

Date of Hearing: April 6, 2022

ASSEMBLY COMMITTEE ON AGRICULTURE
Robert Rivas, Chair
AB 2487 (Gray) – As Introduced February 17, 2022

SUBJECT: Fairs: district agricultural associations: sponsorship fees

SUMMARY: This bill would authorize a District Agriculture Association (DAA), also known as fairs, to pay sponsorship fees, and join and participate in affairs of any similar organization.

EXISTING LAW:

1. Provides for the establishment of DAA; and
2. Allows a DAA to engage in various activities, including paying membership fees and joining and participating in affairs of any similar organization that deals with subjects that are related to the powers and duties of the DAA.

FISCAL EFFECT: Unknown.

COMMENTS: There are 54 statutory DAAs, of which 52 are active, and 41 operate on state owned lands. They hold various activities on their sites, such as fairs, day care operations, fund raising and commercial events. DAAs in some areas provide the only event space for the local community. DAA budgets run from several hundred thousand dollars to over ten million dollars. Only a few DAAs are self-sustaining, most are not.

California's fairs operate under the guidelines of the Department of Food and Agriculture - Division of Fairs and Expositions. Collectively they host events that are attended by nearly ten million Californians and tourists annually. According to the Author, the network of California fairs is an economic, social, and cultural institution that enriches the lives of Californians from every background and walk of life and seeks to connect urban populations that may have little contact with farms, ranches, and agribusinesses with California's agricultural heritage.

Sponsorship fees are any fees collected from the sale of any and all title, signage, billboard, and secondary advertisements. This includes app sponsorships, website sponsorships, and physical sponsorships. Membership fees are dues remitted by entities to an organization for the right to use shared services such as facilities, legal expertise, and common vendors. Current law allows a fair, by a majority vote of its board, to elect to pay membership fees into another association that manages a fair, horse racing program, or livestock show on its property.

However, fairs are not explicitly allowed to pay sponsorship fees to the same organizations. This bill clarifies that DAA can pay sponsorship fees, in addition to membership fees, to organizations that manage events on California fairgrounds.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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