

CONCEPT AND PROPOSAL

*Revise California Food & Agricultural Code
To
Create New Category of Fair:*

AGRICULTURAL FAIR

April 2011

DRAFT

CONCEPT AND PROPOSAL
Revise Food & Agricultural Code to Create New Category of Fair:
AGRICULTURAL FAIR

Background

After the recent passage of budget legislation that eliminated all Fair funding sourced from the General Fund, District Agricultural Associations find themselves in the unenviable position of functioning as a state agency, with all the associated limitations, costs and requirements of that status, yet without the corresponding benefit of receiving public funding. Perhaps now is the time to create an opportunity, through changes in legislation, for DAA's to re-organize into a more flexible and agile structure.

California Food and Agricultural Code (Sections 4601ff.) provides for and describes a category of Fair known as a "citrus fruit fair". The structure of a citrus fruit fair is often acknowledged as the most flexible existing fair structure in statute, insofar as it allows certain characteristics accorded a public agency and certain characteristics accorded a private entity.

Objective

Create a new category of fair known as an **Agricultural Fair**, structured in a manner similar to citrus fruit fairs; allow DAA's to re-organize into this new structure so as to allow them to operate as local public agencies.

Proposal

The following is proposed: revise and expand the existing language in the Food and Agriculture Code which describes "citrus fruit fairs" to create a new category of Fair with the same flexible structure as citrus fruit fairs. This category of fair shall be known as an "**Agricultural Fair**". Define and describe **Agricultural Fair** using the same language and description as presently define and describe "citrus fruit fair". Permit this new category of **Agricultural Fair** to be governed as a non-profit or as a JPA. Allow District Agricultural Associations, by a majority vote of their Board and by declaration of the Secretary of CDFA, to become **Agricultural Fairs**. Allow likewise for California State Fair and Exposition. Require that **Agricultural Fairs** require transparency as follows: 1) require performance of an annual audit to standards set by the Secretary and 2) conduct their meetings according to the Brown Act. Create a commission, made up of persons with expertise in management of fairs, to advise the Secretary on governance and oversight matters relating to **Agricultural Fairs**.

Tactical Considerations and Actions

Prepare language and pursue legislation to accomplish objectives above. Proposal has characteristics that may help it find traction in current political climate: 1) takes state government out of the Fair business; 2) governance of Fairs devolves to local level; 3) transparency; 4) desire from DAA's to find new structure appropriate for current circumstances; 5) helps Fairs without requiring state funds.

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CK-April 12, 2011

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CONCEPT AND PROPOSAL
Revise Ag Code Using Citrus Fair Statute
to Create New Category of Fair: AGRICULTURAL FAIR
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1.
CALIFORNIA CODES
FOOD AND AGRICULTURAL CODE
SECTION 4601-4603

4601. Unless the context otherwise requires, the definitions in this chapter govern the construction of this part.

4602. "Association" means a nonprofit corporation or joint powers authority organized and existing under the laws of this state for the purpose of and which engages in conducting and carrying on a citrus fruit fair or agricultural fair.

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4603. "Citrus fruit fair" or "agricultural fair" means any citrus fruit fair, citrus fruit fair and exposition, agricultural fair or agricultural fair and exposition which satisfies all of the following requirements:

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(a) Has been conducted and carried on by an association for not less than four or more than 15 consecutive days during each calendar year for a period of not less than 20 consecutive years.

(b) Citrus fruits or agricultural products are exhibited for prizes and premiums at the fair. The fair has for its purpose the promotion and encouragement of the citrus fruit industry or the agricultural industry of this state.

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(1) A district agricultural association which meets the criteria set forth in (a) and (b) above may, by a majority vote of its board of directors and by declaration of the secretary, re-organize itself as an agricultural fair.

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(2) By a majority vote of its board of directors and by declaration of the secretary, the California State Fair and Exposition may re-organize itself as an agricultural fair pursuant to this section.

(c) For purposes of this section, "secretary" means the Secretary the Department of Food and Agriculture.

