

# HOUSE BILL No. 5972

May 9, 2018, Introduced by Reps. Love and Garrett and referred to the Committee on Regulatory Reform.

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 212 and 303a (MCL 339.212 and 339.303a), section 303a as amended by 2014 PA 265, and by adding article 14B.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 212. **(1)** The department shall prepare and publish an  
2 annual report describing the activities of the department and each  
3 agency created pursuant to ~~UNDER~~ this act. The **DEPARTMENT SHALL**  
4 **FILE THE** annual report ~~shall be filed~~ with the governor and the  
5 legislature.

6           **(2) THE REPORT SHALL INCLUDE THE FOLLOWING INFORMATION ABOUT**  
7 **THE DEPARTMENT'S ADMINISTRATION AND ENFORCEMENT OF ARTICLE 14B:**

8           **(A) THE NUMBER OF ADULT ENTERTAINMENT BUSINESSES, AS DEFINED**  
9 **IN SECTION 1471, THAT ARE CURRENTLY LICENSED IN THIS STATE.**

1 (B) THE AMOUNT OF FEES COLLECTED AND FINES PAID UNDER ARTICLE  
2 14B IN THE PREVIOUS YEAR.

3 (C) THE NUMBER OF VIOLATIONS OF ARTICLE 14B INVESTIGATED IN  
4 THE PREVIOUS YEAR AND THE OUTCOME OF EACH INVESTIGATION, INCLUDING  
5 ANY PENALTIES ASSESSED UNDER ARTICLE 6.

6 Sec. 303a. The term of office of a member of a board appointed  
7 under this article shall commence on 1 of the following dates, as  
8 applicable:

9	Accountancy	July 1
10	<b>ADULT ENTERTAINMENT BUSINESSES</b>	<b>JULY 1</b>
11	Architects	April 1
12	Barbers	October 1
13	Collection agencies	July 1
14	Cosmetology	January 1
15	Employment agencies	October 1
16	Hearing aid dealers	October 1
17	Land surveyors	April 1
18	Landscape architects	July 1
19	Mortuary science	July 1
20	Professional engineers	April 1
21	Real estate appraisers	July 1
22	Real estate brokers and salespersons	July 1
23	Residential builders	April 1

24 **ARTICLE 14B**

25 **ADULT ENTERTAINMENT BUSINESSES**

26 **SEC. 1471. AS USED IN THIS ARTICLE:**

27 (A) "ADULT ARCADE" MEANS A COMMERCIAL ESTABLISHMENT IN WHICH,

1 FOR ANY FORM OF CONSIDERATION, 1 OR MORE STILL OR MOTION PICTURE  
2 PROJECTORS, SLIDE PROJECTORS, COMPUTER-GENERATED OR ENHANCED  
3 PORNOGRAPHY, PANORAMA OR PEEP SHOW, OR SIMILAR MACHINES, OR OTHER  
4 IMAGE-PRODUCING MACHINES, FOR PERSONAL VIEWING, ARE USED TO SHOW  
5 FILMS, MOTION PICTURES, VIDEOCASSETTES, SLIDES, OR OTHER  
6 PHOTOGRAPHIC REPRODUCTIONS THAT PROVIDE MATERIAL FOR INDIVIDUAL  
7 VIEWING BY PATRONS ON THE PREMISES OF THE ESTABLISHMENT THAT ARE  
8 CHARACTERIZED BY AN EMPHASIS ON THE DEPICTION, DESCRIPTION, OR  
9 SIMULATION OF SPECIFIED ANATOMICAL AREAS OR SPECIFIED SEXUAL  
10 ACTIVITIES.

11 (B) "ADULT ENTERTAINMENT" MEANS ANY DANCE, AMUSEMENT, SHOW,  
12 DISPLAY, MERCHANDISE, MATERIAL, EXHIBITION, PANTOMIME, MODELING, OR  
13 OTHER SIMILAR PERFORMANCE OF ANY TYPE FOR THE USE OR BENEFIT OF A  
14 MEMBER OF THE PUBLIC OR ADVERTISED FOR THE USE OR BENEFIT OF A  
15 MEMBER OF THE PUBLIC THAT IS CHARACTERIZED BY AN EMPHASIS ON THE  
16 DEPICTION, DESCRIPTION, OR SIMULATION OF SPECIFIED ANATOMICAL AREAS  
17 OR THE EXHIBITION OF SPECIFIED SEXUAL ACTIVITIES, OR IN THE CASE OF  
18 LIVE ADULT ENTERTAINMENT PERFORMANCES, THAT EMPHASIZES AND SEEKS TO  
19 AROUSE OR EXCITE A PATRON'S SEXUAL DESIRES.

20 (C) "ADULT ENTERTAINMENT BUSINESS" MEANS ANY ESTABLISHMENT  
21 THAT PROVIDES ADULT ENTERTAINMENT, INCLUDING, BUT NOT LIMITED TO,  
22 AN ADULT ARCADE, ADULT MOTION PICTURE THEATER, ADULT RETAIL  
23 ESTABLISHMENT, OR EXOTIC DANCE STUDIO.

24 (D) "ADULT ENTERTAINMENT MATERIAL" MEANS ANY BOOKS, MAGAZINES,  
25 CARDS, PICTURES, PERIODICALS, OR OTHER PRINTED MATTER, OR  
26 PHOTOGRAPHS, FILMS, MOTION PICTURES, VIDEOTAPES, SLIDES, OR OTHER  
27 PHOTOGRAPHIC REPRODUCTIONS OR VISUAL REPRESENTATIONS, OR CDS, DVDS,

1 DISKS, ELECTRONIC MEDIA, OR OTHER SIMILAR MEDIA, OR INSTRUMENTS,  
2 DEVICES, EQUIPMENT, PARAPHERNALIA, TOYS, NOVELTIES, GAMES,  
3 CLOTHING, OR OTHER MERCHANDISE OR MATERIAL, THAT ARE CHARACTERIZED  
4 BY AN EMPHASIS ON THE DEPICTION, DESCRIPTION, OR SIMULATION OF  
5 SPECIFIED ANATOMICAL AREAS OR SPECIFIED SEXUAL ACTIVITIES.

