

HB

367

HFIN

FILE

IOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 3, 2004

FURTHER REFERRALS:

Date of Committee Action: 4-15-04

The FINANCE Committee considered:

HB 367

HOUSE BILL NO. 367

LICENSING SEX-ORIENTED BUSINESSES

"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."

Recommends it be replaced with HCS or CS for HB 367 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

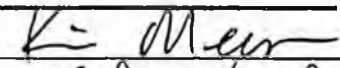
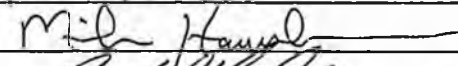
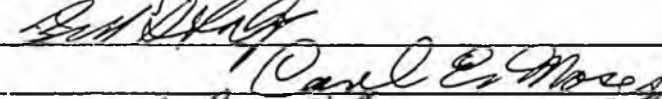


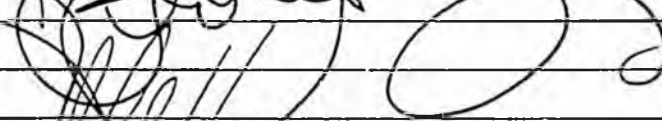

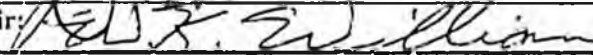
- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DCED		✓		
DPS				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DLWFD	#2			✓

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Meyer	X			
	Hawker			X	
	Stavro MOSES			X	
	Chenault			X	
	Foster FOSTER			X	
	Williams				
Chair: 	Williams	X			
Chair: 	Williams	X			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB367CS-DPS-CRI-4-15-04
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DPS
Title Licensing Adult Oriented Businesses RDU Statewide Support
Component Criminal Records & ID
Sponsor Rep. McGuire
Requester H. Labor & Commerce Component No. 1190

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The intent is to protect minors and other young people working in adult oriented businesses by more closely regulating the businesses.

Based on the assumption that the Department of Commerce and Economic Development will not require state and national fingerprint based criminal justice information background checks under AS 12.62.160, but will rely on sworn statements of eligibility from the applicants, no fiscal impact is anticipated.

Prepared by: Kathryn M. Monfreda, Chief Criminal Records & ID Bureau Phone 907-269-5581
Division Statewide Services Date/Time 4/15/04 8:35 AM
Approved by: Commissioner William Tandeske Date 4/15/2004
Agency Department of Public Safety

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB 367 (JUD)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title Licensing Sex-Oriented Businesses RDU Occupational Licensing (117)
Component Occupational Licensing
Sponsor Representatives McGuire & Gara, et al
Requester House Judiciary Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	4.0	4.0	2.0	2.0	2.0	2.0
Travel	4.2	4.2	1.8	1.8	1.8	1.8
Contractual	13.0	13.0	3.0	3.0	3.0	3.0
Supplies	5.0	5.0	5.0	5.0	5.0	5.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	26.2	26.2	11.8	11.8	11.8	11.8

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156)	26.2	26.2	11.8	11.8	11.8	11.8
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 Receipt Supported Services	26.2	26.2	11.8	11.8	11.8	11.8
TOTAL	26.2	26.2	11.8	11.8	11.8	11.8

Estimate of any current year (FY2004) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSHB 367 (JUD) creates new licensing and regulation for adult-oriented businesses. The bill also requires the department to establish by regulations licensure procedures, inspection procedures, physical characteristics of licensed premises, and other requirements on applying for and renewing licenses.

A detailed explanation of the above costs is attached.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
Division: Occupational Licensing Date/Time 3/10/04 2:55 PM
Approved by: Edgar Blatchford, Commissioner Date 3/10/2004
Agency: Department of Community and Economic Development

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. CSHB 367(JUD)

ANALYSIS CONTINUATION

PERSONAL SERVICES: \$4.0

This funding will provide staff support to establish the licensing program for adult-oriented businesses. Supporters of the bill indicate approximately 20 business owners may be subject to licensure. The funding amount is based on a program in existence with similar numbers of licensees. It is doubled in the first two years during start up of the licensing program.

TRAVEL: \$4.2

Travel funding is anticipated for the following -

- Regulation Hearings (travel for the Regulations Specialist), at least 4 trips @ \$600/per trip = \$2.4
- Travel for Enforcement to areas outside of Anchorage, 3 trips @ \$600/per trip = \$1.8

2nd Year: Regulations and Enforcement costs are also anticipated to repeat in the second year = \$4.2

3rd Year: By the third year of operation, the regulations hearings should be completed and only Enforcement travel is expected = \$1.8

CONTRACTUAL: \$13.0

- Regulation costs (notices, hearings, etc.), \$10.0
- Communications expenses (phones, postage, etc.) = \$3.0

2nd Year: Regulations and communication costs are anticipated to repeat in the second year = \$13.0

3rd Year: By the third year of operation, only communication costs are anticipated - \$3.0

Section 08.90.200(b) requires the department to develop and provide businesses with written material regarding certain subjects specified in the bill. However, the department is of the understanding that material already exists and that the department's responsibility will be to identify the material and secure copies for distribution.

SUPPLIES: \$5.0

This funding provides basic operating supplies for the program (paper, etc.) This funding remains the same in the event the department is required to purchase written material for distribution.

TOTAL: \$26.2

Funding Source: Receipt Supported Services

This program is anticipated to be funded by licensing fees. Under AS 08.01.065(c) licensure programs are expected to pay their actual costs through licensing fees.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 367(JUD)
(H) Publish Date: 3/3/04

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
Title: Licensing Sex Oriented Businesses RDU: Labor Standards & Safety
Component: Wage & Hour
Sponsor: Representatives McGuire and Gara
Requester: House Judiciary Component Number: 345

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: None

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

There is no anticipated fiscal impact to the department as a result of this legislation.

Prepared by: Grey Mitchell, Director Phone 465-4855
Division: Division of Labor Standards & Safety Date/Time 2/20/04 11:03 AM
Approved by: Greg O'Claray, Commissioner Date 2/20/2004
Agency: Department of Labor and Workforce Development

amended page 2
adopted NO 035
AMENDMENT 1

23-LS1394\X.2
Craver
4/15/04

OFFERED IN THE HOUSE
TO: CSHB 367(JUD)

- 1 Page 2, line 4:
- 2 Delete "special"
- 3
- 4 Page 6, line 18, following "business.", through line 22:
- 5 Delete all material.
- 6
- 7 Reletter the following subsections accordingly.
- 8
- 9 Page 7, line 4:
- 10 Delete all material.
- 11
- 12 Renumber the following paragraphs accordingly.
- 13
- 14 Page 7, line 7:
- 15 Delete "(1) - (6)"
- 16 Insert "(1) - (5)"
- 17
- 18 Page 7, line 10:
- 19 Delete "possession, distribution,"
- 20 Insert "distribution"
- 21
- 22 Page 7, line 14:
- 23 Delete "(c) of this section"

23-LS1394\X.2

1 Insert "(b) of this section"

2

3 Page 7, following line 14:

4 Insert a new subsection to read:

5 "(d) An adult-oriented business shall require each adult-oriented business
 6 entertainer to demonstrate, within the first 80 hours of the entertainer's employment,
 7 that the entertainer has been informed of certain information specified by the
 8 department. The information must cover the following topics: (1) educational
 9 opportunities within the state, (2) financial assistance programs for education, and
 10 (3) vocational education. Attendance at a department-approved counseling session of
 11 not more than one hour fulfills this information requirement. The department may
 12 allow a certificate of counseling signed by a school official to be substituted for the
 13 counseling session. If the adult-oriented business entertainer is charged for the cost of
 14 the required counseling session, the licensee shall promptly reimburse the entertainer."

15 (#4) information on the State's ^{wage +} labor
 16 Page 7, line 21: laws as it pertains to the
 17 Delete "21" entertainer's employment

18 Insert "18"

19

20 Page 7, line 23:

21 Delete "21"

22 Insert "18"

23

24 Page 7, line 28:

25 Delete "21"

26 Insert "18"

27

28 Page 8, line 3:

29 Delete "21"

30 Insert "18"

31

23-LS1394\X.2

- 1 Page 8, line 14:
- 2 Delete "21"
- 3 Insert "18"
- 4
- 5 Page 9, line 14, following "who":
- 6 Delete "violates this chapter"
- 7 Insert "knowingly violates AS 08.90.220"
- 8
- 9 Page 11, line 14, through page 12, line 18:
- 10 Delete all material.
- 11
- 12 Renumber the following bill sections accordingly.
- 13
- 14 Page 12, line 22, through page 13, line 20:
- 15 Delete all material.
- 16
- 17 Renumber the following bill section accordingly.
- 18
- 19 Page 13, line 21:
- 20 Delete "Sections 1 - 3, and 9 - 11 of this Act take"
- 21 Insert "This Act takes"

4-15-04

Amund #1 adopted

Amund #2-pg 11 line 6 adopted 23-LS1394X

CS FOR HOUSE BILL NO. 367(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 3/3/04

Referred: Finance

Sponsor(s): REPRESENTATIVES MCGUIRE AND GARA, Dahlstrom, Anderson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the licensing and regulation of adult-oriented businesses; and
2 providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **LEGISLATIVE PURPOSE AND FINDINGS REGARDING ADULT-ORIENTED**
7 **BUSINESSES.** The legislature finds that

8 (1) the legislature intends to regulate adult-oriented entertainment businesses
9 in order to reduce the incidence of and opportunities for illegal activity such as lewd acts,
10 solicitation of prostitution, and prostitution and to mitigate the demonstrated negative
11 secondary effects of adult-oriented entertainment businesses on the neighboring communities;

12 (2) the legislature does not intend by these amendments to deny adults access
13 to adult-oriented activities protected by the First Amendment to the Constitution of the United
14 States or to deny access by the distributors and exhibitors of adult-oriented entertainment to

1 their intended market; the legislature finds that adult-oriented entertainment businesses,
 2 because of their operational characteristics, create significant secondary effects on the
 3 neighborhoods and communities in which they are located;

4 (3) special regulation of adult-oriented entertainment businesses is necessary
 5 to ensure that the recognized negative secondary effects, including accosting and harassment
 6 of law-abiding residents and the proliferation of litter, particularly litter of an adult nature
 7 associated with these businesses, will not have a deleterious effect on adjacent neighborhoods
 8 and communities;

9 (4) it is the purpose and intent of these amendments to provide for the orderly
 10 regulation of adult-oriented entertainment businesses in the state by establishing certain
 11 minimum standards for the conduct of this type of business to protect the public order and the
 12 health, safety, and general welfare of the residents of the state by preventing prostitution, lewd
 13 acts, the spread of disease, and the deterioration and blighting of neighborhoods, reducing
 14 crime in and around adult-oriented entertainment businesses, and preserving the quality of
 15 urban life in the state; and

16 (5) the legislature does not intend by these amendments to authorize, legalize,
 17 or permit the establishment or operation of any business, building, or use that violates any
 18 other state or federal statute.

19 * Sec. 2. AS 08.01.010 is amended by adding a new paragraph to read:

20 (38) regulation of adult-oriented businesses under AS 08.90.

21 * Sec. 3. AS 08 is amended by adding a new chapter to read:

22 **Chapter 90. Adult-Oriented Businesses.**

23 **Article 1. Licensing.**

24 **Sec. 08.90.010. License required.** A person may not

25 (1) operate an adult-oriented business without a license to operate an
 26 adult-oriented business issued under this chapter;

27 (2) obtain or attempt to obtain a license under this chapter by
 28 fraudulent means.

29 **Sec. 08.90.020. Adult-oriented business license.** An applicant for a license
 30 to operate an adult-oriented business shall submit to the department, in the manner and
 31 on forms prescribed by the department, written evidence, verified by oath, that the

1 applicant meets the qualifications to operate an adult-oriented entertainment business,
 2 and that the owner of the premises consents to the operation of the adult-oriented
 3 business on the premises.

4 **Sec. 08.90.030. Regulations for adult-oriented business licenses.** The
 5 department shall by regulation establish requirements for licensing businesses
 6 providing adult-oriented entertainment at the premises specified in the application,
 7 licensure and renewal procedures, inspection procedures, standards, fees, and
 8 requirements for operation. In adopting regulations under this section, the department
 9 shall require the following:

10 (1) unless the adult-oriented business owner resides on the business
 11 premises and the adult-oriented business owner is a legal guardian of minors residing
 12 in the residential unit, a licensed adult-oriented business premises may not share with
 13 any residential unit inhabited by minors a

14 (A) public entrance;

15 (B) restroom or entrance to a restroom; or

16 (C) hallway;

17 (2) the interior layout of the premises of an adult-oriented business
 18 must physically separate adult-oriented business entertainers from patrons during
 19 performances and ensure that any booth, stall, room, or partitioned portion of a room
 20 is open to view from a public room of the premises, except for private offices or other
 21 rooms that are not open to any person other than employees, or individual restrooms
 22 on the premises;

23 (3) an applicant shall provide satisfactory evidence that the owner of
 24 the real property in which the adult-oriented business is conducted consents to the
 25 operation of the adult-oriented business;

26 (4) an individual whose name and address is required to be provided
 27 with an application for a license under AS 08.90.040 may not have been convicted of
 28 any of the following offenses:

29 (A) prostitution or promotion of prostitution; unlawful
 30 exploitation of a minor; possession or distribution of child pornography;
 31 indecent exposure; sexual assault; sexual abuse of a minor; or any similar sex-

1 related offenses to those described above under the criminal or penal code of
 2 this state, other states, or other countries; tax evasion; underage employment;
 3 alcohol violations; illegal drugs; allowing a minor to enter and remain within
 4 premises where adult entertainment is offered; or any offense causing
 5 revocation of an adult-oriented business license; or

6 (B) an offense for which less than 10 years have elapsed since
 7 the date of conviction or the date of release from confinement imposed for a
 8 conviction, whichever date is later, if the conviction is of a felony offense.

9 **Sec. 08.90.040. Application for license.** (a) An applicant for a license shall
 10 file with the department a written application on a form designated by the department,
 11 signed and sworn to by the applicant, giving the applicant's name and address. If the
 12 applicant is a corporation, the application shall be executed by the authorized officers
 13 of the corporation. If the applicant is a partnership, including a limited partnership,
 14 the application shall be executed by an authorized general partner. The application
 15 must include

16 (1) the license fee; and

17 (2) any other information required by the department.

18 (b) A corporation applying for a license to operate an adult-oriented business
 19 shall provide the names and addresses of the president, vice-president, secretary,
 20 managing officer, and all stockholders who own 10 percent or more of the stock in the
 21 corporation, together with any other information required by the department.

