

## Senate Bill No. 972

### CHAPTER 694

An act to repeal and add Section 19622.2 of the Business and Professions Code, to amend Sections 3311 and 3332 of, and to repeal Sections 3335 and 3336 of, the Food and Agricultural Code, and to amend Sections 11272, 12470, and 16310 of the Government Code, relating to the California Exposition and State Fair, and making an appropriation therefor.

[Approved by Governor October 4, 1997. Filed  
with Secretary of State October 6, 1997.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 972, Greene. California Exposition and State Fair.

(1) Existing law provides for the California Exposition and State Fair as a separate entity in state government, governed by its board of directors. Existing law sets forth the powers of the Board of Directors of the California Exposition and State Fair, which includes the power to enter into contracts.

This bill would additionally authorize the board, with the approval of the Department of General Services, to purchase, acquire, or hold real or personal property, to make permanent improvements on publicly owned real property adjacent to, or in the vicinity of, real property owned by the California Exposition and State Fair, and to pledge revenues, moneys, accounts, and other rights.

(2) Existing law limits the administrative oversight authority of the Department of Food and Agriculture to the approval of the California Exposition and State Fair's budget.

This bill would repeal that provision and would instead grant the Department of Food and Agriculture administrative oversight authority over the California Exposition and State Fair, including the authority to prescribe standards to be met by that fair.

(3) Existing law creates the California Exposition and State Fair Enterprise Fund in the State Treasury, and requires funds received by the California Exposition and State Fair to be deposited in the fund and remain in the fund until expended by the California Exposition and State Fair. Existing law also permits the board to establish and maintain a bank checking account or a savings and loan association account for depositing funds appropriated pursuant to a specific provision to the California Exposition and State Fair.

This bill would repeal the provision creating the California Exposition and State Fair Enterprise Fund in the State Treasury, and would permit the board to establish and maintain a bank checking account or a savings and loan association account for depositing all



funds received by the California Exposition and State Fair. The bill would continuously appropriate all funds in the account to the board to carry out the functions for which the California Exposition and State Fair is formed. The bill would transfer all funds remaining in the California Exposition and State Fair Enterprise Fund on the effective date of the bill to the board for deposit in the bank checking or savings and loan account. This bill would also authorize the board to establish a program for paying vendors who contract with the California Exposition and State Fair.

(4) Existing provisions of the Food and Agricultural Code provide that whenever, pursuant to that code, any state department, officer, board, agency, committee, or commission is authorized to adopt rules and regulations, the regulations shall be adopted in accordance with those provisions of the Administrative Procedure Act that govern the adoption of regulations.

This bill would exempt the board from that requirement.

(5) Existing law requires the Controller to install and operate a uniform state payroll system for all state agencies.

This bill would exempt the California Exposition and State Fair from that provision, and would also authorize the board to operate a payroll system for paying employees, and a system for accounting for vacation and sick leave credits of employees.

(6) Existing law requires the Department of Finance to determine which funds, other than the General Fund, shall be charged a share of administrative costs for supervision or administration of the state government or for services to the various state agencies, and the amount to be charged against any such fund as its fair share of administrative costs.

This bill would require the Department of Finance, in determining the fair share of the California Exposition and State Fair, to take into account any reduction in the services provided to that agency as a consequence of the assumption of the various functions that agency is authorized to assume by this act, and to reduce the fair share of the California Exposition and State Fair accordingly.

(7) Existing law permits the Governor to order the Controller to direct the transfer of all or any part of the moneys not needed in other funds or accounts to the General Fund when the General Fund is, or will be, exhausted.

This bill would require interest to be paid on all moneys transferred to the General Fund from any funds retained by, or in the possession of, the California Exposition and State Fair.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 19622.2 of the Business and Professions Code is repealed.



SEC. 1.5. Section 19622.2 is added to the Business and Professions Code, to read:

19622.2. (a) The authority of the Department of Food and Agriculture shall include, but is not limited to, requiring the California Exposition and State Fair to meet all applicable standards prescribed by the department.