6 (E) "ADULT MOTION PICTURE THEATER" MEANS A COMMERCIAL  
7 ESTABLISHMENT IN WHICH FILMS, MOTION PICTURES, VIDEOCASSETTES,  
8 SLIDES, OR SIMILAR PHOTOGRAPHIC REPRODUCTIONS CHARACTERIZED BY AN  
9 EMPHASIS ON THE DEPICTION, DESCRIPTION, OR SIMULATION OF SPECIFIED  
10 ANATOMICAL AREAS OR SPECIFIED SEXUAL ACTIVITIES ARE REGULARLY SHOWN  
11 FOR ANY FORM OF CONSIDERATION.

12 (F) "ADULT RETAIL ESTABLISHMENT" MEANS ANY BOOKSTORE, ADULT  
13 NOVELTY STORE, ADULT VIDEO STORE, OR OTHER SIMILAR COMMERCIAL  
14 ESTABLISHMENT, BUSINESS, SERVICE, OR PORTION OF AN ESTABLISHMENT,  
15 BUSINESS, OR SERVICE, THAT FOR MONEY OR ANY OTHER FORM OF  
16 CONSIDERATION PROVIDES AS A SIGNIFICANT OR SUBSTANTIAL PORTION OF  
17 ITS STOCK-IN-TRADE THE SALE, EXCHANGE, RENTAL, LOAN, TRADE, OR  
18 TRANSFER OF ADULT ENTERTAINMENT MATERIAL, OR PROVIDING ADULT  
19 ENTERTAINMENT MATERIAL FOR VIEWING OR USE OFF THE PREMISES OF THE  
20 ESTABLISHMENT. ALL OF THE FOLLOWING APPLY FOR PURPOSES OF  
21 DETERMINING WHETHER A BUSINESS IS AN ADULT RETAIL ESTABLISHMENT:

22 (i) THERE IS A REBUTTABLE PRESUMPTION THAT 30% OR MORE OF A  
23 BUSINESS'S STOCK-IN-TRADE IN ADULT RETAIL MATERIAL, BASED ON EITHER  
24 THE WHOLESALE OR RETAIL DOLLAR VALUE OR THE NUMBER OF TITLES OF  
25 THAT MATERIAL, IS SIGNIFICANT OR SUBSTANTIAL.

26 (ii) IN DETERMINING WHETHER OR NOT THE PRESUMPTION DESCRIBED  
27 IN SUBPARAGRAPH (i) IS REBUTTED, THE DEPARTMENT MAY CONSIDER 1 OR

1 MORE OF THE FOLLOWING FACTORS, WHICH ARE NOT CONCLUSIVE:

2 (A) WHETHER MINORS ARE PROHIBITED FROM ACCESS TO THE PREMISES  
3 OF THE ESTABLISHMENT DUE TO THE ADULT ENTERTAINMENT NATURE OF THE  
4 INVENTORY.

5 (B) WHETHER THE ESTABLISHMENT IS ADVERTISED, MARKETED, OR HELD  
6 OUT TO BE AN ADULT MERCHANDISING FACILITY.

7 (C) WHETHER ADULT ENTERTAINMENT MATERIAL IS AN ESTABLISHMENT'S  
8 PRIMARY OR 1 OF ITS PRINCIPAL BUSINESS PURPOSES.

9 (D) WHETHER 30% OR MORE OF AN ESTABLISHMENT'S REVENUE IS  
10 DERIVED FROM ADULT ENTERTAINMENT MATERIAL.

11 (iii) AN ESTABLISHMENT MAY HAVE OTHER PRINCIPAL BUSINESS  
12 PURPOSES THAT DO NOT INVOLVE THE OFFERING FOR SALE OR RENTAL OF  
13 ADULT ENTERTAINMENT MATERIALS AND STILL BE CATEGORIZED AS AN ADULT  
14 RETAIL ESTABLISHMENT. AN ESTABLISHMENT THAT HAS OTHER PRINCIPAL  
15 BUSINESS PURPOSES DESCRIBED IN THIS SUBPARAGRAPH DOES NOT EXEMPT  
16 THE ESTABLISHMENT FROM BEING CATEGORIZED AS AN ADULT RETAIL  
17 ESTABLISHMENT IF AT LEAST 1 OF ITS PRINCIPAL BUSINESS PURPOSES IS  
18 OFFERING FOR SALE OR RENTAL, FOR SOME FORM OF CONSIDERATION, ADULT  
19 ENTERTAINMENT MATERIALS.

20 (iv) THE DEPARTMENT HAS FULL DISCRETION TO GIVE APPROPRIATE  
21 WEIGHT TO THE FACTORS DESCRIBED IN SUBPARAGRAPHS (i) TO (iii) IN  
22 DETERMINING WHETHER A BUSINESS IS AN ADULT RETAIL ESTABLISHMENT,  
23 AND ANY OTHER FACTORS THE DEPARTMENT CONSIDERS APPROPRIATE  
24 DEPENDING ON THE PARTICULAR FACTS AND CIRCUMSTANCES OF AN  
25 APPLICATION FOR A LICENSE.