22 (c) A partnership, including a limited partnership, that applies for a license
 23 shall provide information required by the department including the names and
 24 addresses of all general partners and all partners with an interest of 10 percent or
 25 more.

26 (d) A limited liability organization that applies for a license shall provide
 27 information required by the department, including the names and addresses of all
 28 members with an ownership interest of 10 percent or more and the names and
 29 addresses of all managers.

30 **Sec. 08.90.050. Notice of application for adult-oriented business license.**

31 (a) Before a new license is issued, the applicant shall post a copy of the application

1 for 10 days at the location of the proposed licensed premises and at any additional
 2 locations designated by the department. The department may require the applicant to
 3 provide

4 (1) a copy of the application to newspapers and radio and television
 5 stations for public service announcement; or

6 (2) paid notice of the application once each week for three successive
 7 weeks in a newspaper or by radio.

8 (b) Upon receipt of an application for the issuance or renewal of a license for
 9 premises or proposed premises that are located within one-half mile of the boundary of
 10 a community council established by municipal charter or ordinance, the department
 11 shall

12 (1) immediately provide written notice of the application to

13 (A) the community council; and

14 (B) any nonprofit community organization that has requested
 15 notification in writing; and

16 (2) at least 10 days before the date set for departmental action on the
 17 application, provide written notice of the proposed action to

18 (A) the community council; and

19 (B) any nonprofit community organization that has requested
 20 notification in writing.

21 **Sec. 08.90.060. Fees.** The department shall set fees under AS 08.01.065 for
 22 the application for or renewal of a license to operate an adult-oriented business.

23 **Sec. 08.90.070. Grounds for denial, suspension, or revocation of license.**
 24 The department may deny, suspend, or revoke the license of a person who

25 (1) has obtained or attempted to obtain a license under this chapter by
 26 fraud or deceit;

27 (2) has been convicted of a felony or other crime if the felony or other
 28 crime is substantially related to the qualifications, functions, or duties of the licensee;
 29 or

30 (3) has wilfully or repeatedly violated a provision of this chapter or
 31 regulations adopted under it.

1 **Sec. 08.90.080. Person and location for adult-oriented business license. (a)**

2 Each license to operate an adult-oriented business shall be issued to a specific
3 individual or individuals, to a partnership, including a limited partnership, to a limited
4 liability organization, or to a corporation. If the license is issued to a corporation or a
5 limited liability organization, the registered agent of the corporation or limited liability
6 organization is required to be an individual resident of the state.

7 (b) A specific location shall be indicated on the license as the licensed
8 premises, the principal address of which shall be indicated on the license. The mailing
9 address of a licensee or, if the licensee is a corporation, the address of the registered
10 office of the corporation must be kept current and on file in the main office of the
11 department.

12 (c) A license issued by the department is not transferable or assignable.

13 (d) A licensee shall report to the department

14 (1) permanent closing of a licensed premises; and

15 (2) other matters and occurrences the department may require by
16 regulation.

17 **Article 2. Business Operations.**

18 **Sec. 08.90.200. Entertainers employed by business. (a)** A licensee of an

19 adult-oriented business may not with criminal negligence allow a person under 21
20 years of age to be employed as an adult-oriented business entertainer in the licensee's
21 premises. In this section, "criminal negligence" has the meaning given in
22 AS 11.81.900.

23 (b) The department shall develop and provide adult-oriented businesses with
24 written material to be made available to all employees who are adult-oriented business
25 entertainers and to be prominently displayed in two locations within the premises
26 approved by the department. This written material must explain the wage and hour
27 issues relevant to adult-oriented business entertainers, including information about
28 independent contractors and employees, the minimum wage, and allowable deductions
29 from wages by an employer.

30 (c) A licensee may not employ an adult-oriented entertainer who has been
31 convicted of any of the following offenses:

- 1 (1) prostitution or promotion of prostitution;
- 2 (2) unlawful exploitation of a minor;
- 3 (3) possession or distribution of child pornography;
- 4 (4) indecent exposure;
- 5 (5) sexual assault;
- 6 (6) sexual abuse of a minor;
- 7 (7) any sex-related offense that is similar to those described in (1) - (6)
- 8 of this subsection under the criminal or penal code of this state, other states, or other
- 9 countries; or
- 10 (8) possession, distribution, or sale of illegal drugs.

11 (d) The licensee shall maintain on the premises a written application form
 12 signed by each person employed at the licensed premises as an adult-oriented business
 13 entertainer evidencing that the adult-oriented business entertainer states that the person
 14 has never been convicted of any of the offenses listed in (c) of this section.

15 **Sec. 08.90.210. Business hours.** A person who is licensed to operate an
 16 adult-oriented business may not allow patrons to be present on the licensed premises
 17 between the hours of 5:00 a.m. and 8:00 a.m. each day. In addition, for adult-oriented
 18 businesses located within a municipality, the restriction against allowing patrons on
 19 the premises must include any additional hours set by a municipality for the closure of
 20 licensed premises providing entertainment under AS 04.

21 **Sec. 08.90.220. Access of persons under 21 years of age to licensed**
 22 **premises.** A licensee or an agent or employee of a licensee of an adult-oriented
 23 business may not with criminal negligence allow a person under 21 years of age to
 24 enter and remain within licensed premises. In this section, "criminal negligence" has
 25 the meaning given in AS 11.81.900.

26 **Sec. 08.90.230. Proof of age.** (a) If an adult-oriented business licensee or an
 27 agent or employee of the adult-oriented business licensee questions or has reason to
 28 question whether a person entering licensed premises has attained the age of 21 years,
 29 the licensee, agent, or employee shall require the person to furnish proof of age
 30 acceptable under (b) of this section in a form determined by the department. If the
 31 person questioned does not furnish proof of age acceptable under (b) of this section, or

1 if a licensee, agent, or employee questions or has reason to question the validity of the
 2 proof of age furnished, the licensee, employee, or agent shall require the person to sign
 3 a statement that the person is 21 years of age or older. This statement shall be made
 4 on a form prepared by and furnished to the licensee by the department.

5 (b) A valid driver's license or a valid identification card is acceptable as proof
 6 of age when used for identification in securing entry to and remaining on the premises
 7 of an adult-oriented business if the license or identification card is made of or encased
 8 in plastic and contains a photograph of the licensee or card holder and a statement of
 9 age or date of birth.

10 (c) A licensee or an agent or employee of the licensee may not be charged for
 11 a violation of AS 08.90.220 if a signed statement as provided in (a) of this section is
 12 secured in good faith, or if a valid driver's license or identification card is presented
 13 indicating that the owner and possessor of the presented driver's license or
 14 identification card is 21 years of age or older.

15 **Sec. 08.90.240. Responsibility of licensees, agents, and employees.** An
 16 adult-oriented business licensee has a duty to exercise that degree of care that a
 17 reasonable person would observe to ensure that a business under the person's control is
 18 lawfully conducted. This duty of the licensee includes ensuring the compliance

19 (1) by agents or employees with this chapter and regulations adopted
 20 under this chapter, including acting with reasonable diligence to determine that agents
 21 or employees are advised of the provisions of this chapter and the regulations adopted
 22 under this chapter, either by securing the agent's or employee's written
 23 acknowledgment of posted instructions or otherwise; and

24 (2) of the premises with public health, fire, and safety codes and
 25 ordinances of the state or municipality having jurisdiction.

26 **Article 3. Miscellaneous Provisions.**

27 **Sec. 08.90.300. Disciplinary sanctions.** (a) If, after a hearing, the
 28 department finds that a licensee has committed an act set out in AS 08.90.070, the
 29 department may

30 (1) permanently revoke a license issued under this chapter or suspend a
 31 license for a determinate period of time; and

1 (2) impose a civil fine of not more than \$10,000.

2 (b) The department may summarily suspend a license before final hearing or
3 during the appeals process if the department finds that the licensee poses a clear and
4 immediate danger to the public health and safety if the licensee continues to operate
5 under a license issued under this chapter. A person whose license is suspended under
6 this subsection is entitled to a hearing by the department not later than seven days after
7 the effective date of the order.

8 (c) A person who receives a disciplinary sanction under this section may
9 appeal the sanction to a court of competent jurisdiction.

10 (d) The department shall be consistent in the application of disciplinary
11 sanctions. A significant departure from earlier decisions of the department involving
12 similar situations must be explained in findings of fact or orders made by the
13 department.

14 **Sec. 08.90.310. Violations.** (a) A person who violates this chapter is guilty
15 of a misdemeanor and, upon conviction, is punishable by a fine of not more than
16 \$5,000, or by imprisonment for not more than one year, or by both. Each day of
17 illegal practice is a separate offense.

18 (b) A person who knowingly provides false information in an application for a
19 license to operate an adult-oriented business is guilty of a misdemeanor and, upon
20 conviction, is punishable by a fine of not more than \$5,000, or by imprisonment for
21 not more than one year, or by both, except that a person who knowingly provides false
22 information about the applicant's specified criminal activity is guilty of a class C
23 felony.

24 **Sec. 08.90.320. Limitation of liability.** An action may not be brought against
25 a person for damages resulting from a report made in good faith to a public agency by
26 the person or participation by the person in an investigation by a public agency or an
27 administrative or judicial proceeding relating to the report if the report relates to
28 activity requiring a license under this chapter.

29 **Sec. 08.90.330. Accessibility of license and licensed premises to inspection.**

30 (a) A licensee who operates an adult-oriented business shall, upon request, make the
31 licensed premises available for inspection by officers charged with the enforcement of

1 this chapter, including employees of the department, during all regular business hours.

2 (b) A license for an adult-oriented business issued under this chapter shall be
3 conspicuously posted within the licensed premises so as to be easily viewed by the
4 public and available for inspection upon request by a peace officer or other person
5 during regular business hours.

6 **Sec. 08.90.340. License a privilege.** (a) A license issued under this chapter
7 is a personal privilege, not a property right.

8 (b) The privilege conferred upon the licensee is personal in nature and affords
9 protection to the licensee only.

10 **Sec. 08.90.350. Municipal regulation.** A municipality may place
11 prohibitions or restrictions on adult-oriented entertainment that are in addition to or
12 stricter than those in this chapter.

13 **Article 4. General Provisions.**

14 **Sec. 08.90.500. Definitions.** In this chapter,

15 (1) "adult-oriented business" means a person who regularly offers
16 adult-oriented entertainment at a premises for compensation;

17 (2) "adult-oriented business entertainer" means an employee of an
18 adult-oriented business who performs adult-oriented entertainment;

19 (3) "adult-oriented business licensee" or "licensee" means a person
20 licensed under AS 08.90.020 to operate an adult-oriented business;

21 (4) "adult-oriented entertainment" means entertainment by nude or
22 semi-nude individuals who personally appear before an audience, and the primary
23 purpose of the entertainment is for the sexual interests or titillation of the audience;

24 (5) "department" means the Department of Community and Economic
25 Development;

26 (6) "employee" means a person who performs any service on the
27 premises of an adult-oriented business on a full-time, part-time, contract, or
28 independent basis, whether or not the person is an employee, independent contractor,
29 agent, or otherwise and whether or not the said person is paid a salary, wage, or other
30 compensation by the operator of the adult-oriented business; "employee" does not
31 include a person exclusively on the premises for repair or maintenance of the premises

1 or equipment on the premises, or for the delivery of goods to the premises, nor does
2 "employee" include a person exclusively on the premises as a patron or customer;

3 (7) "license" means a license to operate an adult-oriented business
4 issued under AS 08.90.020;

5 (8) "nude" or "semi-nude" means the appearance of an anus, anal area,
6 ^{pubic} public area, male genitals, female genitals, or vulva, either bare or with less than a
7 fully opaque covering; or a female breast with less than a fully opaque covering of any
8 part of the areola;

9 (8) "premises" means the real property on which the adult-oriented
10 business is located, including the adult-oriented business, the grounds, private
11 walkways, parking lots, and parking garages of the adult-oriented business under the
12 ownership, control, or supervision of the licensee, as described in the application for a
13 license to operate an adult-oriented business under this chapter.

14 * Sec. 4. AS 08.90.200 is amended by adding a new subsection to read:

15 (e) An adult-oriented business shall require each adult-oriented business
16 entertainer who is under 21 years of age to demonstrate, within the first 80 hours of
17 the entertainer's employment, that the entertainer has been informed of certain
18 information specified by the department. The information must cover the following
19 topics: educational opportunities within the state, financial assistance programs for
20 education, and vocational education. Attendance at a department-approved counseling
21 session of not more than one hour fulfills this information requirement. The
22 department may allow a certificate of counseling signed by a school official to be
23 substituted for the counseling session. If the adult-oriented business entertainer is
24 charged for the cost of the required counseling session, the licensee shall promptly
25 reimburse the entertainer.

26 * Sec. 5. AS 08.90.220 is amended to read:

27 **Sec. 08.90.220. Access of persons under 18 [21] years of age to licensed**
28 **premises.** A licensee or an agent or employee of a licensee of an adult-oriented
29 business may not with criminal negligence allow a person under 18 [21] years of age
30 to enter and remain within licensed premises. In this section, "criminal negligence"
31 has the meaning given in AS 11.81.900.

1 * Sec. 6. AS 08.90.230(a) is amended to read:

2 (a) If an adult-oriented business licensee or an agent or employee of the adult-
3 oriented business licensee questions or has reason to question whether a person
4 entering licensed premises has attained the age of 18 [21] years, the licensee, agent, or
5 employee shall require the person to furnish proof of age acceptable under (b) of this
6 section in a form determined by the department. If the person questioned does not
7 furnish proof of age acceptable under (b) of this section, or if a licensee, agent, or
8 employee questions or has reason to question the validity of the proof of age
9 furnished, the licensee, employee, or agent shall require the person to sign a statement
10 that the person is 18 [21] years of age or older. This statement shall be made on a
11 form prepared by and furnished to the licensee by the department.

12 * Sec. 7. AS 08.90.230(c) is amended to read:

13 (c) A licensee or an agent or employee of the licensee may not be charged for
14 a violation of AS 08.90.220 if a signed statement as provided in (a) of this section is
15 secured in good faith, or if a valid driver's license or identification card is presented
16 indicating that the owner and possessor of the presented driver's license or
17 identification card is 18 [21] years of age or older.

18 * Sec. 8. AS 08.90.200(a) is repealed.

19 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 SEVERABILITY. Under AS 01.10.030, the provisions of this Act are severable.

22 * Sec. 10. The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 CONTINGENT EFFECT. (a) Sections 4 and 8 of this Act take effect only if a court
25 of competent jurisdiction whose decisions are binding in this state enters a final judgment on
26 the merits that AS 08.90.200(a), added by sec. 3 of this Act, violates the Constitution of the
27 United States or the Constitution of the State of Alaska.

