

2009 SENATE JUDICIARY

SB 2170

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2170

Senate Judiciary Committee

Check here for Conference Committee

Hearing Date: January 20, 2009

Recorder Job Number: 7290

Committee Clerk Signature



Minutes: **Senator Nething, Chairman**

Relating to registration of certain sexually oriented businesses and to provide a penalty.

Arland Rasmussen, Chief of Police of West Fargo—See written testimony – recommends approval.

Senator Lee – Introduces the bill. She says the purpose of registering is for law enforcement official to regulate those business and to deal with them when there are complaints. Often there are stage names used by the performers, this would make sure they have real names and there is some consistency to the businesses where the locations have to be recorded.

The intent is to provide some additional regulatory structure so that law enforcement can deal more appropriately with complaints.

Senator Nething – Asks why the tax commissioner and why not the county auditor or something of that nature.

Senator Lee – Said she would defer to the committee as to where it should go.

Senator Nething – Asks if any other states have this type legislation.

Senator Lee – She would find out.

Senator Nelson – Related to the committed of a bill several years back that required registration and no one ever did. She asks how will you make sure they register.

Senator Lee – Said she's not sure, but people who are honorable in their business dealing will follow the law and do what ought to be done, and we will have a little better means of regulation and control than there is now. If there is a better way to do this she and law enforcement would be very happy. She thinks it's a noble goal.

Senator Schneider – Asks if the intent is to have the businesses register or the individual.

Senator Lee – She said the way she understands it is the business as well as the people hired to entertain.

Senator Nething – As he understands it, the business has to register with the tax commissioner, there is talk of a registration certificate issued to an individual providing live nude entertainment but he asks is there a step missing where the individual has to register to get a certificate.

Committee goes over the language of the bill.

Senator Lee – Said she knows what she intended on this bill but if there is any language changes her would up for them. She doesn't want ambiguity for law enforcement, she wants them to be able to say this is what the law says and this is where were going.

Chief Rasmussen returns to testify.

Senator Lyson – Had questions on the registrations. He said that most of these people tend to deal with two companies, the one they work for and the bar where they perform. Does each of these places have to register?

Chief Rasmussen – He said he hopes this legislation will help with the problems that always arise with this industry. He is unsure how this will all work. He said often times the girls are sent out from Chicago so he would need them to register in ND.

Senator Lyson – Asks if it would be better to register each of these girls in the each community because they change their names each time. Also their “booking agents” should register.

Myles Vosberg – Tax Commissioners Office – He says they have not been contacted about this bill. Their only connection would be the income that should be reported for income tax purposes. The sexually oriented business should already be registered for sales tax on food and beverage. He said the tax department questioned a little why it would come to them and if it is the wishes of the legislature that they do it they will.

Senator Nething – Discusses with him the information they receive obviously being confidential.

Vosberg – Agreed and said there would have to be provisions written into this. Generally speaking everything that comes to the tax dept. is confidential. All income and sales tax are confidential.

Senator Nething – Asks about sales and use permits.

Vosberg – Said there is no registration for income tax. If companies have a connection here they are required to file a return.

Senator Lyson – Doubts that any of these companies sending the girls out are registered with the state. These girls are not being paid by the bar here. Chicago business gives these girls just enough to survive on.

Senator Olafson – Asks Chief Rasmussen if the prime intent of the bill is for law enforcement purposes and not for taxation. Maybe finding another law enforcement agency in the state to perform the registration process.

Closed hearing on 2170

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2170

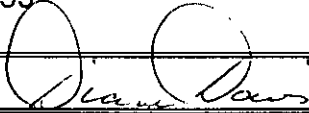
Senate Judiciary Committee

Check here for Conference Committee

Hearing Date: 1/20/09, committee work 1/26/09

Recorder Job Number: 7755

Committee Clerk Signature



Minutes: **Senator Nething, Chairman**

Committee work

Committee discusses how it would be enforced. If it were to go to the income tax section it would be confidential and couldn't be given to law enforcement. If you license the business they are employed with the business is already registered. They believe it is a worthwhile bill but would be problematic.

Senator Lyson motions for a do not pass, seconded by Senator Schneider.