26 (G) "EMPLOYEE" MEANS AN INDIVIDUAL, INCLUDING, BUT NOT LIMITED  
27 TO, A MANAGER, ENTERTAINER, OR INDEPENDENT CONTRACTOR, WHO WORKS IN

1 OR AT OR RENDERS ANY SERVICES DIRECTLY RELATED TO THE OPERATION OF  
2 ANY ADULT ENTERTAINMENT BUSINESS, WHETHER OR NOT HE OR SHE IS PAID  
3 COMPENSATION BY THE OPERATOR OF THE ADULT ENTERTAINMENT BUSINESS.

4 (H) "ENTERTAINER" MEANS AN INDIVIDUAL WHO PROVIDES LIVE ADULT  
5 ENTERTAINMENT IN AN ADULT ENTERTAINMENT BUSINESS, WHETHER OR NOT HE  
6 OR SHE IS AN EMPLOYEE OF THE OPERATOR AND WHETHER OR NOT A FEE IS  
7 CHARGED OR ACCEPTED FOR THAT ENTERTAINMENT.

8 (I) "EXOTIC DANCE STUDIO" MEANS A NIGHTCLUB, BAR, RESTAURANT,  
9 OR SIMILAR COMMERCIAL ESTABLISHMENT, OR ANY PREMISES OR FACILITY TO  
10 WHICH ANY MEMBER OF THE PUBLIC IS INVITED OR ADMITTED AND IN WHICH  
11 AN ENTERTAINER PROVIDES TO ANY MEMBER OF THE PUBLIC A LIVE  
12 PERFORMANCE THAT IS CHARACTERIZED BY AN EMPHASIS ON THE DEPICTION,  
13 DESCRIPTION, OR SIMULATION OF SPECIFIED ANATOMICAL AREAS OR  
14 SPECIFIED SEXUAL ACTIVITIES, OR THAT EMPHASIZES AND SEEKS TO AROUSE  
15 OR EXCITE A PATRON'S SEXUAL DESIRES. THE TERM INCLUDES AN  
16 ESTABLISHMENT THAT IS COMMONLY KNOWN AS A "TOPLESS BAR", "STRIP  
17 CLUB", OR "ADULT CABARET".

18 (J) "LICENSEE" MEANS A PERSON IN WHOSE NAME A LICENSE TO  
19 OPERATE AN ADULT ENTERTAINMENT BUSINESS IS ISSUED. THE TERM  
20 INCLUDES EACH PRINCIPAL OWNER.

21 (K) "MANAGER" MEANS AN INDIVIDUAL WHO IS APPOINTED BY AN  
22 OPERATOR OF AN ADULT ENTERTAINMENT BUSINESS WHO MANAGES, DIRECTS,  
23 ADMINISTERS, OR IS IN CHARGE OF THE AFFAIRS OR THE CONDUCT OR  
24 OPERATION OF AN ADULT ENTERTAINMENT BUSINESS. THE TERM INCLUDES AN  
25 ASSISTANT MANAGER.

26 (l) "MEMBER OF THE PUBLIC" INCLUDES ANY PATRON OF AN ADULT  
27 ENTERTAINMENT BUSINESS.

1 (M) "OPERATOR" MEANS A PERSON THAT OPERATES OR IS A PRINCIPAL  
2 OWNER OF AN ADULT ENTERTAINMENT BUSINESS.

3 (N) "PANORAMA OR PEEP SHOW" MEANS A DEVICE THAT EXHIBITS OR  
4 DISPLAYS A PICTURE OR VIEW BY FILM OR VIDEO, OR BY ANY OTHER MEANS,  
5 WHEN A COIL IS INSERTED OR THE DEVICE IS ACTIVATED BY OTHER MEANS.

6 (O) "PEACE OFFICER" MEANS THE ATTORNEY GENERAL, A DEPUTY OR  
7 ASSISTANT TO THE ATTORNEY GENERAL, OR A LAW ENFORCEMENT OFFICER AS  
8 THAT TERM IS DEFINED IN SECTION 2 OF THE MICHIGAN COMMISSION ON LAW  
9 ENFORCEMENT STANDARDS ACT, 1965 PA 203, MCL 28.602.

10 (P) "PREMISES" MEANS THE REAL PROPERTY ON WHICH AN ADULT  
11 ENTERTAINMENT BUSINESS IS LOCATED, AND ALL APPURTENANCES TO AND  
12 BUILDINGS ON THAT REAL PROPERTY, INCLUDING, BUT NOT LIMITED TO,  
13 GROUNDS, PRIVATE WALKWAYS, PARKING LOTS, AND PARKING GARAGES  
14 ADJACENT TO THE BUSINESS, THAT ARE UNDER THE OWNERSHIP, CONTROL, OR  
15 SUPERVISION OF THE OPERATOR OF THE ADULT ENTERTAINMENT BUSINESS.

16 (Q) "PRINCIPAL OWNER" MEANS A PERSON WHO OWNS 10% OR MORE OF  
17 THE OUTSTANDING EQUITY INTERESTS OF A LICENSEE, INCLUDING, BUT NOT  
18 LIMITED TO, STOCK IN A CORPORATION, PARTNERSHIP INTEREST IN A  
19 PARTNERSHIP, OR MEMBERSHIP INTEREST IN A LIMITED LIABILITY COMPANY.

20 (R) "SPECIFIED ANATOMICAL AREAS" MEANS ANY OF THE FOLLOWING:

21 (i) LESS THAN COMPLETELY AND OPAQUELY COVERED HUMAN GENITALS,  
22 PUBIC REGION, BUTTOCKS, ANUS, OR FEMALE BREAST BELOW A POINT  
23 IMMEDIATELY ABOVE THE TOP OF THE AREOLAE.

24 (ii) HUMAN MALE GENITALS IN A DISCERNIBLY TURGID STATE, EVEN  
25 IF COMPLETELY AND OPAQUELY COVERED.