28 (b) The attorney general shall promptly notify the lieutenant governor and the revisor
29 of statutes of the occurrence of the contingency described in (a) of this section.

30 * Sec. 11. The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 CONTINGENT EFFECT. (a) Sections 5 - 7 of this Act take effect only if a court of
2 competent jurisdiction whose decisions are binding in this state enters a final judgment on the
3 merits that AS 08.90.220, added by sec. 3 of this Act, violates the Constitution of the United
4 States or the Constitution of the State of Alaska.

5 (b) The attorney general shall promptly notify the lieutenant governor and the revisor
6 of statutes of the occurrence of the contingency described in (a) of this section.

7 * **Sec. 12.** Sections 4 and 8 of this Act take effect on the date of the attorney general's
8 notification to the lieutenant governor and to the revisor of statutes under sec. 10(b) of this
9 Act that a court has entered final judgment that AS 08.90.200, added by sec. 3 of this Act,
10 violates the Constitution of the United States or the Constitution of the State of Alaska and
11 that the time for an appeal of that judgment has expired or, if an appeal was taken, a final
12 order on the appeal has been entered that AS 08.90.200(a) violates the Constitution of the
13 United States or the Constitution of the State of Alaska.

14 * **Sec. 13.** Sections 5 - 7 of this Act take effect on the date of the attorney general's
15 notification to the lieutenant governor and to the revisor of statutes under sec. 11(b) of this
16 Act that a court has entered final judgment that AS 08.90.220, added by sec. 3 of this Act,
17 violates the Constitution of the United States or the Constitution of the State of Alaska and
18 that the time for an appeal of that judgment has expired or, if an appeal was taken, a final
19 order on the appeal has been entered that AS 08.90.220 violates the Constitution of the United
20 States or the Constitution of the State of Alaska.

21 * **Sec. 14.** Sections 1 - 3, and 9 - 11 of this Act take effect July 1, 2005.

4-15-04
testified.

Comments from Diana L. Straub

I support HB 367 and would like to see a few minor amendments.

Positions of support:

- 1) I support the intent of the entire bill, however in the beginning I did question the enforceability of HB367.
- 2) Notice of application for Adult oriented business Sec 08.90.050 I strongly support the public having an opportunity to comment during the licensing process.
- 3) Notice of application for Adult oriented business Sec 08.90.050 I would like to see this process mirror that of the liquor license application process.
- 4) I feel that this legislation will bring this industry in to compliance with federal, state and local agencies such as IRS, State Labor Laws, Local Sales Tax.

Suggestions for friendly amendments:

- 1) I support an amendment to Sec 08.90.030 page 4 lines 7 & 8. Add language to include the date parole concluded as an option.
- 2) I support an amendment to Sec 08.90.050 page 5 line 10 to include cities and boroughs in the notification process.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

4-15-04

testimony of Nancy Fair

Robert Service High School PTSA

April 15, 2004

Re: Testimony to Alaska House of Representatives Finance Committee
HB 367 Licensing Sex-Oriented Businesses

Dear Representative Williams, Harris and the House Finance Committee:

Hello, I am Terry Dittman, mother of four, grandmother of 8, foster parent to 3, business owner and 38 year Anchorage resident and volunteer – especially involved with youth. I'm a 13 year Girl Scout leader, 5 year boys scout leader, founder of the Imaginarium, and currently serving as a VP of SHS PTSA.

The Service High School Parent-Teacher-Student Association, the Anchorage Council of PTAs and the Alaska State PTA strongly support enactment of legislation to regulate sex-oriented businesses (also known as SOBs or adult-entertainment businesses) in order to better protect the health, safety and welfare of high school students.

In Anchorage alone we have over 3,400 students annually that are ages 18-20, and we are also concerned for other youth in the state. We are aware of at least 6 non-liquor licensed strip clubs open to 18 year old customers and strippers in Anchorage, Wasilla, Fairbanks and Soldotna. More are planned. **Yet Alaska has some of the weakest laws in the country regulating SOBs (especially those without liquor licenses) even though they are associated with many illegal activities and negative community impacts (see PTSA Resolution).**

We have spent over a year researching the impacts of SOBs, and have found no benefits, only negative impacts from this type of business to our children, grandchildren and other youth.

Business licensing, as proposed in HB 367, would be an important first step to protecting our teens and our communities. Over 250 other cities and states have similar licensing laws. Business licensing would help insure that our underage teens are not involved. We have had numerous reports about this problem in Anchorage (see Quotes and testimony from Covenant House).

Business licensing would insure that club owners are not criminals. Business licensing would also be a powerful incentive to insure that SOBs follow existing laws related to illegal drugs, alcohol, prostitution, wage and hour, worker safety, sexual harassment and tax evasion. Violations of these laws are common in SOBs in other states, and the Anchorage Police Department and the Alaska State Troopers testified to the House Labor and Commerce Committee that we have the same problems here. Adherence to

labor laws is extremely important, because without adequate and legal wages, employees may be tempted to engage in illegal activities.

Many cities have also documented a higher rate of sex crimes in the vicinity of SOBs. For example, in the 1980's, Oklahoma City instituted an aggressive regulation, arrest and prosecution campaign, which greatly reduced the number of SOBs by 1990, and all remaining SOBs operated within statutory guidelines. Incidents of reported rape in Oklahoma City decreased 27% during that period, while it increased 16% in the rest of the state. This is an example of the benefits of stringent laws, enforcement and prosecution of the so-called "victimless crimes" associated with SOBs. (see NLC studies).

The PTA strongly supports raising the minimum age for both customers and strippers to 21 years old. Medical professionals consider adolescence to extend to at least 21 years old, as physical and mental development is not complete until at least then. Also, raising the ages to 21 would be in keeping with the Alaska Supreme Court ruling Mickens v. City of Kodiak, 640 P.2d 818, 820 (Alaska 1982), that nude dancing can be regulated to protect our children.

Raising the minimum ages is not inconsistent with supporting the minimum voting and military ages of 18 years old, as we feel that participation in these can be very positive choices for our adolescents and our society, unlike participation in SOBs. We also note that the **Department of Defense concurs, as it does not allow SOBs on military bases for soldiers of any age, and is currently investigating placing a ban on soldier participation in lap dances at strip clubs.**

Several courts have stated that raising the minimum age of strippers and customers to 21 is legal if the government can show why it is in the government's interest to raise the age, including showing harm to 18-20 year olds. There is ample justification for this, which we will summarize below.

Participation in SOBs is frequently a pathway to drug and alcohol addiction and prostitution. A study from Minnesota found that 78% of strippers were solicited daily for prostitution by the strip club customers. Court accepted independent studies have shown that nude dancing in SOBs encourages prostitution (see PTSA Resolution). According to the Anchorage Westside Community Patrol, most of the prostitutes in Spenard started as strip club strippers (see Quotes).

Use of drugs and alcohol contribute to an unsafe environment for our teens. Many customers at non-liquor strip clubs arrive intoxicated, either from consumption in their cars, or from adjacent or nearby bars. Strip clubs without a liquor license have no designated closing times, so when the bars close, a "rush" of intoxicated customers appear in non-liquor licensed clubs that interact with the underage 18-20 year old customers.

Perhaps because of the association with drugs and alcohol, strippers are often victims of assault. An extremely high rate of verbal, physical and sexual abuse of strippers was documented in a study from the University of Minnesota. Up to 85% suffered regular verbal abuse, 91% had been physically assaulted, and 42% had been sexually assaulted, all by customers (see Stripping Away the Lies). One former Anchorage teen stripper reported being grabbed and smacked by customers. (see Quotes). A court-accepted study from Ft. 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 and former strippers, there have been outbreaks of STDs among Anchorage strippers. With Alaska's young people ages 15-24 leading the nation in STD rates, reducing their exposure to unhealthy sexual contact and behavior now occurring in strip clubs is an important health precaution (see PTSA Resolution and State Epidemiology Bulletins).

Similar to alcohol, drugs and gambling, viewing of pornography can be addictive, socially destructive, and can contribute to crime (especially sexual abuse and assaults). Adolescent males are most susceptible to the negative and addictive effects of pornography, and so their access should be reduced as a public health and safety issue. This is especially important given Alaska's high sexual assault rates.

Important final items to note are that:

- 1) there is nothing to prevent teachers or school administrators from being customers at strip clubs where their high school students may be stripping or performing lap dances (which includes nude or semi-nude contact with customers).
- and
- 2) there is nothing to prevent 18-20 year old high school students from being customers at strip clubs where other students or their teachers may be stripping or performing lap dances.

Raising the minimum age of customers and strippers to 21 would alleviate these detrimental influences in our children's lives.

Raising the ages to 21 would also be consistent with many Alaska state laws with the many under-21 restrictions on alcohol, gambling and deadly weapons, and the age of licensing for acupuncturist and hunting guides. Others may argue that raising the age of strippers is an infringement of free speech rights; however keep in mind that this bill would not restrict your 18 year old children or grandchildren from exercising free speech in appropriate free speech venues. SOB's are businesses, and the activity there is strictly a commercial enterprise for titillation. This activity has nothing to do with free speech. Please see the PTSA attachment for more details on the justification for raising the ages to 21.

Two other benefits of this bill are statewide jurisdiction, so that all communities are protected, and community notice when SOB license applications are made or renewed. Many citizens have been unaware until recently that non-liquor licensed strip clubs

existed, or that the government allowed involvement by their children under 21 years old.

Statistics and other background data to support our comments have also been submitted. We strongly encourage you to review the attached testimony from David Sherman, a strip club manager for 14 years, who reveals the crime and detriments of this industry to individuals and the community.

Thank you for your consideration of this important legislation for all of our children and grandchildren's health, safety and welfare. We can't afford to wait.

Sincerely,

Nancy Fair, for
Service High School
Parent-Teacher-Student Association
5577 Abbott Road
Anchorage, AK 99507

Attachments:

Anchorage Council and Alaska State PTA Legislative Priorities 2003-2004

Service High School Parent-Teacher-Student Association Resolution of December 2003.

"Quotes about Teens and Alaska Strip Clubs" (PTSA)

"Reasons for Raising the Minimum Age to 21" (PTSA)

"Stripping Away the Lies" <http://www.health.state.mn.us/injury/pub/kit/si01.pdf>

Former strip club manager reveals crimes and negative impacts about strip clubs:
<http://www.ccv.org/images/David%20Sherman%20testimony-OH.PDF>

Pornography's Effects on Adults and Children by Dr. Victor Cline (sex addiction specialist):
<http://mentalhealthlibrary.info/library/porn/pornids/pornidsauthor/links/victorcline/porneffect.htm>

"Just Harmless Fun" scientific literature review about effects of pornography by Bruce Watson and Sheila Rae Welch, c. Enough Is Enough 2000. <http://www.enough.org/us/harmlessfun.pdf>

National Law Center for Children and Families "Crime Impact Studies by Municipal and State Governments on Harmful Secondary Effects of Sexually Oriented Businesses"
<http://www.nationallawcenter.org/SQB%20Land%20Use%20Summaries.htm>

State of Alaska Epidemiology Bulletins 18 and 19, 2002
http://www.epi.hss.state.ak.us/bulletins/docs/b2003_18.pdf
http://www.epi.hss.state.ak.us/bulletins/docs/b2003_19.pdf

Service High School PTSA
Testimony to House Finance Committee

April 15, 2004
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FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 367(JUD)
(H) Publish Date: 3/3/04

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
Title: Licensing Sex Oriented Businesses RDU: Labor Standards & Safety
Component: Wage & Hour
Sponsor: Representatives McGuire and Gara
Requester: House Judiciary Component Number: 345

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: None
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

POSITIONS	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

There is no anticipated fiscal impact to the department as a result of this legislation.

Prepared by: Grey Mitchell, Director Phone 465-4855
Division: Division of Labor Standards & Safety Date/Time 2/20/04 11:03 AM
Approved by: Greg O'Clary, Commissioner Date 2/20/2004
Agency: Department of Labor and Workforce Development

**TESTIMONY IN SUPPORT OF****HB 367****Licensing Sex Oriented Businesses****ALASKA HOUSE FINANCE COMMITTEE****Hearing Date April 15, 2004**

I started dancing in New Jersey in 1993 at age 19. I worked in a non-alcoholic/full nude club for 3 years. In 1996 I moved to Arizona, where I worked in topless bars and traveled the circuit throughout the Southwest. I featured in several of these clubs and dived headfirst into internet pornography. I came to Alaska in 1999 and worked in the two largest topless clubs. I quit dancing and any other related business in October of 1999. Altogether, I have worked in 19 clubs, 3 of them full nude.

As someone with extensive inside information, I support raising the minimum age from 18 to 21 years of age for the dancers and the patrons, as well as the licensing of dancers.

The amount of illegal activity that takes place in all of these establishments is shocking to most people. The business of selling drugs in this industry is so enmeshed that it would be nearly impossible to separate the two. Without authorities seriously stepping in and monitoring these establishments, the sale of illegal drugs, and the illegal consumption of alcohol by minors will always exist. This abuse doesn't play favorites, it likes the 18, 19, 20 year-old patrons just as well as the dancers of the same age. In many cases, what I have witnessed is the drug dealers bringing the drugs into the club, they sell it to the dancers and the dancers in turn sell it to the other patrons. Drugs are just another avenue for a girl to make money in an environment that is conducive to that lifestyle. Many people drink in the parking lot and then enter the premises; employees are fairly desensitized to this fact. When a club knows that it isn't being watched closely, it is actually to the club's benefit to have its patrons be slightly intoxicated. When the patrons are more relaxed they spend more money. Only in cases where patrons are severely inebriated are they turned away, and even then, money carries a lot of weight. Bouncers who are left to their own devices, without the owners or trustworthy management keeping a close eye on them, don't really care who comes in the door. Clubs can't run themselves safely or legally. Without additional agencies helping to regulate the activities of these establishments, there is no incentive for them to enforce the rules. It isn't in a club's best interest to earn the reputation of being "clean"; "clean" clubs lose their clientele. Is it as bad for an 18-year-old young man to drink in the parking lot of one of these establishments as it is for a 16-year-old to do the same? What about a 15-year-old? It is remarkably easy for kids to get decent looking fake IDs and even easier to slip them past

security at the door. When it comes to young men, there are plenty of 15 and 16-year-olds who could pass for 18, but not nearly as many who could pass for 21.

