2009 HOUSE POLITICAL SUBDIVISIONS

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2009 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1553

House Political Subdivisions Committee

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Hearing Date: February 13, 2009

Recorder Job Number: 9477

Committee Clerk Signature

Minutes:

Chairman Wrangham opened the hearing on HB 1553.

Senator Hogue: I am introducing the bill with a proposed amendment (see attachment #1).

This amendment essentially would concur that the law applies though out the state whether the city adopts an ordinance that regulates any of these entities. In other words the city ordinances could be more restrictive so it would always insure that the city has the control. If you throw in the definitions. Definition number 23 on page #4, line 14; that sexually orientated business is a catch all for all of the previously defined entities. The adult bookstore, the adult cabaret; those are all defined as a sexually oriented business. What my amendment says is that if the city council or city government regulates these entities that are the governing law. Nothing in this act applies to those establishments.

Rep. Klemin: Your amendment also takes out the repealed doesn't it on page 7, lines 9-11? What are those two sections that would be repealed under those sections?

Senator Hogue: If you notice the title IV typically relates to municipalities. Title 11 to counties. There are some general police powers in those entities regarding that issue.

Rep. Conrad: Would you be willing to add counties as well?

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Senator Hogue: I considered counties and townships as well. I thought the city is primary

place where these facilities are located and they would be handled by the cities to regulate.

My issue in supporting this bill is that the entity could locate outside of the city limited and

thereby evade the zoning jurisdiction of a particular political subdivision. It is my experience

that the counties don't get involved in regulating business like this. They have a general

zoning ordinance, but they are not equipped to regulate this.

Rep. Conrad: We have some rural counties where they would have a resolution and zoning,

but if they are on the fringe wouldn't that we part of it?

Senator Hogue: I can't strongly disagree with you. It is my experience. We both come from

Ward County where cities are more activity involved in these issues. I don't want to put

counties and townships in the same category because of not having an interest in these types

of things.

Rep. Kilichowski: I have to disagree with you on the counties then. In my county we have

two bars that are little towns and our county has passed an ordinance against having this, but

still think counties should be included somewhere because they have the right. I don't know

of any in townships.

Rep. Zaiser: This deal would prohibit sexually orientated businesses and activities from a city

unless that city had enabling regulations controlling those kinds of businesses. Otherwise they

are forbidden. Is that correct?

Senator Hogue: I amendment tends to make this as they would follow the law. Meaning that

if cities chose not regulate this for whatever reason that would apply with a city that chose to

do so.

Rep. Zaiser: In other words forbidden.

Senator Hogue: It is not forbidden; it sets up zoning restrictions for the establishments.

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Rep. Corey Mock: Is there a reason that it is 1500 feet? I don't know if I have ever heard of an ordinance zone that allowed 1500 feet?

Senator Hogue: Zoning ordinances that try to establish that certain types of businesses in certain zones always seem to have certain restrictions

Rep. Corey Mock: In those certain areas you also do walking trails. Now the definition is primary path for pedestrian also cited other activities. You also cited other things like you would not be able to have a sidewalk in those areas?

Senator Hogue: I noticed on that page that walking trails is defined and it is defined as a pedestrian trail or path primarily used for walking but also for cyclists. The idea is that most people regard these types of businesses; they don't want to have young people come to the businesses; certainly not inside and outside so that definition is meant to prohibit those establishments from coming near youth.

Rep. Hatlestad: If we have already given the city the authority to make the rules and regulations and we add the county; why do we need the state involved in the issue? Senator Hogue: some counties and some cities chose not to regulate so where they chose not to this would be a gap to fill in where any entity of city or county chose not to regulate. As the bill was originally drafted it would apply across the state to all cities, all counties, and not give them any ability other than to make it more restrictive than what's in the bill.

Rep. Hatlestad: I still don't understand. If the city has made the decision on way or the other; why does the state step in and say, hey, can't do it? Isn't that a city issue?

Senator Hogue: You are correct. But this law across the state, for example, if you were wanting to abate city ordinances and locate several miles outside the city, this act would follow.

Rep. Hatlestad: If we added counties to this too; then we could eliminate the state so either the city did it or the county did it. The state certainly doesn't need to be involved.

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Senator Hogue: that is true if all 53 counties adopted a zoning ordinance that specifically regulated these establishments.

Rep. Klemin: In regards to section 2 on location. What happens if sexually oriented businesses were there first and then someone wants to put in a residence or walking trail or whatever within 1500 feet what happens to that sexually oriented business?

Senator Hogue: I discussed that with Legislative Council and questioned the amendment and we both came to the conclusion that it is still up to the city. The ordinance says that the establishment cannot be deemed in violation once it is properly sited and an organization or new construction like a walking trail or a licensed outfit locates within the boundaries of that ordinance it is still up to that local ordinance.

Rep. Klemin: You don't have an ordinance here. This is either in a city that doesn't have an ordinance or is outside the city jurisdiction so we have a business that is located in an area where this law would apply. But then we have a subsequent use that come within 1500 feet of this business. What happens to that business?

Senator Hogue: I think under my understanding of county law is that a business cannot be deemed to be not in compliance with a zoning regulation if it is in compliance and because of public improvements or other building or another business locates within the prohibited businesses that is somehow prohibited. I think it would take an act of city council to do that. In other words a private act much like a child care facility could not prove its actions and put the business out of compliance with the zoning regulation.

Rep. Nancy Johnson: If some business already established in place doesn't have to be within a jurisdiction now; is that in place or what?

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Senator Hogue: I considered a grandfather clause but decided on this one. I thought the better of it was to let the city decide what they wanted to do with every establishment within their city and to grandfather in is a decision that they could make better than the state of ND.

Rep. Koppelman: According to what I understand with your amendment a city or county could either by zoning regulations that currently have in place or by zoning regulations they would adopt after this act, could do their own thing. This would apply both to existing regulation as well as city adopting something down the road to preempt this, is that correct?

Senator Hogue: That is correct. It is not a static law that once the law is passed the city can't do anything. The cities are always going to have that flexibility to make the restrictions more or less restrictive.

Connie Sprynczynatky: League of Cities: We don't see conflicts with current ordinances, but we also think that the proposed amendment is a good one and makes it clear that the city has full regulations and it is my understanding that what this provision does invokes current city statues and for counties and makes the language more up to date of the definition of these kinds of facilities and it would give communities or other entities a back drop in the event that they don't have an ordinance in place. If you think they have these ordinances all over the state then you would be wrong. Last fall we got a request of any ordinances regulating establishments that smaller communities have and gotten the information for one of these businesses. Cities that have these ordinances in place typically should be given the opportunity for an appropriate place to locate this business. The business has the right to be somewhere. But the community has the right to say where it is appropriate. So I am going to use your Capital City ordinances as an example. They have been in place a long time and they say where it would be appropriate. The ordinances should say that your establishment would be in an industrial zone and there are all kinds of regulations of what can or can't be

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closed. The zoning ordinance which could come into play would also make it inappropriate to establish shopping facility or residential; you don't put residential unit in or next to an industrially zoned area

Rep. Koppelman: I assume that the reason the city favors this is that there would be a statewide standard and then should they decided to do something different they would be allowed to do that. So if this were to pass it would be the statewide standard, which all of the cities could do if they chose or do something different.