26 (S) "SPECIFIED SEXUAL ACTIVITIES" MEANS ANY OF THE FOLLOWING:

27 (i) THE CARESSING, TOUCHING, FONDLING, OR OTHER INTENTIONAL OR

1 EROTIC TOUCHING OF MALE GENITALS, FEMALE GENITALS, PUBIC REGION,  
2 BUTTOCKS, ANUS, OR FEMALE BREASTS OF ONESELF OR OF 1 INDIVIDUAL BY  
3 ANOTHER.

4 (ii) SEX ACTS, NORMAL OR PERVERTED, ACTUAL OR SIMULATED,  
5 INCLUDING MASTURBATION, INTERCOURSE, ORAL COPULATION, FLAGELLATION,  
6 SODOMY, BESTIALITY, OR ANY SEXUAL ACTS THAT ARE PROHIBITED BY LAW.

7 (iii) HUMAN GENITALS IN A STATE OF SEXUAL STIMULATION,  
8 AROUSAL, OR TUMESCENCE, OR A VISUAL STATE OF SEXUAL STIMULATION,  
9 AROUSAL, OR TUMESCENCE, EVEN IF COMPLETELY AND OPAQUELY COVERED.

10 (iv) EXCRETORY FUNCTIONS AS PART OF OR IN CONNECTION WITH ANY  
11 OF THE ACTIVITIES SET FORTH IN SUBPARAGRAPHS (i) TO (iii).

12 SEC. 1472. THE ADULT ENTERTAINMENT BUSINESS BOARD IS CREATED.  
13 THE BOARD SHALL CONSIST OF 9 INDIVIDUALS, AS FOLLOWS:

14 (A) SIX INDIVIDUALS WHO ARE PRINCIPAL OWNERS OR MANAGERS OF  
15 ADULT ENTERTAINMENT BUSINESSES.

16 (B) THREE INDIVIDUALS REPRESENTING THE GENERAL PUBLIC.

17 SEC. 1473. (1) BEGINNING 90 DAYS AFTER THE EFFECTIVE DATE OF  
18 THE AMENDATORY ACT THAT ADDED THIS SECTION, A PERSON SHALL NOT  
19 ENGAGE IN, CARRY ON, OR PARTICIPATE IN THE OPERATION OF AN ADULT  
20 ENTERTAINMENT BUSINESS UNLESS THE PERSON IS LICENSED BY THE  
21 DEPARTMENT UNDER THIS ARTICLE.

22 (2) NOTWITHSTANDING SECTION 601(3), A MANAGER OF AN ADULT  
23 ENTERTAINMENT BUSINESS, AND EACH OF THE FOLLOWING INDIVIDUALS, AS  
24 APPLICABLE, ENGAGING IN, CARRYING ON, OR PARTICIPATING IN THE  
25 OPERATION OF AN ADULT ENTERTAINMENT BUSINESS IN VIOLATION OF  
26 SUBSECTION (1), IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE OF  
27 NOT MORE THAN \$10,000.00 OR IMPRISONMENT FOR NOT MORE THAN 6



1 MONTHS, OR BOTH:

2 (A) IF THE OPERATOR IS A CORPORATION, A PRINCIPAL OWNER, A  
3 DIRECTOR, OR AN OFFICER.

4 (B) IF THE OPERATOR IS A PARTNERSHIP, A GENERAL PARTNER, OR A  
5 PRINCIPAL OWNER.

6 (C) IF THE OPERATOR IS A LIMITED LIABILITY COMPANY, AN  
7 INDIVIDUAL WHO IS A PRINCIPAL OWNER OR MANAGER.

8 (3) A CERTIFICATE BY THE DEPARTMENT THAT A DILIGENT SEARCH OF  
9 THE DEPARTMENT'S RECORDS KEPT IN CONFORMITY WITH THIS ARTICLE HAS  
10 FAILED TO DISCLOSE THE EXISTENCE OF A VALID LICENSE FOR AN ADULT  
11 ENTERTAINMENT BUSINESS IS PRIMA FACIE EVIDENCE OF A VIOLATION OF  
12 SUBSECTION (1).

13 SEC. 1474. (1) A LICENSE ISSUED UNDER THIS ARTICLE IS NOT  
14 TRANSFERABLE.

15 (2) IN ADDITION TO ANY PENALTIES ASSESSED UNDER ARTICLE 6, A  
16 PERSON THAT INTENTIONALLY USES OR PERMITS THE USE, OR ATTEMPTS TO  
17 USE OR PERMIT THE USE, OF A LICENSE ISSUED UNDER THIS ARTICLE BY OR  
18 ON BEHALF OF A PERSON OTHER THAN THE LICENSEE IS GUILTY OF A  
19 MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE THAN \$500.00 OR  
20 IMPRISONMENT FOR NOT MORE THAN 6 MONTHS, OR BOTH.

21 SEC. 1475. (1) A LICENSE ISSUED UNDER THIS ARTICLE SHALL  
22 CONTAIN THE ORIGINAL OR FACSIMILE SIGNATURE OF THE DIRECTOR, SHALL  
23 BEAR IN BOLD LETTERS THE DATE OF ISSUANCE AND TERMINATION, AND  
24 SHALL STATE THE NAME AND ADDRESS OF THE LICENSEE.

25 (2) A LICENSE FOR THE OPERATION OF AN ADULT ENTERTAINMENT  
26 BUSINESS SHALL DESCRIBE THE NATURE OF THE BUSINESS OR ENTERPRISE  
27 AND SPECIFY THE LOCATION OF THE PREMISES AT WHICH THE BUSINESS IS

1 AUTHORIZED. IF THE LICENSEE IS A CORPORATION, THE LICENSE SHALL  
2 STATE THE NAME AND ADDRESS OF THE CORPORATION'S RESIDENT AGENT IN  
3 THIS STATE AND THE ADDRESS OF ITS REGISTERED OFFICE.