I know that everyone would like to imagine that these are somebody else's kids, that kids that would participate in this behavior must surely come from dysfunctional backgrounds and are doomed to live unproductive and possibly short lives anyway. They are not other people's kids; they are your kids, your grandchildren, nieces and nephews. They come from good families, with more advantages than the average family. They come from strong Christian homes and have parents who raised them to have strong values and morals.

Young men are just as needy of acceptance from the opposite sex as young women are, and a 19-year-old boy is no match for a 22-year-old dancer who is, after 3 years of dancing, a pro at manipulating men out of their hard earned money. These young men aren't capable of discerning fantasy from reality; they really want to believe that this beautiful, naked female really cares for them and finds them attractive as well. She will use several different methods to extract money from his wallet; tell him he's the sexiest thing she's ever seen, tell him she loves him, invent sob stories to make him feel sorry for her, rouse his need to be someone's hero by completely submerging him in fantastic stories of the abusive boyfriend...and the young men buy it hook, line, and sinker. Then they become the most regular of regulars, they are in the club for hours on end every night that their favorite girl is working, they spend entire paychecks in a night, then they get credit cards, which are so easily obtained by college students. I have seen these young men charge thousands of dollars in a very short amount of time and set them on the path to financial ruin long before they even choose a major. Dancers develop an eye for these patrons and they feel no remorse for completely taking advantage of a young man's inexperience. Would you hand your 19-year-old son a credit card and without any supervision, pit him against a seasoned dancer? I hope not.

Shawn Ruggley

**PROPONENT TESTIMONY
S.B. 251**

Ohio Senate Judiciary Committee on Civil Justice

December 3, 2002

**Sexually Oriented Businesses
An Insider's View**

by

David Sherman
Former Midwest Manager of *Déjà Vu*

INTRODUCTION

Chairman Jacobson and Members of the Committee, my name is David Sherman. As a former Midwest manager of Déjà Vu strip bars, I believe I can knowledgeably talk about the necessity of this legislation.

Having been involved in the adult entertainment industry for 14 years, I'm very aware of the consequences that this business can have on all involved. I held every position from doorman to corporate regional director and ran those businesses throughout the mid-west, southwest, west coast, and Florida. Much of the activity of the adult entertainment industry is illegal and criminal. In addition, there are tremendous negative effects on entertainers, communities, local businesses as well as families.

CRIME IS COMMONPLACE

The following are some of my personal experiences with the adult entertainment industry. What I will share with you today are the most frequent, as well extreme, cases of criminal activity I have witnessed in sex clubs over the years.

- 1) The most frequent crime is tax evasion and/or fraud. I would say 80% of people involved in adult entertainment at almost every level are guilty of this. This is a cash flow business, and most people are not employees but independent contractors. Most customers, for obvious reasons, do not want receipts. Often managers and owners will tell entertainers how to obtain welfare for their children while dancing, so welfare fraud is also rampant.
- 2) Drug use and drug dealing are another very common crime. I would say 90% of entertainers use one drug or another or several. This is based on 14 years and thousands of entertainers I've known, met, or worked with. About 40% of those 90% are selling drugs to other entertainers, but even worse, I have witnessed owners giving drugs to managers to sell to the entertainers.
- 3) Prostitution regularly takes place. About 35% of girls I've met are engaged in prostitution of one form or another, whether it's meeting customers outside of the club or using the V.I.P. rooms as a place to fondle the client or give better dances. In my experience, the V.I.P. room in every club is used every day for this. In fact, in one instance the cleaning company found 15 used condoms in one. Doormen and managers almost never monitor V.I.P. rooms so as not to intimidate the customers so they will spend more money.
- 4) Underage entertainers are often employed. If an I.D. is needed, managers will often help the girl obtain a fake I.D. or show her how to get one rather than not hire an underage girl. The I.D. is often not an issue since if a girl looks of age her I.D. is rarely even checked. Also, she only uses a stage name so unless a club is raided or a family member or friend sees her, she is never caught.
- 5) Entertainers conspire with clients to commit other crimes. Often entertainers using stage names are involved in other criminal activity outside of the club: drug dealing, prostitution, credit card fraud, computer theft, are only a few I've seen. Managers and owners often teach the girls how to skirt the law in very subtle ways in order to do things other clubs are not doing and increase customer count and, in turn, profits. Many times the entertainers are not asked, but required, to break the law by lap dancing or touching themselves or customers. This may also include girl-on-girl shows on stage simulating sex acts. Laws against these activities are continually broken, lowering community standards to the point where law enforcement officers and the judicial system no longer look at it like a crime but merely the way the business is run.
- 6) Preferred treatment for city employees such as police, fire department, building and zoning inspectors. They are often given free admission, free drinks and lap dances. In this case, the club pays the girl in order to have allies within each department. A perfect example is the Chief Building Inspector in one city allowed hidden V.I.P. rooms as well as illegal remodeling without permits. In turn, the owners wined, dined, and set him up on dates using their limo. Another example was a fire chief using a club to sell hundreds of pounds of marijuana,

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packaging it after the club was closed. In turn he would help keep the police away from the club. Corruption of city officials in small municipalities is very easily accomplished and frequently done. Contributions and donations are often given under a different corporate name and cash gifts are used. This person's job is to now roadblock any new legislation by having well known legal groups say the pending legislation is unconstitutional, scaring other officials away from it saying the city will be sued, or adding language making it unconstitutional and letting it pass knowing it cannot be enforced.

7) After-hour parties, including a few select customers, managers, employees, owners, and entertainers, are also frequent in many clubs. Alcohol and drugs are widespread at these parties. Sometimes they get out of hand to the point the club may not even open on time the next day. I recall one incident where the owner made a trip to Florida, coming back with 10,000 pills of Ecstasy or MDA and kept the party going for two days. He then sold the rest slowly to the entertainers and club employees.

8) On several occasions, I've witnessed counterfeit money being laundered through clubs. Being almost an all cash business, this was easy to do using the bills as change or pay since many employees are paid under the table.

9) Money laundering is also done frequently in clubs. It is a cash flow business and ringing up extra drinks or door charges is very easily done. In fact, one gentleman was laundering his drug sales money through his club when he got caught selling cocaine.

10) In my experience, approximately 80% of all club owners are convicted felons. They may have other people or corporations owning the business, but you can bet the real owner, 80% of the time, is a felon. Licensing will help curb so much of this by making all these people have a history rather than just a fake name and contract. It will keep the ones that are convicted from just going down the street to commit the same crime a block away.

LOBBYING TO AVOID RESTRICTIONS

Adult entertainment businesses use lobbying as a key to keeping new ordinances or legislation from being passed. This plays a very important role in allowing them to run these businesses the way THEY want to.

Large turnouts by entertainers, owners, owners reps, as well as attorneys, law students and even the A.C.L.U. at times are used to intimidate those in local government and to keep the new legislation from passing by making the government body think that masses have formed on their own when in actuality they have been pulled together by a team of people paid to do just that.

Another thing not touched on is that in every club in the state where the new legislation is being considered there are signature cards for the patrons to sign as well as information giving times and locations of hearings.

In fact, one company I worked for had this down to a fine art. Every manager was required to attend all city council meetings in order to stay on top of any new legislation being proposed. They then were to buy the minutes from the meeting and fax or send them to the corporate office. If any new legislation was proposed, that information went to the person who was in charge of lobbying and to the corporate attorney.

Even if the proposed legislation involved a city, town or state in which the adult business had no entities, the club attorneys would still come out in full force to defeat it because it may have an adverse effect on them at a later time.

Another tactic used so frequently is to bring in big gun attorneys from elsewhere to intimidate and sue as well as tie up in court the passed ordinance for as long as possible or until it ran the city or township out of funding. These businesses have plenty to spend on staying open and running the way THEY want to. From time to time the company would use a local attorney, coaching him and making him file the things they needed in order to make it look as though they were a local business.

In regard to the lobbying, the attorney, the funding as well as lawsuits, the adult businesses seem to somehow utilize the press to their advantage. The press simply didn't deal with the real issues in most cases.

THE MANAGER'S ROLE

As far as female employees in adult entertainment nightclubs, everyone you hire you treat as a potential dancer. It really doesn't matter if she's hired as a waitress, hostess, or even a bartender.

First, you must make the girl feel at home in an environment that is so abnormal that most people have to be made comfortable. In fact, you could almost say they have to be "hardened" to the club life. This is easily accomplished by working there as many hours as possible and by having all of the staff treat them as if they were long lost friends. It's important for the management to do this also.

Second, after a few weeks, because the girl is now your friend, as a manager you bring up how short you are on girls that night or how short the amateur contestants are. You ask them to please help, that they don't need to take their clothes off, but the club just needs an extra body. Usually, they happily agree to do this. You then have them change into dancing attire, usually a skimpy dress, a teddy, g-string or a t-bar (which is a very small pair of panties). Often, the girls, having become used to the environment and having seen nudity daily are intoxicated with the sense of being on stage and are lured out of their clothing by the other girls, customers, and promises of large tips.

Now, at this point, the manager's job just starts. But, if the girl has not taken her clothes off, the manager again has to start in on her about needing more help on the floor. Again, most of the girls will agree to help the manager out. At this time, you tell them that things are not that busy, and you take them out for dinner, "my treat." Of course, the club always writes this off! So, you go out, have some drinks and small talk with the girl. Returning to the club she now believes that you're good friends, plus she is under the influence of alcohol. At this point, she easily disrobes at the customer's request, with the other girls welcoming a new dancer into their ranks. The experienced dancers will then go on about how beautiful she is and how much money she'll make.

Of course, even now, she still might have not disrobed. But, by this point, you are her friend and can make her feel guilty about not helping out more and ask her to please disrobe, as without her, you'll not make much money that night. She is needed. People who need her and customers who tell her how beautiful she is surround her.

She now experiences a variety of emotions and, being human, needs to be needed. With this emotion fulfilled, she finds herself wanting to be complemented, which she is, and she wants to make money, which she can. You then play on the "what more can a girl want?" and the subject of self-worth never really comes up.

At this point, if she still has not disrobed, you let her know you no longer need her for her position, but dancing is open if she wishes to still work at the club. This does not work unless she has incurred debts and needs the money, or she actually enjoyed the experience and doesn't want to lose her new friends. If she stays, the manager

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must start training her to be a professional. This means changing almost everything about her including her personality; she must now be a passive/aggressive if she is to survive. This means that she needs to learn to say whatever it takes to make money. She can never talk about her personal life to anyone as clients can hear this. What you try to do is get the girls programmed to have regular customers. A regular customer is a customer who believes that this girl actually cares for him, and now his fantasy world is complete. He comes in on a regular basis and she invites him back on certain days and times as not to interfere with other regular customers. This is usually set for the club's slow times because when it's busy she can make money without her regular clientele. Of course, with all of these girls having regular clients, the club is guaranteed a steady income and solid revenues. The club regulars are usually family men looking for an escape from the real world, and the girls are taught to prey upon them.

Mandatory meetings are set for all the girls. This time is really used for mostly programming of the girls and getting into their heads. You again let them know what you want and motivate them by whatever it takes. Soon the new dancer starts running around with the more hardened and seasoned girls, and they realize how much easier this job is being drunk, high or, more often than not, both. By now she's working until 2 am in the morning, staying out all night partying after work, and then grabbing a breakfast with the girls. They wake up, go to work, and the cycle starts all over.

They have no time to go to the post office, the dentist, or any other "normal" things. They are deep into the club scene and on the road to hard times and even self-destruction. At this point, school, family, and friends have faded into a world that no longer exists for them.

As a manager, at this point, anything you say, ask or demand of the girl will gladly be done because the club is now their home. The girls don't realize this is their only world, and the club manager now has total control over what's going on in their lives. The girls will even put up with degradation, verbal and emotional abuse and everything else the manager wants to do.

At this time the girl may feel fed up and leave, going to a new club thinking to herself that she finally made a decision on her own and things will be better. But she is really just fooling herself. The manager at the new club does the same things except now she has no friends to talk to and the manager knows that most of the time she cannot return to the old club so he abuses her even worse than the first manager. Of course, she then drinks more and gets high more than ever hoping it will go away. It will only get worse for her now.

THE DANCER'S EXPERIENCE

Right from the start, drug and alcohol use is rampant. The dancers call it "partying" but what they don't realize is that they are actually medicating themselves in order to do the work they do. The abortion rate is extremely high due to the fact that they could never take the chance on flawing the body from carrying a child. On top of this, the dancers also feel that they have no way to support the baby without dancing, and can't quit to have it. Basically, they are caught in a very real, painful catch-22.

The girls, if they have never danced, are extremely against it and most of the times are hired as waitresses, even though waitresses are not needed. This makes the atmosphere become part of their life. At this point, they see it as a job, not as stripping and easily are converted to dancing. Once dancing, they get used to being objectified. It becomes as important to them to hear how beautiful they are 200 times a day as it is the money they make from the dancing itself.

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Between the use of drugs to medicate themselves to do what they do, and after hearing how beautiful they are all the time, they soon develop what I call "BDA" - Basic Dancer Attitude. This is when the dancer thinks that no matter what friends, children, husband and families think about them, they can all be replaced because all of the patrons around them find them attractive, beautiful and idolized. All that was close, in terms of family and friends can be replaced. Now they are truly caught in the adult scene. With friends and family gone from their lives, they solely exist in this dark subculture of sex, drugs, alcohol and prostitution. All of this perverse living, to the dancer, is now just part of their normal lifestyle.

After a couple of years at this level, they then realize they are getting older and attempt to fit back into society. They try boyfriends, school or really anything to cling to that is "normal." Realizing that they cannot live in both worlds, they return to the subculture of the adult business, actually despising the real world. This leads to more dependency on drugs and alcohol, which now makes them 100% lost to this life. The dancers will continue living like this until they realize they can no longer stay at their "current level," and keep making money and getting the compliments. Once they realize this, they begin to master more perverse things to make cash to make up from fading looks and dancer burnout.

The cycle then becomes even more vicious, with depression, drugs, alcohol and body mutilation to stay thin. Finally, they realize they can no longer keep up with the new and younger girls and leave, going to one of five places.

1. They go to a very filthy, dirty nasty club that's full of girls in their position. Here they perform and do some of the most vile and filthy acts you can imagine to make money.
2. Prostitution - meeting customers outside of the club, their job now becomes a place for them to meet new "clients."
3. Marriage – they'll do this just to be able to still survive. But, the addiction to drugs and alcohol normally shatters and destroys these relationships.
4. Some actually do break away and go to school to become productive citizens. But, this frequency is around 1 of 50.
5. They become societies throwaway people - used up, degraded, abused and even sold by the people who own these establishments.

