

**ALASKA STATE LEGISLATURE  
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

January 30, 2004

3:20 p.m.

**MEMBERS PRESENT**

Representative Tom Anderson, Chair  
Representative Bob Lynn  
Representative Norman Rokeberg  
Representative Harry Crawford  
Representative David Guttenberg

**MEMBERS ABSENT**

Representative Carl Gatto, Vice Chair  
Representative Nancy Dahlstrom

**COMMITTEE CALENDAR**

HOUSE BILL NO. 367

"An Act relating to the licensing and regulation of sex-oriented businesses and sex-oriented business entertainers; relating to protection of the safety and health of and to education of young persons who perform in adult entertainment establishments; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 389

"An Act relating to certain monetary advances in which the deposit or other negotiation of certain instruments to pay the advances is delayed until a later date; and providing for an effective date."

- BILL HEARING POSTPONED TO 2/4/04

**PREVIOUS COMMITTEE ACTION**

BILL: HB 367

SHORT TITLE: LICENSING SEX-ORIENTED BUSINESSES

SPONSOR(S): REPRESENTATIVE(S) MCGUIRE, GARA

01/12/04	(H)	PREFILE RELEASED 1/9/04
01/12/04	(H)	READ THE FIRST TIME - REFERRALS
01/12/04	(H)	L&C, JUD, FIN
01/30/04	(H)	L&C AT 3:15 PM CAPITOL 17

**WITNESS REGISTER**

REPRESENTATIVE LESIL McGUIRE

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified as one of the sponsors of HB 367 and answered questions.

REPRESENTATIVE LES GARA

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified as one of the sponsors of HB 367 and answered questions.

SCOTT SWARTZWELDER, Ph.D., Clinical Professor

of Psychiatry and Behavioral Sciences

Duke University Medical Center

Durham, North Carolina

POSITION STATEMENT: Testified on HB 367 and answered questions.

KARA NYQUIST, Director of Advocacy

Covenant House Alaska ("Covenant House");

Alaska Association of Homes for Children

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 367 and answered questions.

NANCY FAIR

Parent-Teacher-Student Association

Service High School

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 367.

DOUGLAS B. GRIFFIN, Director

Alcoholic Beverage Control Board

Department of Public Safety

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 367.

P.J. PAIZ, Officer

Anchorage Police Department

Municipality of Anchorage

Anchorage, Alaska

POSITION STATEMENT: Stated strong support for HB 367.

GERARD ASSELIN, Officer

Anchorage Police Department  
Municipality of Anchorage  
Anchorage, Alaska

POSITION STATEMENT: Testified strongly in support of HB 367.

DIANA STRAUB, City Council Member  
City of Wasilla;  
President, Wasilla School Parent Teacher Association;  
Chair, Board of Barbers and Hairdressers  
Wasilla, Alaska

POSITION STATEMENT: Testified in support of HB 367 and requested sufficient funding for enforcement.

AL STOREY, Lieutenant  
Division of Alaska State Troopers  
Department of Public Safety  
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 367.

#### **ACTION NARRATIVE**

#### **TAPE 04-5, SIDE A**

Number 0001

**CHAIR TOM ANDERSON** called the House Labor and Commerce Standing Committee meeting to order at 3:20 p.m. Representatives Anderson, Lynn, Rokeberg, Crawford, and Guttenberg were present at the call to order. Representatives Gatto and Dahlstrom were excused.

#### HB 367-LICENSING SEX-ORIENTED BUSINESSES

Number 0139

CHAIR ANDERSON announced that the only order of business would be HOUSE BILL NO. 367, "An Act relating to the licensing and regulation of sex-oriented businesses and sex-oriented business entertainers; relating to protection of the safety and health of and to education of young persons who perform in adult entertainment establishments; and providing for an effective date."

Number 0148

REPRESENTATIVE LESIL MCGUIRE, Alaska State Legislature, one of the two sponsors of HB 367, informed members that Dr. Scott Swartzwelder, a neuropsychiatrist from Duke University, would be

on teleconference at 3:30 p.m. and available to discuss brain development in minors, specifically, individuals between the ages of 18 and 21.

REPRESENTATIVE McGUIRE explained that she and Representative Gara were approached by Nancy Fair on behalf of the [Service High School] Parent-Teacher-Student Association. The statewide association has passed a resolution that encapsulates Ms. Fair's concerns and asks the legislature to step in and protect individuals under the age of 21 who are employees of strip clubs. Representative McGuire reported that the Anchorage Assembly has also taken action on this issue. Strip clubs that [focus] on [under-21-year-olds] are unregulated. She noted the irony because a club that serves alcohol, which focuses on those 21 years of age and older, is highly regulated by a variety of state and local laws and by the Alcoholic Beverage Control Board ("ABC Board").

Number 0308

REPRESENTATIVE McGUIRE advised members she has been told by a friend that this problem affects students [as young as 16 and 17]. Because this business is unregulated, there is no way to document the age of minor strippers. She offered her belief that it is important to protect these youths.

REPRESENTATIVE McGUIRE pointed out that the community's standards toward alcohol and tobacco have changed and that the laws have changed to meet those standards. Ironically, youths may not purchase cigarettes until the age of 19, for example, but youths under that age can go to a strip parlor where smoking occurs. Representative McGuire asked the members to pay particular attention to Dr. Swartzwelder's testimony about brain development and that only when individuals reach their mid-twenties does the development of the frontal lobe and judgment come into play.

Number 0453

REPRESENTATIVE McGUIRE noted that she and Representative Gara would speak to constitutional issues, as would Kara Nyquist. Members will hear that there is a substantial state interest burden, not a compelling state interest burden, so the [standard] is lower in proving the secondary effects that come into play. The only case where the courts [overturned] a law with respect to this issue was due to a legislature's failure to

document a sufficient record of secondary effects, she said, adding that it's a burden on all of the [legislature].

Number 0565

REPRESENTATIVE LES GARA, Alaska State Legislature, testified as one of the two sponsors of HB 367. He explained that when the state Parent Teacher Association (PTA) first came to him and Representative McGuire, the PTA said young women and minors are victimized at strip clubs and massage parlors to a [extreme] degree. While some of the reports are anecdotal, he said the statistics are alarming; for example, one study shows that of all the women who work at strip clubs, 56 percent reported being grabbed by their arms, 94 percent reported being grabbed by their waist, 56 percent reported being bitten, 78 percent reported being licked, 39 percent reported being slapped, 11 percent reported being kicked, and 61 percent reported being picked on.

