 2 <u>customer actions described in subsection (3) of this section;</u>
 - (iii) Provides to the department at least annually proof of compliance with subsection (2) of this section and maintenance records showing that the panic buttons are maintained and checked to ensure they are in working condition;
- 7 <u>(iv) Has entertainers' dressing or locker rooms equipped with a</u> 8 keypad requiring a code to enter;
- 9 <u>(v) Provides appropriate cleaning supplies and a waste receptacle</u>
 10 <u>accessible from private performance areas; and</u>
 - (vi) Displays signage:

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- 12 (A) In an employee common area indicating that entertainers are
 13 not required to surrender any tips or gratuities and may not be
 14 denied services and amenities in consideration of tips or gratuities;
 15 and
- 16 <u>(B) At the entrance directing customers to resources on</u>
 17 <u>appropriate etiquette.</u>
- 18 <u>(b) The establishment must demonstrate compliance with the above</u> 19 requirements on an annual basis.
- 20 <u>(c) If, based on an inspection, the department determines that an</u>
 21 <u>establishment is no longer in compliance with these requirements the</u>
 22 department will notify the liquor and cannabis board.
- 23 (d) The department may share information with the liquor and 24 cannabis board for purposes of this subsection (9) and section 6 of 25 this act.
- NEW SECTION. Sec. 5. A new section is added to chapter 49.44 27 RCW to read as follows:
- 28 (1) For any entertainer who is an employee under chapter 49.46 29 RCW, an adult entertainment establishment may not charge any fee.
- 30 (2)(a) For any entertainer who is found to not be an employee 31 under chapter 49.46 RCW, an adult entertainment establishment may 32 not:
- 33 (i) Charge any fee that is greater than 30 percent of the 34 entertainment fees collected by the entertainer during the leased 35 date and time, excluding tips paid to the entertainer;
- 36 (ii) Carry forward an unpaid balance from any fee incurred 37 previously by the entertainer for access to or usage of the 38 establishment premises;

p. 6 SSB 5614

- 1 (iii) Charge fees to an entertainer for late payment or 2 nonpayment of any fee;
- 3 (iv) Charge an entertainer a fee for failure to appear at a 4 scheduled time;
 - (v) Control:

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- 6 (A) How much the entertainer charges customers for adult 7 entertainment;
 - (B) When and how the entertainer works; or
- 9 (C) What type of clothing or costumes to wear during the adult 10 entertainment;
- 11 (vi) Take adverse action against an entertainer based on 12 scheduling;
- (vii) Obligate an entertainer to appear for any length of time, provided the entertainer satisfies a leasing fee or otherwise agrees to an alternative charge; and
 - (viii) Refuse to provide an entertainer with written notice of the reason or reasons for any termination or refusal to rehire the entertainer. Such notice must be provided within 10 business days of the termination or refusal to rehire the entertainer.
- 20 (b) Any fees not prohibited under this subsection (2) must be 21 stated in a written contract and continue to apply for a period of 22 not less than three months with effective dates.
 - (c) This subsection (2) does not prevent an establishment from providing leasing discounts or credits to encourage scheduling or charge lease amounts that vary based on the time of day.
 - (3) (a) No state agency or local government may adopt laws, rules, ordinances, or regulations that limit or prohibit an entertainer from:
 - (i) Collecting any form of payment from customers;
- 30 (ii) Touching their own body or exposing themselves while 31 performing within an adult entertainment establishment; and
 - (iii) Engaging in physical contact with another person that is otherwise lawful outside of an adult entertainment establishment, such as restrictions on proximity or distance, before or during any exhibition, performance, or dance of any type.
 - (b) This subsection may not be construed to prohibit a local government from adopting ordinances or regulations that are more protective of entertainers than the requirements of this section.
 - (4) For purposes of this section:

p. 7 SSB 5614

- 1 (a) "Adult entertainment" has the same meaning as in RCW 49.17.470.
- 3 (b) "Adult entertainment establishment" or "establishment" have 4 the same meaning as in RCW 49.17.470.
- 5 (c) "Adult entertainment nightclub" has the same meaning as in 6 RCW 49.17.470.
 - (d) "Entertainer" has the same meaning as in RCW 49.17.470.

- 8 <u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 66.24 9 RCW to read as follows:
 - (1) There shall be a spirits, beer, and wine adult entertainment nightclub license to sell spirituous liquor by the drink, beer, and wine at retail, for consumption on the licensed premises.
 - (2) The license may be issued only to an adult entertainment nightclub whose business includes the sale and service of alcohol to the adult entertainment nightclub's customers and has food sales and service incidental to the sale and service of alcohol.
 - (3) (a) Minors may be allowed on the licensed premises but only in areas where alcohol is not served or consumed.
 - (b) The board may adopt rules to allow entertainers who are over 18 years of age but under 21 years of age to perform in an adult entertainment nightclub.
 - (4) The annual fee for this license is \$2,000. The fee for the license shall be reviewed from time to time and set at such a level sufficient to defray the cost of licensing and enforcing this licensing program. The fee shall be fixed by rule adopted by the board in accordance with the provisions of chapter 34.05 RCW.
 - (5) Local governments may petition the board to request that further restrictions be imposed on a spirits, beer, and wine adult entertainment nightclub license in the interest of public safety. Examples of further restrictions a local government may request are: Not allowing minors on the entire premises, submitting a security plan, or signing a good neighbor agreement with the local government.
 - (6) The total number of spirits, beer, and wine adult entertainment nightclub licenses are not subject to the requirements of RCW 66.24.420(4). However, the board may not refuse a spirits, beer, and wine adult entertainment nightclub license to any applicant even if the board determines that the spirits, beer, and wine nightclub licenses already granted for the particular locality are adequate for the reasonable needs of the community.

p. 8 SSB 5614

- 1 (7) The board may adopt rules to implement this section.
- 2 (8) The board may share information with the department of labor 3 and industries for purposes of this section.
- 4 (9) The board may not issue any liquor license to any adult 5 entertainment establishment which is not an adult entertainment 6 nightclub.
- 7 (10) For purposes of this section:
- 8 (a) "Adult entertainment establishment" or "establishment" have 9 the same meaning as in RCW 49.17.470.
- 10 (b) "Adult entertainment nightclub" has the same meaning as in 11 RCW 49.17.470.
- 12 (c) "Entertainer" has the same meaning as in RCW 49.17.470.
- NEW SECTION. Sec. 7. The liquor and cannabis board shall repeal the rule currently codified at WAC 314-11-050 in its entirety.
- NEW SECTION. Sec. 8. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
- NEW SECTION. Sec. 9. Section 2 of this act expires January 1, 20 2024.
- NEW SECTION. Sec. 10. Section 3 of this act takes effect January 1, 2024.

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p. 9 SSB 5614