Sadly, these young ladies over time, little by little, become manipulated, controlled and finally destroyed by a world that our communities have closed their eyes to. It has been just as much our fault as theirs for letting these places do this to our children, daughters, nieces, granddaughters, and yes, even mothers. For they were every bit as innocent as we.

I could easily fill an entire book with what I've observed in the adult pornography industry. I've seen countless lives shattered and unbelievable heartache. You would be surprised at the amount of "it can't happen to me" or "I won't be like that" that I have heard. These experiences have caused me to now work to educate the public as to what goes on in these clubs and to find ways to stop the exploitation of the women in this industry.

David Sherman
3003 Dogwood, Jackson, MI 49201
Phone (517) 784-1307

PROPONENT TESTIMONY

HB 367

Alaska House Finance Committee

April 15, 2004

Licensing Sex Oriented Businesses

By

Rebecca Roberts

TESTIMONY to House Finance Committee
HB 367 - Licensing Sex Oriented Businesses
Hearing date: April 15, 2004, 1:30 PM

Dear Chair and members of the House Finance committee:

Public awareness alone cannot stop the harmful secondary effects of sex-oriented businesses; stricter laws are needed if there is to be significant progress in the battle against sexual assault and other crimes and violations associated with the strip club industry.

Workers in the strip club industry, especially youth, are unlikely to attempt to assert rights they do not know they have. Workers' rights can be ensured only if resources are sufficient, legally mandated, and enforced.

According to a study done by the National Health Research and Development Program-Health Canada, "*Erotic/Exotic Dancing: Hiv-Related Risk Factors*", <http://www.walnet.org/csis/papers/lewis-strip.html>. "The findings of this study suggest there is a need for a change in policy regarding the regulation of strip clubs. Instead of relying on criminal law or municipal by-laws, which regardless of intent, have been used to the disadvantage of dancers, we need to move toward treating exotic dancers as workers. Controlling work place activities and protecting employees, through the use of employment-standards law, human-rights law, occupational-health-and safety law and workers-compensation law, would help control the sexual contact occurring in the clubs and the assault and other forms of violation reported by dancers."

"Efforts to develop and deliver health programs to exotic dancers have met with limited success. The most successful attempts have been those initiated by community nurses who, working with one or two dancers, have spent time in the clubs talking to the dancers about their needs and gaining trust. Such programs require the cooperation of club managers, are time consuming, costly, and subject to budget cuts."

Given that the average age of entry into prostitution is between 13 and 14 years old, it seems most appropriate that we provide middle school and high school student's with education about the harmful effects of sex-oriented businesses, workers' legal rights and training in hazard recognition and safe work practices. This training may be the only ~~training~~ training ~~students~~ students get before they are part of the workforce. This type of education along with raising the age requirement to 21 for both dancer and patron could be a powerful deterrent to sexual exploitation of women and youth.

In my estimation, this backlash against regulation and licensing of adult oriented businesses is all about money. Shaky charges of civil liberty violations are just a smoke screen.

TESTIMONY to House Finance Committee continued
HB 367 - Licensing Sex Oriented Businesses
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I believe the real problem the strip club industry has with this bill is that it has the audacity to bring into line a severely unregulated and much protected industry that has for some time contributed to crime and exploitation of youth while being subsidized by tax payers.

Even if there are "good" owners and operators of adult oriented businesses in Alaska today that is no assurance that all of them are that way, and they could easily be sold to disreputable management tomorrow. The policies of adult-oriented businesses are meaningless. There is no way to revoke a license; strict licensing laws are necessary as a powerful deterrent to the numerous crimes associated with strip clubs which are difficult to enforce and prosecute. Because of this, business and employee licensing has been strongly endorsed in testimony from the Anchorage Police Department, Fairbanks Police Department and the State Troopers.

As legislators, you are in a position to help build our state's economy, but along with that charge I hope you will be mindful of the need to put necessary regulations in place that will safeguard our communities. Unchecked industries such as the strip clubs combined with capital projects such as the anticipated gas pipeline spell disaster especially for our youth.

Please know that, in discussing this bill, I am not offering an endorsement to take away anyone's civil liberty or freedom. Just the contrary, I believe this bill left intact, with the age requirement of 21 for both dancer and patron will provide the incentive for young people to stay in school and get the education and training they deserve and so desperately need to become productive and useful citizens.

As a long time resident and business owner of a residential construction company in Anchorage (an industry highly regulated and licensed by special legislation of the state), I am more than willing to comply fully with all state and municipal licensing requirements and regulations.

State Occupational Licensing Requirements (Biannual):

- State Business License,
- General Contractor's License;
- Residential Contractor's Endorsement;
- General Liability Insurance;
- Worker's Compensation Insurance;
- Employee Safety training
- General Contractor's License Bond;
- Unemployment Insurance, and;
- 16 credit hours of continuing education

TESTIMONY to House Finance Committee continued
HB 367 - Licensing Sex Oriented Businesses
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Municipal Licensing Requirements (Biannual):

- **Municipal Contractor's License;**
- **Building Permits as required.**

My annual cost for these requirements and other fees and requirements that apply outside of occupational licensing is approximately \$73,121.00 which is designed to cover the cost of administration, enforcement, and investigations. Without similar requirements for adult-oriented businesses and employees, these costs and associated crime and social impacts will unfairly be borne by the rest of the taxpayers.

Based on the significant negative impact caused by adult-oriented businesses, I believe impact fees should be applied to and strictly enforced for those industries the Municipal Assembly determines have a significant adverse impact on the community and which are significantly inconsistent with community standards.

According to the National Law Center for Children and Families numerous case studies across America show that prostitution, crime and drug use correspond with adult oriented businesses. To that end, I believe licensing of adult-oriented businesses should be self supporting based on the full cost of administration and their impacts to the community.

Having shared my views now and in previous testimony, may I encourage you to take the time to study this issue fully before amending this bill. The last thing we need in this area is weak legislation. Employee licensing procedures and strict business licensing are important law enforcement tools to reduce crime that should be implemented as in many other states.

Thank you for your time,

Rebecca Roberts

CC: Edger Blanchford, Commissioner, DCED
Rick Urion, Director, Occupational Licensing, DECD

TESTIMONY IN SUPPORT OF**HB 367****Licensing Sex Oriented Businesses****ALASKA HOUSE FINANCE COMMITTEE****Hearing Date April 15, 2004**

I started dancing in New Jersey in 1993 at age 19. I worked in a non-alcoholic/full nude club for 3 years. In 1996 I moved to Arizona, where I worked in topless bars and traveled the circuit throughout the Southwest. I featured in several of these clubs and dived headfirst into internet pornography. I came to Alaska in 1999 and worked in the two largest topless clubs. I quit dancing and any other related business in October of 1999. Altogether, I have worked in 19 clubs, 3 of them full nude.

As someone with extensive inside information, I support raising the minimum age from 18 to 21 years of age for the dancers and the patrons, as well as the licensing of dancers.

The amount of illegal activity that takes place in all of these establishments is shocking to most people. The business of selling drugs in this industry is so enmeshed that it would be nearly impossible to separate the two. Without authorities seriously stepping in and monitoring these establishments, the sale of illegal drugs, and the illegal consumption of alcohol by minors will always exist. This abuse doesn't play favorites, it likes the 18, 19, 20 year-old patrons just as well as the dancers of the same age. In many cases, what I have witnessed is the drug dealers bringing the drugs into the club, they sell it to the dancers and the dancers in turn sell it to the other patrons. Drugs are just another avenue for a girl to make money in an environment that is conducive to that lifestyle. Many people drink in the parking lot and then enter the premises; employees are fairly desensitized to this fact. When a club knows that it isn't being watched closely, it is actually to the club's benefit to have its patrons be slightly intoxicated. When the patrons are more relaxed they spend more money. Only in cases where patrons are severely inebriated are they turned away, and even then, money carries a lot of weight. Bouncers who are left to their own devices, without the owners or trustworthy management keeping a close eye on them, don't really care who comes in the door. Clubs can't run themselves safely or legally. Without additional agencies helping to regulate the activities of these establishments, there is no incentive for them to enforce the rules. It isn't in a club's best interest to earn the reputation of being "clean"; "clean" clubs lose their clientele. Is it as bad for an 18-year-old young man to drink in the parking lot of one of these establishments as it is for a 16-year-old to do the same? What about a 15-year-old? It is remarkably easy for kids to get decent looking fake IDs and even easier to slip them past

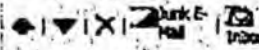
security at the door. When it comes to young men, there are plenty of 15 and 16-year-olds who could pass for 18, but not nearly as many who could pass for 21.

I know that everyone would like to imagine that these are somebody else's kids, that kids that would participate in this behavior must surely come from dysfunctional backgrounds and are doomed to live unproductive and possibly short lives anyway. They are not other people's kids; they are your kids, your grandchildren, nieces and nephews. They come from good families, with more advantages than the average family. They come from strong Christian homes and have parents who raised them to have strong values and morals.

Young men are just as needy of acceptance from the opposite sex as young women are, and a 19-year-old boy is no match for a 22-year-old dancer who is, after 3 years of dancing, a pro at manipulating men out of their hard earned money. These young men aren't capable of discerning fantasy from reality; they really want to believe that this beautiful, naked female really cares for them and finds them attractive as well. She will use several different methods to extract money from his wallet; tell him he's the sexiest thing she's ever seen, tell him she loves him, invent sob stories to make him feel sorry for her, rouse his need to be someone's hero by completely submerging him in fantastic stories of the abusive boyfriend...and the young men buy it hook, line, and sinker. Then they become the most regular of regulars, they are in the club for hours on end every night that their favorite girl is working, they spend entire paychecks in a night, then they get credit cards, which are so easily obtained by college students. I have seen these young men charge thousands of dollars in a very short amount of time and set them on the path to financial ruin long before they even choose a major. Dancers develop an eye for these patrons and they feel no remorse for completely taking advantage of a young man's inexperience. Would you hand your 19-year-old son a credit card and without any supervision, pit him against a seasoned dancer? I hope not.

Shawn Ruggley

From: Naomi Klouda <nklouda@anchoragechronicle.com>
Sent: Thursday, April 15, 2004 6:23 PM
To: bae_happy26@hotmail.com
Subject: story



**Sexual assault report gives police new tool
Alaska Justice Forum report gives detailed victim,
suspect profiles
By Naomi Klouda
Staff writer**

The idea of a victim-focused intervention to bring down rape numbers is often dismissed for fear that it will lead to blaming victims.

But homeowners are educated about burglary prevention without blaming them for the burglaries, just as business owners are educated about shoplifters without feeling it's their fault that people shoplift. Or so goes the argument in a new report issued by the Alaska Justice Forum, coinciding with April as Sexual Assault Awareness Month.

The report concludes that based on key data, police should conduct victim-focused and suspect-focused intervention to lower Alaska's dismal status as having the highest number of rapes per 100,000 inhabitants in the U.S. Alaska had 78.9 per 100,000 in 2002, while the rape rate is 31.8 per 100,000 nationwide.

The joint project of the University Alaska Anchorage's justice center and the Anchorage Police department involved combing through all sexual assaults and rapes reported in the year 2000-2001. Written by Andre Rosay and Robert Langworthy, the report yielded these findings:

- Reported sexual assaults and rapes occur mostly on the weekend from 10 p.m. to 6 a.m. in Downtown, Fairview, Spenard, Mountain View and Northeast.
- The highest victimization rates are among 15- to 19-year-olds.
- The highest rates of offenders are among 20- to-24-year-olds.

- 44.3 percent of victims are assaulted by strangers.
- Alcohol was used in 75 percent of all cases, either by the victim, the suspect or both.
- Out of 539 rapes, 257 were Caucasian women and 243 were Native women, while 8 were Hispanic, 27 were African American and 8 were Asian.
- 49 percent of all rapes occurred on weekends and 60 percent between 10 p.m. and 6 a.m.

According to the report, Abbott Loop, Taku/Campbell Lake, Sand Lake, Airport Heights and the University area reported the second-highest number of rapes. The report did not tell police officers much that was news. But police hunches and experiences were confirmed in the report, said Dave Parker, head of APD's sexual assault team.

"It clarified for us the problem and where the sexual assaults were occurring and it led to gaining a new tool - documentation," Parker said. The crime intervention unit was devised as a result.

"This put the intervention unit out in the middle the night, Wednesday through Sunday," Parker said. "The last two months they have been concentrating on Downtown. You would be amazed at the effectiveness. It gave us hard statistics from where we could develop a plan."

Since both victims and suspects are profiled in the report, police work focuses on them. Police are able to spot those who prey on vulnerable women, and they are able to focus on the potential victims to keep them safe, Parker said.

Standing Together Against Rape executive director Anna Fairclough said it's too soon to know whether new efforts - and new public understanding - will make a dent in the sexual assault numbers.

"Every year, if we increase awareness and share what we know with the public, it should only help," Fairclough

said. "But Alaska has a long way to go."

APD is in the process of hiring more officers to investigate sexual assaults with a \$2 million federal grant recently approved by Congress.



everychild.one voice.

"Alaska PTA supports the enactment of legislation to regulate sexually oriented businesses and employees in order to protect school children and other youth under 21 years old."

Passed Nov. 15, 2003

Alaska PTA Issues Conference

Anchorage Council of PTA's Legislative Priorities 2003-2004

1. Stable, reliable, adequate and inflation proofed funding so every child can meet the standards of the "No Child Left Behind" Act.
RATIONALE: In order to provide a quality education to each child in Alaska, stable, reliable, adequate, and inflation proofed funding is necessary. The amount of time, money, and creative energy spent on securing annual funding for education would be better spent in the classroom.
2. Advocate graduated driver's licenses for 16 to 18 year old drivers.
RATIONALE: Because inexperienced drivers are involved in a high number of accidents causing injury and death, we support graduated licensing aimed at reducing the number of accidents of young drivers.
3. Reduce teen involvement in sexually oriented businesses.
RATIONALE: Sexually oriented businesses in Alaska are largely unregulated. In an effort to protect high schools and students from being affected by the negative influences of such businesses we support regulations that would discourage teen involvement. Anchorage Council also supports raising the minimum age of dancers and patrons to at least 19 years old.
4. Support funding for security for schools during non-school hours.
RATIONALE: Vandalism is a real problem for our public buildings, especially schools. While this needs to be addressed in a multi-faceted way, one thing that would serve as a deterrent is to provide for security at schools during non-school hours—the time when most vandalism occurs.

These legislative priorities were determined by the Anchorage Council of PTAs General Membership, Monday, October 6, 2003.

