



March 27, 2024

The Honorable Steven Glazer
Chair, Senate Revenue and Taxation Committee
State Capitol, Room 407
Sacramento, CA 95814

Re: SB 1261 (Alvarado-Gil)—SUPPORT

Dear Chair Glazer:

This coalition, comprised of representatives of the fair industry, local government, agricultural and community groups, write in support of SB 1261 (Alvarado-Gil), which will enhance an existing fund source for California's network of fairs and offer much needed financial support for fair projects involving public health and safety, infrastructure, deferred maintenance, and reinvestment into the state's 76 fairs.

Fairgrounds are an important public asset, especially important in rural areas, often providing the only space available for enhancing commercial enterprises, hosting affordable and accessible community gatherings, and providing invaluable emergency support. They are also substantial economic drivers, providing a wide variety of services and supporting hundreds of small businesses that rely on a solid network to create thousands of jobs and millions in tax revenue for California. The fair industry reflects California's diversity like no other. Women, minorities, and veterans are all represented in this humble business sector, and they all rely on the solvency of the fairground.

For more than 75 years, California's fairs had a stable source of funding from horse racing license fees and supplementary General Fund resources. These fund sources were eliminated in the 2011-12 state budget, requiring all fairs to become self-sufficient. With the lapse in funding, many fairs suffered from deferred maintenance, while concurrently becoming more necessary as climactic and community emergencies increased. In response in 2017, the Legislature authored, and the Governor signed AB 1499, which offered an opportunity for fairs to retain three-quarters of 1% (0.75%) of sales and use tax revenues generated on fairgrounds. Through these limited revenues some fairs have been able to benefit, however the amount of revenue is not sufficient to serve as a statewide fiscal solution as currently crafted. And as a result, many of our fairgrounds remain in jeopardy.

SB 1261 makes a simple change by increasing the fairs' share of tax revenues generated from on-fairground sales from 0.75% to 5%.

This measure will result in long-term sustainable funding for the operations and maintenance of the fairgrounds enabling the network to serve California communities, from the fun and excitement of fair time to the times of flood and fires.

For these reasons, we respectfully request an "Aye" vote and appreciate your ongoing support of California fairs.

Sincerely,



Matthew Patton, Executive Director
California Agricultural Teachers' Association



Christopher Reardon, Director of Legislative Affairs
California Farm Bureau Federation



Sidd Nag, Legislative Advocate
Rural County Representatives of California



Sarah Cummings, President & CEO
Western Fairs Association
California Fairs Alliance

Cc: The Honorable Marie Alvarado-Gil
Members, Senate Revenue and Taxation Committee
Colin Grinnell, Chief Consultant, Senate Revenue and Taxation Committee