



Ohio Fair Managers Association
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Good afternoon Chairman Hoagland, Vice Chairman Schaffer and Ranking Member O'Brien and all members of the Senate Agriculture and Natural Resources Committee. Thank you for the opportunity to provide proponent testimony on House Bill 665. My name is Greta Gray and I am currently serving as an At Large Director of the Ohio Fair Managers Association (OFMA). I am very active with my home fair and the Clinton County Agricultural Society.

In addition to details of the bill discussed by Rod Arter, I would like to review some of the other important provisions of HB 665.

- 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, averaged over 3 years. 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. The House also added a provision that if the fairgrounds are owned by the county, the fair board will get sign off from the county commissioners to incur the debt.
- 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 in the bill that specify that fairs are also exempted from regional water and sewer district assessments. For an example, at the Canfield Fair, this assessment has added almost \$19,000 to their 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. During the House process, that original intent was clarified. The House also added a provision to delay the effective date for fairs over 250 acres.

As stated by Mr. Arter, the OFMA has been working on proposed changes to the Red Book for a couple of years now. We have reviewed the proposed changes with the Ohio Department of Agriculture and other interested parties. We are hopeful the General Assembly will enact this bill this year.

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