



Ohio Fair Managers Association
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Good Morning Chairman Koehler, Vice Chairman Smith and Ranking Member Brent and all members of the House Agriculture and Rural Development Committee. Thank you for the opportunity to provide proponent testimony on House Bill 665. My name is Bev Fisher and I am currently serving as an At Large Director of the Ohio Fair Managers Association (OFMA). The OFMA represents 94 county and independent fairs and the Ohio State Fair.

My early duties with the Fair were as a receptionist and registration staff for concessions. Beginning in 1995, I was promoted to the first Fair Manager for the Canfield Fair. Today my duties consist of concession placement, marketing the use of the fairgrounds year-round, developing specifications to obtain competitive bids, overseeing the maintenance department and maintenance of the grounds, assisting in the preparation of financial reports for directors as well as the annual state report and overseeing forms as required by the Ohio Department of Agriculture. In 2008 I received the Certified Fair Executive (CFE) from the International Association of Fairs and Expositions.

County fairs are governed by the Ohio Revised Code. Most sections governing fairs are in Chapter 1711. When a new board member gets elected to their local fair board, they are given a copy of the "Red Book". This is a book, that has a red cover, with all of the code sections that apply to county fairs. These laws cover things like elections, our annual financial reporting to the state, lines of credit, maintenance of the ground, aspects of our relationship with our county and so on.

Over the years it has become increasingly clear that the Red Book needed modernization. Many of our code sections have not been revised since at least 1953. It is difficult to know how far back it has actually been since they've been in effect because 1953 is when the code was revised and renumbered from the previous Ohio General Code and the Ohio Revised Code was created.

The OFMA started a working group to propose sweeping changes to the Red Book. We started on page one and went through the entire document. The result is House Bill 665. Many of the changes are not substantive but truly just bringing the ORC into modern times. The code sections we propose repealing are outdated and didn't serve any meaningful purpose.

I would like to go through some substantive changes with you and my colleague Paul Harris will also be reviewing some of the changes.

- Changes to debt limits - Current law limits fairs to having no more debt than 25% of their annual revenue. This limits them too much and doesn't allow them to do much by way of borrowing. Take for example a person making \$100,000. If individuals were held to the borrowing/debt limit that fairs are, they could only buy a house or car worth \$25k. That isn't reasonable. The change in the bill instead proposes that the fairs debt obligations payment can't be more than 25% of their annual revenue. So, going back to that individual making \$100K a year, under the new provision, that person could have debt resulting in not more than \$25K going towards paying down that debt. We believe that is a reasonable debt-to-income ratio.
- Water assessments and taxes exemptions – Fairs are currently all 501(c)(3) organizations and are therefore exempt from taxes. The provisions of HB 665 clarify those exemptions. There is also a section of code added to the bill that specify that fairs are also exempted from regional water and sewer district assessments. For Canfield Fair, this assessment has added almost \$19,000 to our property tax bill. Since it is called an "assessment" and not a tax, the fair has been obligated to pay this fee. The intent is NOT to exempt fairs from paying their water, storm water, and sewer bills, but to exempt them from this added assessment.

As stated, the OFMA has been working on proposed changes to the Red Book for well over a year. Then COVID-19 hit. Since Ohio's fairs are bound to the Ohio Revised Code, many sections are predicated on the requirement that fairs host an annual exhibition. There are also some temporary law sections proposed in HB 665. These sections are designed to ensure fairs are held harmless should they not be able to host their event this year. Many don't know that fair dates are submitted and approved well in advance of the fair. So, currently fairs don't have any flexibility to host an event at a later date if they must cancel because of COVID-19 related orders.

Mr. Chairman, members of the committee, thank you for your consideration today. I would be happy to answer any questions you may have.