4 SEC. 1476. (1) THE DEPARTMENT SHALL MAINTAIN AN ALPHABETIZED  
5 OR COMPUTERIZED DATABASE CONTAINING A PICTURE AND THE FULL NAME,  
6 NICKNAMES OR ALIASES, RESIDENTIAL ADDRESS, BUSINESS ADDRESS, SOCIAL  
7 SECURITY NUMBER, AND DRIVER LICENSE NUMBER OF, AND THE NAME AND  
8 ADDRESS OF ALL BANKS IN OR OUT OF THIS STATE WHERE ACCOUNTS ARE  
9 MAINTAINED BY, EVERY ADULT ENTERTAINMENT BUSINESS APPLICANT AND  
10 LICENSEE. AN APPLICANT FOR A LICENSE SHALL PROVIDE A PICTURE AND  
11 THE SAME INFORMATION FOR ANY OTHER PERSON WHOSE SIGNATURE APPEARS  
12 ON AN APPLICATION OR ON ANY SUPPORTING DOCUMENTS SUBMITTED WITH AN  
13 APPLICATION FOR A LICENSE UNDER THIS ARTICLE. EACH DATABASE SHALL  
14 INDICATE THE ELIGIBILITY OF AN APPLICANT AS A LICENSEE UNDER THIS  
15 ARTICLE AND WHETHER THE SIGNATURE OF AN INDIVIDUAL ON AN  
16 APPLICATION FOR A LICENSE PRECLUDES THE ISSUANCE OF A LICENSE BASED  
17 ON THAT SIGNATURE.

18 (2) IN CONSIDERING AN APPLICATION FOR A LICENSE, THE  
19 DEPARTMENT SHALL SUBMIT NAMES OF APPLICANTS AND THOSE APPEARING IN  
20 APPLICATIONS TO THE FEDERAL BUREAU OF INVESTIGATION AND THE UNITED  
21 STATES DEPARTMENT OF JUSTICE FOR THE PURPOSE OF A RECORD CHECK.

22 (3) ANY RECORDS OR INFORMATION OBTAINED BY OR DISCLOSED TO THE  
23 DEPARTMENT IN CONNECTION WITH AN APPLICATION FOR LICENSE OR LICENSE  
24 RENEWAL UNDER THIS ARTICLE SHALL BE CONFIDENTIAL RECORDS OF THE  
25 DEPARTMENT AND SHALL NOT BE AVAILABLE FOR PUBLIC INSPECTION OR  
26 COPYING OR DIVULGED TO ANY PERSON EXCEPT AS PROVIDED IN THIS  
27 SUBSECTION. THE DEPARTMENT MAY DISCLOSE RECORDS OR INFORMATION AS

1 FOLLOWS:

2 (A) TO LAW ENFORCEMENT OFFICIALS.

3 (B) IN CONNECTION WITH AN ACTION BROUGHT UNDER THIS ACT.

4 (C) UPON ORDER OF A COURT.

5 SEC. 1477. (1) ALL OF THE FOLLOWING APPLY TO AN ADULT  
6 ENTERTAINMENT BUSINESS:

7 (A) A LICENSE ISSUED UNDER THIS ARTICLE SHALL AUTHORIZE THE  
8 LICENSEE TO ENGAGE IN OR CARRY ON THE BUSINESS OF OPERATING AN  
9 ADULT ENTERTAINMENT BUSINESS ONLY IN THE PREMISES SPECIFIED IN THE  
10 LICENSE.

11 (B) AN APPLICANT OR LICENSEE SEEKING A LICENSE OR RENEWAL MUST  
12 DOCUMENT IN ITS APPLICATION THAT THE LOCATION OR PROPOSED LOCATION  
13 OF THE PREMISES IS IN COMPLIANCE WITH ALL APPLICABLE LAWS AND  
14 ORDINANCES.

15 (C) IF A LICENSEE CHANGES THE LOCATION OF THE LICENSEE'S  
16 PREMISES DURING THE PERIOD FOR WHICH THE LICENSE WAS ISSUED, THE  
17 LICENSE IS REVOKED AND THE LICENSEE MUST SUBMIT A NEW LICENSE  
18 APPLICATION IN ACCORDANCE WITH THIS ARTICLE FOR A NEW LICENSE TO  
19 CONDUCT BUSINESS AT THE NEW PREMISES.

20 (2) IN ADDITION TO ANY PENALTIES ASSESSED UNDER ARTICLE 6, A  
21 LICENSEE, MANAGER OF AN ADULT ENTERTAINMENT BUSINESS, AND EACH OF  
22 THE FOLLOWING PERSONS, AS APPLICABLE, ENGAGING IN, CARRYING ON, OR  
23 PARTICIPATING IN THE OPERATION OF THE BUSINESS AT A PLACE OTHER  
24 THAN THAT AUTHORIZED BY THE LICENSE IS GUILTY OF A MISDEMEANOR  
25 PUNISHABLE BY A FINE OF NOT MORE THAN \$500.00 OR IMPRISONMENT FOR  
26 NOT MORE THAN 6 MONTHS, OR BOTH:

27 (A) IF THE PERSON IS A CORPORATION, A PRINCIPAL OWNER,

1 DIRECTOR, OR OFFICER.

2 (B) IF THE PERSON IS A PARTNERSHIP, A GENERAL PARTNER OR  
3 PRINCIPAL OWNER.

4 (C) IF THE PERSON IS A LIMITED LIABILITY COMPANY, A PRINCIPAL  
5 OWNER OR MANAGER.

6 SEC. 1478. (1) A PERSON LICENSED TO OPERATE AN ADULT  
7 ENTERTAINMENT BUSINESS UNDER THIS ARTICLE SHALL DISPLAY THE LICENSE  
8 IN A CONSPICUOUS MANNER ON THE PREMISES FOR WHICH THE LICENSE IS  
9 ISSUED.

