

# House Bill 2743

Sponsored by Representative NELSON (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would create new laws for adult entertainment establishments. The Act takes effect 91 days following sine die. (Flesch Readability Score: 63.6).

Requires adult entertainment establishments to be registered with the Oregon Liquor and Cannabis Commission in order to operate in this state. Directs the commission to adopt rules establishing a process for applying for issuance and renewals of registration. Makes registration contingent upon compliance with certain regulatory requirements.

Requires the Department of Business and Consumer Services to make training available to adult entertainers and other staff who work in adult entertainment establishments.

Establishes requirements regarding the terms and conditions of leasing fee agreements entered into between adult entertainers and adult entertainment establishments.

Requires adult entertainment establishments to take certain actions to protect the health and safety of adult entertainers.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

Relating to adult entertainment establishments; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

### ADULT ENTERTAINMENT ESTABLISHMENTS

#### (Definitions)

#### **SECTION 1. As used in sections 1 to 9 of this 2025 Act:**

(1) **"Adult entertainer"** means a person who engages in adult entertainment within an adult entertainment establishment.

(2) **"Adult entertainment"** means any live exhibition, performance or dance of any type:

(a) **In which an adult entertainer is in a state of full or partial nudity; and**

(b) **That is conducted within the view of one or more members of the public inside an adult entertainment establishment.**

(3) **"Adult entertainment establishment"** means a business establishment that provides adult entertainment.

(4) **"Applicant"** means an applicant for registration or renewal of registration issued under section 2 of this 2025 Act.

(5) **"Nudity"** has the meaning given that term in ORS 30.831.

#### (Registration)

**SECTION 2. (1)(a) The Oregon Liquor and Cannabis Commission shall establish by rule a system for registering adult entertainment establishments.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) A person may not operate an adult entertainment establishment that has not been  
2 registered under this section.

3 (2) The registration system established under this section must require an applicant for  
4 registration to submit an application to the commission that includes:

5 (a) The name of the individual who owns the establishment or, if a business entity owns  
6 the establishment, the name of each individual who has a financial interest in the establish-  
7 ment;

8 (b) The name of the individual or individuals responsible for the adult entertainment es-  
9 tablishment, if different from the name of the individual who owns the adult entertainment  
10 establishment; and

11 (c) The address of the adult entertainment establishment.

12 (3) For purposes of this section, the commission shall adopt rules establishing:

13 (a) Qualifications for an adult entertainment establishment to be registered under this  
14 section, including qualifications that require each adult entertainment establishment to:

15 (A) Install and maintain in all bathrooms, dressing or locker rooms, and all private or  
16 semi-private enclosed spaces where an adult entertainer may be alone with a customer,  
17 minimum security systems with capabilities to provide a discreet way for adult entertainers  
18 to alert security personnel of an immediate danger.

19 (B) Ensure there is at least one designated security personnel on-site during operating  
20 hours;

21 (b) Processes for applying for and renewing a registration issued under this section; and

22 (c) Fees for applying for issuance and renewal of a registration under this section.

23 (4) A registration issued under this section must be:

24 (a) Renewed annually.

25 (b) Displayed on the premises of the adult entertainment establishment at all times.

26 (5) The commission may inspect the premises of adult entertainment establishments  
27 registered under this section to ensure compliance with the requirements under sections 2,  
28 5, 6 and 7 of this 2025 Act.

29 (6) All applicants seeking registration or renewal shall supply proof of compliance with  
30 sections 1 to 9 of this 2025 Act and any rules adopted by the registering agency at the time  
31 registration is issued or renewed. The commission by rule shall determine the manner in  
32 which proof of compliance must be supplied.

33 (7) The commission may refuse to issue or renew or may suspend or revoke a registra-  
34 tion issued under this section for failing to:

35 (a) Comply with any provision of sections 1 to 9 of this 2025 Act; or

36 (b) Provide proof of compliance in accordance with subsection (6) of this section.

37 (8) Nothing in this section is intended to permit the commission to adopt rules that re-  
38 strict adult entertainment from occurring in adult entertainment establishments that are  
39 also licensed under ORS chapter 471 to serve alcohol.