REPRESENTATIVE GARA acknowledged that the constitution probably says a 20-year-old girl cannot be told she can't dance in a strip club. However, one thing that can be done is to say that before girls begins a such a career path, it is important for them to know that there are educational opportunities, there is financial aid to get through the [University of Alaska], and there is a vocational-technical school. Because those who begin this career path might never leave it, it's important that they begin with their eyes open. Representative Gara said he believes a lot of kids who start in jobs like this don't believe they have other options.

Number 0693

REPRESENTATIVE GARA said studies show strip-club entertainers and massage-club entertainers are stalked. Outside of the club, 39 percent of these individuals have received calls at home that are unwanted, 56 percent have found that patrons were following them home against their wishes, and 28 percent have found they were being followed during their private time. This bill provides that it will be necessary to get a license, and the business must get a license to show that individuals have received the educational counseling and wage-requirement information.

REPRESENTATIVE GARA noted that at some strip clubs, women are abused from a wage-and-hour standpoint. For example, some are told it is necessary to pay huge amounts of money to work in the

club. By the end of the day, they have very little money left. He added that there is an assertiveness-training requirement in this legislation as well.

Number 0820

REPRESENTATIVE McGUIRE explained that a fiscal note was just provided today, so she and Representative Gara haven't had the opportunity to work with the administration to mitigate the amount. She pointed out that the fiscal note is based on receipt-supported services, so there is not a general fund impact. Highlighting that she and Representative Gara believe there can be a reduction in the cost of education, she noted that Sally Saddler [of the Department of Community & Economic Development (DCED)] told her some states already have a model available, so it's not necessary to recreate the educational component. Representative McGuire emphasized that many businesses are required to have licenses, and it is not the sponsors' intent to make the licensing fee so onerous that it is deemed punitive or an absolute barrier to entry.

Number 0930

SCOTT SWARTZWELDER, Ph.D., Clinical Professor of Psychiatry and Behavioral Sciences, Duke University Medical Center, testified on HB 367. With regard to vulnerability of young people working in these environments, he reported that recent scientific research shows that brain development proceeds well into a person's twenties; the brains of these individuals aren't yet at full capacity in terms of planning, decision making, problem solving, and higher order judgment.

DR. SWARTZWELDER said the developing brain presents the individual with a double-edged sword of great opportunity in learning and memory capacity, but also great vulnerability to the effects of insult or damage; that damage could include head injury, exposure to alcohol and other drugs, or exposure to carbon monoxide where there is a smoking environment. He warned about the need for caution with regard to the kinds of environment that individuals in their late teens and early twenties are put into.

Number 1089

CHAIR ANDERSON asked about similar judgment variables in relation to smoking at age 19 or drinking alcohol at 21.

DR. SWARTZWELDER pointed out that it's known now that alcohol, for example, has a much more powerful effect on certain cognitive function in the adolescent brain than the adult brain. He said he'd be particularly worried about things like secondhand smoke exposure, carbon monoxide exposure, and other forms of trauma that a person might be at a greater risk for, in that environment.

CHAIR ANDERSON noted that the sponsors had alluded to a willingness to amend this legislation so the minimum age would be 21, rather than 19, at which youths could dance in this [type of establishment]. He suggested perhaps the age of patronage should also be changed from 19 to 21, and asked Dr. Swartzwelder if he would agree with such a change.

DR. SWARTZWELDER concurred. He said as a clinician and scientist, he believes the age should actually be older than [21] and that he'd support a change to the mid-twenties.

Number 1222

REPRESENTATIVE ROKEBERG asked if this legislation is providing for licensing of all of the [sex-oriented businesses and entertainers] and then requiring a different set of standards for establishments for individuals under the age of 21.

REPRESENTATIVE McGUIRE said that's exactly right.

REPRESENTATIVE GARA commented that the only sex-oriented businesses impacted are those with entertainers who perform nude or semi-nude; this doesn't apply to adult bookstores, for example. Pointing out that most of the regulations affecting the clubs are an effort to protect minors, he noted that some massage parlors actually share an entrance with a residential unit where minors live. This legislation just says that if the place of business is where a minor will frequent, then there needs to be a separate entrance.

REPRESENTATIVE ROKEBERG asked if this legislation would extend to different businesses, not only strip clubs, but massage parlors as well.

REPRESENTATIVE McGUIRE responded that is correct. A business whose employees perform nude or semi-nude dancing will fall under this legislation. For example, if a massage is provided by an employee who is clothed, then there would not be any regulation. She said most states regulate these kinds of

businesses, and the fact that Alaska doesn't is quite shocking. The number-one goal in regulating these businesses is how it impacts minors. It's also important to ensure that people who apply for these licenses haven't been convicted of unlawful exploitation of a minor, such as possession or distribution of child pornography or sexual assault.

Number 1428

REPRESENTATIVE ROKEBERG expressed concern that this bill [delegates enforcement] under Title 8 to the Division of Occupational Licensing [under DCED], whereas the issues would be under the venue of the Department of Public Safety or the ABC Board. He asked how the fines work.

REPRESENTATIVE McGUIRE emphasized that this legislation is under a separate area because a nude or semi-nude sex-oriented business is regulated by the ABC Board only because it serves alcohol; that's a separate issue already addressed by state and local law. Although there currently is regulation with respect to the use of alcohol, there is no regulation with regard to sexually oriented businesses.

REPRESENTATIVE ROKEBERG observed that there would be multiple licenses required: one to serve alcohol and one to have [nude or semi-nude dancers].

REPRESENTATIVE McGUIRE agreed, saying it's no different from operating a restaurant in Anchorage, where it is necessary to have a separate business license, restaurant license, and alcoholic beverage license.

REPRESENTATIVE ROKEBERG expressed concern about jurisdictional conflicts, the fiscal impact on DCED, and its ability to enforce this legislation.

Number 1615

REPRESENTATIVE McGUIRE told members that if they believe licensing should be done through the Division of Occupational Licensing and enforcement should be done by another department, she'd urge them to consider that option. Referring to page 7, line 18, disciplinary sanctions, she said she doesn't see a conflict if the Division of Occupational Licensing is involved in enforcement.

REPRESENTATIVE ROKEBERG agreed the division could be involved, but questioned whether it creates a burden because of the need for a hearing officer; he mentioned the right of a hearing under due process.

REPRESENTATIVE MCGUIRE indicated she believes [that due process] is important.

