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Cheryl Subler, Executive Director

House Agriculture and Rural Development Committee  
House Bill 665 – Interested Party Testimony

Tony Anderson  
Fayette County Commissioner

June 4, 2020

Chairman Koehler, Vice Chair Smith, Ranking Member Brent, and members of the House Agriculture and Rural Development Committee, thank you for the opportunity to provide interested party testimony today on House Bill 665. My name is Tony Anderson, and I serve as a Fayette County Commissioner, a position I have held for over 18 years. Outside of my commissioner duties, I am heavily involved in production agriculture, with 45 years of experience on my family-owned grain farm. I have held several leadership positions in state and federal agriculture associations, including a term as president of the American Soybean Association.

Agricultural societies are important part of community life for most counties. The county and independent fairs societies host are excellent platforms for community engagement and 4-H youth development. They are also an opportunity to showcase the many positive attributes of each respective county. Commissioners want to see successful fairs.

House Bill 665 makes a number of changes to the statutes governing county and independent fairs. Modernizing the language governing fairs, streamlining annual financial report submissions, reducing newspaper publications, and removing outdated language are all welcome changes that will help improve the operations of fairs across the state.

The bill also makes other changes that will impact county government. A summary of these changes as well as CCAO's commentary is as follows:

### **County Payments to Societies**

House Bill 665 makes several changes to the amount of funds counties must transfer to agricultural societies. These changes include the following:

- Increases from \$800 to \$1,600 the maximum amount that must be transferred to a county or independent agricultural society, provided several statutory conditions are satisfied.
- Removes the \$500 cap on the amount that counties reimburse societies for junior fair expenses while retaining the \$100 minimum.



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- Removes the \$2,000 cap on the amount that counties must appropriate to county agricultural societies, provided several conditions are met, while retaining the \$1,500 minimum.
- Removes the \$2,000 cap on the amount that counties must appropriate to an independent agricultural society, provided several conditions are met. It also increases from \$500 to \$1,500, the minimum appropriation an independent agricultural society receives from the board.

As you well know, county budgets are experiencing intense budgetary pressures from the severe economic downturn brought on by the COVID-19 pandemic. While the statutory funding increases in the bill are modest or permissive in nature, they are being made during a time of severely limited county resources when every dollar counts.

### **Liquor Sale Proceeds**

HB 665 removes existing statute in 1711.09 which requires that if an agricultural society allows the sale of intoxicating liquor on its fairgrounds, the society must first apply any proceeds it receives to pay for the cost of insuring the fairgrounds buildings. Any additional proceeds may then be used for any other purpose authorized by law. CCAO would respectfully request that this stricken language be retained.

ORC 1711.24 requires that the board of county commissioners insure fairgrounds buildings. CCAO does not believe that 1711.09 conflicts with 1711.24. While 1711.24 requires the provision of insurance by county commissioners for fairgrounds buildings, we believe this does not prevent agricultural societies from contributing to the cost of this insurance. As alcohol sales on fairgrounds gain in popularity across the state, commissioners believe that allowing these proceeds to offset fairgrounds insurance costs is a reasonable request.

### **Debt Authorization Increase**

HB 665 increases the amount of debt an agricultural society may incur from 25 percent of the society's annual revenues to an unspecified amount, so long as the society's annual payments for debt obligations do not exceed 25 percent of its annual revenue.

Counties understand the importance of borrowing capacity to construct and maintain building and facilities. Depending on the terms of how the debt is financed, HB 665 has the potential to significantly expand agricultural societies' debt capacity. Counties suggest a more modest increase for agricultural society debt obligations be included in the bill, such as limiting the total net indebtedness to 50 percent of the society's annual revenues, a doubling of existing capacity. While counties are not financially accountable for agricultural societies, the significant debt increase included in the bill concerns commissioners who may one day be called upon to backfill any shortfalls should society revenues come in less than anticipated.

### **COVID-19 Related Changes to Fairs**

Counties are hopeful that local fairs can be safely held across the state this summer and fall. HB 665 mandates that certain statutory payments be provided by counties to fairs should they not be held. CCAO request that this requirement be made permissive. While counties wish to be supportive of agricultural societies, counties must also balance many competing budgetary priorities with severely reduced resources. Some counties may wish to support their agricultural society even if a fair does not take place;

others may wish to reallocate these resources to other pressing needs like avoiding layoffs and furloughs of critical county personnel.

### **Exemption for Water and Sewer Assessments**

HB 665 creates an exemption for agricultural societies from water or sewer assessments, rentals, and other charges levied by a regional water and sewer district. It appears the situation that brought about the exemption request is local in nature and stormwater related. Counties would appreciate more consideration to how broadly the exemption is currently drafted and what processes are available at the local level to resolve this issue.

Thank you for your time and consideration of my comments on House Bill 665. I would be happy to answer any questions you may have for me.