40 (9) All moneys collected under this section shall be deposited in the Adult Entertainment  
41 Establishment Registration and Regulation Fund established under section 3 of this 2025 Act.

42 **SECTION 3.** The Adult Entertainment Establishment Registration and Regulation Fund  
43 is established in the State Treasury, separate and distinct from the General Fund. Interest  
44 earned by the Adult Entertainment Establishment Registration and Regulation Fund shall  
45 be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon

1 Liquor and Cannabis Commission for the purpose of carrying out the duties and obligations  
2 of the commission with respect to registration and oversight of adult entertainment estab-  
3 lishments in this state. The fund shall consist of all moneys credited to the fund, including  
4 moneys paid as registration and renewal fees under section 2 of this 2025 Act, and moneys  
5 appropriated by the state for use by the commission in ensuring that adult entertainment  
6 establishments are in compliance with the requirements under sections 1 to 9 of this 2025  
7 Act.

8  
9 (Training)

10  
11 **SECTION 4.** (1) The Department of Consumer and Business Services shall develop and  
12 make available by or through the department a training course for:

13 (a) Adult entertainers who work in adult entertainment establishments to receive train-  
14 ing on:

15 (A) The rights and responsibilities of adult entertainers with respect to worked per-  
16 formed as an employee or as an independent contractor.

17 (B) The duty of adult entertainment facilities as employers to meet the requirements  
18 under ORS 659A.375 regarding the adopting of policies for reducing and preventing  
19 harassment, discrimination and sexual assault in the workplace, including a process for re-  
20 porting prohibited conduct.

21 (C) Reporting workplace injuries, including incidents of sexual harassment and assault,  
22 and including sexual assault as defined in ORS 659A.370.

23 (D) Human trafficking awareness and prevention.

24 (b) For staff, other than adult entertainers, who work in an adult entertainment estab-  
25 lishment, to receive training on:

26 (A) Preventing sexual harassment and assault, including sexual assault as defined in ORS  
27 659A.370, in the workplace.

28 (B) Human trafficking awareness and prevention.

29 (C) De-escalation techniques to prevent violence or harassment in the workplace.

30 (D) Providing first aid assistance during an emergency situation.

31 (2) An adult entertainment establishment shall require staff, other than adult  
32 entertainers, to complete a training course described under subsection (1)(b) of this section  
33 on an annual basis.

34 (3) An adult entertainment establishment shall keep and maintain records necessary to  
35 demonstrate compliance with this section. An adult entertainment establishment must pro-  
36 vide the records kept and maintained under this section to the Oregon Liquor and Cannabis  
37 Commission upon the request of the commission and in accordance with any rules regarding  
38 proof of compliance adopted by the commission under section 2 of this 2025 Act.

39 (4) The department may adopt rules to implement the provisions of this section, including  
40 rules that provide a common recording form for purposes of maintaining records under this  
41 section.

42  
43 (Labor standards)

44  
45 **SECTION 5.** (1) As used in this section:

1 (a) "Leasing fee" means a fixed charge or percentage rate that is paid or payable by an  
2 adult entertainer to an adult entertainment establishment for the privilege to use the adult  
3 entertainment establishment to provide adult entertainment.

4 (b) "Leasing fee agreement" means an agreement entered into between an adult enter-  
5 tainment establishment and an adult entertainer reflecting the terms and conditions of  
6 leasing fees.

7 (c) "Percentage rate" means a percentage of the amount of any earnings collected by the  
8 adult entertainer for providing adult entertainment at an adult entertainment establishment.

9 (2) Any leasing fees charged by an adult entertainment establishment must comply with  
10 the requirements provided under this section.

11 (3) An adult entertainment establishment may not charge an adult entertainer a leasing  
12 fee unless:

13 (a) The charge is made pursuant to a leasing fee agreement; and

14 (b) The leasing fees are charged equally among the adult entertainers in the adult  
15 entertainment establishment.

16 (4) The terms and conditions of a leasing fee agreement:

17 (a) May not include terms or conditions that:

18 (A) Require the adult entertainer to pay additional fees or interest:

19 (i) For nonpayment or a late payment of a leasing fee.

