

SENATE BILL REPORT

SB 5277

As of January 25, 2019

Title: An act relating to ensuring the funding of agricultural fairs.

Brief Description: Ensuring the funding of agricultural fairs.

Sponsors: Senators Warnick, Takko, Wagoner, Hunt, King, Van De Wege, Zeiger, Braun, Schoesler, Honeyford, Becker, Rivers and Short.

Brief History:

Committee Activity: Ways & Means: 1/23/19.

Brief Summary of Bill

- Eliminates a \$2 million annual transfer from the state general fund to the fair fund.
- Requires specified amounts be transferred or distributed annually to the fair fund from either the state general fund or certain retail sales tax revenues.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Jed Herman (786-7346), Alia Kennedy (786-7405)

Background: Fair Fund. State law requires that each fiscal year the state treasurer transfer \$2 million from the state general fund into the fair fund administered by the Washington State Department of Agriculture. Qualifying agricultural fairs are eligible to receive allocations from the fair fund after conducting two successful, consecutive annual fairs. With the exception of county fairs and some youth fairs, all allocations must be made only as reimbursement for premiums or prizes awarded to fair participants.

Eighty-five percent of all allocations from the fair fund must be distributed to agricultural fairs based on merit. The remaining 15 percent may be split between administrative expenses, which cannot exceed 5 percent, and special assistance for participating fairs.

Summary of Bill: The transfer of \$2 million each fiscal year from the state general fund to the fair fund is removed.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The omnibus operating appropriations act must appropriate to the Fair Fund an amount equal to the greater of:

- \$2 million;
- beginning July 1, 2019, to June 30, 2021, the estimated amount of state retail sales tax collected on sales occurring at area fairs and county fairs, not to exceed \$3 million; or
- beginning July 1, 2021, the estimated amount of state retail sales tax on sales occurring at area fairs and county fairs, not to exceed \$4 million.

The estimated amount of state retail sales tax collected on sales occurring at area fairs and county fairs must be determined by the Department of Revenue (DOR) and include only those amounts collected in the calendar year preceding the fiscal year for which a transfer is made.

Estimates made by DOR may not be overturned by a court except upon a showing of willful misconduct by clear, cogent, and convincing evidence.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Fairs are extremely important to the youth of our state. Over 40,000 people had exhibits at their local fair. Fairs teach children responsibility, analytical skills, and prepares them for their future.

Persons Testifying: PRO: John Morrison, Legislative Chair, Washington State Fairs Association.

Persons Signed In To Testify But Not Testifying: No one.