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SECOND SUBSTITUTE SENATE BILL 6386

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State of Washington

65th Legislature

2018 Regular Session

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

READ FIRST TIME 02/06/18.

1 AN ACT Relating to ensuring the funding of fairs; amending RCW  
2 15.76.115; adding a new section to chapter 82.08 RCW; creating a new  
3 section; and providing an effective date.

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

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

18 (2) The legislature finds that fairs also contribute to economic  
19 vitality and cultural heritage by (a) providing an opportunity for  
20 small businesses to reach a larger customer base; (b) providing  
21 agricultural suppliers a platform to showcase new technology; (c)

1 providing a venue for local entertainment businesses; (d) creating  
2 numerous seasonal jobs; (e) playing a vital role in fund-raising for  
3 nonprofit organizations; and (f) providing a venue for community and  
4 cultural events.

5 (3) The legislature further finds that events held on fairgrounds  
6 support both the cultural and economic development of rural  
7 communities. The legislature finds that connecting the fair fund to  
8 revenue generated on fairgrounds encourages fairs to work with local  
9 businesses to increase economic opportunity.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08  
11 RCW to read as follows:

12 (1) Subject to the limitations in RCW 15.76.115, all moneys  
13 received as the result of the imposition of the state retail sales  
14 tax pursuant to RCW 82.08.020 on sales occurring during events held  
15 at fairgrounds where agricultural fairs occur, must be deposited into  
16 the fair fund pursuant to RCW 15.76.115. For the purposes of this  
17 subsection "agricultural fair" has the same meaning as provided in  
18 RCW 15.76.110.

19 (2) By December 15th each year, the department must estimate the  
20 tax revenues for the next fiscal year resulting from the sales  
21 described in subsection (1) of this section.

22 (3)(a) By April 15th of each fiscal year, the department must  
23 estimate the tax revenue received to date for the sales described in  
24 subsection (1) of this section and estimate the tax revenues expected  
25 for the remainder of the fiscal year.

26 (b) By April 30th of each fiscal year, the department must notify  
27 the state treasurer of the estimates in (a) of this subsection.

28 (4) The department must notify the state treasurer when the  
29 moneys collected pursuant to this section for a fiscal year is two  
30 million five hundred thousand dollars.

31 **Sec. 3.** RCW 15.76.115 and 2011 1st sp.s. c 50 s 926 are each  
32 amended to read as follows:

33 (1) The fair fund is created in the custody of the state  
34 treasury.

35 (2) Subject to the limitations in subsection (4) of this section,  
36 all moneys received as the result of the imposition of the state  
37 retail sales tax authorized in RCW 82.08.020 on sales occurring  
38 during events held at county fairgrounds or grounds for fairs

1 operated by a nonprofit where agricultural fairs, as defined in RCW  
2 15.76.110, occur must be deposited into the fund.

3 (3) All moneys received by the department of agriculture for the  
4 purposes of this fund and from RCW 67.16.105(7) shall be deposited  
5 into the fund. ((At the beginning of fiscal year 2002 and each fiscal  
6 year thereafter, the state treasurer shall transfer into the fair  
7 fund from the general fund the sum of two million dollars, except for  
8 fiscal year 2011 the state treasurer shall transfer into the fair  
9 fund from the general fund the sum of one million one hundred three  
10 thousand dollars, and except during fiscal year 2012 and fiscal year  
11 2013 the state treasurer shall transfer into the fair fund from the  
12 general fund the sum of one million seven hundred fifty thousand  
13 dollars each fiscal year.))

14 (4) The department of revenue must notify the state treasurer  
15 when the moneys collected and deposited pursuant to section 1 of this  
16 act for a fiscal year is two million five hundred thousand dollars.  
17 Any moneys collected in excess of two million five hundred thousand  
18 dollars for the fiscal year must be deposited in the general fund.

19 (5) If the estimate made pursuant to section 2(3) of this act is  
20 less than two million dollars, the state treasurer must transfer from  
21 the general fund into the fair fund the amount needed to ensure the  
22 minimum annual net deposit into the fund is two million dollars.

23 (6) Expenditures from the fund may be used only for assisting  
24 fairs in the manner provided in this chapter. Only the director of  
25 agriculture or the director's designee may authorize expenditures  
26 from the fund. The fund is subject to allotment procedures under  
27 chapter 43.88 RCW, but no appropriation is required for expenditures.

28 NEW SECTION. Sec. 4. This act takes effect October 1, 2018.

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