

Multiple Agency Fiscal Note Summary

Bill Number: 2036 HB	Title: Adult entertainment
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Liquor and Cannabis Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of Administrative Hearings	.0	0	0	0	.0	0	0	0	.0	0	0	0
Liquor and Cannabis Board	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Labor and Industries	Fiscal note not available											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other			328,960						
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Local Gov. Total			328,960						

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary 1/11/2024
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Individual State Agency Fiscal Note

Bill Number: 2036 HB	Title: Adult entertainment	Agency: 100-Office of Attorney General
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 01/10/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/10/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/10/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1: New Section – Legislative findings.

Section 2: Amending RCW 49.17.470 – requiring adult entertainment establishments to provide training for employees on a variety of topics by January 1, 2025 or within 30 days of hiring, whichever is later, and at least two years thereafter; authorizing the Department of Labor and Industries (L&I) to require establishments to report information about their training efforts; requiring establishments to provide at least one dedicated security personnel during operating hours; authorizing L&I to adopt rules requiring additional security personnel based on certain factors; requires establishments to provide proof of compliance with the requirement to provide panic buttons; requiring establishments to provide L&I with copies of information concerning allegations of violence towards entertainers; prohibiting establishments from allowing any person under 18 and clarifying that the Liquor and Cannabis Board (LCB) may adopt a stricter age requirement for establishments holding a license under RCW 66.24; other requirements pertaining to establishments; requiring L&I to share information requested by LCB for the purpose of safeguarding worker safety in establishments seeking or operating with a license under RCW 66.24.

Section 3: New Section – adding to RCW 49.44 – defining leasing fees as the amounts charged from an entertainer by establishments in exchange for allowing the entertainer to perform; requiring establishments to have certain standards relating to leasing fees charged to entertainers; other requirements pertaining to what establishments may require of entertainers; requiring L&I to adjust for inflation the lease amounts allowed to be charged.

Section 4: New Section – adding to RCW 49.44 – prohibiting state agencies or local governments from enforcing laws against entertainers based solely on entertainers touching their own bodies, and from enforcing laws that restrict distance from others where the entertainer does not engage in sexual conduct with another person.

Section 5: New Section - Severability clause.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

1. The AGO Labor and Industries Division (LNI) has reviewed this bill and determined it will not increase or decrease the division's workload representing the Department of Labor & Industries (L&I).

The enactment of this bill will not impact the provision of legal services to L&I because the new duties and obligations of L&I are more technical and administrative rather than legal. For example, the education and training L&I would draft for adult entertainers might consume client resources but would not have a significant impact on our workload. Any increase in litigation or advice is projected nominal and costs are not included in this request.

2. The AGO Licensing and Administrative Law Division (LAL) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Liquor and Cannabis Board (LCB).

The enactment of this bill will have indeterminate impact on the provision of legal services because while the bill does not require LCB to take any action, LCB may engage in rulemaking to permit alcohol service by adult entertainment establishments. If LCB decides to engage in such rulemaking, and depending on the specifics of any rules adopted, there may be some impact on the provision of legal services, requiring work not only on the rulemaking process but also advising the LCB in its adjudicative capacity on final orders. If adult entertainment establishments are permitted to receive alcohol licenses, there may be an increase in licensing actions and enforcement actions. LAL projects that any increased provision of legal services will be nominal based on the small number of licensing and enforcement actions that would be likely to occur. Any advice on rulemaking is likely to last for one fiscal year.

3. The AGO Government Compliance and Enforcement Division (GCE) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the LCB.

GCE litigates licensing and enforcement actions for LCB. The enactment of HB 2036 would have indeterminate impact on GCE’s legal work for LCB. This bill would permit, but would not require, LCB to engage in rulemaking to permit alcohol service by adult entertainment establishments. It is currently unknown whether LCB would pursue such rulemaking, and if so, the precise language of the rules. For these reasons, the impact of this bill is indeterminate.