Vote – 6 yes, 0 no

Senator Lyson will carry.

FISCAL NOTE
Requested by Legislative Council
01/09/2009

Bill/Resolution No.: SB 2170

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2170 requires the Tax Department to register participants in certain sexually oriented businesses.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

SB 2170 does not alter the taxation of income earned by those involved in the targeted business activities, nor do the registration requirements have a fee associated with them. The fiscal impact of SB 2170 is expected to be less than \$5000.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Kathryn L. Strombeck	Agency:	Office of Tax Commissioner
Phone Number:	328-3402	Date Prepared:	01/19/2009

Date: 1/26/09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES 5B 2170
BILL/RESOLUTION NO.

Senate JUDICIARY Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Sen Lyson Seconded By Sen Schneider

Senators	Yes	No	Senators	Yes	No
Sen. Dave Nething - Chairman	X		Sen. Tom Fiebiger	X	
Sen. Curtis Olafson - V. Chair.	X		Sen. Carolyn Nelson	X	
Sen. Stanley W. Lyson	X		Sen. Mac Schneider	X	

Total (Yes) 6 (N) 0

Absent _____

Floor Assignment Sen. Lyson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2170: Judiciary Committee (Sen. Nething, Chairman) recommends DO NOT PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2170 was placed on the
Eleventh order on the calendar.

2009 TESTIMONY

SB 2170

SB 2170

The request to create and enact a new section of chapter 57-38 is made for the purpose of requiring registration of individuals involved in sexually oriented businesses (SOB). This industry is largely unregulated in the State of North Dakota with a few communities enacting a limited number of ordinances.

Many studies have been completed throughout the United States relating to the secondary effects of sexually oriented businesses (SOB). Crimes associated with SOB include prostitution, drugs, assaults, robbery and theft. While thought to be underreported because of the victim's embarrassment of being involved with the SOB the reported crime numbers remain significant. While not reported locally, human trafficking has also been linked to the SOB industry.

Our own investigations reinforce the results of these studies and show an increase in the mentioned crimes and their relation to SOB. Local law enforcement officers have linked some of those involved in the local trade as having direct connections to Minneapolis and Chicago. Search warrants relating to SOB and executed in residential neighborhoods have resulted in the recovery of stolen property, drugs and large amounts of cash. Undercover officers have arrested service providers on prostitution charges. The industry is largely a cash business. The dollars earned are seldom reported as income for tax purposes.

One of the investigative obstacles to law enforcement officers is the lack of regulation of the industry. The service providers frequently use a stage name and do not operate from a permanent address. Locating the service provider is nearly impossible when there has been a delay in crime reporting by a victim. Of the few occasions officers have located a subject it was the result of the SOB provider having prior law enforcement contact.

A check of the INFORUM website on 19 January 2009 revealed fourteen classified ads for adult entertainment. One even advertised they were safe and secret. I have attempted to check the major newspapers on-line but none provide this classified listing. A web search indicates the adult entertainment service is available in Minot and Bismarck.

I ask your consideration in approval of SB2170.

Arland H Rasmussen, Chief of Police
West Fargo Police Department
800 4th Ave E #2
West Fargo, ND 58078
701-433-5500

20 January 2009

Classifieds

Classifieds Main | Place an Ad | Place an ad in the Farmers' Forum | Receive Ads by Email

