

HOUSE BILL REPORT

HB 2725

As Passed House:
February 8, 2018

Title: An act relating to updating agricultural fairs, youth shows, and exhibitions law.

Brief Description: Updating laws concerning agricultural fairs, youth shows, and exhibitions.

Sponsors: Representatives Blake, Chandler, Jenkin, Dent, Dye, Chapman, Wylie, Walsh, Ryu, Maycumber, Kretz, Wilcox, Van Werven, Haler, Steele, Condotta and McDonald; by request of Department of Agriculture.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/23/18, 1/30/18 [DP].

Floor Activity:

Passed House: 2/8/18, 98-0.

Brief Summary of Bill

- Modifies the definition and purpose of agricultural fairs to include the promotion of rural economic development.
- Modifies the percentages of the Fair Fund that may be allocated to agricultural fairs and to expenses incurred in the course of administering the Fair Fund.
- Authorizes funds from the Fair Fund to be used for expenses incurred in the operation of fairs.
- Condenses the terms of appointment for members of the Fairs Commission to a uniform three-year appointment for all members.
- Allows fairs to maintain eligibility for allocations from the Fair Fund in the event a fair is not held due to a natural disaster.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 15 members: Representatives Blake, Chair; Chapman, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority

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Member; Chandler, Fitzgibbon, Kretz, Lytton, Orcutt, Pettigrew, Robinson, Schmick, Springer, Stanford and Walsh.

Staff: Robert Hatfield (786-7117).

Background:

Agricultural Fairs.

Agricultural fairs are fairs or exhibitions intended to promote agriculture by including, among other things, a balanced variety of exhibits of livestock and agricultural products. Agricultural fairs are divided into four categories. "Area fairs" are organized to serve an area larger than one county. "County and district fairs" are organized to serve the interests of certain single counties. "Community fairs" are organized primarily to serve a smaller area than an area fair or county fair. "Youth shows and fairs" serve three or more counties, educate and train rural youth, and are approved by Washington State University or the Office of the Superintendent of Public Instruction.

Fair Fund.

State law requires that each fiscal year the State Treasurer transfer \$2 million from the General Fund into the Fair Fund, except that the amount was reduced to \$1.3 million in fiscal year 2011, and to \$1.75 million in fiscal years 2012 and 2013.

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.

The Director of the Washington State Department of Agriculture (WSDA) may allocate up to 85 percent of the Fair Fund to participating agricultural fairs. The remaining 15 percent may be used for special assistance to any participating fair or for administrative expenses incurred in the course of administering the Fair Fund, except that no more than 5 percent may be used for administrative expenses.

Fairs Commission.

The Fairs Commission acts as an advisory committee to the Director of the WSDA and assists in the preparation of the merit rating used to determine merit based allocations. The Fairs Commission consists of the Director of the WSDA as ex officio member and chair, three members from each side of the Cascades, and a member at large. Members are initially appointed for one, two, and three year terms by the Director. Thereafter appointments are made for three year terms.

Summary of Bill:

The definition and the purpose of agricultural fairs are modified to include the promotion of rural economic development.

The direction to the State Treasurer to transfer certain sums from the General Fund to the Fair Fund in fiscal years 2011, 2012, and 2013 is removed. The direction to the State Treasurer to

transfer from the General Fund to the Fair Fund the sum of \$2 million each fiscal year is retained.

The Director of the WSDA is authorized to waive the requirement that a fair have conducted two consecutive fairs in order to be eligible for funding from the Fair Fund, where a county fair reorganizing as an area fair has received an allocation from the Fair Fund as a county fair for at least two years, or where a fair is not held due to a natural disaster.

Allocations from the Fair Fund may be used for expenses incurred in the operation of fairs.

The allowable allocations from the Fair Fund are modified. The WSDA is authorized to allocate 95 percent of the Fair Fund to agricultural fairs that apply for such funds. The WSDA may use up to 10 percent of the amount allocated to agricultural fairs that apply for funds from the Fair Fund for special assistance to any participating fair or fairs. The WSDA is authorized to allocate the remaining 5 percent of the Fair Fund for expenses incurred in the course of administering the Fair Fund, which may include the Fair Commission expenses approved by the Director of the WSDA.

Fairs Commission.

The terms of appointment for members of the Fairs Commission are consolidated to a uniform three-year appointment for all members, except that an appointment filling a vacancy is for the remainder of the original term.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The bill was requested by the Washington State Department of Agriculture. It helps support the effectiveness of fairs and allows for the expansion of the role of fairs to address rural economic development. It also addresses fair funding logistics. It expands to all fairs the authority to use funds from the Fair Fund for operating expenses. The bill updates a statute that hasn't been updated in decades. The bill is just trying to bring the statute in line with current practices. Funding from the Fair Fund makes a big difference in the ability of local fairs to operate.

(Opposed) None.

Persons Testifying: Representative Blake, prime sponsor; Heather Hansen, Washington State Fairs Association; Hannah Street, Washington State Department of Agriculture; and Peggy Zimmerman and Ann Shipley, Thurston County Fair.

Persons Signed In To Testify But Not Testifying: None.