

HOUSE BILL REPORT

HB 2096

As Reported by House Committee On:
Economic Development, Agriculture & Trade

Title: An act relating to studying the economic and social contribution of agricultural fairs to Washington state.

Brief Description: Requiring a study of the economic and social contribution of agricultural fairs to Washington state.

Sponsors: Representatives Buri, Haler, McDonald, Linville, Ormsby, Holmquist, Grant, Cox, McDermott, Armstrong, Pearson, Morrell, Serben, Newhouse, Conway, Chase and Santos.

Brief History:

Committee Activity:

Economic Development, Agriculture & Trade: 2/28/05, 3/2/05 [DP].

Brief Summary of Bill

- Directs the Department of Agriculture to contract for a study on the economic and social impacts of agricultural fairs on Washington State.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

Majority Report: Do pass. Signed by 23 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Kristiansen, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Blake, Buri, Chase, Clibborn, Condotta, Dunn, Grant, Haler, Holmquist, Kenney, Kilmer, Kretz, McCoy, Morrell, Newhouse, Quall, Strow, P. Sullivan and Wallace.

Staff: Meg Van Schoorl (786-7105).

Background:

Seventy agricultural fairs in Washington participate in the Department of Agriculture (WSDA) Agricultural Fairs Program, including area fairs, county and district fairs, community fairs, and youth shows/fairs.

The WSDA coordinates the activities of a seven-member Fairs Commission appointed by the WSDA Director (Director), audits required reports from participating fairs, and verifies that fairs comply with state laws.

There is a fair fund within the state treasury into which \$2 million is transferred each year from the State General Fund. The Director has the authority to make allocations from the fair fund,

with recommendations from the Fairs Commission, to participating agricultural fairs. According to the statute, 85 percent of the allocation must be made to participating agricultural fairs, and distributed according to a merit rating. The merit rating includes factors such as area and population served, attendance, gate receipts, premiums and prizes paid, community support, and exhibits. The remaining 15 percent may be used for special assistance to participating fairs, including up to 5 percent for administrative expenses. However, in recent years, the full \$2 million has been allocated to the fairs according to a formula based on the merit rating. The 2004 allocations ranged from \$1,100 to \$79,000, and were used primarily to pay for premiums and prizes.

Summary of Bill:

Agricultural fairs and fairgrounds offer economic and social benefits to the state including tourism, rural economic development, local business promotion and sales, disaster preparedness, opportunities for youth, educational, cultural, and entertainment events, and community connections.

The Legislature intends to quantify the economic and social impact of fairs, to maintain capital funding mechanisms and assess new capital funding options.

Subject to the availability of funding appropriated for this purpose, the WSDA is directed to contract for a study on the economic and social impact of agricultural fairs that includes information on: statewide and local impacts on jobs, business income, and taxes; benefits to local organizations and youth development; and needed capital improvements. An advisory group will help guide the study and will be comprised of members appointed by the Washington State Fairs Association Board, and staff from the Office of Financial Management (OFM), the House of Representatives and the Senate who have expertise in economic analysis.

A report on the study must be submitted by the WSDA to the OFM and the Legislature by June 30, 2006.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: There is at least one fair in every county. Fairs and fairgrounds bring many positive benefits to communities. Their economic contributions have not been quantified nor their social benefits evaluated. There are a multitude of events held at fairgrounds year-round. Businesses test new products at fairs; the Red Cross uses them as shelters during floods. People visit the fair from outside our community. They stay in hotels, eat in

restaurants, and purchase locally. The Thurston County Fair focuses on children. We involve them in traditional fair activities, but also have introduced kids to medical careers and used them to conduct surveys, building their interpersonal skills. This study will provide fairs of any size with valuable information. Fairs are underfunded. They need capital funding to make needed building repairs. The results of this study will help the fairs reach out to new funding sources.

Testimony Against: None.

Persons Testifying: Representative Buri, prime sponsor; and Rick Storvick and Heather Hansen, Washington State Fairs Association.

Persons Signed In To Testify But Not Testifying: None.