Connie Sprynczynatky: Particularly the amendment that makes it clear that if the cities regulate it then the state they can continue to do so.

Rep. Conrad: If a small town decided it wanted to have this kind of an establishment in their community; could they just enact and ordinance to say this is OK?

Connie Sprynczynatky: I believe the answer is yes. We have never gotten a request for a city for a model ordinance that would give blanket authority to allow this in any way shape or form. The city of Mandan just dealt with this and they ended up finally getting the facility located downtown to what the city considered a more appropriate location.

Tom Freier: ND Family Alliance: (see testimony #2). Passed out Karle Raushenberger: testimony (3) not here due to weather.

Reed Sanderstrom: Attorney in Minot. I want to address Page 5, Section 2; location of sexually oriented businesses. In Minot we have two strip clubs. All of them within state law and they are regulated. We are looking for more direction. Why do we need this in the state of ND? It is because it is states like Arkansas and we will see it again when the oil picks up again. People coming in to the state. It is a big business and you will see interstate adult book stores shortly. This helps regulate that; not prohibit, but regulate. There is no grandfather clause in here, but we have some decision from the ND Supreme Court where our Supreme

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Court says this is an industry that can expect to be regulated continually. It regulates alcohol and separates them and I think this is very necessary. Yesterday the Sixth Circuit in Nashville, Tennessee had a similar bill that they passed three years ago that finally wound its way up to the state circuit and this will pass mustard. This is the 1500 feet to a bar. Section 5 that is straight from the century code as it was.

Rep. Jerry Kelsh: On the second page I think you used the term strip bar in your testimony here; what effect would Subtitle 1 Section 3 have on that? You said strip bar, what would the affect be?

Reed Sanderstrom: We now have two businesses that allow strippers next to a middle school. During that same time period of 2007 we had three murders. Can you say it was because of the sexually orientated business no.

Rep. Headland: In the case a business decided to locate along a highway out of the cities jurisdiction in the county; do they have to be permitted before they can establish their business?

Reed Sanderstrom: I am not certain. Certainly alcohol is related and a license would be required. Book stores I am not sure about the application. Probably not. They have the right to freedom of expression. We have a right to regulate them.

Rep. Headland: If the political subdivision and the county understands the business is going to locate there and they approve that; will they not at that time set up the type of regulatory atmosphere that they believe those local people want. The point I am trying to make if this is really a local decision we should leave it to the locals and I don't see the need to establish it.

Reed Sanderstrom: We believe it certainly establishes a standard of some kind. You can go below it or above it and when someone wants to come in and put in a sexually orientated

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business this gives us a template to work from. Think about the schools, parks and churches where people want to keep it away from.

Rep. Headland: That is all true and I don't either agree or disagree with what you are saying here. In an area, if we establish this statewide atmosphere of what this bill would do; would this prohibit a traveling show from out of state; a one night event like Chippendales. Is this bill going to prohibit that type of activity because the political subdivision has not decided how they want to regulate that?

Reed Sanderstrom: No it will not prohibit it; it will regulate it. As it exists now it will separate and regulate the alcohol from those things, but it wouldn't prohibit it.

Rep. Headland: To my knowledge, they are in an establishment that serves alcohol so are they going to bring a group in like this and not be able to serve alcohol?

Reed Sanderstrom: I would think there are ways around it. They can serve alcohol until 10:00PM and do whatever they want after that. A distance away from school; it only regulates it.

Rep. Jerry Kelsh: In your opinion, what would this do with a convenience store? I have seen adult books in these stores. Would they no longer be able to sell that kind of material? How far reaching is this?

Reed Sanderstrom: We are not talking about the Barnes and Nobles and book stores that sell newspapers, libraries and things of that nature. It doesn't regulate that at all. We need good old fashions North Dakota common sense. That does not regulate that at all.

Rep. Klemin: Just putting that on a bookstore or business in regard to Rep. Kelsh's concern that it has to be the principal business.

Rep. Conrad: It doesn't have to be a majority of the material that you have?



Reed Sanderstrom: An adult book store would be that they advertise you don't come in here under 21. It does not include the Barnes and Nobel, the grocery store or things of that nature. Christopher Dodson, ND Catholic Conference: One way to look at this bill is that it is preempted. This is to avoid certain situations from arising. We look at the moral reasons and there is another moral issue; the desire of communities to avoid those conflicts. It is difficult to pass laws when it is already in your jurisdiction and having something in place when someone comes in they know the law or ordinance. That is really a contribution to the common good.

Questions that have been asked our Chippendales, they would probably have to have a permit under this bill. The bill doesn't prohibit any thing. It sets standards for those that are not already there.

Rep. Koppelman: Having been a municipal attorney, measures similar to this adopted by cities in ND have been litigated and even up to the supreme court and this type of regulation has been upheld. Am I correct in that?

Christopher Dodson: Yes. It is legitimate use of their powers of municipalities and counties.

Rep. Koppelman: In some convenience stores it may offer some things that fit the definitions here; they do a pretty good job of putting covers over them. I am looking at the language on page 1; line 13 that talked about one of its principal business purposes. I don't think that is their principal business purposes?

Christopher Dodson: What do you do if it is in plain site; and they would just talk to the business owner and they usually can work it out.

Reed Sanderstrom: We kept it that way because it was already in the code.

Rep. Klemin: How do you determine adult book stores? Maybe we need to put a percentage on the books.

Rep. Conrad: Where did you get the distance?

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Reed Sanderstrom: It was arbitrary.

Rep. Koppelman: What does preponderance mean? That is a fair evidentially standard in the law though isn't it. Isn't there some legal understanding in the statue of what

preponderance means? It generally means more than fifty percent of something.

Mark Frued: I am from Minot, ND: (see testimony #4).

Rep. Koppelman: To proximity to state highways. Is there anything in the bill that deals with that?

Mark Frued: Just residential.

Opposition:

Barry Pausch: Oasis Bar in Wahpeton: (see testimony #5).

Rep. Koppelman: Did you hear the discussion about the amendment that would allow the cities to regulate; if that were adopted this would not affect you at all would it?

Barry Pausch: Yes

Rep. Corey Mock: Since you have the only business of this nature in Wahpeton; do you have any problems inside your bar with alcohol?

Barry Pausch: No we don't. We have strict regulations when dancers are on stage. In 1996 we have had no problems.

Mrs. Kim Patterson: (see testimony #6).

Rep. Conrad: Where do you see yourself fitting?

Kim Patterson: The part where it describes what an adult store is and what an adult product is; it says lingerie and how can lingerie be anything besides adult?

Rep. Klemin: It we changed it to say it to predominately involve in that activity. Would that help you?

Kim Patterson: That would.

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Kim Patterson: You mentioned that Fargo did not classify your business as an adult establishment. They must have regulations on the books in Fargo to define what those are.

Kim Patterson: Yes they do.

Rep. Koppelman: If we were to adopt that amendment did you hear that it says that the city regulates this, this still wouldn't apply. Would that solve your issue?