If LCB decided to engage in such rulemaking, and depending on the specifics of the rules adopted, GCE anticipates that it would see a nominal impact on legal service to this client relating to the review of the proposed rules, litigation of any licensing actions for these establishments and litigation of a small number of enforcement actions that would be likely to arise on an annual basis. New legal services are nominal and costs are not included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2036 HB	Title: Adult entertainment	Agency: 110-Office of Administrative Hearings
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/05/2024
Agency Approval: Pete Boeckel	Phone: 360-407-2730	Date: 01/05/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/10/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

No fiscal impact. This legislation will not increase the appeal workload for the Office of Administrative Hearings (OAH). The biggest impact will be on the Board of Industrial Insurance Appeals due to the amendments to the Washington Industrial Safety & Health Act which are not within OAH’s jurisdiction. The amendments to Chapter 49.44 RCW which may fall under OAH jurisdiction does not call for administrative enforcement.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2036 HB	Title: Adult entertainment	Agency: 195-Liquor and Cannabis Board
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 01/10/2024
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 01/10/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/11/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1(3): The legislature intends to clarify the boundaries for local enforcement actions in order to facilitate open communication between entertainers, establishments, local law enforcement, the liquor and cannabis board, and the department of labor and industries.

Section 1(4): The legislature recognizes that the advisory committee (Sect 1(1)) identified several safety and security concerns associated with the existing prohibition against holding a liquor license in establishments where entertainers perform unclothed or expose certain parts of their body, which is based on regulations promulgated by the liquor and cannabis board.

- Of those concerns, the advisory committee highlighted:
 - the inability of adult entertainment establishments to adequately regulate the behaviors of their patrons.
 - the lack of alcohol sales inadvertently places entertainers as the main, and often only, source of revenue for the establishments. The legislature finds this limits the entertainers' ability to deny services to customers who may pose a risk, thereby forcing them into hazardous working conditions and difficult economic choices.

- Therefore, the advisory committee recommended a change to agency rules to allow for alcohol service in adult entertainment establishments. While changes to liquor license regulations may be helpful for improving workplace safety in these establishments, the legislature recognizes that these changes can be effected through agency rule making following the implementation of the reforms provided herein.

Section 2(6): An establishment may not allow any person under the age of 18 on the premises. Nothing in this subsection (6) prevents the liquor and cannabis board from adopting stricter age restrictions for establishments holding a license under chapter 66.24 RCW.

Section 2(10): The department of labor and industries (L&I) shall share any information collected under this chapter and requested by the liquor and cannabis board for the purposes of safeguarding worker safety in establishments seeking, or operating with, a license under chapter 66.24 RCW.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

In Section 1(4) of the bill, the legislature recognizes that the advisory committee in Section 1(1) identified several safety and security concerns associated with the existing prohibition against holding a liquor license in establishments where entertainers perform unclothed or expose certain parts of their body, which is based on regulations promulgated by the liquor and cannabis board. Further, the advisory committee recommended a change to agency rules to allow for alcohol service in adult entertainment establishments.

Based on the intent language, the agency assumes for purposes of this fiscal note, that the board might promote new rules allowing adult entertainment facilities to serve alcohol. However, it is unknown what fee, if any, the board would set for an adult entertainment liquor license or endorsement to an existing liquor license.

Therefore, the cash receipt impact is INDETERMINATE.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS: In Section 1(4) of the bill, the legislature recognizes that the advisory committee in Section 1(1) identified several safety and security concerns associated with the existing prohibition against holding a liquor license in establishments where entertainers perform unclothed or expose certain parts of their body, which is based on regulations promulgated by the liquor and cannabis board. Further, the advisory committee recommended a change to agency rules to allow for alcohol service in adult entertainment establishments.

Based on the intent language, the agency assumes for purposes of this fiscal note, that the board might promote new rules allowing adult entertainment facilities to serve alcohol.

However, since this is not certain, this fiscal note is INDETERMINATE. The response below is the agency's attempt to quantify costs that may be incurred if the board does proceed with rule-making.