Classifieds Quick Search

ADULT ENTERTAINMENT

Search Results

1 - 15 of 15

- ~Dream Girls~ Now hiring, 701-799-2617 Posted: 01/02/2009
- Adult VHS, movies and DVD's. Pleasure Palace. 1015 38th St. N. (701) 282-4047 Posted: 01/01/2009
- H STARLIGHT H Let's play! See our site! 24/7 701-799-9373 Posted: 01/08/2009
- **BRITTANY** In/out Calls 701-541-4237 Posted: 01/13/2009
- Sinful Desires Hiring 701-261-9481 Posted: 01/13/2009
- !SPECIALS! Wed \$100/hr Thur \$120/hr 218-289-6200 Posted: 01/14/2009
- F Mystique Dancing F Now Hiring! 701-799-4900 Posted: 01/14/2005
- For a Good Time J Call 701-317-0916 Posted: 01/14/2009
- Eligance Dancers credit cards accepted 24 hrs., discrete, 237-6669, 701-729-6659 Posted: 01/15/2009
- Molly In/Out calls, 701-306-2822 Posted: 01/15/2009
- Kimberly Morning specials. Ask about pics! Discreet. 701-541-4336 Posted: 01/16/2009
- BEST 4 LESS Safe and Discrete 701-429-8273 Posted: 01/17/2009
- Wanted Exotic Dancers First Night On Us! NW Minnesota Club 320-760-4708 Posted: 01/18/2009
- PSECRETSP 24 hrs. 701-318-2647 Posted: 01/18/2009
- Reilly 612-432-9949 Posted: 01/17/2009

1 - 15 of 15



- GARDEN PAVILLION
- BUFFALO WILD WINGS GRILL & BAR
- JAMESTOWN COLLEGE
- Andes Tower Hills
- Confidence Learning Center
- MICK'S OFFICE
- Ackerman Acres
- Barefoot Resort
- BONNIE HANEY'S SCHOOL OF DANCE
- Breezy Point Resort
- Up North Sports
- MAYVILLE STATE UNIVERSITY
- Buena Vista Ski Area
- The Faco Shop
- Silver Spoon
- Butler Machinery Company
- C & M Ford Sales Inc.
- Cass Lake Winter Fishing Challenge
- Alexandria Ice Fishing Challenge
- YUKI HANA
- Park Rapids Lakes Area - Come Stay with Us!
- ROAD WOLF MOTORCYCLE SPECS
- Olivier's Salon & Spa
- Break on the Lake Resort
- LAMB PLASTIC SURGERY CTR
- MOE'S SOUTHWEST GRILL
- ND Wintershow
- Brennan Law Group
- GAMES GALORE PARTY RENTAL / PARTY ZONE
- Grand Cottages
- Visit Bemidji

Local Marketplace Deals

Get your Valentine's Day Reservations Now For Fargo's #1 hidden Gem! THE SILVER SPOON
Silver Spoon
Posted on 01/14/2009

Make The Call That Makes The Difference
Brennan Law Group
Posted on 07/22/2008

New Cat C-Series
Butler Machinery Company
Posted on 05/29/2006

FREE LUNCH SPECIAL AT SWEET DREAMS CONFECTIONS!
SWEET DREAMS CONFECTIONS
Posted on 01/18/2009

1000 full color postcards (printed both sides) for \$99.
AUTOMATED MAILING SERVICE / FORUM COMMUNICATIONS PRINTING
Posted on 01/05/2009

Regional Marketplace Deals

Come see why your neighbors buy from Johnson Mertz!
JOHNSON MERTZ APPLIANCE INC
Posted on 01/01/2009

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Sweet & Discrete Escor Refer AI Service

- Write a review

Bismarck, ND - (701) 255-4400

Category: **Adult Entertainment**

[Directions](#)

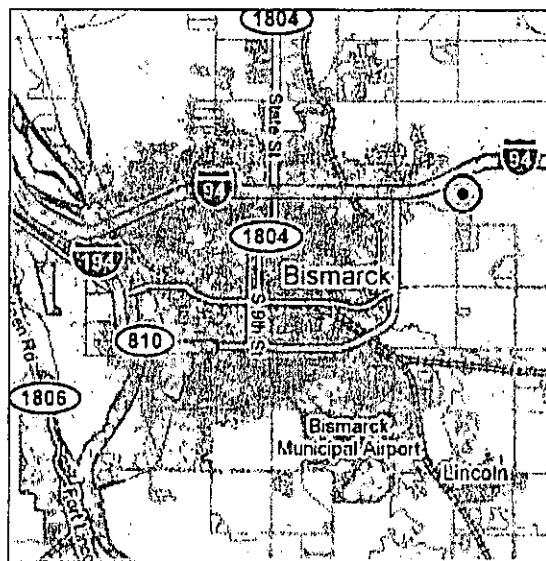
Exotic Escort Services - Write a review

Bismarck, ND - (701) 202-9337

Category: **Adult Entertainment**

[Directions](#)

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