10 (2) IN ADDITION TO ANY PENALTIES ASSESSED UNDER ARTICLE 6, A  
11 VIOLATION OF THIS SECTION IS A MISDEMEANOR PUNISHABLE BY A FINE OF  
12 NOT MORE THAN \$1,000.00.

13 SEC. 1479. (1) THE DEPARTMENT SHALL NOT ISSUE A LICENSE FOR  
14 THE OPERATION OF AN ADULT ENTERTAINMENT BUSINESS UNLESS THE  
15 APPLICANT HAS FILED WITH THE DEPARTMENT A COMPLETED APPLICATION  
16 THAT COMPLIES WITH THIS ARTICLE.

17 (2) AN APPLICATION FOR A LICENSE FOR THE OPERATION OF AN ADULT  
18 ENTERTAINMENT BUSINESS SHALL STATE THE FULL NAME OF THE APPLICANT,  
19 INCLUDING NICKNAMES OR ALIASES, RESIDENTIAL ADDRESS, PLACE OF  
20 EMPLOYMENT INCLUDING ADDRESS AND TELEPHONE NUMBER, SOCIAL SECURITY  
21 NUMBER, DATE OF BIRTH, DRIVER LICENSE NUMBER, A PHOTOGRAPH OF THE  
22 APPLICANT TAKEN WITHIN 30 DAYS OF THE APPLICATION, FEDERAL  
23 EMPLOYER'S IDENTIFICATION NUMBER, AND AN ADDRESS OF THE PREMISES  
24 FOR WHICH THE APPLICATION FOR LICENSE IS MADE.

25 (3) IF THE APPLICANT IS A CORPORATION, THE APPLICATION SHALL  
26 INCLUDE ALL OF THE FOLLOWING:

27 (A) A COPY OF THE ARTICLES OR CERTIFICATE OF INCORPORATION

1 CERTIFIED BY THE DEPARTMENT FOR A DOMESTIC CORPORATION OR THE  
2 APPROPRIATE OFFICIAL OF THE STATE OF INCORPORATION FOR A  
3 CORPORATION FORMED IN ANOTHER STATE.

4 (B) IF THE APPLICANT IS A CORPORATION FORMED IN ANOTHER STATE,  
5 A CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS FROM THE  
6 DEPARTMENT.

7 (C) A CERTIFICATE CONTAINING THE FULL NAME, INCLUDING  
8 NICKNAMES OR ALIASES, PLACE OF EMPLOYMENT INCLUDING ADDRESS AND  
9 TELEPHONE NUMBER, SOCIAL SECURITY NUMBER, DATE OF BIRTH, DRIVER  
10 LICENSE NUMBER, AND A PHOTOGRAPH TAKEN WITHIN 30 DAYS OF  
11 APPLICATION OF EACH DIRECTOR AND OFFICER AND OF THE INDIVIDUAL WHO  
12 IS THE PRINCIPAL OWNER OF THE APPLICANT. EACH DIRECTOR AND OFFICER  
13 AND THE INDIVIDUAL WHO IS THE PRINCIPAL OWNER OF THE APPLICANT MUST  
14 SIGN THE CERTIFICATE, AND EACH SIGNATURE MUST BE AN ORIGINAL  
15 SIGNATURE SEPARATELY WITNESSED AND ACKNOWLEDGED BY A NOTARY PUBLIC.

16 (D) THE NAMES AND ADDRESSES OF ALL HOLDERS OF STOCK OF THE  
17 APPLICANT AS OF A DATE WITHIN 30 DAYS BEFORE THE DATE OF  
18 APPLICATION, CERTIFIED AS TRUE AND CORRECT BY AN AUTHORIZED  
19 DIRECTOR OR OFFICER OF THE CORPORATION.

20 (4) IF THE APPLICANT IS A LIMITED LIABILITY COMPANY, THE  
21 APPLICATION SHALL INCLUDE ALL OF THE FOLLOWING:

22 (A) A COPY OF THE ARTICLES OF ORGANIZATION CERTIFIED BY THE  
23 DEPARTMENT FOR A DOMESTIC CORPORATION OR THE APPROPRIATE OFFICIAL  
24 OF THE STATE OF FORMATION FOR A LIMITED LIABILITY COMPANY FORMED IN  
25 ANOTHER STATE.

26 (B) IF THE APPLICANT IS A LIMITED LIABILITY COMPANY FORMED IN  
27 ANOTHER STATE, A CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS FROM

1 THE DEPARTMENT.

2 (C) A CERTIFICATE CONTAINING THE FULL NAME, INCLUDING  
3 NICKNAMES OR ALIASES, PLACE OF EMPLOYMENT INCLUDING ADDRESS AND  
4 TELEPHONE NUMBER, SOCIAL SECURITY NUMBER, DATE OF BIRTH, DRIVER  
5 LICENSE NUMBER, AND A PHOTOGRAPH TAKEN WITHIN 30 DAYS OF  
6 APPLICATION OF EACH INDIVIDUAL WHO IS A MANAGER OR THE PRINCIPAL  
7 OWNER OF THE APPLICANT. EACH INDIVIDUAL WHO IS A MANAGER OR  
8 PRINCIPAL OWNER OF THE APPLICANT MUST SIGN THE CERTIFICATE, AND  
9 EACH SIGNATURE MUST BE AN ORIGINAL SIGNATURE SEPARATELY WITNESSED  
10 AND ACKNOWLEDGED BY A NOTARY PUBLIC.