20 (ii) For an adult entertainer's failure to appear at the adult entertainment establishment  
21 for a scheduled shift.

22 (iii) That would result in the adult entertainer carrying forward an unpaid balance from  
23 previously incurred leasing fees.

24 (B) Require a leasing fee in an amount that is greater than what the adult entertainer  
25 receives in earnings per shift or per day.

26 (C) Require a percentage based fee that, for any eight-hour period, exceeds:

27 (i) The lesser of \$150 or 30 percent of the earnings collected by the adult entertainer,  
28 excluding earnings from adult entertainment provided in private or exclusive areas within  
29 the adult entertainment establishment; or

30 (ii) 30 percent of amounts collected by the entertainer for adult entertainment provided  
31 in a private or exclusive area within the adult entertainment establishment.

32 (D) Require an adult entertainer to surrender to the adult entertainment establishment  
33 the tips and gratuities received by the adult entertainer.

34 (b) Must describe the method used for estimating amounts to be collected as leasing fees  
35 in any eight-hour period.

36 **SECTION 6.** (1) Each adult entertainment establishment shall post signage that informs  
37 adult entertainers that the adult entertainment establishment may not:

38 (a) Require adult entertainers to surrender any tips or gratuities collected by the  
39 entertainers for providing adult entertainment;

40 (b) Take an adverse action against an entertainer in response to an entertainer's refusal  
41 to surrender any tips or gratuities to the adult entertainment establishment; and

42 (c) Deny an adult entertainer's request for a written explanation of the adult enter-  
43 tainment establishment's reasons for refusing to rehire the entertainer.

44 (2) The signage must be posted in areas that are designated for adult entertainers, in-  
45 cluding but not limited to dressing rooms and locker rooms.

(Safety and health standards)

**SECTION 7. (1) Each adult entertainment establishment must establish written policies and procedures maintaining a safe and healthy work place. At a minimum, the policies must:**

**(a) Establish the acceptable and appropriate behavior between customers and adult entertainers.**

**(b) Establish protocols for adult entertainers and other staff of the adult entertainment facility to report incidents or interactions involving customers exhibiting harassing or threatening behavior.**

**(c) Establish protocols for reporting suspicious or criminal activity involving:**

**(A) Prostitution;**

**(B) Sex trafficking; and**

**(C) Assault, including sexual assault as defined in ORS 659A.370.**

**(d) Require the dissemination of information to adult entertainers regarding resources for victims of sex trafficking.**

**(e) Require adult entertainers to sign forms affirming that the entertainer:**

**(A) Is not a victim of sex trafficking.**

**(B) Is of legal age to provide adult entertainment; and**

**(C) Is not providing adult entertainment under duress or coercion.**

**(f) Require appropriate cleaning supplies be made available in all adult entertainment performance areas.**

**(g) Require the installation of keypad locks or other forms of restricted access to the dressing rooms and locker rooms of adult entertainers.**

**(2) An adult entertainment establishment shall keep and maintain a log documenting all reports of customer-related issues involving the behaviors and activities described under subsection (1)(b) and (c) of this section. At a minimum, the log must include identifying information about the customer and a description of the incident.**

**SECTION 8. The Oregon Liquor and Cannabis Commission may adopt rules and conduct inspections of the premises of an adult entertainment establishment as deemed necessary to ensure compliance with sections 2, 5, 6 and 7 of this 2025 Act.**

(Preemption of local laws)

**SECTION 9. (1) Sections 1 to 9 of this 2025 Act supersede all charter provisions, ordinances, regulations and other enactments adopted by local governments relating to adult entertainment establishments.**

**(2) A local government may not adopt or enforce any ordinance or regulation for adult entertainment establishments that:**

**(a) Restricts adult entertainment establishments from serving alcohol provided that the adult entertainment is a licensee under ORS chapter 471.**

**(b) Limits the location or operations of adult entertainment establishments.**

**(c) Imposes permitting, registration or licensing requirements for adult entertainment establishments.**

APPLICABILITY