LEGISLATIVE RESEARCH REPORT

MARCH 1, 2004



REPORT NUMBER 04.135

STATEWIDE AGE RESTRICTIONS ON NUDE OR SEMI-NUDE DANCERS

PREPARED FOR REPRESENTATIVE LESIL MCGUIRE

BY PATRICIA YOUNG, MANAGER

You wished to know if lawmakers in any states have enacted specific statewide age restrictions on nude or semi-nude dancers, also known as *exotic* dancers. If so, you wished to know whether the laws have been challenged.

Local governments, rather than state governments, generally regulate nude and semi-nude dancing as part of sexually oriented businesses. While we have not conducted an exhaustive search, we identified only two states having enacted statewide age restrictions for such dancing.¹ Those states are Missouri and West Virginia, and courts have enjoined enforcement of the laws in both, although the age restriction in West Virginia was not among the provisions specifically challenged. We also found an opinion issued by the Office of the Attorney General of Nevada concluding that Nevada law, while not specifically restricting the age of exotic dancers, prohibits the employment of persons 18 through 20 as dancers in adult entertainment establishments where alcohol is served for on-site consumption.

In 2003, the Missouri Legislature passed a law prohibiting persons under the age of 19 from dancing in *adult cabarets*—establishments in which persons appear nude in the performance of their duties.² Before the law could take effect, a Kansas City juice bar (featuring nude dancing but no alcohol) and two 18-year old dancers brought a suit in federal court claiming that the law was arbitrary and violated dancers' First Amendment rights. According to news reports at the time, plaintiffs argued that restricting 18-year olds from such employment serves no compelling state interest. They noted that a *minor* in Missouri is defined as anyone under the age of 18; and

¹ We also identified one state (North Carolina) that gives local government explicit authority to regulate such businesses through various measures including limits on the age of patrons and employees (North Carolina General Statutes § 160A - 181.1).

² Assistant Attorney General John Mollenkamp was reported to have argued that the law allowed for alternatives—although it prohibited 18-year olds from dancing nude in adult clubs, it did not prevent them from dancing party-clothed in clubs that serve liquor, dancing nude in the privacy of their homes or even appearing on videotapes. Dan Margolies, "Judge Bars Age Change for Nude Dancers—18-Year Olds Can Still Work in Clubs," *Kansas City Star*, August 28, 2003. We include a copy of Missouri Statute § 573-509 and this news article as Attachment A.

that 18-year olds in Missouri are allowed to vote, enter into contracts, consent to surgical or medical treatment, and become notaries. The judge granted a temporary restraining order noting that the plaintiffs would likely prevail on the merits and stating as follows:

I am not persuaded that [the law] furthers a substantial government interest, nor am I persuaded that the government interest in this case is unrelated to suppression of free speech.³

According to the Office of the Missouri Attorney General, the case is still pending in U.S. District Court, with a hearing set for September. The district attorney for Jackson County has replaced the Attorney General as a party to the action. The most recent order continues to enjoin enforcement of the law.⁴

In 2000, the West Virginia Legislature enacted a law requiring that operators of commercial exotic entertainment facilities obtain licenses and providing a very limited window for securing such licenses.⁵ Among other things, the law prohibited licensees from allowing individuals under the age of 18 to perform as exotic entertainers and from allowing individuals under the age of 21 (other than performing exotic entertainers) to be on the premises on any day that any such entertainment was offered.

Within a short amount of time, the law was challenged, particularly in regard to the limited time for licensing. Although the State argued that the licensing scheme was designed to regulate *juice bars*—unlicensed establishments with nude dancing where alcohol is served—the court determined that the unlicensed sale of alcohol in juice bars was already illegal, and the statute's purpose was clearly to regulate, restrict, and eventually to prohibit nude dancing. The court found that the statute imposed a prior restraint on expressive conduct protected by the First Amendment, and that it conferred unlimited discretion on government agents to grant or withhold licensing of such facilities. On that basis, the court enjoined implementation or enforcement of the law.

Although not specifically a statewide age restriction on nude or semi-nude dancing, laws in Nevada—NRS § 202.030 and 202.060—prohibit saloonkeepers from allowing persons under the age of 21 years either to "loiter" or to "remain" in establishments where alcohol is sold. In 2002, the Office of the Attorney General of Nevada issued an opinion concluding that these laws prohibit the employment of young adults aged 18 through 20 as dancers in adult entertainment establishments where alcohol is served for on-site consumption. As the author of the opinion noted,

We do not believe the Nevada Legislature intended to permit persons under 21 to engage in such employment activities in establishments where alcohol is served for on-site consumption. Certainly neither NRS 202.030 nor 202.060 expressly provide an exception that would permit such activity, and we are unwilling to read one into the statutes. Moreover, the Nevada Supreme Court has held that statutes regulating the sale of alcohol are legally analogous to

³ Margolles, August 28, 2003.

⁴ Mark Long, assistant attorney general, Missouri Office of the Attorney General, 573-751-3321.

⁵ We include a copy of West Virginia Code §60-4-23 and *R.W.B. of Riverview, Inc. v. Stemple*, 222 F. Supp. 2d 748 (2000 U.S. Dist.) as Attachment B.

statutes regulating gaming and, given the special class of industry and the privileges that are at issue, such statutes should be strictly construed against the licensee.⁶

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

⁶ Attachment C is a copy of Nevada Revised Statutes § 202.030 and 202.060 and Opinion No. 2002-45, Office of the Attorney General, November 13, 2002.

Q. Why is the Alaska legislature proposing to raise the minimum age at adult entertainment (strip) clubs to 21 years old in House Bill 367?

A. There are many health, safety and welfare reasons why it is in the government's interest to raise the minimum age from 18 to 21:

- 1) Medical professionals consider adolescence to extend to age 21.¹
- 2) Neuropsychologists from Duke University have found that brain functions related to decision-making, judgment and problem-solving are not mature until after age 20.²
- 3) There are thousands of 18, 19 and 20 year olds still in high school (more than 3,400 annually in Anchorage alone), who mix socially with younger students daily.³
- 4) There are at least 6 non-liquor licensed strip clubs in Alaska open to 18-year-old and older employees and customers, and more in development.
- 5) There is no law to prevent teachers or school administrators from being customers at strip clubs where their high school students may be stripping or performing lap dances (nude body masturbation of customers).
- 6) There is no law to prevent 18-20 year old high school students from being customers at strip clubs where other students or their teachers may be stripping or performing lap dances.
- 7) Strip clubs, especially those open to 18 year olds, are not safe or healthy environments for developing teens. Currently they are not licensed or regulated by the Alcohol Beverage Control Board, which investigates and enforces laws at liquor-licensed strip clubs. Local police reports of non-liquor licensed strip clubs and court-accepted studies from other cities show that strip clubs typically feature or are associated with:
 - a. live act pornography (if not obscenity)
 - b. on- and off-site prostitution⁴
 - c. potential transmission of up to 50 communicable diseases, including sexually-transmitted diseases (STDs) and HIV⁵
 - d. illegal drug use and sales⁶
 - e. frequent verbal, physical and sexual assaults⁷
 - f. illegal alcohol use⁸
 - g. illegal tobacco smoke⁹
 - h. degradation of neighborhoods with litter and increased crime¹⁰
- 8) Many customers at non-liquor strip clubs arrive intoxicated, either from drinking in their cars, or from adjacent or nearby bars. Strip clubs without a liquor license have no designated closing times, so when the bars close, a "rush" of intoxicated

customers appear in clubs that are open to 18-year-olds, contributing to the unsafe environment.

- 9) In Alaska, the under-21 clubs promote genital contact and other sexual behavior between strangers, which can spread STDs, and models unhealthy sexual behavior.
- 10) Alaska youth ages 15-24 have the highest rates in the U.S. of some STDs and alarming increases of other STDs. ¹¹
- 11) Similar to alcohol, drugs and gambling, viewing of pornography can be addictive, socially destructive, and can contribute to crime (especially sexual abuse and assaults), and so should be similarly controlled. ¹²
- 12) Pre-teen and adolescent males are the most susceptible to the negative and addictive effects of pornography. ¹⁵
- 13) *"The brain you get as an adult is the brain you 'wire' as a teenager, according to the latest research. So be careful about the patterns of thought and behavior you establish in adolescence -- between the ages of 10 and 20 -- Duke University biological research psychologist Dr. Aaron White advised audiences in Anchorage last week. Because for good or ill, your brain is deeply influenced by such patterns and may well adopt them as "default settings" for the rest of your life." Anchorage Daily News, "Adolescent brain needs proper care and feeding" Nov. 25, 2003*
- 14) The Department of Defense does not allow any strip clubs or other sex-oriented businesses on military bases for soldiers of any age. In fact, they are investigating a ban on participation in sexual "lap dances" at strip clubs by soldiers of any age.
- 15) Officers from the Anchorage Police Department, the Fairbanks Police Department and the Alaska State Troopers have testified in support of raising the customer age to 21. ¹³
- 16) The Alaska Supreme Court and the U.S. Supreme Court have ruled that nude dancing can be regulated to protect youth, ban obscenity, and protect communities from associated negative effects. ¹⁴
- 17) Raising the customer age would not infringe First Amendment rights, as there is no right to entertainment.
- 18) **The State of Alaska already restricts the following to age 21: hunting guide license; assistant hunting guide license, acupuncture license; stocking, selling, serving, purchasing, and consuming of alcohol; gambling; and possession of deadly weapons. (Alaska Statutes)**

Citations:

- ¹Donald Greydanus, M.D., et. al. 1991. *Caring for Your Adolescent Ages 12 to 21* American Academy of Pediatrics, Bantam Books.
- ²Testimony of Dr. Scott Swartzwelder, Duke University, to House Labor and Commerce Committee January 30, 2004.
- ³Anchorage School District data, May 2003.
- ⁴"Lap dances" violate state prostitution laws. Also see *Barnes v. Glen Theatre*, 501 U.S. 560, 583 (1991) and Anchorage and Fairbanks police reports.
- ⁵ Study of Fort Meyers, Florida.
- ⁶ Anchorage and Fairbanks police reports; *Kev, Inc. v. Kitsap County*, 793 F.2d 1053, 1056 (9th Cir.1986).
- ⁷ See Anchorage and Fairbanks Police reports. Also "Stripclubs According to Strippers: Exposing Workplace Sexual Violence" by Kelly Holsopple, 1998
<http://www.uri.edu/artsci/wms/hughes/stripcl.htm>
and "Stripping Away the Lies"
<http://www.health.state.mn.us/injury/pub/kit/si01.pdf>
and "Crime Impact Studies by Municipal and State Governments on Harmful Secondary Effects of Sexually Oriented Businesses," National Law Center
<http://www.nationallawcenter.org/SOB%20Land%20Use%20Summaries.htm>
- ⁸ See Anchorage and Fairbanks Police reports about underage drinking and illegal alcohol on unlicensed strip club premises.
- ⁹Complaints made to Municipality of Anchorage May 2003 and February 2004.
- ¹⁰ "Crime Impact Studies by Municipal and State Governments on Harmful Secondary Effects of Sexually Oriented Businesses," National Law Center
<http://www.nationallawcenter.org/SOB%20Land%20Use%20Summaries.htm>
- ¹¹ State of Alaska Epidemiology Bulletins 18 and 19.
- ¹² "*Just Harmless Fun*" scientific literature review by Bruce Watson and Sheila Rae Welch, c. Enough is Enough 2000. <http://www.enough.org/justharmlessfun.pdf>
Kastleman, Mark B. 2001. *The Drug of the New Millenium: The Science of How Internet Pornography Radically Alters the Human Brain and Body*. Granite Publishing. 414 pp.
- ¹³Testimony from officers of Anchorage Police Department, Fairbanks Police Department and Alaska State Troopers to Alaska State Legislature House of Representatives Labor and Commerce and Judiciary Committees, Jan and Feb. 2004.
- ¹⁴ *Mickens v. City of Kodiak*, 640 P.2d 818, 820 (Alaska 1982).
Also *Young v. American Mini Theatres, Inc.*, 427 U.S. 50 (1976), *Renton v. Playtime Theatres, Inc.*, 475 U.S. 41 (1986), *FW/PBS, Ins. v. City of Dallas*, 493 U.S. 215 (1990), and *City of Los Angeles v. Alameda Books, Inc.*, 435 U.S. 425 (2002).
The Supreme Court has held that local governments may rely on the past experiences of other communities and consider the studies and reports of harmful effects without generating their own new studies in their localities. *City of Renton v. Playtime Theatres Inc.*, 475 U.S. 41 (1986).
- ¹⁵ Cline, Victor B. Ph.D. (psychotherapist specializing in sexual addictions).
"Pornography's Effects on Adults and Children." *Morality in Media*; 475 Riverside Drive; New York, NY 10115.