11 (D) THE NAMES AND ADDRESSES OF ALL HOLDERS OF MEMBERSHIP  
12 INTERESTS IN THE APPLICANT AS OF A DATE WITHIN 30 DAYS BEFORE THE  
13 DATE OF APPLICATION, CERTIFIED AS TRUE AND CORRECT BY A MANAGER OR  
14 MEMBER OF THE APPLICANT.

15 (5) IF THE APPLICANT IS A PARTNERSHIP OR OTHER UNINCORPORATED  
16 ASSOCIATION, THE APPLICATION SHALL INCLUDE A CERTIFICATE CONTAINING  
17 THE FULL NAME, INCLUDING NICKNAMES OR ALIASES, PLACE OF EMPLOYMENT  
18 INCLUDING ADDRESS AND TELEPHONE NUMBER, SOCIAL SECURITY NUMBER,  
19 DATE OF BIRTH, DRIVER LICENSE NUMBER, AND A PHOTOGRAPH TAKEN WITHIN  
20 30 DAYS OF APPLICATION OF EACH INDIVIDUAL WHO IS A PARTNER OR  
21 MEMBER. EACH INDIVIDUAL WHO IS A PARTNER OR MEMBER OF THE APPLICANT  
22 MUST SIGN THE CERTIFICATE AND EACH SIGNATURE MUST BE AN ORIGINAL  
23 SIGNATURE SEPARATELY WITNESSED AND ACKNOWLEDGED BY A NOTARY PUBLIC.

24 (6) THE DEPARTMENT SHALL NOT ACCEPT AN APPLICATION OR ISSUE A  
25 LICENSE TO OPERATE AN ADULT ENTERTAINMENT BUSINESS AT A LOCATION IF  
26 THE DEPARTMENT HAS DENIED AN APPLICATION TO OPERATE AN ADULT  
27 ENTERTAINMENT BUSINESS AT THAT LOCATION WITHIN THE PREVIOUS 6

1 MONTHS.

2 SEC. 1480. AN APPLICANT FOR ANY LICENSE UNDER THIS ARTICLE, OR  
3 A PERSON HOLDING A LICENSE FOR THE OPERATION OF AN ADULT  
4 ENTERTAINMENT BUSINESS IS SUBJECT TO THE PENALTIES OF SECTION 602  
5 FOR 1 OR MORE OF THE FOLLOWING:

6 (A) AN INTENTIONAL MISREPRESENTATION OR OMISSION OF ANY  
7 MATERIAL FACT REQUIRED TO BE FILED PURSUANT TO THIS ARTICLE.

8 (B) A TRANSFER OF A LICENSE IN VIOLATION OF SECTION 1474(1) OR  
9 A CHANGE OF LOCATION IN VIOLATION OF SECTION 1477.

10 (C) A FAILURE TO COMPLY WITH SECTION 1483.

11 (D) A CONVICTION OF THE APPLICANT OR LICENSEE FOR A CRIME,  
12 INCLUDING CONSPIRACY, OR VIOLATION OF A LOCAL ORDINANCE, INVOLVING  
13 LEWDNESS, PROSTITUTION, PROMOTING PROSTITUTION, SEXUAL ASSAULT OR  
14 ASSAULT WITH INTENT TO COMMIT CRIMINAL SEXUAL CONDUCT, SEXUAL  
15 MISCONDUCT, INDECENT EXPOSURE, INCEST, RAPE OR CRIMINAL SEXUAL  
16 CONDUCT, OR SODOMY, OR REGISTRATION OF AN APPLICANT OR LICENSEE AS  
17 A SEX OFFENDER, IN THIS STATE OR ANY OTHER STATE OR JURISDICTION.

18 (E) A CONVICTION OF A PARTNER, DIRECTOR, OFFICER, PRINCIPAL  
19 OWNER, MANAGER, OR EMPLOYEE OF THE LICENSEE FOR A CRIME, INCLUDING  
20 CONSPIRACY, OR VIOLATION OF A LOCAL ORDINANCE, INVOLVING LEWDNESS,  
21 PROSTITUTION, PROMOTING PROSTITUTION, SEXUAL ASSAULT OR ASSAULT  
22 WITH INTENT TO COMMIT CRIMINAL SEXUAL CONDUCT, SEXUAL MISCONDUCT,  
23 INDECENT EXPOSURE, INCEST, RAPE OR CRIMINAL SEXUAL CONDUCT, OR  
24 SODOMY, OCCURRING ON THE LICENSED PREMISES, OR HIS OR HER  
25 REGISTRATION AS A SEX OFFENDER IN THIS STATE OR ANY OTHER STATE OR  
26 JURISDICTION.

27 (F) A CONVICTION OF A PARTNER, DIRECTOR, OFFICER, PRINCIPAL

1 OWNER, MANAGER, OR EMPLOYEE OF THE LICENSEE FOR A CRIME, INCLUDING  
2 CONSPIRACY, OR VIOLATION OF A LOCAL ORDINANCE, INVOLVING LEWDNESS,  
3 PROSTITUTION, PROMOTING PROSTITUTION, SEXUAL ASSAULT OR ASSAULT  
4 WITH INTENT TO COMMIT CRIMINAL SEXUAL CONDUCT, SEXUAL MISCONDUCT,  
5 INDECENT EXPOSURE, INCEST, RAPE OR CRIMINAL SEXUAL CONDUCT, OR  
6 SODOMY, OR HIS OR HER REGISTRATION AS A SEX OFFENDER, IN THIS STATE  
7 OR ANY OTHER STATE OR JURISDICTION, NOT OCCURRING ON LICENSED  
8 PREMISES, IF THE PARTNER, DIRECTOR, OFFICER, PRINCIPAL OWNER,  
9 MANAGER, OR EMPLOYEE, AT THE TIME OF THE CONDUCT CONSTITUTING THE  
10 OFFENSE, WAS OFF THE PREMISES AT THE REQUEST OR DIRECTION OR  
11 PURSUANT TO THE AUTHORITY OF THE LICENSEE FOR THE PURPOSE OF  
12 FURTHERING THE BUSINESS OF THE LICENSEE.

