

Senate Bill No. 1460

CHAPTER 181

An act to amend Sections 19620, 19620.1, and 19622.3 of the Business and Professions Code, relating to fairs.

[Approved by Governor July 18, 1998. Filed with
Secretary of State July 20, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1460, Maddy. State fairs.

Under existing law, the Department of Food and Agriculture is responsible for ensuring the integrity of the Fair and Exposition Fund, and is required to provide oversight over specified activities carried out by each California fair.

This bill would additionally require the department to provide oversight over the conduct of fiscal and performance audits of county fairs and citrus fruit fairs that are requested by the fair that is the subject of the audit, and that the department deems to be necessary.

Existing law requires that all revenue distributed to the state as license fees from satellite wagering facilities be deposited in a separate account in the fund, and continuously appropriated to the department for specified purposes relating to the operation and support of state fairs. Existing law further requires the Legislature to annually appropriate to the department from the total revenue received by the California Horse Racing Board, except as specified, and in addition to specified revenues received by the board from satellite wagering fees that are paid into the State Treasury to the credit of the fund, such sums that it deems necessary for, among other things, auditing of all district agricultural association fairs.

This bill would additionally require the Legislature to annually appropriate to the department such sums as it deems necessary for the auditing of county fairs, and citrus fruit fairs.

Existing law provides the department with regulatory authority over district agricultural associations, and authorizes the department to delegate approval authority for such matters as the department may determine to the board of directors of the association. Existing law also authorizes the department to assume all rights, duties, and powers of the board of directors of a district agricultural association if the department determines there is insufficient oversight. Existing law requires the department to report annually to the Joint Fairs Committee with the names of any district agricultural associations to which it has delegated approval authority or of which it has taken control.

This bill would make clarifying and conforming changes, by instead referring to the Joint Committee on Fairs Allocation and Classification. This change is technical and nonsubstantive.

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

SECTION 1. Section 19620 of the Business and Professions Code is amended to read:

19620. (a) The Legislature finds and declares that the Department of Food and Agriculture is responsible for ensuring the integrity of the Fair and Exposition Fund, administering allocations from the fund to the network of California fairs, as defined in Sections 19418 to 19418.3, inclusive, and providing oversight of activities carried out by each California fair.

(b) Oversight shall include, but not be limited to, the following:

(1) Monitoring the solvency of the Fair and Exposition Fund.

(2) Distributing available state resources to the network of California fairs based on criteria for state allocations approved by the Secretary of Food and Agriculture. The criteria for the distribution of available state resources to the network of California fairs shall not include a consideration of the structure that governs the fair.

(3) Creating a framework for administration of the network of California fairs allowing for maximum autonomy and local decisionmaking authority, and conducting, or causing to be conducted, annual fiscal audits and periodic compliance audits.

(4) Conducting fiscal and performance audits of county fairs and citrus fruit fairs that are requested by the fair that is the subject of the audit, and that the Department of Food and Agriculture deems to be necessary.

(5) Guiding and providing incentives to fairs to seek matching funds and generate new revenue from a variety of sources.

(6) Supporting continuous improvement of fair programming to ensure that California fairs remain highly relevant community institutions.

SEC. 2. Section 19620.1 of the Business and Professions Code is amended to read:

19620.1. (a) From the total revenue received by the board, exclusive of money received pursuant to Sections 19640 and 19641, the sum of two hundred sixty-five thousand dollars (\$265,000) plus an amount equal to $\frac{63}{100}$ of 1 percent of the gross amount of money handled in the annual parimutuel pool generated within this state, or the maximum amount received by the state from the parimutuel pool of a racing meeting held in this state, whichever is less, shall be paid into the State Treasury to the credit of the Fair and Exposition Fund. If the revenues paid into the Fair and Exposition Fund under this section are in excess of thirteen million dollars (\$13,000,000) in



any fiscal year, one-half of the amount in excess of the thirteen million dollars (\$13,000,000) shall be transferred to the General Fund.

(b) From the total revenue received by the board, exclusive of money received pursuant to Sections 19640 and 19641, and in addition to the funds paid into the State Treasury to the credit of the Fair and Exposition Fund as specified in subdivision (a), the Legislature shall annually appropriate and the board shall deposit to the credit of the Fair and Exposition Fund, such sums as it deems necessary for the following purposes:

(1) For the support of the board, including any costs and expenses incurred by the Attorney General in the enforcement of this chapter as shall be authorized by the board, including, compensation including any fringe benefits paid to stewards and to the official veterinarian, and an amount not less than the amount expended in the 1994-95 fiscal year for the costs of laboratory testing related to horseracing pursuant to Section 19580.

(2) To the Department of Food and Agriculture for the oversight of the network of California fairs receiving money from the fund.

(3) To the Department of Food and Agriculture for the contributions, or the cost of benefits in lieu of contributions, payable to the Unemployment Fund by the network of California fairs receiving funds pursuant to this article, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.

(4) To the Department of Food and Agriculture for the auditing of all district agricultural association fairs, county fairs, and citrus fruit fairs.

SEC. 3. Section 19622.3 of the Business and Professions Code is amended to read:

19622.3. (a) The authority of the Department of Food and Agriculture shall include, but is not limited to, requiring district agricultural associations to meet all applicable standards prescribed by the Department of Food and Agriculture.

(b) The department may delegate approval authority for such matters as the department may determine to the board of directors if the board complies with this section. The department shall report annually to the Joint Committee on Fairs Allocation and Classification the names of fairs that are delegated that authority.

(c) Notwithstanding any other provision of law, and in order to protect the integrity of the Fair and Exposition Fund, the department may assume all rights, duties, and powers of the board of directors of a district agricultural association if the department reasonably determines that 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 is in compliance with this section. The department shall report annually to the Joint Committee on Fairs Allocation and



Classification the names of fairs with respect to which the department has taken the action prescribed in this subdivision and subdivision (d).

(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 fair is insolvent, or is in imminent danger of insolvency. The court shall appoint a receiver upon a showing that the fair is insolvent, or is in imminent danger of insolvency.

(e) For the purposes of this section, “insolvency” means that the district agricultural association is unable to discharge its debts as they become due in the usual course of business.