Kim Patterson: My opinion on that is, I thought it said it would. I did anything where it said we could have different rules and be not exempt.

Grace Delling: Williston, ND (see testimony #7, #8 #9).

Rep. Koppelman: You said that before you opened you went to the City Commission and visited with them and came up with rules and the city commission adopted those so that means that Williston does have regulations on the books regarding this. With the amendment this would not apply. What about your petition it says the closing of ND strip clubs. After hearing the testimony do you still think that is what the bill intended?

Grace Delling: No not with the amendment.

Kerry Fernholz: Owners of the Northern in Frago, ND (see testimony #10).

Mark Western: My law firm is representing Mr. Fernholz: I came here today just to respond too many of the issues that were raised. If a city has a regulation then it is OK. Or if a city is going to create a regulation which regulates the sexual orientated business then you are OK. That proves the point, of the lack of necessity of the bill. There are cities and counties who have regulated these businesses for a long time and I don't understand the necessity of the bill. If I look at the definition section, on page 5 looking at 27 with respect to walking trail and I would like to read that; walking trail means a pedestrian trail or path primarily used for walking, but also for cycling or other activities. It was said earlier it may include sidewalk or it may not.

I am not convinced after a review of this definition that sidewalks are excluded. That is a pretty

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extensive definition of something to keep 1500 feet away from. I have a difficult time understanding the 1500 feet. This is an arbitrary number as was testified on earlier. Can the ND Legislature employ and arbitrary number for the purpose of regulating such businesses? There is authority that 1000 feet is OK; there is authority that 2500 is a bad thing. The question that should be asked is is it the right decision for the state of ND or is it appropriate for us to further regulate cities? Even if the bill does pass it asked the question, if the cities are going to regulate this, why is it the necessity of the state doing that same thing? Earlier I heard testimony that cities have difficulties enacting ordinances. I equate it to a bail out; perhaps some cities may have difficulty passing an ordinance and maybe they want the state to bail them out. They are the elected officials and I understand the nature of those decisions. I think it is something the cities should have the power to do.

Rep. Conrad: If a city has an ordinance on their adult book store; and doesn't have any of the others in here, will the state law apply?

Mark Western: I don't know the answer to that. The city of Fargo does have ordinances and I can provide them to the committee. It is under their land use planning zoning and the city of Fargo discusses adult bookstores, adult cinemas and adult entertainment facilities, I don't know. If city X has no prohibitions and they say they don't want to have any prohibitions on any type of adult facility; does that in and of itself mean that state statue would be rendered harmless. I don't know but I think it would be possible that it could be litigated.

Rep. Zaiser: what if under the definition of under the adult business were to locate in a community that did not have any ordinances that addressed this issue and the zoning ordinances and they would locate right across the street from a school, in a residential neighborhood, how would that apply?

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Mark Western: I think this statue would take care of that; however, I would call that into account by my local city commissioner or county commissioner depending on the nature of the political subdivision. I understand that it is difficult for smaller cities to pass such local ordinances. This is an example right here so they could just take it from here. I think there is concern so that is why so many cities have gone and created such regulations.

Rep. Headland: Your testimony indicates that you think this is unnecessary because a political subdivision currently have the ability to regulate these businesses. A friend of mine in Jamestown said his pet peeve is that the state of ND passes laws just for feel good measure so his recommendation to me is if you are going to pass a law you should have to get rid of an existing law. My question to you is can you suggest one we get rid of if we pass this?

Mark Western: I would have to research this.

Rep. Corey Mock: You talked about the definitions quite a bit. In view of those findings are there any you could specifically see?

Mark Western: Simply I would be opposed to the bill in any form. Nothing has been discussed about the issue of the 6 foot barrier in section 6 or 7 or the alcohol. Should this be our decision to regulate or should it be a city or county decision. We are opposed to the state regulating a one size fit all scheme for regulation.

Rep. Jerry Kelsh: If someone came to you and asked you where should I locate my business, what would you tell them, if the city did not have an ordinance? Before this bill would you tell them to stay away from where children were?

Mark Western: I would encourage my clients to visit with the city and work together to solve this.

No neutral.

Hearing closed.

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Hearing Date: February 16, 2009

Recorder Job Number: 9595

Committee Clerk Signature Louis for franch

Minutes:

Chairman Wrangham reopened the hearing on HB 1553.

Rep. Koppelman: I have an amendment I would like to propose. It is different than Rep.

Hogue. I can tell you what it does. See amendment .0103; just add language in Section 8 I would like to add within that is regulated by the county or to a business that is located within.

What that language will do according to Legislative Council is allow not only cities, but counties, if they regulate either way, more restrictive or less restrictive, any of these businesses. Then the state law could not apply to them. (see attachment #1).

Amendment .0101 plus vision as described. Motion Made By Rep. Koppelman; Seconded by Rep. Klemin:

Rep. Headland: Can't the cities and counties do all that now? What is the need for the bill then?

Rep. Koppelman: I was on a city council years ago and we literally across the street from another city and we were a small town and that city had some of the pioneering work on trying to deal with issues like strip clubs and that sort of thing in a community. They drafted what been know as a cabaret ordinance and that ordinance has been used as a model throughout the cities around the state. The most compelling thing I heard is that smaller towns around the

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state don't have things like that on the books, not because they don't care about them, but because it has not been an issue. It is a lot harder to deal with something after the fact than it is before the fact. So the affect of the law if you amend it with this, would be sort of a back stop. Sort of a default position of law in the state that any city or county could overrule with their own ordinance.

Rep. Conrad: There are things here that are not regulated. If a county doesn't have rules on those things does the state law go into effect? Does the county or city have to address everything in this state law to be exempt?

Rep. Koppelman: A city or county could adopt language in their ordinance saying as provided for in law; you are adopting an ordinance that addresses this and this in section so and so by doing that they could I suppose chose to be silent on that and not regulate it. If they did nothing then state law would apply.

Voice Vote Carried:

Motion Made By Rep. Klemin to adopt amend .0102. (see #2). Went over the proposed changes. This would help the situation where the convenience store has some adult books or a clothing store that has lingerie. It is not operated predominantly as a sexually orientated business then they are not subject to this bill. Seconded by Rep. Koppelman:

Rep. Koppelman: This would basically get rid of the concerns addressed about incidental things like a magazine on a shelf or something like that.

Rep. Conrad: What about sexually oriented devices?

Rep. Klemin: I did discuss this with the attorney's and this is sufficient.

Rep. Koppelman: Most or all of the opposition dealt with areas that were already regulated.

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I specifically asked Kim Patterson about her business and she said the city of Fargo and she had worked with the police etc. and the City of Fargo does not classify my business as an adult book store. Do they have a definition of what an adult book store is and you don't fall into that definition and she said yes. So they are a city that is regulating this activity so I think this law would not apply to them.

Rep. Hatlestad: My understanding was that when Senator Hogue stood up he said if the city or county had an ordinance that was less than or more that would take residence. Now you are telling me if mine is less the state is going to step in and stab the rest of it.

Rep. Koppelman: No if that is what I said that was wrong. It is exactly like you said is right.