RESOLUTION ENCOURAGING MORE REGULATIONS FOR SEXUALLY ORIENTED BUSINESSES

WHEREAS, the Anchorage School District annually approximates 3,400 school children of ages 18 to 20 years;

WHEREAS, Anchorage has over 35 sexually oriented businesses that are available for employment or patronage of school children 18 years or older;

WHEREAS, a mission of the Parent-Teacher Association is to protect the welfare of school children in the community and to secure adequate laws for their care and protection;

WHEREAS, sexually oriented businesses require special supervision in order to protect and preserve the health, safety, and welfare of the patrons of such businesses, as well as the citizens of the communities where they locate; and

WHEREAS, it has been found that sexually oriented businesses are associated with unlawful activities, including prostitution and illegal drug and alcohol use; and

WHEREAS, the concern over sexually transmitted diseases and unwanted pregnancies are legitimate health concerns of the city that demand reasonable regulation of sexually oriented businesses in order to protect the health and well-being of the citizens; and

WHEREAS, licensing is a legitimate means of accountability to ensure that operators of sexually oriented businesses comply with reasonable regulations, and to ensure that operators do not allow their establishments to be used as places of illegal activity or solicitation; and

WHEREAS, there is convincing documented evidence that sexually oriented businesses, because of their very nature, have a deleterious effect on both the existing businesses around them and the surrounding residential areas adjacent to them, causing increased crime and the downgrading of property values; and

WHEREAS, it is recognized that sexually oriented businesses, due to their nature, have serious objectionable operational characteristics, particularly when they are located in proximity to each other, thereby contributing to urban blight and downgrading the safety and quality of life in the adjacent area; and

WHEREAS, communities want to prevent these adverse effects and thereby protect the health, safety and welfare of the citizenry; protect the citizens from increased crime; preserve the quality of life; preserve the property values and character of surrounding neighborhoods and deter the spread of urban blight; and

WHEREAS, it is not the intent to suppress any speech activities protected by the First Amendment, but to enact ordinances that address the secondary effects of sexually oriented businesses as well as the health and safety problems associated with such businesses; and

WHEREAS, based on evidence concerning the adverse secondary effects of sexually oriented businesses on the community presented in hearings and in reports available to the Anchorage Assembly, and on findings incorporated in the various court cases (*City of Renton v. Playtime Theatres, Inc.*, 475 U.S. 41 (1986); *Young v. American Mini Theatres*, 426 U.S. 50 (1976); and *Barnes v. Glen Theatre, Inc.*, 501 U.S. 560 (1991); *Arcara v. Cloud Books, Inc.*, 478 U.S. 697, (1986); *California v. LaRue*, 409 U.S. 109 (1972); *Iacobucci v. City of Newport, Ky*, 479 U.S. 92 (1986); *United States v. O'Brien*, 391 U.S. 367 (1968); *DLS, Inc. v. City of Chattanooga*, 107 F.3d 403 (6th Cir.1997); *Kev, Inc. v. Kitsap County*, 793 F.2d 1053 (9th Cir.1986); *Hang On, Inc. v. City of Arlington*, 65 F.3d 1248 (5th Cir.1995); and *South Florida Free Beaches, Inc. v. City of Miami*, 734 F.2d 608 (11th Cir.1984); as well as studies conducted in other cities including, but not limited to, Phoenix, Arizona; Minneapolis, Minnesota; Houston, Texas; Indianapolis, Indiana; Amarillo, Texas; Garden Grove, California; Los Angeles, California; Whittier, California; Austin, Texas; Seattle, Washington; Oklahoma City, Oklahoma; Cleveland, Ohio; New York, New York, and Beaumont, Texas) and findings reported in the Final Report of the Attorney General's Commission on Pornography (1986), the Report of the Attorney General's Working Group On the Regulation Of Sexually Oriented Businesses (June 6, 1989, State of Minnesota), and statistics obtained from the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention,

it is known that,

- (1) Sexually oriented businesses lend themselves to ancillary unlawful and unhealthy activities. Further, there is presently no mechanism to make owners of these establishments responsible for the activities that occur on their premises.
- (2) Crime statistics show that all types of crimes, especially sex-related crimes, occur with more frequency in neighborhoods where sexually oriented businesses are located. *See, e.g.*, Studies of the cities of Phoenix, Arizona; Indianapolis, Indiana; and Austin, Texas.
- (3) Sexual acts, including masturbation, and oral and anal sex, occur at sexually oriented businesses, especially those which provide private or semi-private booths or cubicles for viewing films, videos, or live sex shows. *See, e.g.*, *California v. LaRue*, 409 U.S. 109, 111 (1972); *See also* Final Report of the Attorney General's Commission on Pornography (1986) at 377.
- (4) Offering and providing services involving bodily contact and/or such booths and/or cubicles encourages such activities, which creates unhealthy conditions. *See, e.g.*, Final Report of the Attorney General's Commission on Pornography (1986) at 376-77.
- (5) Persons frequent certain adult theaters, adult arcades, and other sexually oriented businesses, for the purpose of engaging in sex within the premises of such sexually oriented businesses. *See, e.g.*, *Arcara v. Cloud Books, Inc.*, 478 U.S. 697, 698 (1986); *see also* Final Report of the Attorney General's Commission on Pornography (1986) at 376-77.
- (6) At least 50 communicable diseases may be spread by activities occurring in sexually oriented businesses including, but not limited to, syphilis, gonorrhea, human immunodeficiency virus infection (HIV-AIDS), genital herpes, hepatitis B, Non A, Non B amebiasis, salmonella infections, and shigella infections. *See, e.g.*, Study of Fort Meyers, Florida.

(7) For the period 1985 through 2001, the total number of reported cases of AIDS in the United States caused by the immunodeficiency virus (HIV) was 816,149. *See, e.g.*, Statistics of the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention.

(8) The number of reported cases of gonorrhea in the United States reported annually remains at a high level, with a total of 361,705 cases reported in 2001. *See, e.g.* Statistics of the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention.

(9) The number of reported cases of chlamydia skyrocketed to 783,242 in 2001 (a six-fold increase since 1987). *See, e.g.* Statistics of the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention.

(10) The surgeon general of the United States in his report of October 22, 1986, advised the American public that AIDS and HIV infection may be transmitted through sexual contact, intravenous drug use, and exposure to infected blood and blood components.

(11) According to the best scientific evidence available, AIDS and HIV infection, as well as syphilis, gonorrhea, and chlamydia are principally transmitted by sexual acts, and syphilis facilitates transmission of HIV. *See, e.g.* Findings of the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention.

(12) Sanitary conditions in some sexually oriented businesses are unhealthy, in part, because the activities conducted there are unhealthy, and, in part, because of the unregulated nature of the activities and the failure of the owners and the operators of the facilities to self-regulate those activities and maintain those facilities. *See, e.g.*, Final Report of the Attorney General's Commission on Pornography (1986) at 377.

(13) Numerous studies and reports have determined that bodily fluids, including semen and urine, are found in the areas of sexually oriented businesses where persons view "adult" oriented films. *See, e.g.*, Final Report of the Attorney General's Commission on Pornography (1986) at 377.

(14) Nude dancing in adult establishments encourages prostitution, increases sexual assaults, and attracts other criminal activity. *See, e.g.*, *Barnes v. Glen Theatre*, 501 U.S. 560, 583 (1991).

(15) Nude dancing in adult establishments increases the likelihood of drug-dealing and drug use. *See, e.g.*, *Key, Inc. v. Kitsap County*, 793 F.2d 1053, 1056 (9th Cir.1986), and skin contact between dancers and patrons can transmit up to 50 communicable diseases. *See, e.g.*, Study of Fort Meyers, Florida.

(16) The findings noted in paragraphs numbered (1) through (15) raise substantial governmental concerns.

(17) Sexually oriented businesses have operational characteristics which should be reasonably regulated in order to protect those substantial governmental concerns.

(18) A reasonable licensing procedure is an appropriate mechanism to place the burden of that reasonable regulation on the owners and the operators of the sexually oriented businesses. Further, such a licensing procedure will place a heretofore non-existent incentive on the operators to see that the sexually oriented business is run in a manner consistent with the health, safety, and welfare of its patrons and employees, as well as the citizens of this community. It is appropriate

to require reasonable assurances that the licensee is the actual operator of the sexually oriented business, fully in possession and control of the premises and activities occurring therein.

(19) Removal of doors on adult booths, requiring sufficient lighting on the premises with adult booths, and regulating manner of contact between patrons and employees advances a substantial governmental interest in curbing the illegal and unsanitary sexual activity occurring in adult establishments.

(20) The disclosure of certain information by those persons ultimately responsible for the day-to-day operation and maintenance of the sexually oriented business, where such information is substantially related to the significant governmental interest in the operation of such uses, will aid in preventing the spread of sexually transmitted diseases and criminal activity.

(21) It is desirable in the prevention of the spread of communicable diseases to obtain a limited amount of information regarding certain employees who may engage in the conduct this ordinance is designed to prevent or who are likely to be witnesses to such activity.

(22) The fact that an applicant for a sexually oriented business license has been convicted of a sex-related crime leads to the rational assumption that the applicant may engage in that conduct in contravention to this ordinance.

(23) The barring of such individuals from operation or employment in sexually oriented businesses for a period of ten (10) years for a previous felony conviction serves as a deterrent to and prevents conduct which leads to the transmission of sexually transmitted diseases.

(24) Raising the minimum age for employment or attendance at sexually oriented businesses to 21 years, similar to liquor laws, would help protect school children.

(25) The general welfare, health, and safety of the school children and citizens of this community will be promoted by the enactment of such type of ordinances.

THEREFORE BE IT RESOLVED, to request that the Anchorage Assembly enact ordinances incorporating items 1 through 25 to regulate existing or future sexually oriented businesses in order to protect Anchorage school children, and that the Assembly impose a moratorium on permitting new sexually oriented businesses until such ordinances are enacted.

Signed:

President, Service High School Parent Teacher Student Association

Date

RESOLUTION ENCOURAGING MORE

REGULATIONS FOR SEXUALLY ORIENTED BUSINESSES

WHEREAS, a mission of the Parent-Teacher Association is to support and speak on behalf of children and youth in the schools, in the community and before governmental bodies and other organizations that make decisions affecting children; and

WHEREAS, the purpose of the Parent-Teacher Association is to promote the welfare of the children and youth in home, school, community, and place of worship, and to secure adequate laws for the care and protection of children and youth; and

WHEREAS, schools in Anchorage annually serve over 3,400 students of ages 18 to 20 years who interact daily with younger students; and

WHEREAS, Anchorage has over 35 sexually oriented businesses that are available for employment or patronage of students and other young people 18 years old or older; and

WHEREAS, Anchorage Municipal Code already acknowledges some of the deleterious effects of sexually oriented businesses:

"These enterprises have been determined, by court-accepted independent studies, to produce secondary impacts on surrounding land uses. The impacts include a decline in property values, and increase in the level of criminal activity, including prostitution, rape and assaults in the vicinity of these types of enterprises, and the degradation of the community standard of morality by inducing a loss of sensitivity to the adverse effect of pornography upon children, upon established family relations, and upon respect for marital relationships." (AO 21.45.240)

WHEREAS, crime statistics show that all types of crimes, especially sex-related crimes, occur with more frequency in neighborhoods where sexually oriented businesses are located. *See, e.g.*, Studies of the cities of Oklahoma City, Phoenix, Arizona; Indianapolis, Indiana; Austin, Texas and others:

<http://www.afa.net/pornography/SOB%20Land%20Use%20Studies-NLC-SOB%20pkt.doc>.

WHEREAS, Anchorage has one of the highest sexual assault rate in the country; and

WHEREAS, Nude dancing in adult establishments encourages prostitution, increases sexual assaults, and attracts other criminal activity. *See, e.g., Barnes v. Glen Theatre*, 501 U.S. 560, 583 (1991).

WHEREAS, the preponderance of evidence indicates that repeated exposure to pornography is detrimental to healthy social behavior and an influence on many sexual perpetrators (*See Just Harmless Fun? By Bruce Watson and Sheila Rae Welch, c. Enough is Enough 2000*); and

WHEREAS, skin and genital contact among employees, patrons and objects at sexually oriented businesses may spread at least 50 communicable diseases including, but not limited to, syphilis, gonorrhea, chlamydia, human immunodeficiency virus infection (HIV-AIDS), genital herpes, hepatitis B, Non A, Non B amebiasis, salmonella infections, and shigella infections. *See, e.g., Study of Fort Meyers, Florida.*

WHEREAS, Alaska has the highest rate of chlamydia in the nation, and a skyrocketing gonorrhea rate among 15-24 year olds. *See State of Alaska Epidemiology Bulletins 18 and 19.*

WHEREAS, Nude dancing in adult establishments increases the likelihood of drug-dealing and drug use. *See, e.g., Kev, Inc. v. Kitsap County, 793 F.2d 1053, 1056 (9th Cir.1986);* and

WHEREAS, Courts have ruled that studies from other locations can be legitimately used to support regulations outside the study area; and

WHEREAS, Alaska has some of the weakest laws in the country regulating sexually-oriented businesses related to protection of the health and safety of minors, patrons and employees of, and neighborhoods around sexually oriented businesses; and

WHEREAS, it is not the intent to suppress any speech activities protected by the First Amendment, but to enact ordinances that address the effects of sexually oriented businesses as well as the health and safety problems associated with such businesses; and

WHEREAS, several courts have overturned raising the minimum age above 18 years old for attendance or employment at sexually oriented businesses unless the government can show harm to that particular age group; and

WHEREAS, evidence from research on brain development and social service agencies indicate that young people are not fully mature at age 18, nor do federal and state laws grant them full rights and privileges until 21 years old (*See A. White, Ph.D, Substance use and adolescent brain development at <http://www.duke.edu/~amwhite/adolescence.html>, and interviews with Covenant House, Transitional Learning Center, etc.*),

it is known that,

- (1) Many cities and states have reduced crimes by implementing court-upheld regulations of sexually oriented businesses (*See Gerard, Jules B. Local Regulation of Adult Businesses: 2003 Edition. St. Paul, Minn.: Thomson/West, 2002.*)
- (2) Regulating time, place and manner of sexually oriented business operations advances a substantial governmental interest in curbing the illegal and unhealthy activity occurring in adult establishments.

- (3) Offering and providing sexually oriented services involving bodily contact and/or such booths and/or cubicles encourages activities which create unhealthy conditions. *See, e.g.*, Final Report of the Attorney General's Commission on Pornography (1986) at 376-77.
- (4) Annual licensing is a legitimate means of accountability to ensure that operators and employees of sexually oriented businesses operate with reasonable health and safety provisions and an understanding of current laws and impacts of their businesses, protect youth, face stiffer consequences for underage employment or patronage, and do not allow their establishments to be used as places of illegal activity or solicitation.
- (5) The general welfare, health, and safety of affected neighborhoods and school children who interact with sexually-oriented business patrons and employees will be promoted by the enactment of such type of laws.

THEREFORE BE IT RESOLVED, to request that the Alaska State Legislature and local governments enact laws incorporating items 1 through 5 to regulate existing or future sexually oriented businesses and employees, and to take all possible actions to protect Alaska school students and other youth under 21 years old from the harmful effects of these businesses.