Number 1655

REPRESENTATIVE LYNN moved to adopt the proposed committee substitute (CS), Version 23-LS1394\H, Craver, 1/30/04, as a work draft. There being no objection, Version H was before the committee.

Number 1676

REPRESENTATIVE ROKEBERG asked if the sponsors believe there will be a constitutional challenge. He referred to pages 12-13 and asked why the state should take up this issue, rather than have the local or municipal jurisdictions regulate it. Noting that the sponsors had mentioned the Municipality of Anchorage's looking at this issue, he asked if an ordinance was passed with respect to this issue.

REPRESENTATIVE MCGUIRE responded that the Municipality of Anchorage passed a resolution. She said according to Assemblyman Sullivan, it was the municipality's view that this issue should be dealt with at the state level through the Division of Occupational Licensing. Representative McGuire said a severability clause is common when there is an area of potential constitutional challenge; she doesn't know of any [such challenge]. She concluded by saying she and Representative Gara believe this is an important issue that the state should handle on a statewide basis.

Number 1721

REPRESENTATIVE GARA pointed out that the Division of Occupational Licensing does enforcement on any [business] that it licenses, but also charges a fee to the applicants that covers the cost of enforcement. Other enforcement will be done at the discretion of local and state law enforcement officers, and it will not be necessary for additional officers to be hired for this purpose, he said. It will be entirely up to the local authorities as to what they choose to prosecute.

REPRESENTATIVE ROKEBERG surmised that in Anchorage [local law enforcement may pursue this], but nowhere else.

REPRESENTATIVE MCGUIRE noted that representatives of the Division of Alaska State Troopers and the Anchorage Police Department were on teleconference to share some of their experiences.

Number 1881

REPRESENTATIVE GUTTENBERG recalled a pet store that he knew of when he was a kid that sold fish; the sales people were topless. It was outside the city limits and outside of any local regulation. He asked if a business like that would be covered under this bill.

REPRESENTATIVE GARA responded that if the purpose of the nudity is to entertain, then the [establishment] would be regulated.

REPRESENTATIVE GUTTENBERG directed attention to page 4, line 19, where wage-and-hour laws are addressed. He asked if these businesses have been exempt from wage-and-hour laws in the past.

REPRESENTATIVE GARA replied that a lot of younger employees do not know their rights. There has been [testimony] from individuals who have worked in these establishments who have been very badly abused on the wage-and-hour front. He added that most of the people who work in these places are not employees; they are classified as independent contractors, as if they have control over their jobs. Then these youths are charged for using stage time and bar time.

Number 1975

REPRESENTATIVE GUTTENBERG asked if there is a supreme court decision on topless dancers in Alaska.

REPRESENTATIVE GARA said he isn't sure. He added that this bill doesn't change the wage-and-hour laws. It says the Division of Occupational Licensing will tell these establishments where violations are frequent, that one requirement is that employees must be told their job rights.

REPRESENTATIVE MCGUIRE explained that these requirements are bifurcated for sex-oriented business license holders, and this would apply to businesses for both 18- to 21-year-olds and 21-

years-old and older. The license holders who deal with under-19-year-olds have different requirements to meet.

Number 2014

REPRESENTATIVE LYNN asked if it's true that the municipalities have not addressed this issue. [Alluding to a recent resolution by the Conference of Mayors stating "no confidence" in the legislature] he asked whether the legislature should pass a resolution of no confidence of the municipalities.

REPRESENTATIVE McGUIRE responded that she wouldn't support a resolution of no confidence. She added that the Municipality of Anchorage changed a zoning ordinance and said the state is a better-suited entity to address this problem through licensing. The Fairbanks city council did the same thing, she added.

REPRESENTATIVE LYNN said he agreed with Representative McGuire.

Number 2053

REPRESENTATIVE ROKEBERG noted that Representative Lynn made a good point. He suggested that an amendment be offered to make this a mandate of municipal governments.

CHAIR ANDERSON summarized that this bill is about training, licensure, and elevating the [nude] dancing age to 19. He noted that he's considering an amendment that says an individual must be 21 [years of age] to dance [nude], or 21 to enter the facility where there is [nude] dancing.

Number 2083

KARA NYQUIST, Director of Advocacy, Covenant House Alaska ("Covenant House"); Alaska Association of Homes for Children, testified in support of HB 367. She explained that Covenant House is a homeless shelter that serves teenagers between the ages of 13 and 21. It has been in operation in Anchorage for 15 years and has been offering a continuum of services for the homeless population. Last year it served 3,600 youths.

MS. NYQUIST explained that she is also testifying on behalf of the Alaska Association of Homes for Children, which at its meeting this week in Juneau adopted a resolution supporting HB 367. The association is made up of 20 social service providers throughout Alaska who collectively serve tens of thousands of youths each year. She said all of these providers

shared bad experiences that their clients had experienced in strip clubs that employ individuals under the age of 21.

Number 2128

MS. NYQUIST said she is an attorney and has been working closely with Representatives McGuire and Gara on this bill. Currently under Alaska law, it is [legal] for an 18-year-old to become a nude dancer or patronize clubs that employ nude dancers. The Alaska Supreme Court and the U.S. Supreme Court have recognized that dancing, including nude dancing, is a form of expression under the First Amendment to the U.S. Constitution, she said; the Alaska Supreme Court case is Mickens v. City of Kodiak, a 1982 case.

MS. NYQUIST reported, however, that both courts have recognized that rights protected by the First Amendment aren't immune from government regulation and that content-neutral restrictions that are reasonably aimed at addressing the secondary effects of the "speech" - and not the "speech" itself - are permissible. These restrictions in the courts are referred to as "time, place, and manner restrictions." The Alaska Supreme Court case that discusses these restrictions is Seward Chapel, Inc. v. City of Seward, a 1982 case.

MS. NYQUIST went on to say the U.S. Supreme Court has specifically recognized that the local governments have a right and duty under their police powers to regulate sexually oriented businesses (SOBs) and to control where, when, and how these businesses will locate and operate, in order to minimize adverse secondary effects. She noted that the two U.S. Supreme Court cases [that address this issue] are Young v. American Mini Theaters, Inc. and City of Renton v. Playtime Theaters, Inc.

MS. NYQUIST explained that the harmful secondary effects that have been recognized by the U.S. Supreme Court - which are currently occurring in Alaska and about which the committee will hear testimony today - are increased crime, which includes prostitution, drug use, and sexual assaults; decreased property values in locations near these clubs; increased potential for the spreading of sexually transmitted diseases; sexual harassment; pills left in the parking lot that could be accessed by anyone in the community; sexual exploitation of minors; and wage-and-hour law violations.