13 SEC. 1481. A PERSON THAT FILES ANY INFORMATION UNDER THIS  
14 ARTICLE SHALL NOT INTENTIONALLY MISREPRESENT OR OMIT ANY MATERIAL  
15 FACT REQUIRED TO BE FILED UNDER THIS ARTICLE. IN ADDITION TO ANY  
16 PENALTIES ASSESSED UNDER ARTICLE 6, A PERSON THAT VIOLATES THIS  
17 SECTION IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE  
18 THAN \$1,000.00 OR IMPRISONMENT FOR NOT MORE THAN 30 DAYS, OR BOTH.  
19 FOR THE PURPOSE OF THIS SECTION, A FACT IS "MATERIAL" IF IT COULD  
20 HAVE AFFECTED THE DEPARTMENT'S DECISION TO ISSUE A LICENSE OR DENY  
21 AN APPLICATION FOR LICENSE.

22 SEC. 1483. (1) THE OPERATOR OR AN ADULT ENTERTAINMENT BUSINESS  
23 SHALL NOTIFY THE DEPARTMENT IN WRITING WITHIN 10 DAYS IF ANY  
24 INFORMATION IT HAS PROVIDED IN ITS APPLICATION HAS CHANGED. IF THE  
25 CHANGE IS TO DISCLOSE THE IDENTITY OF AN INDIVIDUAL ABOUT WHOM THE  
26 ADULT ENTERTAINMENT BUSINESS IS REQUIRED TO PROVIDE INFORMATION IN  
27 ITS APPLICATION UNDER SECTION 1479, THE ADULT ENTERTAINMENT



1 BUSINESS SHALL INCLUDE IN THE NOTICE THE FULL NAME, INCLUDING  
2 NICKNAMES OR ALIASES, RESIDENTIAL ADDRESS, PLACE OF EMPLOYMENT  
3 INCLUDING ADDRESS AND TELEPHONE NUMBER, DATE OF BIRTH, SOCIAL  
4 SECURITY NUMBER, DRIVER LICENSE NUMBER, AND A PHOTOGRAPH TAKEN  
5 WITHIN 30 DAYS OF APPLICATION OF THE PERSON.

6 (2) IN ADDITION TO ANY PENALTIES ASSESSED UNDER ARTICLE 6, A  
7 VIOLATION OF THIS SECTION IS A MISDEMEANOR PUNISHABLE BY A FINE IN  
8 THE AMOUNT OF \$1,000.00.

9 SEC. 1484. (1) THIS ARTICLE APPLIES TO ALL BUSINESSES AND  
10 ENTERPRISES SUBJECT TO THIS ARTICLE WHETHER IN EXISTENCE BEFORE,  
11 ON, OR AFTER THE EFFECTIVE DATE OF THIS ARTICLE.

12 (2) ISSUANCE OF A LICENSE UNDER THIS ARTICLE IS NOT A DEFENSE  
13 TO A CIVIL OR CRIMINAL ACTION OTHER THAN AN ACTION FOR A LICENSING  
14 VIOLATION UNDER THIS ARTICLE.

15 SEC. 1487. (1) AN OWNER, MANAGER, OPERATOR, OR EMPLOYEE OF AN  
16 ADULT ENTERTAINMENT BUSINESS SHALL NOT KNOWINGLY ADMIT OR ALLOW AN  
17 INDIVIDUAL WHO IS UNDER THE AGE OF 18 YEARS TO BE IN OR ON THE  
18 PREMISES OF THE ADULT ENTERTAINMENT BUSINESS.

19 (2) AN OWNER, OPERATOR, MANAGER, OR EMPLOYEE OF AN ADULT  
20 ENTERTAINMENT BUSINESS SHALL NOT KNOWINGLY ALLOW A PATRON OF THE  
21 ADULT ENTERTAINMENT BUSINESS TO BE UNCLOTHED, OR TO WEAR ANY  
22 ATTIRE, COSTUME, OR CLOTHING THAT RESULTS IN THE PATRON BEING IN A  
23 STATE OF NUDITY.

24 (3) AN OWNER, OPERATOR, MANAGER, OR EMPLOYEE OF THE ADULT  
25 ENTERTAINMENT BUSINESS SHALL NOT KNOWINGLY ALLOW A PATRON TO ENGAGE  
26 IN ANY SPECIFIED SEXUAL ACTIVITY IN OR ON THE PREMISES.

27 (4) IN ADDITION TO ANY PENALTIES ASSESSED UNDER ARTICLE 6, A

1 VIOLATION OF THIS SECTION IS A MISDEMEANOR PUNISHABLE BY A FINE OF  
2 \$1,000.00 FOR THE FIRST OFFENSE OR \$5,000.00 FOR A SUBSEQUENT  
3 OFFENSE.

4 (5) IT IS AN AFFIRMATIVE DEFENSE TO A PROSECUTION UNDER THIS  
5 SECTION FOR A VIOLATION OF SUBSECTION (1) THAT THE INDIVIDUAL UNDER  
6 THE AGE OF 18 YEARS PRESENTED IDENTIFICATION TO THE ACCUSED IF THE  
7 IDENTIFICATION CONTAINS A PHOTOGRAPH OF THE INDIVIDUAL AND CONTAINS  
8 OTHER INFORMATION THAT WOULD LEAD A REASONABLE PERSON TO BELIEVE  
9 THE INDIVIDUAL WAS 18 YEARS OF AGE OR OLDER.

10 Enacting section 1. This amendatory act takes effect 90 days  
11 after the date it is enacted into law.