(b) The department may delegate approval authority for such matters as the department may determine to the Board of Directors of the California Exposition and State Fair if the fair complies with this section.

(c) Notwithstanding any other provision of law, the department may assume all rights, duties, and powers of the Board of Directors of the California Exposition and State Fair if the department determines there is insufficient fiscal or administrative control. The board of directors shall again exercise these rights, duties, and powers when the department determines that the fair has been restored to solvency and is in compliance with this section.

(d) The department may petition a court of competent jurisdiction for an order appointing the department, or a person designated by the department, as a receiver if it determines that the California Exposition and State Fair is insolvent, or is in imminent danger of insolvency. The court shall appoint a receiver upon showing that the fair is insolvent, or is in imminent danger of insolvency.

(e) For the purposes of this section, “insolvency” means that the California Exposition and State Fair is unable to discharge its debts as they become due in the usual course of business.

(f) The General Fund and the Fairs and Exposition Fund shall be held harmless from any debts, liabilities, settlements, judgments, or liens incurred by the California Exposition and State Fair, including any deficiency in operating funds.

SEC. 1.6. Section 3311 of the Food and Agricultural Code is amended to read:

3311. The California Exposition and State Fair is hereby created as a separate independent entity in state government. The California Exposition and State Fair shall be governed by its board of directors.

SEC. 1.7. Section 3332 of the Food and Agricultural Code is amended to read:

3332. The board may do any of the following:

(a) Contract.

(b) Accept funds or gifts of value from the United States or any person to aid in carrying out the purposes of this part.

(c) Conduct or contract for programs, either independently or in cooperation with any individual, public or private organization, or federal, state, or local governmental agency.

(d) Establish and maintain a bank checking account or a savings and loan association account, approved by the Director of Finance



in accordance with Sections 16506 and 16605 of the Government Code, for depositing funds received by the California Exposition and State Fair. Notwithstanding Section 13340 of the Government Code, all funds maintained in an account authorized by this subdivision are continuously appropriated to the board, without regard to fiscal year, to carry out this part.

(e) Establish a program for paying vendors who contract with the California Exposition and State Fair.

(f) Make or adopt all necessary orders, rules, or regulations for governing the activities of the California Exposition and State Fair. Notwithstanding Section 14, any orders, rules, or regulations adopted by the board are exempt from Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For informational purposes only, however, any order, rule, or regulation adopted by the board may be transmitted to the Office of Administrative Law for filing with the Secretary of State pursuant to Section 11343 of the Government Code.

(g) Delegate to the officers and employees of the California Exposition and State Fair the authority to appoint civil service personnel according to state civil service procedures.

(h) Operate a payroll system for paying employees, and a system for accounting for vacation and sick leave credits of employees.

(i) Delegate to the officers and employees of the California Exposition and State Fair the exercise of powers vested in the board as the board may deem desirable for the orderly management and operation of the California Exposition and State Fair.

(j) Appoint all necessary marshals and police to keep order and preserve peace at the California Exposition and State Fair premises on a year-round basis who shall have the powers of peace officers specified in Section 830.2 of the Penal Code. A peace officer of the Department of the California Highway Patrol may be employed as a peace officer while off duty from his or her regular employment, subject to those conditions as may be set forth by the Commissioner of the Department of the California Highway Patrol. At least 75 percent of the persons appointed pursuant to this subdivision shall possess the basic certificate issued by the Commission on Peace Officers Standards and Training. The remaining 25 percent may be appointed if the person has completed a Peace Officer Standards and Training certified academy or possesses a Level One Reserve Certificate (as defined in Section 832.6 of the Penal Code).

(k) With the approval of the Department of General Services, purchase, acquire, or hold real or personal property, and beautify or improve that property. Any acquisition of land or other real property is subject to the approval of the Department of General Services, and in the case of the purchase of real property, is subject to the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code).



(l) With the approval of the Department of General Services, make permanent improvements upon publicly owned real property adjacent to, or near the vicinity of, the real property of the California Exposition and State Fair when the improvements materially benefit the property of the California Exposition and State Fair.