MS. NYQUIST reported that the U.S. Supreme Court has held that curbing these secondary effects constitutes a substantial

government interest, and that the legislative record should include evidence available on these [secondary] effects; the record should be composed of any reports or studies that have been prepared by government agencies, any regional or national information about the experiences, and testimony at hearings.

Number 2230

MS. NYQUIST highlighted that the U.S. Supreme Court has said communities may rely on the past experiences of other communities, and may consider the studies and reports of harmful effects without generating their own new studies in their localities, in the case of City of Renton v. Playtime Theaters, Inc.

MS. NYQUIST also reported that the legal staff at the National Law Center for Children and Families have expressed that they are unaware of any jurisdiction that has held age restrictions unconstitutional when the government feels there is a substantial interest in regulating sexually oriented businesses. She said the only case she came across where an age restriction was struck down was an instance when a court found that a legislature had not made a record of why that age restriction was necessary. That case was in the 10th Circuit Court [of Appeals], Essence, Inc. v. City of Federal Heights.

Number 2283

CHAIR ANDERSON surmised that if the legislature has substantive rationale to raise the age level because of issues of sexual assault, harassment, drug [abuse], wage-and-hour violations, and other issues that will be covered in testimony by the Department of Public Safety, then that would be a good enough record to afford the age-limit increase and would not be deemed unconstitutional.

MS. NYQUIST agreed. She said the organizations she represents support HB 367 because no enforcement of these businesses is currently taking place and children are being exploited. Former dancers have expressed to her that they've worked in strip clubs in Anchorage where they were not paid an hourly wage, but were required to pay \$50 a night to work at these clubs. The dancers were encouraged to perform lap dances with no clothing on and to engage in prostitution, and had to endure unsanitary health conditions in clubs where young women and men were required to share uniforms and expose their genitals to stages that weren't cleaned regularly.

MS. NYQUIST said that, reportedly, drugs are also freely available. Tobacco use occurs, although under Alaska state law, an individual must be 19 to use tobacco. Other dancers have told her that 16-year-olds are employed in these clubs by using fake identification to get jobs. Ms. Nyquist said some women have expressed to her that they don't feel safe saying no to some of the requests made by the owners, but don't feel there are other employment options in the community. Others have reported that because of the existence of bodyguards and pimps that frequent the clubs, the women do not feel safe.

Number 2357

MS. NYQUIST said the health clinic at Covenant House has reported that these youth are at high risk of contracting STDs [sexually transmitted diseases] and AIDS [acquired immunodeficiency syndrome] and spreading them throughout the Anchorage community. Citing health and safety concerns, she encouraged lawmakers to support this bill to prevent others from preying on children.

**TAPE 04-5, SIDE B**

Number 2370

MS. NYQUIST conveyed her belief that it is important to regulate this industry that has fallen through the cracks of the legal system. Jurisdictions across the country are regulating sexually oriented businesses, she said. She encouraged members to ensure that both employees and patrons of strip clubs are at least 19 [years old], if not older. The agencies she represents aren't making a moral argument or asking for any constitutional rights of youths to be stepped on, but ask the members to recognize the dangers that exist and the secondary effects of these clubs, she said; she believes the legislature has a duty to create regulations that will protect the health and safety of communities, and especially children. The activities she described today do not occur in every club in Anchorage, she noted, but need to be regulated.

Number 2311

REPRESENTATIVE LYNN asked if the police have been involved in investigating these activities. If not, he asked Ms. Nyquist if she knew why no investigations have occurred.

MS. NYQUIST responded that she met with Chief Monegan [of the Anchorage Police Department] and requested enhanced enforcement. There may be some undercover investigations taking place, and there may be an Anchorage Police Department detective available to testify on teleconference. She added that she doesn't know of any "stings" or recent charges relating to all the illegal activity that is going on. Representative Samuels sent a letter to the Anchorage Police Department requesting increased enforcement, she said, but she doesn't know of any additional efforts that have occurred.

Number 2274

REPRESENTATIVE LYNN asked what is being done by the owners of these clubs to address the issue of employment of underage girls.

MS. NYQUIST said her understanding is that the only requirement by these employers to ascertain the age of an employee is to look at picture identification. She said the current strippers that she has talked to are not receiving any wage-and-hour [compensation] in these establishments; thus there are no forms completed to verify their ages. She said normally employees must show their social security card, passport, or some other picture identification, but she doesn't know if this information is being gathered. This bill would require dancers to register with the state so that their ages may be verified, she added.

Number 2220

REPRESENTATIVE LYNN asked Ms. Nyquist if she knew the age of the patrons who go to these clubs. Specifically, are older people going to these clubs to see entertainment by underage girls?

MS. NYQUIST responded that there are a variety of patrons; older adults, pimps, and some high school students frequent the clubs.

REPRESENTATIVE LYNN voiced concern for the health of these girls and asked if there is any requirement for a health examination before obtaining a license. He pointed out that teachers and food service workers are tested for tuberculosis. He asked whether it might be appropriate to be tested for STDs before being licensed.

MS. NYQUIST replied that the bill doesn't require medical exams because there is a concern of privacy. She said national studies have reported that these types of clubs do cause

increases in the spread of STDs; that is why the bill includes language that requires education about exposure to STDs.

Number 2134

REPRESENTATIVE LYNN commented that in the past when he applied for employment and was required to have a medical examination, the employers were not concerned with his privacy. He asked if the bill addresses the prohibition of a person under 21 who has a previous conviction of prostitution.

MS. NYQUIST replied that language in the bill discusses whether or not dancers or owners of the clubs can have previous felony convictions.

REPRESENTATIVE LYNN asked if prostitution is a felony.

MS. NYQUIST indicated she wasn't certain.

REPRESENTATIVE ROKEBERG said he believes it is a misdemeanor.

Number 2066

REPRESENTATIVE CRAWFORD noted that his wife worked for several years at the Center for Drug Problems in Anchorage, was the director of the Stop AIDS Project, and is a mental health counselor in Anchorage; he said she would agree with everything Ms. Nyquist said today. Representative Crawford said he believes it is high time that the legislature regulate these strip clubs.

REPRESENTATIVE ROKEBERG complimented Ms. Nyquist on her legal research and asked if she would make her comments and legal citations available to the committee. He said he has a concern about the notion of enacting statutes that sanction this activity and the message that it sends. He asked Ms. Nyquist what she believes are the legal tensions in prohibiting this activity for someone under 21 [years of age] and the First Amendment.