Chairman Wrangham: Is it less or more or is it point by point. Does the city have an ordinance with naming each specific incident or incidences?

Rep. Koppelman: this act does not apply to sexually orientated business that is located within a county and which is regulated by a county or a business that is located within city limits and which is regulated by ordinance.

Rep. Hatlestad: I am confused. You told Rep. Conrad that if it didn't specifically say it in the ordinance it would be covered by state law.

Rep. Koppelman: My understanding is if a city or county adopts and ordinance more or less restrictive; not a point by point ordinance that deals with every one of these points; any ordinance where they are regulating this kind of a business that that ordinance supersedes and this act does not apply.

There was a lot of discussion on the meaning of the bill and how it would apply.

Chairman Wrangham: I think there is enough here that we could do a do not pass and be done with it.

Voice vote carried on the two amendments.

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Rep. Hatlestad Made A Motion Do Not Pass; Seconded by Rep. Headland:

Rep. Koppelman: Rep. Klemin please goes back and restates your question.

Rep. Klemin: If the city had an ordinance for an adult bookstore; does this law apply to an adult book store and your answer was the act applies to the adult book store.

Rep. Koppelman: I think what you asked was how are they regulated and I thought what you meant was by a city ordinance and my answer was no they are not regulated by the city ordinance. Or my understanding is they wouldn't be regulated by this either because I think the intent here is that if a city or county adopts any kind of regulations to anything named in this act that this act doesn't apply. I think that is what the attempt of the amendment of Senator Hogue's is.

Rep. Klemin: If the city has ordinance which regulates a fiscal agency, but does not regulate any of the other things included in a sexually owned business are all the other business subject to this act or not. Line 17 the opptive word is for; that says a sexually orientated business that any one of the rules are applicable. If that city ordinance does not regulate adult books stores, then this act would apply. Because adult book stores are not regulated by ordinances.

Chairman Wrangham: I think that is an excellent point. I think this is a good start on some model legislation that the League of Cities could prepare and offer to the cities so they could handle this on a local level.

Vote: 6 Yes 7 No 0 Absent Failed

Do Pass As Amended Motion Made By Rep. Koppelman: Seconded By Rep. Nancy Johnson

Vote: 7 Yes 6 No 0 Absent Carrier: Rep. Koppelman

Hearing closed.

90859.0101 Title. Prepared by the Legislative Council staff for Senator Hogue January 28, 2009

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1553

Page 1, line 1, remove "to repeal"

Page 1, remove line 2

Page 1, line 3, remove "restrictions on adult establishments;"

Page 7, replace lines 9 through 11 with:

"SECTION 8. <u>Application</u>. This Act does not apply to a sexually oriented business that is located within city limits and which is regulated by ordinance."

Page 7, remove lines 25 and 26

Renumber accordingly

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90859.0101

Date: 2/16
Roll Call Vote #: /

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. /553

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Motion Made By	Rep. Koppu	lma	<u>ب</u> Se	conded By Rep.	limi	<u>n)</u>
Repres	entatives	Yes	No	Representatives	Yes	No
Rep. Dwight Wra				Rep. Kari Conrad		
Rep. Craig Head Chairman	lland, Vice			Rep. Jerry Kelsh		
Rep. Patrick Hat	lestad			Rep. Robert Kilichowski		
Rep. Nancy Johr				Rep. Corey Mock		
Rep. Lawrence I	Klemin			Rep. Steve Zaiser	<u> </u>	
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90859.0102 Title. Prepared by the Legislative Council staff for Representative Klemin February 13, 2009

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1553

Page 4, line 14, after "means" insert "a business that is operated predominately as"

Page 4, line 17, replace "study" with "studio"

Prepared by the Legislative Council staff for Representative Koppelman February 16, 2009

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1553

Page 1, line 1, remove "to repeal"

Page 1, remove line 2

Page 1, line 3, remove "restrictions on adult establishments;"

Page 6, line 24, replace "7.92" with "1.83"

Page 7, replace lines 9 through 11 with:

"SECTION 8. Application. This Act does not apply to a sexually oriented business that is located within a county and which is regulated by the county or to a business that is located within city limits and which is regulated by ordinance."

Page 7, remove lines 25 and 26

Adopted by the Political Subdivisions Committee February 16, 2009

VR 2/16/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1553

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Page 1, remove line 2

Page 1, line 3, remove "restrictions on adult establishments;"

Page 4, line 14, after "means" insert "a business that is operated predominately as"

Page 4, line 17, replace "study" with "studio"

Page 6, line 24, replace "7.92" with "1.83"

Page 7, line 6, replace "7.92" with "1.83"

Page 7, replace lines 9 through 11 with:

"SECTION 8. <u>Application</u>. This Act does not apply to a sexually oriented business that is located within a county and which is regulated by the county or to a business that is located within city limits and which is regulated by ordinance."

Page 7, remove lines 25 and 26

Date: 2/16
Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1553

House Political S	Subdivisions			Comi	mittee		
Check here for	or Conference Com	mittee					
Legislative Council Amendment Number		r <u> </u>	.0102				
Action Taken DO PASS			DO NOT PASS	AS AMENDED			
Motion Made By Rep. Klemin Seconded By Rep. Kippelman							
Represe	ntatives	es No	Representatives	Yes	No		
Rep. Dwight Wran			Rep. Kari Conrad				
Rep. Craig Headla Chairman	and, Vice		Rep. Jerry Kelsh				
Rep. Patrick Hatle	stad		Rep. Robert Kilichowski				
Rep. Nancy Johns			Rep. Corey Mock				
Rep. Lawrence Kl			Rep. Steve Zaiser				
Rep. Kim Koppeln		-					
Rep. William Kretschmar							
Rep. Vonnie Piets							
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2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1553

House Political Subdivisions						mittee		
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Failed

Date: 2/16 Roll Call Vote #: 4

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1553

House Political Subdivisions					Committee	
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Legislative Council Amendment N	lumber					
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Rep. Dwight Wrangham,			Rep. Kari Conrad			
Chairman		1		<u> </u>	1/	
Rep. Craig Headland, Vice Chairman		~	Rep. Jerry Kelsh	1		
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Rep. Nancy Johnson			Rep. Corey Mock		2/	
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Module No: HR-31-3049 Carrier: Koppelman

Insert LC: 90859.0104 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1553: Political Subdivisions Committee (Rep. Wrangham, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1553 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "to repeal"

Page 1, remove line 2

Page 1, line 3, remove "restrictions on adult establishments;"

Page 4, line 14, after "means" insert "a business that is operated predominately as"

Page 4, line 17, replace "study" with "studio"

Page 6, line 24, replace "7.92" with "1.83"

Page 7, line 6, replace "7.92" with "1.83"

Page 7, replace lines 9 through 11 with:

"SECTION 8. <u>Application</u>. This Act does not apply to a sexually oriented business that is located within a county and which is regulated by the county or to a business that is located within city limits and which is regulated by ordinance."

Page 7, remove lines 25 and 26

2009 TESTIMONY

HB 1553



42

A Trusted Voice

Tom D Freier EXECUTIVE DIRECTOR

House Political Subdivisions Committee February 13, 2009 HB 1553

Mr. Chairman, and members of the House Political Subdivisions Committee, I am Tom Freier with the North Dakota Family Alliance, and am here to support HB 1553.