TOTAL ESTIMATED COSTS:

FY25: \$98,537
FY26+ \$13,421/yr

AGO COSTS (AS BOARD DIVISION): minimal

AGO projects that any increased provision of legal services will be nominal based on the small number of litigation, licensing and enforcement actions that would be likely to occur. Any advice on rulemaking is likely to last for one fiscal year.

PROJECT COSTS (AS BOARD DIVISION): \$53,700 in FY25

The Washington State Liquor and Cannabis Board ("Board") is currently in the middle of a project to upgrade the agency's internal licensing and enforcement systems. The Licensing, Enforcement, Education, and Administrative Data Systems (LEEADS) is expected to go live in FY 2025. There are change request costs associated with this legislation that will have to be submitted to the vendor. The estimated costs for these change requests is \$53,700 in FY25. Some examples of changes needed follow:

Project vendor costs for change requests: \$37,500
Agency vendor costs for training, development, documentation, etc: \$16,200

LICENSING DIVISION: \$8,941 in FY25

The agency anticipates 18 applications. According to the November 2020 AEA Committee Report, there are 11 adult entertainment facilities in Washington. Also, the agency anticipates interest from currently licensed liquor establishments that may convert to adult entertainment.

In addition, the division would have IT needs, including an identifier or coding (similar to endorsement) in the agency's licensing system that is connected to existing license privileges to track applications, licenses, potentially collect a fee, and ability to notify local authorities.

0.1 FTE Licensing Specialist Senior - \$8,941 (\$8,834 salary/benefits, \$107 in associated costs).

ENFORCEMENT DIVISION: \$13,421/yr ongoing

The Washington State Liquor and Cannabis Board ("Board") keeps detailed statistics on all of its enforcement activities and tracks this activity using a unit of measure called a Field Increment (FI). All direct enforcement activities such as premise checks, inspections and investigations are tracked to determine how many FI's are needed to accomplish each activity. Each FI is equivalent to 1/10th of an hour (6 minutes). For example, if a tavern premise check takes 2 FI's and two officers, it is anticipated that one check will consume 4 FI's. Using historical data to factor out indirect activities such as driving time, training, office time and leave, it has been determined that officers are available for an average of 4,220 FI's each year.

The agency anticipates a workload impact of 0.10 FTE LCB Enforcement Officer 2 (LEO2) ongoing from complaint investigations, licensee support and education, premise checks, undercover operations, and more. Please see the attached "2036 HB Adult Entertainment - Enforcement Field Increment Calculator.pdf" for workload calculations.

0.1 FTE LCB Enforcement Officer 2 - \$13,421/yr (\$11,835 salary/benefits, \$1,586 in associated costs).

INFORMATION TECHNOLOGY DIVISION: \$22,475 in FY25

There will be costs to implement this legislation:

Vendor costs to update the iSeries: \$6,000 (40 hrs x \$150/hr)

Staff costs: 0.1 FTE IT App Development - Senior/Specialist - \$16,475/yr (\$16,368 salary/benefits, \$107 in associated costs).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

New rules would need to be written to allow adult entertainment facilities to sell liquor.

Enforcement Field Increment (FI) Calculator				
2036 HB "Adult Entertainment" (FY25 & FY26)				
	Number of events	Time Factor	Staffing Factor	FI Total
Complaint Investigations Liquor	1	10	1.3	19
License Support and Education	22	7	1.3	198
Nightclubs	29	2	1.3	75
On Premises Compliance Check	15	1	2	29
Administrative Violation Notice (AVN) Issuance	3	12	2	72
Undercover Operations	2	5	1	10
Licensee Responsible Liquor Sales Class Field	1	15	1	22
On Premises Compliance Check Failure	3	5	2	30

Factors	Values
License Count	29
Complaint Investigations Liquor	5%
License Support and Education	75%
Nightclubs	100%
On Premises Compliance Check	50%
Administrative Violation Notice (AVN) Issuance	3
Undercover Operations	2
Licensee Responsible Liquor Sales Class Field	5%
On Premises Compliance Check Failure	1