MS. NYQUIST responded that the state has an interest in health and safety concerns to enact regulations to protect its citizens. While there is a First Amendment right as to form of expression, there are "time, place, and manner restrictions" as long as there isn't a regulation to restrict the content, just the secondary effects.

MS. NYQUIST offered her understanding that the drafters of this bill didn't intend to make a moral judgment or prevent people from nude dancing, but wanted to address the effects of the industry on the community. The court says that if the government determines these industries have a harmful effect on the community, it has the right to regulate those industries, she added.

Number 1935

REPRESENTATIVE ROKEBERG asked Ms. Nyquist to comment on prohibiting this activity.

MS. NYQUIST responded that prohibiting and regulating these industries go hand-and-hand in that individuals under the age of 21 may be prohibited from dancing [nude or semi-nude]. The activity isn't being prohibited for all individuals, just those of a certain age. In further response, she indicated she doesn't know of any court that has said it's unreasonable to prohibit individuals younger than 21 years of age from taking part in this activity.

REPRESENTATIVE ROKEBERG asked what Covenant House's cooperation level has been with the Anchorage Police Department.

MS. NYQUIST responded that Covenant House has a good working relationship with the police department. There are fiscal costs of enforcement, and priorities in enforcing certain crimes. For example, only one police officer in Alaska works on cases involving runaway and missing children, and yet there are more than 200 kids on that list. Ms. Nyquist added that it is fair to say this area of the law is not strictly enforced. That is another reason there is a need to restrict these activities and prevent the harm that is taking place.

Number 1805

REPRESENTATIVE ROKEBERG asked Ms. Nyquist if it is her belief that the bill before the committee is a shift of the responsibility of enforcement from current [local] laws or lack of laws from one agency of the government to another, due to the lack of police [enforcement].

MS. NYQUIST responded that she believes this is not a shift in responsibility, but a dual role: a role of enforcement and a role of state law. Other jurisdictions are regulating these industries. It is not because law enforcement [officials] are

not enforcing laws in these areas, she added; it is because additional protections are needed.

REPRESENTATIVE ROKEBERG commented that historically there have always been teenage nightclubs in the Anchorage area; however, the nudity aspect is a more recent phenomenon. He asked if Ms. Nyquist could make a distinction between gathering places for youths - those with nudity and those without it. Representative Rokeberg clarified by saying that teenage nightclubs would be permitted; however, nudity wouldn't be. If this bill were enacted, there would still be a teenage nightclub phenomenon, he said, and asked whether this bill is just a small, incremental improvement for teenagers or is a major step.

MS. NYQUIST replied that she believe it's a substantial step. This isn't an effort to regulate nudity; it's to regulate the secondary effects of what is occurring at these types of clubs. Studies and testimony will show that there is illegal activity going on such as prostitution and exploitation, and that is what the bill would try to regulate.

REPRESENTATIVE ROKEBERG asked if she believes those activities would take place whether there is nudity or not.

MS. NYQUIST responded that there is an increase in activity due to nudity. It has been reported that men have been more likely to fondle the women and that more prostitution takes place because the nudity exists in those types of locations, and more people are seeking to engage in prostitution because it is believed to be acceptable.

Number 1612

REPRESENTATIVE McGUIRE told the members that the two clubs in Anchorage that have stripping by youths between the ages of 18 and 21 and that don't serve alcohol are not, in fact, underage clubs. That is a different and distinct phenomenon. There are clubs where youths can go and dance and drink soda pop, she said, but these clubs are completely different. The clubs that are being discussed are entirely set up around nude and semi-nude dancing by youths between 18 and 21 and the patrons that come there; those patrons could be youths themselves or they could be "dirty old men." It is a separate activity from the youth clubs that Representative Rokeberg is talking about.

REPRESENTATIVE McGUIRE said the studies Representative Gara has read provide evidence that when there is nude and semi-nude

dancing and minors are involved, the secondary effects are things like forced prostitution, assault, drug use, and exposure to intimidation and force. When there is a constitutional implication, it is important to clarify what is being said. Ms. Nyquist was not suggesting banning all nude or semi-nude dancing, Representative McGuire said, but the state wants to regulate it and, in fact, include a provision that says an individual may not do it until the age of 21.

Number 1520

CHAIR ANDERSON asked Representative Gara if it is true that one of the impetuses behind this legislation is that there are dancers and patrons who are still in high school or members of the military. He asked Representative Lynn if he could comment on the military's position on this, as he understands that the military does not condone these activities.

MS. NYQUIST responded that the military has banned all pornography on base, and has publicly announced that it doesn't want officers to go to any pornographic locations.

REPRESENTATIVE GUTTENBERG asked if cases that have been documented around the country that are [discussed in this meeting] are sufficient to meet [the constitutional standard]. He asked: What part of the record do these cases need to be?

MS. NYQUIST replied that the committee cannot just look at [what has happened in] other localities; however, it is important to look at studies, national testimony, and local testimony on what is going on in communities [in Alaska]. That record should be in committee meetings, as is being done today. She added that committee members either here or in the House Judiciary Standing Committee may want to adopt a preamble that would say what type of information was gathered to support the legislation.

Number 1383

REPRESENTATIVE GUTTENBERG asked if one clinical neuropsychologist's testimony is [substantial enough] to support this case.

MS. NYQUIST responded that there is no case law that says exactly how much evidence is needed. However, in other U.S. Supreme Court cases, the court has said it is not necessary to create new studies within the community; it is sufficient to look at studies from other communities, but there should also be

testimony. It does not specify how many people should testify, she added, but it should be sufficient evidence that the realities of the secondary effects exist in the community.

REPRESENTATIVE GUTTENBERG asked if Ms. Nyquist if she believes this [legislation] is covering everything. He said he believes there is a U.S. Supreme Court decision which defines that these dancers are not contract employees. Representative Guttenberg commented that this is an industry of abuse.

MS. NYQUIST reiterated secondary effects: increased crime, prostitution, drug use, and sexual assaults; decreased property values; and increased potential for sexually transmitted diseases, sexual harassment, exploitation of minors, and violations of wage-and-hour laws.

REPRESENTATIVE LYNN asked how prevalent male dancers are at under-21 clubs, and whether there any unique problems that might be encountered.

MS. NYQUIST said she doesn't have exact statistics on the number of male and female dancers. At Covenant House there has been communication with both. She said the fact that there are both does not decrease the fact that there are prostitution activities going on with both. Ms. Nyquist added that she doesn't know of any distinction between the two.