This bill would put in century code provisions, primarily setting hours of service and location of sexually oriented businesses (SOB). The intent of the bill is to provide for regulation, if the political subdivision has none in place. Most cities and counties have no ordinance in place. And in most instances, it is after the business has located there, the matter of an ordinance is initiated. HB 1553 would put something in place ahead of time.

For those who wish to, this bill would allow political subdivisions to pass local ordinances which would supersede state statute. For those who have existing ordinances, they would be grandfathered in.

While many may have their personal preferences in regard to sexually oriented businesses offering adult entertainment, the basis of this bill and any other regulatory ordinance is supported by what are called 'adverse secondary effects'. Litigation and ensuing case law has upheld constitutionally the introduction and use of 'adverse secondary effects' in the regulation of these sexually oriented businesses. These secondary effects support provisions regulating the hours of service and location.

Today you will hear from those who worked on this issue in their local community. You will be able to get a sense of their passion for the issue, understand the effort required to resolve these issues, and better understand why we feel a statewide law would be beneficial for the resident of North Dakota.

Please give HB 1553 a Do Pass with the suggested amendments proposed by Rep. Klein.

Mr. Chairman, Members of the Committee:

Good morning! My name is Karlee Rauschenberger and I am a resident of Minot.

can still remember how I felt the morning I opened up the newspaper and read that there was an adult oriented business opening on Minot's Main Street. I literally felt sick, like someone had kicked me in the gut.

At the time the new club opened my parents were living across the street in a loft they were renovating. My father witnessed men leaving the club harassing a female downtown resident trying to get into her apartment. Because of this, I felt fear when going downtown to visit my parents in the evening when the club was open.

Adult entertainment businesses bring with them fear into the areas they establish themselves — and why not...studies show again and again the link between adult entertainment/pornography and violent crime. In a 1989 interview with Dr. James Dobson, Ted Bundy talked about how he started out reading soft-core pornography; this fueled an addiction that led to more aggressive material until he reached a jumping off point where he began to wonder if actually doing it would give him what was just beyond looking at it. Alcohol broke the restraints and reduced his inhibitions for him to commit his first murder.

B 1533 is a proactive bill that establishes statewide guidelines for the location of sexually oriented businesses. It will provide SOB owners with specific criteria to follow when locating their businesses, protect the safety and welfare of the general public, and allow citizens to go about their daily lives without exposure to these businesses in family friendly areas such as schools, churches, and daycare facilities.

In an article in the Minot Daily News, Bob Buckhorn, a former city councilman in Tampa, FL lamented that the adult entertainment industry is "Like cockroaches. If you don't stay on top of it, it will infect and run you over."

Many of my friends from high school are moving back to ND to raise their families due to the safety and strong values of our state. It is the perfect time to pass HB 1533 and protect what many North Dakotans' hold dear.

February 13, 2009

Hello, my name is Mark Frueh. I am speaking out to you today to urge you to pass HB1553, new legislation patterned after the Mandan and West Fargo city ordinances to better regulate sexually oriented businesses in the state of North Dakota. I have lived in the Minot community most of my 50 plus years and have always enjoyed the relative peace and safety that our community offers its residents. I've made it a point to mind my own business and pursue life, liberty, and happiness. When news broke that a new strip club downtown wanted to be called "Sin, take a break from being good", I could no longer sit back and pretend that what goes on in our city is none of my business. I started looking at how we regulate these kinds of businesses and what kind of effects they have on every one of us who live here. What I saw and read startled me. I could no longer sit back and say nothing. We can limit some of the negative effects of these businesses on our cities and the citizens who live there by enacting the strongest legislation possible. So, I am urging you today to put into place HB1553 to protect our communities statewide that do not already have strong legislation in place regulating sexually oriented businesses.

Pat Trueman is a special prosecutor and litigator with the Alliance Defense Fund and former Chief of the Child Exploitation and Obscenity Section, Criminal Division, U. S. Department of Justice, Washington, D.C. from 1988 to 1993. While there, he supervised the prosecution of child sex crimes, child pornography, and obscenity. He managed an office of twenty prosecutors and support staff and worked with the nation's ninety-three United States Attorneys to initiate and coordinate federal prosecutions. He shares these facts in matters regarding sexually oriented businesses:

"Sexually oriented businesses, commonly referred to as SOBs, are rapidly proliferating throughout America... But, there is one predominant reason for the proliferation. It is the green light given SOBs by counties and communities throughout America. That green light is the lack of proper zoning and licensing requirements for such businesses.

SOBs are popping up in small and large towns, rural areas, poor neighborhoods and upper-class neighborhoods, in communities near interstate highways as well as seemingly out of the way areas. They are indiscriminate. With them comes a raft of problems.

...In nude dancing establishments, patrons and dancers often engage in public sexual contact. Private dances are opportunities for acts of prostitution. With the arrival of SOBs, HIV-AIDs and other sexually transmitted diseases soon flourish within the communities. Sexual assault, rape, and even child prostitution spread. Illicit drug sellers find a home in and near such businesses. In short, SOBs are health hazards and crime magnets. They can overwhelm local law enforcement agencies. In addition,

the neighborhoods or business districts surrounding sex businesses become blighted and suffer declines in property values.

The problems associated with sexually oriented businesses, both inside and outside the establishments, are universal. They are referred to as the "negative secondary effects" of SOBs. Yet, all SOB owners/promoters claim that their business will "be different" and that they will run a "clean business" when seeking new locations. They promise an increase to the tax base, increased employment and many other benefits. However, the facts are against them. Numerous communities have conducted impact studies of SOBs. They demonstrate that SOBs deplete, not increase, community resources. They attract troublesome clients and problem employees. They are bad for nearby businesses, churches, schools and residences."

Considering these nationwide facts, isn't it time that we take a good hard look at the negative secondary effects sexually oriented businesses have in our own communities? What is the cost to business owners and citizens who have invested millions of dollars over the years to revitalize their communities only to have the intended result hamstrung by these negative secondary effects of these businesses? Do their customers want to continue to patronize them when they feel uncomfortable or even unsafe while they are shopping there? Isn't it our responsibility, as empowered citizens who represent our communities, to do everything legally possible to protect our citizens who live, work, and shop here in North Dakota from those negative secondary effects?

With those things being said, the First Amendment gives these sexually oriented businesses a right to do business. That isn't what is in question here today. One of the biggest reasons new legislation is needed is to lessen their negative impact and protect our citizens. If we don't act to protect them then who will? We need and should do everything we can to draft legislation that addresses these concerns. I hope that we will do everything in our power to see to it that the laws of our State are the strongest legally possible regarding these issues and are at the least, up to par with other major cities in North Dakota. HB1553 is modeled after excellent legislation regarding sexually oriented businesses in Mandan and West Fargo.

Thank you for the time you invest for the good of the citizens of North Dakota and for your careful consideration regarding these matters.

Sincerely,

Mark Frueh



Good Morning Mr or Mrs Chairman and Committe Members

My name is Barry Pausch and I am the owner of the Oasis Bar in Wahpeton and my business features topless dancing. I would like to give a short history of my business.