(d) Any fair organized pursuant to this section shall conduct its meetings according to California Government Code Sections 54950-54962, the Ralph M. Brown Act 2000.

ADD Section 4605

4605. Created hereby is the California Agricultural Fairs Commission. The secretary shall appoint seven individuals with expertise in management of fairs, of whom not less than four must be members of a fair board of directors, to advise on oversight and governance matters related to California agricultural fairs. The California Agricultural Fairs Commission may advise the secretary on standards for an annual audit of agricultural fairs pursuant to Section 4652.

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2.
CALIFORNIA CODES
FOOD AND AGRICULTURAL CODE
SECTION 4651-4652

4651. The fair shall be deemed to be a fair and association within the meaning of Chapter 1 (commencing with Section 4401), Part 4 of this division and the association so conducting and holding such citrus fruit fair or agricultural fair shall be entitled to participate in the benefits and appropriations provided for in and by Chapter 1 (commencing with Section 4401), Part 4 of this division and shall receive aid, as provided therein and as otherwise provided by law for citrus fruit fairs or agricultural fairs, in the same manner as if such citrus fruit fair or agricultural fairs was being conducted and carried on in the manner provided in and under the previous provisions of Chapter 1 (commencing with Section 4401), Part 4 of this division.

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4652. An association conducting a citrus fruit fair or agricultural fair may receive and use, for the citrus fruit fair or the agricultural fair, any money which is appropriated for use of a "citrus fruit fair", "district agricultural association", "fair" or "agricultural fair". The secretary shall oversee standards for annual audit

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3.
CALIFORNIA CODES
FOOD AND AGRICULTURAL CODE
SECTION 3001-3003

3001. Unless the context otherwise requires, the definitions in this article govern the construction of the chapter.

3002. "Courtesy pass admission" means any admission, without payment of the admission charge, to any state, county, district, agricultural or citrus fruit fair, except any of the following:

- (a) Credential admission.
- (b) Admission of any child under 12 years of age.
- (c) Admission of any military personnel in uniform.

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3003. "Credential admission" means any admission which is authorized by the board of directors of a state, district, agricultural or citrus fruit fair, or by the board of supervisors of a county for admission to a fair without payment of the admission charge when a service is rendered by the person who is admitted which is necessary for the conduct of the fair.

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4.
CALIFORNIA CODES
FOOD AND AGRICULTURAL CODE
SECTION 4701-4703

4701. An association that conducts and carries on any agricultural or citrus fruit fair which is eligible to receive apportionments pursuant to Section 19626 of the Business and Professions Code:

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(a) Has the same power as a district agricultural association to construct, maintain and operate recreational and cultural facilities of general public interest.

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(b) Is an instrumentality of the state for the purposes mentioned in subdivision (a) of this section and in Section 4603.

4702. Upon dissolution of any such association, all of its property, after payment of outstanding debts, shall escheat to the state.

4703. All property of any such association which is used exclusively in conducting agricultural or citrus fruit fairs, and its recreational and cultural facilities which are of general public interest, are exempt from taxation. No affidavit need be filed to claim this exemption.

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5.
CALIFORNIA CODES
FOOD AND AGRICULTURAL CODE
SECTION 4401.5-4403

4401.5. (a) The director shall expend an amount not to exceed a total of one hundred thousand dollars (\$100,000) in any fiscal year for any exhibit or exhibits located on any state-supported fair demonstrating, in a creative and innovative manner, the process of production and use of food and fiber from the producer to the consumer in this state.

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(b) The director shall annually provide for a conference of fair judges to aid the department in prescribing regulations adopted pursuant to Section 4501. The director may expend up to fifteen thousand dollars (\$15,000) in any fiscal year for such purposes.

4402. The department may expend funds appropriated by Section 22 of Chapter 1440 of the Statutes of 1985 in the 1985-86 and 1986-87 fiscal years for capital outlay and deferred and major maintenance projects of a health and safety nature at county fairs, district agricultural association fairs, agricultural fair and citrus fruit fairs.

4403. (a) A county fair, district agricultural association fair, agricultural fair or citrus fruit fair may expend funds for promotional and public relations purposes of the fair.