REPRESENTATIVE LYNN asked if the male and female dancers perform individually or together.

MS. NYQUIST said she believes the performances are individual; however, she didn't have specific information.

Number 1264

REPRESENTATIVE CRAWFORD asked how these individuals are not covered under wage-and-hour [laws] in some way. Are these individuals considered independent contractors and thus it would be necessary to have individual business licenses to perform? Is there any way to track who these people are and whether taxes are being paid [on their income]?

MS. NYQUIST agreed that the current situation is outrageous. She noted that a former dancer was available to testify. Ms. Nyquist said the reality is that these people are not being tracked and that there are violations of the wage-and-hour laws.

CHAIR ANDERSON asked if anyone from the industry opposed this bill and would like to testify. [There was no response.]

Number 1143

NANCY FAIR, Parent-Teacher-Student Association, Service High School, testified in support of HB 367. She said the Service High School Parent-Teacher-Student Association, the Anchorage Council of PTAs, and the Alaska State PTA all support enactment of legislation to regulate sex-oriented businesses (SOBs) in order to protect high school students and other youths under age 21. She read the following statement into the record:

In Anchorage alone, we have over 3,400 students annually that are ages 18-20, and we are concerned for their health and safety as well as other vulnerable teens that get involved with these type of businesses.

We are aware of SOBs involving teens in Anchorage, Fairbanks, and Soldotna, including at least five non-liquor licensed strip clubs open to 18-year-old patrons and dancers. We have heard that more are planned in outlying communities, which we think will address why this needs to happen at a statewide level. If we tighten up things just in Anchorage, these things are going to spread to the Mat-Su Valley, Kenai, and other places that are not able to jump on the regulations and enforcement that they need.

Statewide is the way to go. Yet Alaska currently has some of the weakest laws in the country regulating SOBs, even though they are associated with many illegal activities and negative community impacts.

Business and employee licensing, as proposed in HB 367, would be an important first step to protecting teens and our communities. Over 250 other cities and states have similar licensing laws. Business and employee licensing would help ensure that underage teens are not involved. We have had numerous reports about this problem in Anchorage and Fairbanks.

Number 0989

MS. FAIR continued:

The benefit of business licensing: as Representative Rokeberg has pointed out, enforcement is a tough problem for our state. Many laws are being broken, but we do not have the enforcement to take care of those violations. With licensing is a powerful incentive to ensure that these SOBs obey the laws, because if they do not, they can lose their license. That is a powerful incentive to ensure they follow existing laws related to illegal drugs, alcohol, prostitution, wage-and-hour, worker safety, sexual harassment and tax evasion.

This is a big cash economy, and people get paid under the table. Tax evasion has been documented as a big problem nationally. Violations of these laws have been documented in other states, and we have reports of the same here. Many cities have documented a higher rate of sex crimes in the vicinity of SOBs.

The good news is that many cities have been able to reduce their crime rate by implementing stronger laws and enforcement of SOBs. In fact, Oklahoma City had a dramatic drop in rape rates when they reduced the number of SOBs and more tightly controlled them. With Alaska's high sexual assault rate, I believe that is very important.

Number 0915

MS. FAIR continued:

Employee licensing requirements would ensure that dancers are aware of laws and practices to protect their own health, safety, and welfare. Specifically, educating dancers about the state wage-and-hour laws would help curb violations. A side effect of this is that without adequate wages, employees may be tempted to engage in illegal activities.

Education about assaults and self-defense would help dancers who are often victims of assault. An extremely high rate of verbal, physical, and sexual abuse of dancers by patrons was documented in a study from the University of Minnesota, which Representative Gara shared. It is reported in Anchorage. One former Anchorage teen dancer reported being grabbed by patrons and smacked by one when she wouldn't go home

with him. With Alaska leading the nation in sexual assaults, this educational provision is important.

Licensing requirements in HB 367 would also provide education about prevention of sexually transmitted diseases for young dancers. A court-accepted study from Fort Myers, Florida, documented up to 50 communicable diseases that could be transmitted at strip clubs, including many STDs. According to a Municipality of Anchorage health worker, there have been outbreaks of STDs among strip-club dancers. With Alaska's young people leading the nation in STD rates, this would be an important health precaution.

Number 0828

MS. FAIR continued:

Employee licensing of young dancers would also require knowledge of other educational and career options. This would also benefit young dancers, as this industry is fraught with danger and is frequently a pathway to drug and alcohol addiction and prostitution. The study from Minnesota found that 78 percent of nude dancers were solicited daily for prostitution by the strip-club patrons. Court-accepted independent studies have shown that nude dancing in SOBs encourages prostitution. According to the Anchorage Westside Community Patrol, most of the prostitutes in Spenard started as strip-club dancers.

The PTAs would prefer some additional provisions be considered as well. We support raising the minimum age for both patrons and dancers to at least 19, if not 21 years old, as we are aware of the vulnerability of even older teens to the negative impacts of SOBs. This would be consistent with state laws regarding tobacco, alcohol, and gambling.

Recent research from Duke University indicates that adolescent brains are not fully mature until age 20 or older, and raising the age would be appropriate for sex-oriented business pornography as well. There are new studies which indicate that pornography is just as addictive as alcohol, tobacco, and drugs, so it should be treated as such.

Another health protection to consider, common in other states, would be to add a requirement to keep genitals covered and outlaw genital contact with stage props, customers, or other employees. This could help reduce the spread of sexually transmitted diseases.

I have the state prostitution law in front of me, which says that engaging in or offering is a class B misdemeanor; however, promoting prostitution in the first or second degree is a felony. Another interesting thing to note in the state prostitution law is that it spells out conduct defined as prostitution in state law that is happening every day in these strip clubs. Statistics and other background data to support our comments can be found in your packets. There is a PTA resolution and code page and other background information.

Number 0674

MS. FAIR said the U.S. military doesn't allow SOBs on any base. She noted that Ms. Nyquist had spoken to the fact that studies from other cities and states can be used to establish laws. Ms. Fair said she believes it isn't necessary to show that [Alaska] has problems; those studies can be used to establish laws to prevent those same negative secondary effects in Alaska.

Number 0581

DOUGLAS B. GRIFFIN, Director, Alcoholic Beverage Control Board, Department of Public Safety, testified in support of HB 367. He said the ABC Board believes there has been some contact with these issues on liquor-licensed premises, and the regulation and enforcement is good. He noted that areas are largely unregulated, as mentioned in committee.