The Oasis Bar started topless dancing in 1967. My father purchashed the bar in 1976 and in 1994 I purchased it from him, my son Matt is now the mananger of my business and is hoping to be the 3rd generation to own this business.

My bar has been in the same location from the start back in the early 60's and since then there is a small church that just started across the street, a day care in the back of the parking lot, a liberary down the block, there is a Kids connection were parents exchange visitation with their children that moved in less than 2 years ago. If the Adult Entertainment is such a big deal then why do these business choose to start up next door to me?

The Oasis has been in business over 40 years (30 of these years I have been the manager or owner) and in all of these years we have not had any issues with our topless entertainment until 1996 when a group of citizens tried to shut us down. At that time I requested a vote to the citizens of Wahpeton and the City of Wahpeton granted this vote. A special election was done to keep or stop the Topless dancers in town. We won this vote to keep our Adult entertainment and to this date we contintue featuring our dancers without any complaints or problem with the City or any citizens in town.

We are regulated by the City and after this vote the City established the Cabaret license and set forth the rules that I have to operate by. Our stage in behind the bar about 4-5 feet back, a very strict no touch policy is enforced. Our staff is our security and controlls what is going on each night. We have also security video that can be reviewd by the city at any time.

I appricate your time to let me speak on the behalf of my buisiness, by passing this bill would shut my family business down and with the ecomony today one more empty building in a small town is devistating to our city and to my families income and my staff's income. Please do not pass this bill.

AT This Time, I will answer any questions-



#6

Testimony of Mrs. Kim Patterson February 13, 2009 Before the House Political Subdivisions Committee of the North Dakota House of Representatives

My name is Kim Patterson; I own a lingerie store in Fargo. My store is 2,000 sq. ft. of lingerie that is open to all ages. I have a back room, which you must be over 18 to enter, with bachelor and bachelorette party supplies and adult products. House bill 1553 most likely would make me an adult store causing me the expense of relocating my business. I'm apposed to this bill because it violates my customer's right to choose what is appropriate for them. It will take the responsibility away from parents concerning the protection of their children, and it will also increase unemployment and cause a loss of revenue in North Dakota.

I have chosen to have many items behind doors even though they are not adult, we do have customers bring young children into the store and have chosen not to expose them to this other product. Many of these same items can be found at Spencer Gifts in malls in plain sight. I'm also a mother and know how important it is to protect our children from adult themes that can rob them of their innocence. This is my job as a parent; I don't expect others to do it for me. I resent that the State of North Dakota doesn't think I know what is and what is not suitable for my children. From the outside my business looks like Victoria's Secret, having children in the neighborhood by my store will not harm them. This Bill will not protect children in any way.

The city of Fargo doesn't classify my business as an adult bookstore. My business is located on 25th Street south and there is a trailer park across the street therefore I would be forced to move under the new rules. I feel the speed of the traffic on 25th Street is more of a threat than my store.

The "adult" products are a small part of my business. This includes products for E.D. and Kegel exercisers that doctors recommend to their patients and send them to us to purchase. We are a safe store where women can come in alone, day or night, and not have to worry about other customers or walking back to their cars. Our customer base is largely females and couples. A lot of these women would not be comfortable shopping in a typical adult store. If I close my doors where will these women find a safe environment to purchase these products?

The language, regarding adult products and if a store is considered adult, is so vague that drug stores, newsstands, bookstores, video stores, and the lingerie department at stores such as JC Penny's could fall into this category. The city of Fargo has done a good job of handling these issues and I think other cities are probably doing the same things. This should be a local government issue. I feel that this Bill will do more harm than good. The changes that businesses will have to make will cause financial hardships to small businesses, possibly

causing some to close. If this happens it will mean a loss of jobs. This Bill will not stop anyone from buying these items; it will stop people from buying them in North Dakota. Customers will just go on-line and order them, sending dollars out of state.

We the public have elected you to lead and serve us not to parent and discipline us. Let us not move back to the Stone Age. Together we can keep North Dakota moving forward. Thank you for your time and please vote against this Bill.

TESTIMONY OF MS. GRACE DELLING FEBRUARY 13, 2009 BEFORE THE HOUSE POLITICAL SUBDIVISIONS COMMITTEE OF THE NORTH DAKOTA HOUSE OF REPRESENTATIVES

Mr. Chairman and members of the Political Subdivisions Committee. My name is Grace Delling from Williston, North Dakota. I am here representing myself. I am the owner of Whispers Inc in Williston and we offer adult entertainment.

I oppose House Bill 1553 for a number of reasons. I have 14 employees not including my dancers that are relying on me to pay them so they can pay their bills and that is not including Williston State College Gaming employees (a non-profit organization), my accountant, my attorney or the beer and liquor distributors who would also be losing business if this bill passes. Our country is already going through a recession; oil prices are dropping and people are already leaving North Dakota because of this. Why would the State want to promote more people to leave? I would like to think that we are in favor of people staying here.

In regards to being an adult entertainment establishment, this is true, I am; however, I am not located near any schools, churches, child day cares or residential areas. There is a park located across the street from my club but it is not used for any reason and there is no playground equipment on it to generate people using on a regular basis so other than twice a year when we have a parade is this park utilized. When this happens, my club is not open at that time. It should be a people's choice if they want to patronize my club. I don't advertise in any local newspapers or on TV. I keep a low profile and have never caused any problems with the state, city or law enforcement.

The clubs that would be affected by the passing of the bill have been in the same area for many years. The dancers when they come into our club, stay in our local hotels, eat in our restaurants and shop in our stores. This, in turn, generates money to both the city and state. I believe this should be a city/county decision rather than state since it will only affect a few districts within the state. The State of ND drinking age is 21 and I believe at age 21, you are an adult and should be able to decide if you want to enter an adult entertainment club or adult bookstore.

When I opened my club 10 years ago, the city attorney (at that time) Kent Reierson and I sat down and derived a list of rules that my dancers would have to follow to be able to work in my club and we presented it to the Williston City Commission. The City Commission approved these rules and my business opened.

My alcohol license states that I have a general on-sale beer license and a general on-sale liquor license. No where on this license does it state that I am predominately a sexually oriented club. My clientele primarily enters my club for alcohol. If I was forced to close my club, the state and local entities would be affected. I pay a fair amount of taxes every quarter to both and believe it would hurt to eliminate those monies.

This country was founded with a purpose and intent. To live in a land where we could choose ... choose our job, choose our religion and choose our belief system. Our State wants to take away these rights and these choices. I urge you to vote "No" on House Bill 1553. We cannot afford to lose any more people from ND.

I would like to thank Chairman Wrangham and members of the committee for the opportunity to testify on my behalf. If anyone has any questions, I will try to answer them.



