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**SUBSTITUTE SENATE BILL 5277**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

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

READ FIRST TIME 02/27/19.

1 AN ACT Relating to ensuring the funding of agricultural fairs;  
2 amending RCW 15.76.115; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature found in 1961 that it  
5 is in the public interest to hold agricultural fairs to train youth,  
6 to educate the public about the production of food and fiber, and to  
7 promote the welfare of farm people and rural living. The legislature  
8 finds that the fair fund was created for the purpose of encouraging  
9 agricultural fairs and training rural youth. The legislature finds  
10 that despite the original expectations, the fair fund has not  
11 increased, and this lack of increased support has made it difficult  
12 to maintain youth programs. Research has shown that youth who  
13 participate in fairs are more likely to get better grades, attend  
14 college, and positively contribute to their families and communities.

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

1 (3) The legislature further finds that events held on fairgrounds  
2 support both the cultural and economic development of rural  
3 communities. The legislature finds that connecting the fair fund to  
4 revenue generated on fairgrounds encourages fairs to work with local  
5 businesses to increase economic opportunity. Thirty-seven counties  
6 have a fair. Benton and Franklin counties share a fair. Mason county  
7 currently does not have a fair.

8 **Sec. 2.** RCW 15.76.115 and 2018 c 280 s 3 are each amended to  
9 read as follows:

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

12 (2)(a) All moneys received by the department of agriculture for  
13 the purposes of this fund and from RCW 67.16.105 shall be deposited  
14 into the fund. Each fiscal year, the state treasurer shall transfer  
15 into the fair fund from the general fund (~~the sum of two million~~  
16 dollars)) an amount appropriated in the omnibus operating  
17 appropriations act equal to the greater of:

18 (i) Two million dollars;

19 (ii) From July 1, 2019, to June 30, 2021, the estimated amount of  
20 state retail sales tax collected under chapter 82.08 RCW, not to  
21 exceed three million dollars, as determined by the department of  
22 revenue, on sales occurring at area fairs and county fairs as  
23 described in RCW 15.76.120, only during those fairs in the calendar  
24 year ending immediately preceding the fiscal year for which the  
25 transfer under this subsection is made; or

26 (iii) Beginning July 1, 2021, the estimated amount of state  
27 retail sales tax collected under chapter 82.08 RCW, not to exceed  
28 four million dollars, as determined by the department of revenue, on  
29 sales occurring at area fairs and county fairs as described in RCW  
30 15.76.120, only during those fairs in the calendar year ending  
31 immediately preceding the fiscal year for which the transfer under  
32 this subsection is made.

33 (b) The transfer under this section to the fair fund may only  
34 occur if the legislature authorizes the transfer in the omnibus  
35 operating appropriations act.

36 (c) The department of revenue's estimates under (a) of this  
37 subsection may not be overturned by a court except upon a showing of  
38 willful misconduct by clear, cogent, and convincing evidence.

1       (3) Expenditures from the fund may be used only for assisting  
2       fairs in the manner provided in this chapter. Only the director of  
3       agriculture or the director's designee may authorize expenditures  
4       from the fund. The fund is subject to allotment procedures under  
5       chapter 43.88 RCW, but no appropriation is required for expenditures.

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