



**ARGUMENTS IN SUPPORT:**

According to the author:

California’s fairs operate under the guidelines of the Department of Food and Agriculture - Division of Fairs and Expositions. Collectively they host events that are attended by nearly ten million Californians and tourists annually.

While current law authorizes fairs to pay membership fees to an association that manages a fair, horse racing program, or livestock show, AB 2487 clarifies that fairs can also pay sponsorship fees which are fees collected from the sale of any and all title, signage, billboard, and secondary advertisements.

**COMMENTS:**

There are 54 statutory district agricultural associations (DAAs). DAAs are home to many activities, such as county fairs, day care operations, and commercial events. In some areas, DAAs are the only large event space for a community and can be used as a refuge during a natural disaster or other catastrophic event.

Current law allows a fair, by a majority vote of its board, to elect to pay membership fees to another association that manages a fair, horse racing program, or livestock show on its property. However, fairs are not explicitly allowed to pay sponsorship fees to the same organizations. A sponsorship fee is any fee collected from the sale of any and all title, signage, billboard, and secondary advertisements. This includes app sponsorships, website sponsorships, and physical sponsorships. Membership fees are dues remitted by entities to an organization for the right to use shared services, such as facilities, legal expertise, and common vendors. This bill clarifies that DAAs can pay sponsorship fees, in addition to membership fees, to organizations that manage events on California fairgrounds.

**PRIOR ACTIONS:**

Assembly Floor:	61 - 0
Assembly Appropriations Committee:	15 - 0
Assembly Agriculture Committee:	9 - 0

**SUPPORT:**

None received

**OPPOSITION:**

None received

**-- END --**