WHISPERS

POLICIES AND DANCER CONTRACT



- 1. Dance Hours are from 5:10pm to 12:30am. Be in Bar by 4:30pm and do not leave until her last set.
- 2. Dancers will wear a G-String & Pasties or another form of nipple cover. Keep back of G-string up at all times. You must keep your chest covered when walking around in the bar, unless you are on stage.
- 3. Dancers will pay full price for drinks. (1st. drink is free.) Excessive drinking will not be tolerated.
 - a. Bartender or Barmaid will stop serving you if they feel you have had to much to drink.
- 4. Dancers sets are 20 minutes long, if four girls 15 minutes. Sets start at 5:15 sharp. You do not have to wait for the next dancer to start their set, when your set is done leave, but leave music going.
- 5. Dancers will have their music selected before their set and start their set on time. If dance room curtain is down do not change music until song is finished.
- 6. ABSOLUTELY NO DRUGS ON PREMISES.
- 7. NO SOLICITATION OF ANY KIND.
- 8. Turn in your Ones to the bartender or waitstaff every set or nightly.
- 9. Tip bartender, Waitstaff and Bouncer \$10.00 each every night. Pay \$5.00 ASCAP at end of week.
- 10. NO LAP OR TABLE DANCES on the floor. Do not sit on patrons laps.
- 11. Bouncer will be present during all private dances. Only one dancer allowed in room before 8:00 PM.
- 12. No lewd or obscene behavior. (No flashing, Do not let customers touch you.)
- 13. Pick up dressing room every night.
- 14. Keep one foot on floor at all times. (No sitting on the tables or going under the tables.)
- 15. No boyfriends or husbands allowed in the bar during work hours.
- 16. Dancers and bar employees only in dressing room. No personal calls or cell phones on stage.
- 17. Treat female customers the same as male customers. Do not lift their shirts up.
- 18. Dancers will be paid at closing Saturday night. In order to get paid you must work all week. (Monday Saturday). If you leave early, you will break this contract and will not be paid.
- 19. Maintain professional conduct at all times. Arguing with Patrons/Employees or other dancers will not be tolerated.
- 20. PRIVATE DANCES. You must give the bar \$20.00 before your first dance. Do your dances ASAP. No flashing. You can touch them but they cannot touch you. Do not touch their genital area with your hands.
- 21. Your tickets are your responsibility. If you lose them you won't get paid. Make sure you collect your tickets when you finish your lap dance.
- 22. Dancers are not allowed to play Blackjack or Jars when they are on duty.
- 23. Pay will be \$_____per week.

I have read this contract and agree to follow the rules and policies of WHISPERS at all times. Breaking any of these rules will result in a fine and/or termination.

DANCER SIGNATUREADDRESS		DATE	
HOME PHONE	CELL		
EMPLOYEE SIGNATURE		DATE	

Against House Bill# 1553 (closing of ND Strip Clubs)

marress Jame more # Bob Thompson 5505 1342 ax, N.W W. 1/15bn 2 Doug Walker 3 JAMES PREPSEN 1608 26th Stw Apt 207 Williston 70177018. 86 4M STW. WKYSIN 701-572-0073 5480-133 AVENW, Williston 701-714-8302 5 To Reg Harron PO BOX 7 Zahl ND 701 694.4776 1220581 In STNW/Alame ND W. Leidy Henderson 101-539-5363 1510 Bison Dr #317 701-710-2801 1510 Bison Dr #317 701-770-7874 6881 131 Ave New 701-826-354 7 Jeven Delling s Kapent 3 trout 9 Man Valleich 10 Ven that 1714 4 4 Acc Westillister 01-5-70-876 1711 S. 92nd St. West Allis, WI (414) 734-10 8066 SE 7th AVE, Portland, CR (503) 442-1071 11) folanda pear 12 Barah Short 13 Cortney Pittger Gerard 14 Kyle Hauge 1303 10th St Willisten 701-120-2906 PO Box 2272 S8702 70, 240-958 PO Box 2272 S8702 70, 240-958 15: Bryce Hauge 1303 10th SXW 58801 16 Judy Dieta 615 6th Ave w williston 18701-770-504 17 Travis Jensen 7 South Main & Williston ND 5003) 18 Jam Helson 19 Saul Stromm 3115 147 th Ave NWW:11:5205 N.D. 15201 Roca Rd Bennet NE683, 618 Main St Williston ND 770-0922 21 Jaron Juns In Spice Erobaco BIL 11.18th St. #2 Superior WI 51740 2601 18th Cout W W/lista ND 58801

Against House Bill #1553 (chosing of MD strip chubs)

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AGAINST HOUSE BILL 1553 (closing ND Strip clubs) must have add & phone

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	143 Jarred	& E. Broadway	701-570-0487
	144 Bab reider 3		701-72-0911
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	146 Rob Gen Bankon	RO, Box 12/ Williston	406-489-020
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,	148 OSh Kone 1	PoBox38TRendon	101-121-3973
	149 Jeremiah Komer	POBOX 38 Trenton	4011=>0-45E
	150 Jerone Billings	2600 University Are Let 59	701-570-1379
	151 John Klidson 3	260 University Are Let 59 12 41th SE	701 570-2487
	152 Vade Olson	411 4th Ave W5880	1 910-54/4
	153 Devon Olson	4/1 4th Avenuest	701 572 8024
	154 Ray W. Jon	411 4Th Ave. W. Willow	78/570-3797
	15 Moch Milmud	Box 452 New Town ND	701-627-2969
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Against House Bill #1553 (Closing of ND stripclubs)

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Organist House Bill # 1553 (closing of ND stypelubs)

-	Name	address	phone #
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1	Mhonda Kobk	521 37d AVE &	201770/670
	Solumy Crows	602 209 Aye E	701 770-4677
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So	LOU Cayness	PO 130x 942	701 570 8466 1
51	WADE GAFKI	PO BOX 942 100 x 427/9 mo, ND 58830 1118 University	701-826-319
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Against House Bill #1553 (closing of ND Strip clubs)

address phone # 59 Robust Soulsand 508 2nd Ave. (701)-570-6998 90 UE pale (701) 651-0818 1216 Z4+15+ W. (701) 270-6850 1831 (vest St. 91 William Ostwald (701) 770-1694 304 2nd StE. 92 Melton Welliamo 201-270-1644 93 Tommy anoleson 304 Ind StE. 94 Waything 2031 Parkway Dr. 95 Manyand March 616 14thore a 46 Jolan Jolge 7017204913 310011 Acsel57 97 Mile Bloms 701-88-1171 98 lameron Liepte 1311 Main 5+. 701-770-5034 701-770-2254 1511 13th Ave W 99 Nick Gers 951-065-5234 100 Jugin Moult 1545 DUTH St 15 101 Myan Forsen 1718 37th 5+6 102 Cody Which 701-770-2371 103 Sou home 1510 Bison Dr APT 306 701-570.8749 104 Jean British 701 471-1712 1718 37th Stw 105 mk 26 101-400-4727 164 Pormy Kirchoff Amegaurd 701-586-3045 404 W Broadway 701-570-9995 107 Ben Feisher 1423 18th St. W 701-500-2063 101 Levi Liephe 1453 18th St. W 701-890-2485 107 Kris Liephe 701-570488 Celle 15th Are W 110 Krissy Olson

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against House Bill 1553 (Clusing of ND Strip Clubs) must have address & phone