Signed:

President, Robert Service High School Parent-Teacher-Student Association

Date

RESOLUTION ENCOURAGING MORE**REGULATIONS FOR SEXUALLY ORIENTED BUSINESSES**

WHEREAS, a mission of the Parent-Teacher Association is to support and speak on behalf of children and youth in the schools, in the community and before governmental bodies and other organizations that make decisions affecting children; and

WHEREAS, the purpose of the Parent-Teacher Association is to promote the welfare of the children and youth in home, school, community, and place of worship, and to secure adequate laws for the care and protection of children and youth; and

WHEREAS, schools in Anchorage annually serve over 3,400 students of ages 18 to 20 years who interact daily with younger students; and

WHEREAS, medical and psychological professionals consider adolescence to extend to at least age 21 (See A. White, Ph.D, Substance use and adolescent brain development at <http://www.duke.edu/~amwhite/adolescence.html>, testimony of Dr. Scott Swartzwelder of Duke University to Alaska State House of Representative Labor and Commerce Committee January 2004, and interviews with Covenant House, Transitional Learning Center, etc.); and

WHEREAS, Anchorage has over 35 sexually oriented businesses, some of which feature live-act pornography and sexual contact, where high school students and other young people 18 years old or older can be employed or patronize, and

WHEREAS, there are many state laws related to alcohol, deadly weapons and occupational licensing that restrict participation to people age 21 and older; but no laws to prevent high school adolescents from being hired as strippers or escorts and performing and providing nude entertainment to and sexual contact with other students, teachers or school administrators in the audience,

WHEREAS, Anchorage Municipal Code already acknowledges some of the deleterious effects of sexually oriented businesses:

"These enterprises have been determined, by court-accepted independent studies, to produce secondary impacts on surrounding land uses. The impacts include a decline in property values, and increase in the level of criminal activity, including prostitution, rape and assaults in the vicinity of these types of enterprises, and the degradation of the community standard of morality by inducing a loss of sensitivity to the adverse effect of pornography upon children, upon established family relations, and upon respect for marital relationships." (AO 21.45.240)

WHEREAS, crime statistics show that all types of crimes, especially sex-related crimes, occur with more frequency in neighborhoods where sexually oriented businesses are located. (See, e.g., Studies of the cities of Oklahoma City, Phoenix, Arizona; Indianapolis, Indiana; Austin, Texas and others:
<http://www.nationallawcenter.org/SOB%20Land%20Use%20Summaries.htm>); and

WHEREAS, Anchorage has one of the highest sexual assault rates in the country. (See Crime in the United States 2001, Uniform Crime Reports (UCR), Federal Bureau of Investigation); and

WHEREAS, Nude dancing in adult establishments encourages prostitution, increases sexual assaults, and attracts other criminal activity. See, e.g., *Barnes v. Glen Theatre*, 501 U.S. 560, 583 (1991); and

WHEREAS, the preponderance of evidence indicates that adolescent males are most susceptible to the negative impacts and the addictive nature of pornography and that repeated exposure to pornography is detrimental to healthy social behavior and an influence on many sexual perpetrators. (See Dr. Victor B. Cline expert on sexual addictions and author of "Pornography's Effects on Adults and Children" and Just Harmless Fun? A scientific literature review by Bruce Watson and Sheila Rae Welch, c. Enough is Enough 2000); and

WHEREAS, skin and genital contact among employees, patrons and objects at sexually oriented businesses may spread at least 50 communicable diseases including, but not limited to, syphilis, gonorrhea, chlamydia, human immunodeficiency virus infection (HIV-AIDS), genital herpes, hepatitis B, Non A, Non B amebiasis, salmonella infections, and shigella infections. (See, e.g., Study of Fort Meyers, Florida); and

WHEREAS, Alaska has the highest rate of chlamydia in the nation, and a skyrocketing gonorrhea rate among 15-24 year olds. (See State of Alaska Epidemiology Bulletins 18 and 19); and

WHEREAS, Nude dancing in adult establishments increases the likelihood of drug-dealing and drug use. [See, e.g., *Kev, Inc. v. Kitsap County*, 793 F.2d 1053, 1056 (9th Cir.1986)]; and

WHEREAS, Courts have ruled that studies and findings from other locations can be legitimately used to support regulations outside the study area; and

WHEREAS, Alaska has some of the weakest laws in the country regulating sexually-oriented businesses related to protection of the health and safety of minors, patrons and employees of, and neighborhoods around sexually oriented businesses; and

WHEREAS, it is not the intent to suppress any speech activities protected by the First Amendment, but to enact ordinances that address the effects of sexually oriented businesses as well as the health and safety problems associated with such businesses in order to protect adolescents; and

WHEREAS, several courts have overturned raising the minimum age above 18 years old for attendance or employment at sexually oriented businesses unless the government can show harm to that particular age group and that it is in the government's interest to raise the age; and

it is known that,

- (1) Many cities and states have reduced crimes by implementing court-upheld regulations of sexually oriented businesses (*See Gerard, Jules B. Local Regulation of Adult Businesses: 2003 Edition. St. Paul, Minn.: Thomson/West, 2002*).
- (2) Regulating time, place and manner of sexually oriented business operations advances a substantial governmental interest in curbing the illegal and unhealthy activity occurring in adult establishments.
- (3) Unhealthy conditions occur when sexually oriented businesses utilize bodily contact and/or booths and cubicles for privacy. (*See, e.g., Final Report of the Attorney General's Commission on Pornography (1986) at 376-77*).
- (4) Annual licensing is a legitimate means of accountability to ensure that operators and employees of sexually oriented businesses operate with reasonable health and safety provisions and an understanding of current laws and impacts of their businesses, to protect youth, to establish stiffer consequences for underage employment or patronage, and to discourage their establishments to be used as places of illegal activity or solicitation.
- (5) The general welfare, health, and safety of affected neighborhoods and school children who interact with sexually-oriented business patrons and employees will be promoted by the enactment of such type of laws.

THEREFORE BE IT RESOLVED, to request that the Alaska State Legislature and local governments enact laws incorporating items 1 through 5 to regulate existing or future sexually oriented businesses and employees, and to take all possible actions to protect Alaska school students and other youth under 21 years old from the harmful effects of these businesses.

Signed:



President, Anchorage Council of Parent Teacher Associations

Date

Briefing Paper on Teens at Strip Clubs:

Issue: At least three live nude entertainment venues in Anchorage and Fairbanks (*Fantasies on 5th, Showboat Show Club and Showboat II*) are open for high school students and other young people 18 years or older as places of entertainment and employment. Three more are in development in Anchorage. These places feature very explicit nude shows, including graphic nude contact with patrons, and they are associated with prostitution, sexual assaults, illegal drug, alcohol and tobacco use, sexually transmitted diseases and a degradation of neighborhoods. These are not "victimless" crimes and activities. The true victims are on the streets, in jail, clients of social service groups, taxpayers, property owners, and our school children. These venues are not well monitored since they don't serve alcohol (though sometimes patrons drink in their cars), and so are not licensed or investigated by the state Alcoholic Beverage Control Board, and local ordinances for police enforcement are weak.

Although some people think that age 18 is "adult," it is not the age of full legal rights in Alaska. Tobacco purchase is restricted to age 19 and over, state tobacco laws define age 18 as a "minor," and alcohol purchase and use is restricted to age 21 and over. Also, many rental car companies and hotels will not rent to teenagers. Medical and psychological research indicates that full maturity for many people does not occur until well after age 18.

Each year, thousands of high school students are 18 to 20 years old (over 3,400 in Anchorage alone), and can legally work at or attend these very graphic live nude shows. Attending these shows has become a "rite of passage" for some high school students when they turn 18. Knowingly or not, these venues have hired and allowed access by even younger teens. Some high school students have worked as nude entertainers, and some have even become prostitutes. This type of sexual behavior is injected into the high school environment (of over 14,000 students in Anchorage alone), with many as young as 14 years old.

These clubs exploit our young people, especially young women and girls, and may contribute to Alaska's high rate of sexual crimes against women (see studies from other cities). Social service organizations are aware that these clubs recruit teens with "amateur nights" and the lure of high pay. Police officers and community patrol workers believe that there is a strong relationship between teen strip dancing, drug use and prostitution, and this has been verified by former prostitutes and social service groups. Beyond that, some dancers have been lured here from other states, and have subsequently become stranded homeless and jobless when they don't want to do what the clubs require of them. This is an additional burden to Alaska's social services.

Some people feel that volunteer soldiers under age 21 deserve to have access to strip clubs, however the Department of Defense does not allow nude entertainment on the military bases for soldiers of any age. The number of soldiers under age 21 in Alaska is small (under 1,000) compared to the tens of thousands of high school students plus other young people in Alaska that regulation changes would protect. Should our communities allow under-21 nude venues to exploit our young people for the entertainment of young volunteer soldiers and other patrons, when even the military has zero tolerance for these venues?

What should be done?

1. Raise the minimum age limit for attending or working at any nude entertainment venues to 21 years old in local and state laws (e.g., revise Anchorage Municipal Code 8.50.010, Alaska Statutes Sec. 11.66.300 and Sec. 23.10.350).
2. Put these businesses and nude entertainers under stricter licensing requirements, health inspections and building codes.
3. Disallow licenses for prior convictions related to prostitution, alcohol, drugs, underage employments and patronage, and tax evasion, and for any business under federal investigation.
4. Notify Community Councils when license applications or renewals are submitted for any type of "sexually-oriented business." (e.g., AMC 10.40.050)
5. Establish tougher penalties for violations.
6. Increase enforcement of current and new regulations.

Raising the minimum age has been supported by the Anchorage Council of PTAs, and several community councils and social service organizations. Some police officers and community patrol workers have suggested the additional measures above. The U.S. Supreme Court and state courts have ruled that nude "dancing" is at the outer edge of protected free speech, and that it can be regulated in accordance with obscenity laws and to protect youth.

For more information, or to send a letter of support from your organization for the above measures, contact:

Nancy Fair, Service High School Parent-Teacher-Student Association, Anchorage
fairwinds@gci.net

QUOTES:

"...yes, I don't think high school girls should be working as dancers. I think that is highly distracting in the high school setting."

*Terry Stahlman, Owner of Showboat Show Clubs, Anchorage and Fairbanks
(Alaska Star, February 13, 2003)*

"I talked with [one client, a former prostitute for 25 years in Anchorage]. I got the distinct impression that there is a strong relationship between teen strip dancing and drug use and prostitution. She expressed the following: It is very common to start down the road to drugs and prostitution in a strip club. The older prostitutes and the drug dealers go to the teen strip clubs to 'recruit.' The older men there are definitely predators looking for fresh young women."

*Staff, Mary Magdalene Home
(a program for recovering prostitutes)*

Teens at Strip Clubs

"A few years ago, I attended a bachelor party at one of these under-21 strip clubs. We were offered anything [sexual] by the young girls there. We left in disgust."

Anchorage Westside Community Patrol worker

"I hear a lot of stories from the high school teens about recruitment of girls, even under 18 years old, to work in these clubs. Often a male teen will invite the girls to attend with him. After he gets them there, the club recruits the girls to work there. Asian and Native girls seem to be particular targets, and the money is very attractive to them.... I know that high school boys attend these places. We even found a Fantasies card in one West High School boy's lost wallet."

Staff member, Mountain View Boys and Girls Club

"My son and his friend were recruited to be male dancers at one under-21 club. My son declined, but his friend tried it. The money was great, but he quit because he didn't like what they were asking him to do."

Anchorage mother and social service worker

"Almost all of the prostitutes I have talked to in the Spenard area started out in strip clubs."

Anchorage Westside Community Patrol worker

While treating a teen stripper who had had four unwanted pregnancies and numerous sexually-transmitted diseases, the physician asked her if her lifestyle was worth enduring all this. She replied, "Are you kidding? Of course it is. I made \$265,000 last year, tax-free!"

17-year old Anchorage stripper [note underage]

"I spoke with a former bouncer from the Showboat, and he told me he was paid under the table in cash every night."

Community Council President, Anchorage

"You mean to tell me that the state legislature is considering banning soda pop sales in schools, but they're not taking action on strip clubs involving high school teens?"

PTA Board Member, Anchorage

"Young adult guys who are going there [under-21 strip clubs] have no respect for women. The whole thing does not make for a healthy community."

*D. Cowan, former stripper in Anchorage [starting at age 14]
(Anchorage Chronicle, March 20, 2002)*

"It certainly didn't turn out to be the glitzy, glamorous world I had imagined it would be. Instead, I soon realized how dark and dirty and degrading it really was. And I desperately wanted out."

*Kimberly Drake, former stripper
Founder of Spokane's Citizens for Community Values*

"If you say no to bad business, better business will come."

E. McMahon, Community Planner and Author

"These enterprises have been determined, by court-accepted independent studies, to produce secondary impacts on surrounding land uses. The impacts include a decline in property values, an increase in the level of criminal activity, including prostitution, rape and assaults in the vicinity of these types of enterprises, and the degradation of the community standard of morality by inducing a loss of sensitivity to the adverse effect of pornography upon children, upon established family relations, and upon respect for marital relationships."

Anchorage Municipal Code 21.45.240



Alaska State Legislature

Representative Lesil McGuire

Representative Les Gara

Official Business, State Capitol, Juneau, Alaska, 99801

Sponsor Statement For HB 367:

Protection Of Young Adults and Minors, and Requirements For Protective Licensing at Strip Clubs, Massage Parlors and Other Nude Entertainment Establishments

Introduction

The Statewide Parent Teacher Association (PTA) has passed a resolution asking the Legislature to pass a law to protect under 21-year-old employees and minors from some of the ill effects caused by strip clubs, massage parlors and other nude entertainment businesses. Accordingly, it has worked to help craft HB 367. Among the findings in the statewide PTA resolution, from a review of studies and court findings, is a showing that the operation of sexually oriented businesses leads to higher rates of crime, including sexual assaults, prostitution, drug sales and drug use.

The primary goals of HB 367 are: to permit the legal operation of these businesses while protecting young Alaskans who work at them; to protect minors; and to protect the public from operations by those adult establishments that do not follow the law.

Summary of Bill Provisions

HB 367 protects the public and young adults in the following ways.

- It prohibits nude entertainment from sharing a common entrance, restroom or hallway with businesses or residences used by minors.
- It prohibits the use of closed private booths where illegal sexual activities may occur.
- It prohibits the operation of sexually oriented businesses by those with felony records, or records involving sexually-related, drug-related, or violence-related crimes.
- It prohibits the employment of nude or semi nude entertainers under the age of 21.
- Businesses are required to obtain licenses to show these requirements have been followed. The state, as it does in other

areas, will set the license fees at a level to cover the state's costs of administration and enforcement in this area.

Communities shall be apprised of adult business license applications through reasonable public notice rules.

It allows suspension of an adult entertainment business license if provisions of this law are knowingly violated.

Please feel free to contact either Rep. McGuire's or Rep. Gara's offices with any questions you may have.

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April 14, 2004

Dear House Finance Chair:

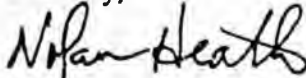
It has come to my attention that you are working on a bill regarding licensing of Sex-Oriented Businesses, also known as SOB's or adult-entertainment businesses. I believe this is HB367 and I want to express my support for such a bill.

The moral degradation of our society is appalling. If I could have it my way I would not grant any license to operate these kind of businesses. But if such licenses are granted then I am in favor of the strictest criteria being placed on them in order to protect not only my children but all children from them. Having a minimum age of strippers and customer at least 21 years of age is critical.

I could go on and on about the many reasons that such businesses are not good. Just let me say that besides the health and safety reasons, these kind of establishments draw upon the weak minded. Drugs, alcohol and crime are usually what I read about in the paper that are closely associated with these kind of places. This is not the vision I have for our community.

Please help to set the standard high so that we can be proud of our community. I trust that you are working hard to accomplish this vision and lend my vote for House Bill 367.

Sincerely,



Nolan Heath
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Eagle River, Ak. 99577