



July 5, 2023

The Honorable Jacqui Irwin
Assembly Revenue and Taxation Committee
1020 O Street, Suite 167A
Sacramento, CA 95814

Re: SB 624 (Alvarado-Gil)—SUPPORT

Dear Chair Irwin:

This coalition, comprised of representatives of the fair industry, local government, agricultural and community groups, write in support of SB 624 (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 and staff at the California Department of Food and Agriculture (CDFA) remain in jeopardy.

SB 624 provides an alternative. This is achieved by:

- Increasing the fairs' share of tax revenues generated from on-fairground sales from 0.75% to 3.5%
- Providing funding to CDFA for costs related to their oversight of District Agricultural Associations
- Providing resources for technical assistance, training, education and professional development for fair managers and fair boards and
- Daylighting the fund distribution process by CDFA offering the Legislature proper oversight and approval.

Through these collective measures, SB 624 provides a pathway to deliver on the true promise of AB 1499—to provide a reliable fund source for California's network of fairs. 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,



Debbie Murdock, Executive Director
Association of California Egg Farmers
California Pear Growers Association
Pacific Egg and Poultry Association



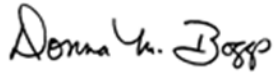
Jane Townsend, Executive Officer
California Bean Shippers Association



Brooke Palmer, Executive Officer
California Association of Wheat Growers



Chris Zanobini, Chief Executive Officer
California Grain & Feed Association



Donna Boggs, Associate Director
California Seed Association



Ann Quinn, Executive Vice President
California State Floral Association



Catherine Freeman, Senior Legislative Advocate
California State Association of Counties



Mary-Ann Warmerdam, Senior Vice President
Governmental Affairs
Rural County Representatives of CA



Sarah Cummings, President & CEO
Western Fairs Association

Cc: The Honorable Marie Alvarado-Gil
Members, Assembly Revenue and Taxation Committee
David Ruff, Chief Consultant, Assembly Revenue and Taxation Committee