

# SENATE BILL REPORT

## HB 2096

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As Reported By Senate Committee On:  
Agriculture & Rural Economic Development, March 22, 2005

**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:** Passed House: 3/10/05, 95-0.

**Committee Activity:** Agriculture & Rural Economic Development: 3/22/05 [DPA-WM].

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### SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Rasmussen, Chair; Shin, Vice Chair; Schoesler, Ranking Minority Member; Delvin, Jacobsen and Morton.

**Staff:** Bob Lee (786-7404)

**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, 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 Amended Bill:** The Department of Agriculture must contract to conduct a study on the economic and social impact of agricultural fairs in Washington State. The study is to

include statewide and local impacts of fairs on employment, business income, taxes from fair activity, civic and charitable organizations, youth development, and other business and social benefits. The study must also include needed capital improvements.

An advisory group appointed by the board of the Washington State Fairs Association will help guide the study. The advisory committee may include up to three persons with expertise in economic analysis.

The report must be submitted to the Office of Financial Management and the appropriate committees of the legislature no later than June 30, 2006.

**Amended Bill Compared to Original Bill:** The advisory committee can include up to three persons with expertise in economic analysis and deletes staff from the House of Representatives and the Senate from the advisory committee. The person conducting the study must contact the Department of Community, Trade and Economic Development for assistance to quantify the contribution by fairs and fairgrounds in attracting tourism to the state.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** Fairs generate significant community benefits and an important economic stimuli for local communities. There are more fairs in Washington State than in California. Though fairs are successful in Washington, their contribution to the local communities and the state, and their needs for basic improvements need to be better recognized.

**Testimony Against:** None.

**Who Testified:** PRO: Representative Buri; Heather Hansen, Washington State Fairs Association.