

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON AGRICULTURE

Esmeralda Soria, Chair

AB 1711 Connolly – As Amended April 8, 2026

SUBJECT: Fairs: funding

SUMMARY: Expands and clarifies how money in the Fair and Exposition Fund (FEF) can be used by allowing broader spending on safety, compliance, maintenance, property improvements, and fair operations, while capping administrative costs and requiring that all available funds be allocated each year by December 31. Specifically, *this bill*:

- 1) Expands the following to receive capital outlay from the FEF, fire and life safety, and emergency services improvement projects at fairs, California Code of Regulations compliance projects, and maintenance projects at fairgrounds.
- 2) Requires that no more than 5 percent of the moneys in the FEF may be used during any fiscal year to augment the budget of the Department of Food and Agriculture (CDFA) to develop and administer an operational and policy framework for the network of California fairs.
- 3) Requires all available funds in the FEF to be allocated to the network of California fairs pursuant to an approved expenditure plan no later than December 31 of each calendar year.

EXISTING LAW: Appropriates certain unallocated moneys and other specified moneys deposited into the FEF, a continuously appropriated fund, to the CDFA for capital outlay to California fairs for, among other things, fair projects involving public health and safety, fair projects involving major and deferred maintenance, and fair projects necessary due to any emergency, as specified. (Food and Agriculture Code (FAC) 3204)

FISCAL EFFECT: Unknown

COMMENTS: District Agriculture Associations (DAA)s are state government entities governed by a nine-member governor-appointed boards of directors; county fairs are either directly operated by counties or not-for-profit organizations; citrus fruit fairs are not-for-profit organizations; and Cal Expo is a state agency.

The Division of Fairs and Expositions (DFE) within the CDFA provides fiscal and policy oversight for the network of California fairs. The Department of General Services provides oversight for the use of state property, procurement, and services contracts. Prior to 2009, license fees imposed on horse racing wagers were deposited into the Fairs and Exposition Fund and the Satellite Wagering Account, which supported the annual budget of the California Horse Racing Board and California fairs. In 2009, the Legislature shifted away from this approach and instead provided an annual continuous appropriation of \$32 million from the General Fund to support fairs. However, the 2011-12 Budget Act eliminated this General Fund contribution to the Fairs and Exposition Fund and instead required DAAs and state fairs to be financially self-sufficient starting January 1, 2012.

Seeking a new funding source for capital projects at fairs, the Legislature created a novel mechanism under AB 1499. AB 1499 became effective on July 1, 2018, and forms the basis of

current state law, which requires retailers to separate, on their sales-tax returns, the gross receipts from any tangible good sold or used on state fairgrounds and directs the Governor's annual budget to propose allocating 0.75% of the amount of those gross receipts to CDFA for state fairs.

AB 2143 (Connolly, Chapter 559, Statutes of 2024) repealed and recast provisions referring to DFE in the Business and Professions Code into the Food and Agricultural Code. Segregation of sales on fairgrounds, and the requirement that 0.75% of prior-year gross receipts be proposed in the Governor's Budget are still required. However, AB 1499 applied to "state-designated fairs," while AB 2143 uses the broader term "fair."

The amount proposed and appropriated under the 0.75% requirement declined to \$3.1 million in 2022-23 but rebounded to \$5.1 million in 2023-24 and 2024-25. \$4.9 million is proposed for 2025-26. These amounts remain below the funding levels from before the Legislature redistributed license fees on horse racing wagers to the General Fund.

This bill provided a reliable funding source for fairs to address capitol improvement projects, however, it did not set a clear deadline on when CDFA must distribute those funds. AB 1711 provides a clear timeline for the distribution of funds by requiring allocation no later than December 31 of each calendar year.

According to the author, California's fairs play a vital role in every community by serving as emergency and evacuation sites during natural disasters. Unfortunately, fairgrounds are experiencing a growing backlog of deferred maintenance that presents a significant public safety threat to California. This bill will ensure that the revenue generated by fairs and approved in the State Budget is allocated by a date certain so fairgrounds can appropriately plan to utilize those funds.

Supporters state, rural communities are home to a majority of District Agricultural Associations and county fair facilities, all of which serve as economic drivers, conveners of local agricultural uses and businesses, emergency response mobilization sites, and cultural hotspots. These sites have seen increased usage with the COVID-19 pandemic, wildfire and natural disasters, with the unique ability to house livestock and pets during these events. Despite providing these year-round economic benefits and public safety "centers", funding has dropped precipitously for these sites with the loss of horse racing license fees in 2009, and the elimination of the continuous appropriation at the end of 2011. While efforts have been made to reintroduce funding to the Network of Fairs through legislation such as Assembly Bill 1499 (Chaptered, 2017) and Assembly Bill 258 (Chaptered 2025), funding is still not back to 2009 levels and costs have only increased. Increased requirements on these fair facilities, combined with deferred maintenance and aging public infrastructure, present a unique challenge that cannot be met locally through county budgets and/or non-profit organizations. This bill provides clarity to a funding process that ensures our fairgrounds can continue operating as economic drivers, emergency management centers, and conveners.

RELATED LEGISLATION

AB 258 (Connolly, 2025): This bill increases, from 0.75% to 2%, the amount of segregated gross receipts from fair sales that the Governor must propose to distribute to the California Department of Food and Agriculture (CDFA) for allocation to fairs in the annual Governor's Proposed Budget. **(Signed by the Governor)**

SB 1261 (Alvarado Gil, 2024): This bill increases, from 0.75% to 3%, the percentage of gross receipts from sales at state-designated fairs used to calculate the annual budget augmentation to support fairs. **(Died in Rev and Tax committee)**

AB 1499 (Gray, 2017): The bill directs retailers to segregate the amount of gross receipts from sales at fairs; require the California Department of Tax and Fee Administration (CDTFA) to calculate three-fourths of one percent of these gross receipts and report this amount to the Department of Finance; require the Governor's Budget to include these amounts in the Budget for allocation to the Department of Food and Agriculture (CDFA) for allocation to state-designated fairs, for among other things, fair projects involving public health and safety, and projects that are required to protect fair property. **(Signed by the Governor)**

REGISTERED SUPPORT / OPPOSITION:

Support

California Fairs Alliance (Sponsor)
California Farm Bureau Federation
Rural County Representatives of California (RCRC)
Western Fairs Association (Sponsor)

Opposition

None on file

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