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(b) The department may expend funds for promotional and public

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relations purposes for county fairs, agricultural fairs, district agricultural association fairs, and citrus fruit fairs.

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6.
CALIFORNIA CODES
FOOD AND AGRICULTURAL CODE
SECTION 3021-3029

3021. Every state, district, county, agricultural fair or citrus fruit fair which receives any money from the State Treasury shall permit the admission without payment of the admission charge of all children 12 years of age or under on at least one day, which is designated by the fair, during each fair period.

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3022. If a charge is made for admission to enter a state, district, county, agricultural fair, or citrus fruit fair, the following persons may be admitted to such fairgrounds without the payment of the established admission price:

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- (a) Persons with credential admissions.
- (b) Persons with courtesy pass admissions.
- (c) Military personnel in uniform.

3023. A credential admission may be issued to any individual, association, or body that does any of the following:

- (a) Prepares or services any educational, commercial, industrial, livestock, agricultural, horticultural, or viticultural display or exhibit.
- (b) Services, maintains, or operates any concession.
- (c) Renders, through agreement with the fair, a service to fair patrons.
- (d) Renders a necessary public service.
- (e) Safeguards health.
- (f) Provides for public safety.
- (g) Participates in any parade or event which is necessary for the conduct of the fair.

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3024. Credential admissions may, also, be issued to any of the following persons:

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- (a) Representatives of press, radio, and television personally engaged in obtaining and transmitting public information.
- (b) Ambulance drivers.
- (c) Firemen on duty.
- (d) Repairmen who are necessary to service utilities.
- (e) Employees of the fair.
- (f) State officials in the performance of their duty.

3025. The words "credential admission" shall be printed on each ticket which is issued as a credential admission.

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3026. The percentage of courtesy pass admissions to any state, county, district, agricultural fair or citrus fruit fair shall not exceed 4 percent of ~~the gross paid admission to the fair in the~~ preceding calendar year.

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3027. A courtesy pass admission is not transferable.

3028. Each fair shall maintain complete records of the number of credential and courtesy pass admissions which are issued for each fair period.

3029. Each fair shall make an annual report to the department, as prescribed by the department, of the total number of credential and courtesy pass admissions issued and honored at the fair.

NOTE:

CERTAIN OTHER SECTIONS OF STATUTE, INCLUDING BUSINESS AND PROFESSIONS CODE, WILL ALSO REQUIRE AMENDMENT.

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April 2011

ABSTRACTS

CITRUS FRUIT FAIR IN AG CODE

1.
CALIFORNIA CODES
FOOD AND **AGRICULTURAL CODE**
SECTION 4601-4603

4601. Unless the context otherwise requires, the definitions in this chapter govern the construction of this part.

4602. "Association" means a nonprofit corporation organized and existing under the laws of this state for the purpose of and which engages in conducting and carrying on a **citrus fruit fair**.

4603. "**Citrus fruit fair**" means any **citrus fruit fair** or **citrus fruit fair** and exposition which satisfies all of the following requirements:

(a) Has been conducted and carried on by an association for not less than four or more than 15 consecutive days during each calendar year for a period of not less than 20 consecutive years.

(b) **Citrus** fruits are exhibited for prizes and premiums at the **fair**. The **fair** has for its purpose the promotion and encouragement of the **citrus** fruit industry of this state.

2.
CALIFORNIA CODES
FOOD AND **AGRICULTURAL CODE**
SECTION 4651-4652

4651. The **fair** shall be deemed to be a **fair** and association within the meaning of Chapter 1 (commencing with Section 4401), Part 4 of this division and the association so conducting and holding such **citrus fruit fair** shall be entitled to participate in the benefits and appropriations provided for in and by Chapter 1 (commencing with Section 4401), Part 4 of this division and shall receive aid, as provided therein and as otherwise provided by law for **citrus fruit fairs**, in the same manner as if such **citrus fruit fair** was being conducted and carried on in the manner provided in and under the previous provisions of Chapter 1 (commencing with Section 4401), Part 4 of this division.

