



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017) (Implements RCW 34.05.310)

Do NOT use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: May 07, 2024

TIME: 9:18 AM

WSR 24-11-023

Agency: Department of Labor and Industries (L&I)

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: Engrossed Substitute Senate Bill 6105 (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 L&I enforcement of the above requirements.

L&I's Fraud Prevention and Labor Standards (FPLS) Division must adopt rules under the Washington Administrative Code (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 (DOSH) and those requirements are being adopted under a separate, but coordinated, rulemaking effort.

ESSB 6105 becomes effective January 1, 2025.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

Process for developing new rule (check all that apply):

Negotiated rule making

Pilot rule making

Agency study

Other (describe) 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:

(If necessary)

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Other:

Additional comments:

Date: May 7, 2024

Signature:

Name: Joel Sacks



Title: Director