(m) Lease, with the approval of the Department of General Services, any of its property for any purpose for any period of time.

(n) Use or manage any of its property, with the approval of the Department of General Services, jointly or in connection with any lessee or sublessee, for any purpose approved by the board.

(o) With the approval of the Department of General Services, pledge any and all revenues, moneys, accounts, accounts receivable, contract rights, and other rights to payment of whatever kind, pursuant to such terms and conditions as are approved by the board. Any issuance of bonds, contracts entered into, debts incurred, settlements, judgments, or liens under this section or pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, shall not directly, indirectly, or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation therefor or to make any appropriation for their payment. Any such bond shall contain on the face thereof a statement to the following effect: "Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of, or interest on this bond."

SEC. 2. Section 3335 of the Food and Agricultural Code is repealed.

SEC. 3. Section 3336 of the Food and Agricultural Code is repealed.

SEC. 4. Section 11272 of the Government Code is amended to read:

11272. (a) In determining or redetermining the fair share, the Department of Finance may consider the factors of cost distribution and cost estimation as it deems necessary, except that, as to the proceeds of those taxes, the use of which is restricted by Article XIX of the California Constitution, the Department of Finance shall assess only those administrative costs ascertained as being necessarily incurred in connection with highway purposes as set forth in the article. As to funds collected pursuant to Section 221 of the Food and Agricultural Code, the Department of Finance shall assess only those administrative costs incurred in connection with the enforcement of the law under which the funds were derived.

(b) In determining the share of costs to be borne by the California Exposition and State Fair, the Department of Finance shall take into account any reduction in the services provided to the California Exposition and State Fair as a consequence of the assumption of the various functions that the California Exposition and State Fair is authorized to assume by the act that amended this section during the



1997–98 Regular Legislative Session, and shall reduce the fair share of the California Exposition and State Fair accordingly. From its operating funds, the California Exposition and State Fair shall annually reimburse the General Fund for its share of costs determined pursuant to this subdivision.

SEC. 5. Section 12470 of the Government Code is amended to read:

12470. In conformity with the accounting system prescribed by the Department of Finance pursuant to Section 13300, the Controller shall install and operate a uniform state payroll system for all state agencies except the California Exposition and State Fair and the University of California. The Controller may provide for the orderly inclusion of state agencies into the system, and may make exceptions from the operation thereof for such periods as he or she determines necessary.

SEC. 6. Section 16310 of the Government Code is amended to read:

16310. (a) When the General Fund in the Treasury is or will be exhausted, the Controller shall notify the Governor and the Pooled Money Investment Board. The Governor may order the Controller to direct the transfer of all or any part of the moneys not needed in other funds or accounts to the General Fund from those funds or accounts, as determined by the Pooled Money Investment Board, including the Surplus Money Investment Fund or the Pooled Money Investment Account. All moneys so transferred shall be returned to the funds or accounts from which they were transferred as soon as there are sufficient moneys in the General Fund to return them. No interest shall be charged or paid on any transfer authorized by this section, exclusive of the Pooled Money Investment Account, except as provided herein. This section does not authorize any transfer that will interfere with the object for which a special fund was created or any transfer from the Central Valley Water Project Construction Fund, the Central Valley Water Project Revenue Fund, or the California Water Resources Development Bond Fund.

(b) Interest shall be paid on all moneys transferred to the General Fund from the Department of Food and Agriculture Fund and from any funds retained by or in the possession of the California Exposition and State Fair pursuant to this section. With respect to all other funds, if the total moneys transferred to the General Fund in any fiscal year from any special fund pursuant to this section exceed an amount equal to 10 percent of the total additions to surplus available for appropriation as shown in the statement of operations of a prior fiscal year as set forth in the most recent published annual report of the Controller, interest shall be paid on the excess. Interest payable under this section shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which transferred.



SEC. 7. All funds remaining in the California Exposition and State Fair Enterprise Fund on the effective date of this act shall be transferred to the Board of Directors of the California Exposition and State Fair for deposit in an account maintained pursuant to subdivision (d) of Section 3332 of the Food and Agricultural Code.

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