4652. An association conducting a **citrus fruit fair** may receive and use, for the **citrus fruit fair**, any money which is appropriated for use of a "**citrus fruit fair**".

3.
CALIFORNIA CODES
FOOD AND **AGRICULTURAL CODE**
SECTION 3001-3003

3001. Unless the context otherwise requires, the definitions in this article govern the construction of the chapter.

3002. "Courtesy pass admission" means any admission, without payment of the admission charge, to any state, county, district, or **citrus fruit fair**, except any of the following:

- (a) Credential admission.
- (b) Admission of any child under 12 years of age.
- (c) Admission of any military personnel in uniform.

3003. "Credential admission" means any admission which is authorized by the board of directors of a state, district, or **citrus fruit fair**, or by the board of supervisors of a county for admission to a **fair** without payment of the admission charge when a service is rendered by the person who is admitted which is necessary for the conduct of the **fair**.

4.
CALIFORNIA CODES
FOOD AND **AGRICULTURAL CODE**
SECTION 4701-4703

4701. An association that conducts and carries on any **citrus fruit fair** which is eligible to receive apportionments pursuant to Section 19626 of the Business and Professions **Code**:

(a) Has the same power as a district **agricultural** association to construct, maintain and operate recreational and cultural facilities of general public interest.

(b) Is an instrumentality of the state for the purposes mentioned in subdivision (a) of this section and in Section 4603.

4702. Upon dissolution of any such association, all of its property, after payment of outstanding debts, shall escheat to the state.

4703. All property of any such association which is used exclusively in conducting **citrus** fruit fairs, and its recreational and cultural facilities which are of general public interest, are exempt from taxation. No affidavit need be filed to claim this exemption.

5.
CALIFORNIA CODES
FOOD AND **AGRICULTURAL CODE**
SECTION 4401.5-4403

4401.5. (a) The director shall expend an amount not to exceed a total of one hundred thousand dollars (\$100,000) in any fiscal year for any exhibit or exhibits located on any state-supported **fair** demonstrating, in a creative and innovative manner, the process of production and use of food and fiber from the producer to the consumer in this state.

(b) The director shall annually provide for a conference of **fair** judges to aid the department in prescribing regulations adopted pursuant to Section 4501. The director may expend up to fifteen thousand dollars (\$15,000) in any fiscal year for such purposes.

4402. The department may expend funds appropriated by Section 22 of Chapter 1440 of the Statutes of 1985 in the 1985-86 and 1986-87 fiscal years for capital outlay and deferred and major maintenance projects of a health and safety nature at county fairs, district **agricultural** association fairs, and **citrus** fruit fairs.

4403. (a) A county **fair**, district **agricultural** association **fair**, or **citrus** fruit **fair** may expend funds for promotional and public relations purposes of the **fair**.

(b) The department may expend funds for promotional and public relations purposes for county fairs, district **agricultural** association fairs, and **citrus** fruit fairs.

6.

CALIFORNIA CODES
FOOD AND **AGRICULTURAL** CODE
SECTION 3021-3029

3021. Every state, district, county, or **citrus** fruit **fair** which receives any money from the State Treasury shall permit the admission without payment of the admission charge of all children 12 years of age or under on at least one day, which is designated by the **fair**, during each **fair** period.

3022. If a charge is made for admission to enter a state, district, county, or **citrus** fruit **fair**, the following persons may be admitted to such fairgrounds without the payment of the established admission price:

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(b) Services, maintains, or operates any concession.

(c) Renders, through agreement with the **fair**, a service to **fair** patrons.

(d) Renders a necessary public service.

(e) Safeguards health.

- (f) Provides for public safety.
- (g) Participates in any parade or event which is necessary for the conduct of the **fair**.

3024. Credential admissions may, also, be issued to any of the following persons:

- (a) Representatives of press, radio, and television personally engaged in obtaining and transmitting public information.
- (b) Ambulance drivers.
- (c) Firemen on duty.
- (d) Repairmen who are necessary to service utilities.
- (e) Employees of the **fair**.
- (f) State officials in the performance of their duty.