Total FI's	455
Total Field Increments per FTE	4,220
FTE's required	0.11
Round	0.10

FY27+				
	Number of events	Time Factor	Staffing Factor	FI Total
Complaint Investigations Liquor	1	10	1.3	15
License Support and Education	10	7	1.3	87
Nightclubs	29	3	2	174
On Premises Compliance Check	15	1	2	29
Administrative Violation Notice (AVN) Issuance	1	12	2	24
Undercover Operations	2	3	2	12
Licensee Responsible Liquor Sales Class Field	1	15	1	22
On Premises Compliance Check Failure	1	5	2	10

Factors	Values
License Count	29
Complaint Investigations Liquor	4%
License Support and Education	33%
Nightclubs	100%
On Premises Compliance Check	50%
Administrative Violation Notice (AVN) Issuance	1
Undercover Operations	2
Licensee Responsible Liquor Sales Class Field	5%
On Premises Compliance Check Failure	1

Total FI's	373
Total Field Increments per FTE	4,220
FTE's required	0.09
Round	0.10

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2036 HB	Title: Adult entertainment
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Cities with adult entertainment licensing and/or regulation ordinances and code provisions.
- ☒ Counties: Same as above.
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☒ Expenditures represent one-time costs: Ordinance planning and adoption costs.
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City		257,000	257,000		
County		71,960	71,960		
TOTAL \$		328,960	328,960		
GRAND TOTAL \$	328,960				

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/10/2024
Leg. Committee Contact: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/10/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/10/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This legislation focuses on enhancing the safety and rights of workers in adult entertainment establishments.

Sec. 4 of this act would establish new prohibitions for local governments over local law enforcement actions with respect to adult entertainers interacting with themselves or with patrons when the entertainer does not engage in sexual contact with another person.

The act would take effect 90 days after the adjournment of the session in which it is passed.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

In the adult entertainer advisory committee report published by the Department of Labor and Industries in 2020, it is noted that most cities in Washington have passed ordinances that restrict or ban certain services or entertainer practices in adult entertainment establishments. If this legislation is passed, cities would need to pass an ordinance to update the municipal code.

The Municipal Research and Services Center (MRSC) reports that current data sources indicate at least 25 cities and seven counties with code provisions would no longer be allowed if this legislation is passed (list provided below). Based on this research, it is likely that all local governments with adult entertainment regulations would need to review and change their municipal codes and ordinances if this bill comes law.

The Local Government Fiscal Program Unit Cost Model estimates that the cost the typical cost per jurisdiction to adopt an ordinance with a hearing of the same complexity from \$3,195 for a simple ordinance to \$10,280 for a complex ordinance. These estimates include costs for draft ordinances, an advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information. Assuming these ordinances are complex, with a hearing of the same complexity, costs will be at least \$10,280 for each city and county that adopts an ordinance. The total cost to pass a complex ordinance for the 32 jurisdictions listed below is \$328,960 (32 x \$10,280). If this act were to become law these costs would likely be incurred in FY25.

These cities are among those with adult entertainment-related code provisions: Seattle, Bellevue, Tacoma, Everett, Auburn, Spokane, Olympia, Bellingham, Federal Way, Shoreline, Tukwila, Renton, Kent, Kennewick, Kelso, Vancouver, Oak Harbor, Gig Harbor, Snohomish, Mukilteo, University Place, Benton City, Sunnyside, Yakima, Sequim, Port Angeles and Port Townsend.

These counties are among those with adult entertainment-related code provisions: King, Snohomish, Pierce, Thurston, Spokane, Kitsap, and Yakima counties.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

The legislation would have no revenue impacts for local government.

SOURCES:

Association of Washington Cities

Department of Labor and Industries, Adult Entertainer Advisory Committee Report to the Legislature, November 2020

Local Government Fiscal Note Program, FN ES SB 5614 AMH LAWS H1686.3 (2023)
Local Government Fiscal Note Program, FN HB 1756 (2019)
Local Government Fiscal Note Program, Unit Cost Model (2024)
Municipal Research and Services Center