CHAIR ANDERSON complimented Mr. Griffin, saying he knows he is short-staffed, and expressed appreciation for his assistance.

REPRESENTATIVE ROKEBERG asked Mr. Griffin what he has statutory authority to investigate.

MR. GRIFFIN replied that Alaska Statute provides authority for investigation of illegal gambling and prostitution on licensed premises.

REPRESENTATIVE ROKEBERG asked if he is correct in assuming there are no other Title 4 requirements relating to sexually oriented businesses as discussed today.

MR. GRIFFIN replied that there are some things the ABC Board has done in this area. It has taken action and has authority under AS 04.16.020 to regulate some sexual activities on liquor-licensed premises. In 1992, the board adopted a regulation to address this area specifically, and has taken action against liquor licensees up to and including revocation of licenses for businesses that engage in sexual activities. The most recent was the revocation of the license of the Marine Bar in Ketchikan, which had a history; the final incident was the employment of a dancer who was underage.

Number 0386

REPRESENTATIVE ROKEBERG asked, if the legislature were to support the ABC Board with additional [statutory authority] for SOBs and sufficient funds from fees, whether the office could take on enforcing prohibitions or requirements that might be added to regulate the care of young dancers.

MR. GRIFFIN responded that this is a dual-edged sword because the same argument was raised by the Legislative Budget and Audit Committee as to whether the ABC Board should be looking at the issue of prostitution and illegal gambling on liquor-licensed premises; it recommended that the office not do [enforcement] because it took the focus off of regulating alcohol. Alcohol is a huge problem in Alaska. Mr. Griffin commented that he is not advocating [that the ABC Board] take on the regulation of sexually oriented businesses that do not involve the sale of alcohol. It is a legitimate effort for places that serve alcohol, but he said he doesn't see this as in the public's best interest because it would take the focus off of alcohol enforcement.

REPRESENTATIVE ROKEBERG said he understands what Mr. Griffin is saying. He added that he sees this as a jurisdictional issue.

REPRESENTATIVE LYNN surmised that the ABC Board is currently not investigating any allegations of prostitution or other illegal activities in any of these [underage] clubs because the clubs don't have liquor licenses.

MR. GRIFFIN replied that is correct.

REPRESENTATIVE LYNN commented that he is shocked that there has not been more concern for prostitution that might occur with individuals under the age of 21, rather than over 21, simply because there is no liquor license.

Number 0132

MR. GRIFFIN reiterated that the ABC Board's primary concern deals with the regulation of alcohol. Many forms of entertainment take place on premises that are licensed to serve alcohol. All of the issues that have been discussed have also taken place in these businesses. He agreed that it is important to regulate these "underage" businesses because it has been possible for them to "fly under the radar."

**TAPE 04-6, SIDE A**

Number 0006

REPRESENTATIVE LYNN asked, "Why would you not also check out prostitution at clubs under 21? We're talking about kids here."

MR. GRIFFIN explained that when investigating prostitution and illegal gambling, the ABC Board has authority to do so only on premises that have liquor licenses, which underage clubs don't. He elaborated:

That was our argument to "Legislative Audit." We're not saying that we're going to do general prostitution, general illegal gambling. But if we walk into a place in the course of an inspection and see it occurring, it only makes sense that we should be allowed to [investigate].

MR. GRIFFIN indicated the [Anchorage Police Department] is there to do those types of general enforcement.

Number 0199

P.J. PAIZ, Officer, Anchorage Police Department, Municipality of Anchorage, said he believes five clubs in Anchorage are a problem. He also noted that the ABC Board and its investigators have plenty to do, since hundreds of establishments serve liquor in the Anchorage area. Noting that there is a big problem with alcohol in Anchorage and in Alaska in general, he said Anchorage also has a big problem with sex-related crimes; it is one of the

leading cities in the nation for sexual assault and crimes related to sex. He continued:

In just looking at two of the establishments in our city over the last five years, there are over 200 documented cases ranging from small crimes, such as vehicle tampering, all the way up to kidnapping, robbery, drug crimes, and weapons offenses where shots have been fired. At least one of those I have personally been involved in.

I think that it's important that these type of establishments be regulated. We strongly support HB 367. I think the information that you heard here is quite accurate.

I have had occasion to speak with some of the employees, female dancers, some of them young, who are basically exploited by these types of businesses. It's almost a type of servitude that they end up in. Some of the owners of these type of establishments also house these girls in different places, motels, apartments, that they have in the city. So, not only are they paying to work there, but they are paying to live there. I have had experience where their personal belongings have been held if they fall into disfavor with the establishments.

It's a pretty miserable existence that they have. The types of crime they are exposed to, and the types of crimes that occur, and the people that are attracted to these types of establishments, are not healthy.

Number 0442

GERARD ASSELIN, Officer, Anchorage Police Department, Municipality of Anchorage, testified:

I have been an officer with the Anchorage police for about six and a half years. During that time, I have been assigned to a drug unit, and now [I am] currently assigned to the special assignment unit, which is with the Anchorage Police Department. It's a unit of four officers and one sergeant, and our primary responsibilities lie around investigations involving street-level drugs, prostitution, gambling, and things

that we have actually been speaking about through the course of the testimonies here.

Specifically, with regards to investigations into this type of activity, there has been testimony regarding the secondary types of crimes that occur. Again, as Officer Paiz noted, we do support [HB 367]. Through our experience and through our investigations, we have learned information that corroborates what's being said.

Number 0517

I have personal experiences regarding the activity that occurs regarding prostitution, some of which has occurred in back rooms, or a deal will be set that will occur at a later date in time, again, connected to the establishment. I have personally spoken with several women who have been employed, or are currently being employed, at these establishments. They ... have spoken to me about these type of activities; some of the themes are prostitution, drug activity, and the wage-and-hour issues.

Some of the details I'm not at liberty to speak specifically about, just because of ongoing investigations. I know there were questions brought up earlier in the testimony regarding what is being done. Again, our unit, that is one of our functions. We have been asked to look at that and attempt to conduct investigations there. We have experienced some difficulty.

We have spoken to several women who either have been or are currently employed, and all have expressed strong concerns about participating in the investigation because of repercussions that may occur to them. Or they are currently being employed and they do openly say that they are making a lot of money, and so it is difficult to, essentially, stop that. So, as we talk about the bill, probably providing them with options is a good thing, because the money that they're making makes it difficult to stop. That's one of the things they've expressed to us.

