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**ENGROSSED SECOND SUBSTITUTE SENATE BILL 6386**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Warnick, Takko, Rivers, Short, Becker, Hunt, Van De Wege, Schoesler, Braun, Honeyford, Conway, Wagoner, and Zeiger)

AN ACT Relating to ensuring the funding of fairs; amending RCW 15.76.115; adding a new section to chapter 82.08 RCW; creating a new section; and providing an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  (1) The legislature found in 1961 that it is in the public interest to hold agricultural fairs to train youth, to educate the public about the production of food and fiber, and to promote the welfare of farm people and rural living. The legislature finds that the fair fund was created for the purpose of encouraging agricultural fairs and training rural youth. The legislature finds that despite the original expectations, the fair fund has not increased. The legislature finds that the fairs have been creative about managing resources, but the lack of increased support has made it difficult to maintain youth programs. The legislature finds that research has shown that youth who participate in fairs are more likely to get better grades, attend college, and positively contribute to their families and communities.

(2) The legislature finds that fairs also contribute to economic vitality and cultural heritage by (a) providing an opportunity for small businesses to reach a larger customer base; (b) providing agricultural suppliers a platform to showcase new technology; (c) providing a venue for local entertainment businesses; (d) creating numerous seasonal jobs; (e) playing a vital role in fund-raising for nonprofit organizations; and (f) providing a venue for community and cultural events.

(3) The legislature further finds that events held on fairgrounds support both the cultural and economic development of rural communities. The legislature finds that connecting the fair fund to revenue generated on fairgrounds encourages fairs to work with local businesses to increase economic opportunity.

NEW SECTION. **Sec.**  A new section is added to chapter 82.08 RCW to read as follows:

(1) Subject to the limitations in RCW 15.76.115, all moneys received as the result of the imposition of the state retail sales tax pursuant to RCW 82.08.020 on sales occurring during events held at fairgrounds where agricultural fairs occur, must be deposited into the fair fund pursuant to RCW 15.76.115. For the purposes of this subsection "agricultural fair" has the same meaning as provided in RCW 15.76.110.

(2) By December 15th each year, the department must estimate the tax revenues for the next fiscal year resulting from the sales described in subsection (1) of this section.

(3)(a) By April 15th of each fiscal year, the department must estimate the tax revenue received to date for the sales described in subsection (1) of this section and estimate the tax revenues expected for the remainder of the fiscal year.

(b) By April 30th of each fiscal year, the department must notify the state treasurer of the estimates in (a) of this subsection.

(4) The department must notify the state treasurer when the moneys collected pursuant to this section for a fiscal year is two million five hundred thousand dollars.

**Sec.**  RCW 15.76.115 and 2011 1st sp.s. c 50 s 926 are each amended to read as follows:

(1) The fair fund is created in ((~~the custody of~~)) the state treasury.

(2) The deposit under this subsection to the fair fund may only occur if the legislature authorizes the deposit in the biennial omnibus appropriations act. Subject to the limitations in subsection (4) of this section, all moneys received as the result of the imposition of the state retail sales tax authorized in RCW 82.08.020 on sales occurring during events held at county fairgrounds or grounds for fairs operated by a nonprofit where agricultural fairs, as defined in RCW 15.76.110, occur must be deposited into the fund.

(3) All moneys received by the department of agriculture for the purposes of this fund and from RCW 67.16.105(7) shall be deposited into the fund. ((~~At the beginning of fiscal year 2002 and each fiscal year thereafter, the state treasurer shall transfer into the fair fund from the general fund the sum of two million dollars, except for fiscal year 2011 the state treasurer shall transfer into the fair fund from the general fund the sum of one million one hundred three thousand dollars, and except during fiscal year 2012 and fiscal year 2013 the state treasurer shall transfer into the fair fund from the general fund the sum of one million seven hundred fifty thousand dollars each fiscal year.~~))

(4) The department of revenue must notify the state treasurer when the moneys collected and deposited pursuant to section 1 of this act for a fiscal year is two million five hundred thousand dollars. Any moneys collected in excess of two million five hundred thousand dollars for the fiscal year must be deposited in the general fund.

(5) If the estimate made pursuant to section 2(3) of this act is less than two million dollars, the state treasurer must transfer from the general fund into the fair fund the amount needed to ensure the minimum annual net deposit into the fund is two million dollars.

(6) Moneys in the account may be spent only after appropriation. Expenditures from the fund may be used only for assisting fairs in the manner provided in this chapter. ((~~Only the director of agriculture or the director's designee may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.~~))

NEW SECTION. **Sec.**  This act takes effect October 1, 2018.

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