SENATE COMMITTEE ON AGRICULTURE Senator Andreas Borgeas, Chair 2021 - 2022 Regular

Bill No:	AB 2487	Hearing Date:	6/21/2022
Author:	Gray		
Version:	2/17/22		
Urgency:	No	Fiscal:	Yes
Consultant:	Reichel Everhart		

Subject: Fairs: district agricultural associations: sponsorship fees

SUMMARY:

This bill authorizes a district agricultural association to pay sponsorship fees and join and participate in affairs of any similar organization that deals with subjects related to the powers and duties of the association.

BACKGROUND AND EXISTING LAW:

Existing law:

- 1) Establishes district agricultural associations (*Business and Professions Code Section 19622.1*).
- 2) Authorizes an association to pay membership fees to participate in affairs of any organization that has the following purposes (*Food and Agriculture Code Section 4056*):
 - a. Interchange of information that relates to livestock, poultry, and other agricultural animals and products.
 - b. Conduct and manage fairs.
 - c. Conduct horseracing meetings.
- 3) Authorizes an association to pay membership fees, join, and participate in affairs of any similar organization that deals with subjects related to powers and duties of the association (*Food and Agriculture Code, Section 4056*).

PROPOSED LAW:

This bill:

1) Authorizes an association to pay sponsorship fees and join and participate in affairs of any similar organization that deals with subjects related to the powers and duties of the association.

ARGUMENTS IN SUPPORT:

According to the author:

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. While current law authorizes fairs to pay membership fees to an association that manages a fair, horse racing program, or livestock show, AB 2487 clarifies that fairs can also pay sponsorship fees which are fees collected from the sale of any and all title, signage, billboard, and secondary advertisements.

COMMENTS:

There are 54 statutory district agricultural associations (DAAs). DAAs are home to many activities, such as county fairs, day care operations, and commercial events. In some areas, DAAs are the only large event space for a community and can be used as a refuge during a natural disaster or other catastrophic event.

Current law allows a fair, by a majority vote of its board, to elect to pay membership fees to 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. A sponsorship fee is any fee 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. This bill clarifies that DAAs can pay sponsorship fees, in addition to membership fees, to organizations that manage events on California fairgrounds.

PRIOR ACTIONS:

Assembly Floor:	61 - 0
Assembly Appropriations Committee:	15 - 0
Assembly Agriculture Committee:	9 - 0

SUPPORT:

None received

OPPOSITION:

None received

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