Again, as far as having officers go in, we've had information saying that drugs are being sold from within these businesses, and it is very difficult to have an officer go in there. You have to actually participate in the dancing, whether that be a lap dance, or be a regular patron, before they're willing to sell to you. That is something that is difficult, as officers, to be able to go into these places, on a repeated basis, essentially get your face known, to be able to buy the drugs. That is something that's very difficult to control, and something that many officers aren't necessarily willing to do. Again, from an investigation standpoint, those are the problems we have run into.

Number 0640

MR. ASSELIN continued:

I believe, from the point of view of the Anchorage Police Department, this bill is a very good tool for us to be able to get some sort of handle on what is occurring there, because, up until this point, there have been no tools or resources we can use to help regulate what's going on.

In closing, I have conducted investigations regarding drug activity occurring at these locations, and personally been involved in these investigations. I am not able to discuss specifics, because some of them [investigations] are still ongoing.

REPRESENTATIVE ROKEBERG asked how many teen nightclubs are in operation in Anchorage that come under the jurisdiction of the Anchorage Police Department. Specifically, he asked the differences in problems between teen clubs that have stripping and those that don't.

MR. ASSELIN said he knows of three teen clubs in which nude dancing occurs, and there are two newer teen clubs: one actively providing nude dancing and one that plans to. He believes five establishments will be influenced by HB 367. He talked about other underage clubs, in particular, one very large one downtown. He said in his experience, these clubs are relatively short-lived in nature and often move around Anchorage. He said he has spoken with officers who routinely work downtown and have come across drugs in the parking lots.

He was personally involved in an investigation of a "rave-type" club, a weekend-only teenage club where extensive abuse of drugs took place.

Number 0855

REPRESENTATIVE ROKEBERG said the Anchorage Assembly had passed an ordinance based on land use. He wanted to know if this ordinance had any impact or had given the Anchorage Police Department any new tools to combat this problem.

MR. ASSELIN asked what Representative Rokeberg was referring to.

REPRESENTATIVE ROKEBERG remarked, "Obviously, it's very ineffective."

Number 0913

DIANA STRAUB, City Council Member, City of Wasilla; President, Wasilla School Parent Teacher Association; Chair, Board of Barbers and Hairdressers, testified in support of HB 367. She said she is very interested in seeing this regulation become statewide. As president of the Wasilla School Parent Teacher Association, she concurred with the resolutions passed through the Anchorage Parent Teacher Association. As chair of the state Board of Barbers and Hairdressers, she said the majority of her comments come from this position. She said:

About a year and a half ago, we regulated body piercing and tattooing. I had the opportunity to watch those regulations be put into play, watch the process of the investigations, and see some effectiveness and some ineffectiveness.

I would like to comment [on] a couple of things that we have experienced in trying to enforce some issues, that you may find helpful in crafting your legislation, ... to avoid some of the errors that we currently have to work with. Basically, they all really come down to money, the bottom line. I know the financial state the State of Alaska is in. We're looking for more ways to cut money. This is something that has been difficult for us.

What happens is, we also work in an area where we're dealing with minors. We will have someone illegally pierce or tattoo a minor. Our investigator, Bill

Petry (ph), does an incredible job. I cannot tell you what a great investigator he is; he's very thorough and does a very good job. He gets a case ready; it goes to a judge if a judge is able to hear it, which sometimes they are, sometimes they don't, because they have full dockets and they have to take a look at what they have to hear that day and make some choices.

Number 1046

MS. STRAUB continued:

Then, you get the minor up on the stand and they simply choose not to testify, and you have nothing to prosecute with. You're done; it's over. So, our state has put a lot of money into our investigator. There are time and expenses that are not recovered through licensure from our board, and our examiner, and, in the end, we're not able to protect those minors.

My concern is that we, as adults, will put our efforts towards protecting these young adults and minors, and we will craft a bill, and will put some things in place, and won't make sure that there's enough funding to follow through.

And so what happens is that as adults, we all feel warm and fuzzy that we took care of it. But in reality, the practice is still going on. These are some of the areas where I see the biggest concerns. I think that the requirement for STD training is of value.

There was a study on hepatitis done about 15 years ago that I'm aware of, that I worked with, where there was a drop of blood placed on a piece of paper that had the HIV virus in it. That virus died immediately. Another drop of blood, on the same piece of paper, had the hepatitis virus in it. Six months later, it was still - in a dry drop of blood, on a piece of paper - able to infect somebody if they had an open wound and rubbed their hand over that dry drop of blood.

Hepatitis is already very prominent here in Alaska. I have every reason to believe that we would find it

rampant in these types of businesses, and it's of great concern.

Number 1157

MS. STRAUB asked whether it would be [DCED] that would enforce this law, and expressed concern that it doesn't have adequate funding or staff to back up the regulations about to be put into place.

CHAIR ANDERSON noted that [Version H] removed any testing for STDs, but still included education and training.

MS. STRAUB promised to send additional comments in writing. Saying sex-oriented entertainers should be over the age of 21 by law, she explained, "I strongly believe that if you are not old enough to walk into the establishment and order a cocktail, you certainly should not be old enough to take your clothes off on the cocktail table."

Number 1305

REPRESENTATIVE ROKEBERG pointed out that additional funding requires the licensee to pay additional fees. He said this causes a "drag time" in getting the initial money for enforcement; also, even if adequate money is charged, the department has a difficult time investigating, enforcing, and going through the hearing process. He said he shares her frustrations.

Number 1356

AL STOREY, Lieutenant, Division of Alaska State Troopers, Department of Public Safety, testified in support of HB 367. Agreeing with that day's testimony, he said of the 24 years he has been working for the troopers, 18 were spent in drug enforcement. He noted that some of these [teen clubs] fall under the jurisdiction of the troopers, and they are of concern. In answer to Representative Rokeberg as to whether this bill is needed statewide, he said:

When there is strong enforcement in Anchorage on a variety of things, bar hours or meth labs, it pushes it out into the Mat-Su Valley. We would expect that this might very likely happen in this case, too. So, if there is not a statewide effort here, we'll just see the problem move around. We already are seeing

some up on the Parks Highway, a couple of places. One of them, I understand, just opened in the past two weeks and is already causing problems. We are getting multiple complaints about prostitution, drugs, driving, and all those kinds of things, just within the first two weeks of operation.

It does have to be more than a local municipality effort, I believe. The problem will just keep ahead of the enforcement. So if it [enforcement] is broad-based and statewide, then we'll have a better effort across the board.

[HB 367 was held over.]

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:20 p.m.