3025. The words "credential admission" shall be printed on each ticket which is issued as a credential admission.

3026. The percentage of courtesy pass admissions to any state, county, district, or **citrus** fruit **fair** shall not exceed 4 percent of the gross paid admission to the **fair** in the preceding calendar year.

3027. A courtesy pass admission is not transferable.

3028. Each **fair** shall maintain complete records of the number of credential and courtesy pass admissions which are issued for each **fair** period.

3029. Each **fair** shall make an annual report to the department, as prescribed by the department, of the total number of credential and courtesy pass admissions issued and honored at the **fair**.

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CORRESPONDENCE

----- Original Message -----

From: [Christopher Korby](#)

To: [Alkire, John](#) ; [Rick Pickering](#) ; [Stephen Chambers](#)

Cc: [George Soares](#) ; [Louie Brown](#)

Sent: April 13, 2011 12:58 PM

Subject: Fw: Some Suggestions for Revisions to Ag Code related to Fair Structure

All,

Please consider this a request that the concept of creating a new "**Agricultural Fair**" structure in statute be added to the discussion items for the WFA/CFA meeting on Friday April 15.

When Stephen and I spoke about this the other day, he mentioned that the WFA advocacy team will continue to focus its efforts toward securing Fair funding, but the team is looking at all options. We'd propose that this concept become one of the options.

While this concept of an new **Agricultural Fair** structure does not include a Fair funding component, it certainly does not preclude continuing efforts to secure Fair funding. It can be viewed as a parallel effort. Both efforts are worthy of support.

In my estimation, the two efforts (i.e., securing Fair funding and creating a new Fair structure: **Agricultural Fair**) are complementary. As drafted, this **Agricultural Fair** proposal is intentionally silent on the subject of funding. It may actually be a better tactic that they proceed separately. This concept for re-structuring may have a better prospect for passage if it is not connected to state funding and presented as bootstrap legislation that could help Fairs succeed by allowing them to step away from state structure.

So far in this session, Fairs have not fared well in budget legislation. There are probably are many legislators who would like to help Fairs in ways that do not require state funds, if there is a way to do so. This proposal aligns with those circumstances.

The re-structuring proposal also includes "transparency" components, important in today's political environment, in the form of open-meeting requirements and audit requirements. Furthermore, it keeps Fairs connected to CDFA through

creation of a California Agricultural Fairs Commission, a body which can be further defined now or later.

If we were successful in modifying Ag Code to allow this new structure, participation on the part of any Fair would be voluntary; the decision to re-structure would begin at the local level. Any Fair that wished to continue as a state agency would be free to do so.

With respect to personnel issues and PERS coverage for employees, contracts with PERS to cover continuing employees can be transferred to local agency-status. There are Fairs that operate now under a local agency contract with PERS. In my estimation, the mechanics of such a transfer are not difficult. The difficulty, if there is one, will be how Fairs pay for the benefits.

If you wish, we can offer a reference to an Human Resources JPA that could advise on and manage a personnel transition of this sort.

With respect to potential union opposition, I believe that any responsible union representatives would be interested in preserving jobs for as many members as they can. For smaller to medium-size DAA's, with no state funding available, the choice may be re-structure or go out of business; going out of business means loss of jobs. I can't imagine why the SEIU or any other union group wouldn't be willing to talk about strategies that preserve public sector jobs in the current environment.

These are difficult times and we hope every possible solution on the table for discussion. The approach outlined in this proposal may work for some Fairs, it may not work for others. If it might help some Fairs survive or operate more efficiently, it's worth exploring. In any event, we need to look at all the options.

Thanks for your consideration.

Respectfully offered,
--Chris

Christopher Korby
Executive Director
California Authority of Racing Fairs
916-263-3348

CALIFORNIA FAIRS



LEGEND

- Fair Site
- + Fairs with Live Racing
- Satellite Wagering Facility
- Special Event Centers
- OES Mobilization Sites

DAA= District Agricultural Association