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NAME	ADDRESS	PHONE
241 Bob Garderon	1018 28 Street West Willista	107-572-1868
242 Lisa Cunderson	1018 28+ Street West Williste	701576-1868
243 2/	3912 19BAVEVIN	507-as1 630
244	5/2 42 5 tw	770 450)
245 Xel Xen	3912 14A00	770-6696
246 Verson Enorberg	3912, 19AME E	774-1245
247 Jeff Hoakens	POBOX 2742	570.9070
247 feff Howhery	1911 Sionx87	570-9934
249 Travis Norberg	1911 STOUX ST	260-5870
250 Tom Decine		774-1090
251 Papa goe	Williston	471-7344
20 Mil Zare	Willrston	261-6348
253 K Drotu	Willitan	770-0068
254 Brian Raines	110 Greentleebelgpade M	T 532-8476
255 AS Fal	BELGRADE) 19-1116-
266	MI	579-1113
257 Jeff Benson	402 8th St. W.	572-0094
258 Kevin green	Willeston	577-7723
259 Floyd Londy	Poplar, MT	406)480-2118
260 R. Rus	Cat Book M	406) 873-5000
261 Milasto Hazel	SLC, Ut 5042 133 Ave Williston	701-828-3157
26 Clarkferne		701 570 3297
263 Keid Let	10025Th S+W	701-572-0081
24 Kevin Benzel	28505 CR71 COLURADO 80726	1-970-520-7427
365 Jacob George	Casper WY.	307-267-8221
10 Hhars	Sidney M	908-488-7000
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267	CURT M franch 2019 8 Are EAST	570-2632
268	Jeff Watts 1224 6th St Wast	572-7080
269	Lynefe Watts 1224 6 5 FW-WII:storap.	572-7080
270	Rede Vine 14/de/ for w	778-7640
:271	Denos Helber 1723 3. och stw	770-8905
272	Called blocky 1723 30th Stru	770-1317
273	Crais groto 5289 139AV NW W:11.57C	774-8463
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	Travis Bosch 1700 25th Aves Apt 104	
	James Alexander 1710 16th AUE NW Apt 809	701-337-6276
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279	Scott vollmath 1700 25th Ave 5 Act 104	701-214-9450
	James Heilman 1700 25 Ave & Apt 104	701-540-7129
2	Steve Lyd 13251 B Hay 1804 Willis	star 701572 9331
282	Dusty Smith 1138 E Ridge Ct Williston Al	0 701-5500303
283	Richard Isom 1138 1= Ridge Ct. Williston 1	
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1287	; — (<i>p</i> -	701-572-3463
288	Chad hurburski 2220-29 mwest#20	101-52-3442
281	Chad hurburshi 222029 muest#20	307-674-780
$\rightarrow \frac{\gamma_v}{\gamma_{11}}$	Angela Mikay 1007 W. Broddway H195 142 MV Williston MK 1007 W. Boly Williston	701-770-6987 10 701-770-2896
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TESTIMONY OF MR. KERRY FERNHOLZ FEBRUARY 13, 2009 BEFORE THE HOUSE POLITICAL SUBDIVISIONS COMMITTEE OF THE NORTH DAKOTA HOUSE OF REPRESENTATIVES

Members of the Political Subdivisions Committee and Mr. Chairman:

My name is Kerry Fernholz and I am the owner and proprietor of The Northern, a gentlemen's club located in Fargo, North Dakota. I am here to testify against House Bill 1553 for several reasons, the most important of which is that the passage of House Bill 1553 will cause my business' doors to close, or be subject to criminal prosecution. In a time where our national economy is in freefall and unemployment is rising, the last thing the legislature should do is spend time enacting legislation that shuts down businesses and causes people to un-necessarily lose their livelihoods and well being. My business employs approximately 45 people on a full or part time basis and has a monthly payroll of more than \$40,000.00. Passage of this bill will cause many people to lose their jobs and destroy their ability to support themselves and their families.

I am also against House Bill 1553 because I believe that it causes the State of North Dakota to inappropriately encroach on what has thus far been a city, a county, or a local decision. Regulation of adult establishments is best left to be considered by city councils, city commissions, or county commissions. House Bill 1553 simply mandates a "one size fits all" approach to an issue that has been regulated by local government units appropriately and without much fanfare for decades.

What may work in Fargo may not work in Stanley or Rugby. What may be best for Mandan may not be best in Grand Forks, or in Williston.

Local city and county leaders are the best people to determine the needs of their communities. It is true that adult establishments have been prohibited in many North

Dakota cities, but it should be a city's decision how to regulate gentlemen's clubs and other adult businesses. This bill attempts to "fix" a problem that doesn't exist. You know what they say; "if it ain't broke, don't fix it." Mr. Chairman and members of the committee, this bill is a solution in search of a problem.

The logic employed by the Senate in voting down Senate Bill 2170, which was defeated last month by the full Senate 45-1, should also guide this committee in its determination of this Bill. Senate Bill 2170 provided for the registration of nude entertainers by the State Tax Department. The Senate defeated the bill overwhelmingly because they considered it a local issue. If a city or county wants to require registration, the onus should be on that political subdivision. As with Senate Bill 2170, this is an issue that should be handled at the local level.

The City of Fargo spent a significant amount of time dealing with this issue in the late 1990s and was able to work out an arrangement that has been successful for the last dozen years. By trampling over city ordinances that have required considerable effort by city and local government units, the State would be essentially telling cities that their efforts on the issue have been wasted or unnecessary, the State knows best.

North Dakota is the safest state in the union. Was this bill introduced because it could help reduce crime? I doubt it. I cannot find empirical evidence that suggests that there have been any more arrests or greater criminal activity at adult establishments in the State of North Dakota as opposed to nightclubs, bars, lounges, or casinos. The proponents of this legislation may have studies that suggest one conclusion or another, but I am not aware of any evidence that ties this conclusively to the State of North Dakota.

North Dakota does not need another law to supposedly protect us from ourselves. If citizens want to visit and patronize adult establishments, they should be able make that choice for themselves. If people do not wish to patronize because of moral reasons or any other reason, I respect their decision. Unfortunately, it appears that they do not respect other people's right to make choices for themselves.

The proponents of this bill will characterize their actions as only "regulating" this industry. However, make no mistake, I believe it is their goal to shut down every business that is contrary to moral beliefs. Such a view represents intolerance and is narrow minded. North Dakota is not an intolerant place, or at least it should not be. North Dakota is not a narrow minded state, or at least it should not be.

I suspect that the authors and sponsors of House Bill 1553 believe that they are protecting the public from something, though I am not sure who they are protecting. However, by introducing this bill under the guise of "protecting" us, this bill would essentially say that North Dakota residents are unable to make decisions for themselves. Instead, members of the legislature are more knowledgeable and better equipped to make decisions about where citizens should spend their time and with whom they should be permitted to associate. North Dakota doesn't need to take a leap into the 1950s, or some other place and time.

This Bill is bad for business, it is bad for cities and local control, and it is bad for North Dakotans who desire the opportunity to make choices for themselves, and I would urge members of this committee to recommend the bill do not pass by the whole House.

Members of this committee, please recommend House Bill 1553 Do Not Pass before the full House. I yield, Mr. Chairman.