
SENATE COMMITTEE ON AGRICULTURE
Senator Anna Caballero, Chair
2025 - 2026 Regular

Bill No: AB 1711 **Hearing Date:** 6/30/26
Author: Connolly
Version: 4/8/26
Urgency: No **Fiscal:** Yes
Consultant: Reichel Everhart

Subject: Fairs: funding

SUMMARY:

This bill would divert certain unallocated and other specified moneys deposited into the Fair and Exposition Fund (FEF) for fair projects involving public health, fire and life safety, and emergency services improvement projects at fairs, California Code of Regulations compliance projects, and maintenance projects at fairgrounds, as specified.

BACKGROUND AND EXISTING LAW:

Existing law:

- 1) 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 Agricultural Code Section 3204*).
- 2) Business and Professions Code Section 19614 states:
 - a. Notwithstanding Sections 19611 and 19612, and except for an association that qualifies pursuant to Section 19612.6, for a fair conducting a live racing meeting, 1 percent of the total amount handled on live races, excluding wagering at a satellite facility, shall be retained by the fair association for payment to the state as a license fee.
 - b. Additionally, 0.48 percent of the total amount handled on live racing, excluding wagering at a satellite facility, shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2.

- c. (1) After distribution of the applicable amounts as set forth in subdivisions (a) and (b) and the payments made pursuant to other relevant sections of this chapter, all funds remaining from the deductions provided in Section 19610 shall be distributed 47.5 percent as commissions and 52.5 percent as purses. From the amount distributed as thoroughbred purses, a sum equal to 0.07 percent of the total handle shall be held by the association to be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2.

Any additional amount generated for purses and not distributed during the previous corresponding meeting shall be added to the purses at the current meeting.

- d. In addition to the amounts deducted pursuant to Section 19610, any fair racing association shall deduct 1 percent from the total amount handled in its daily conventional and exotic parimutuel pools. The additional 1 percent shall be deposited into the Fair and Exposition Fund and is hereby appropriated for the purposes specified in Section 3204 of the Food and Agricultural Code, except as specified in subdivision (e).
- e. (1) A fair conducting a live racing meeting at a fair in the northern zone or a joint powers authority designated by a fair racing association in the northern zone involved in conducting live racing meetings at fairs in the northern zone may retain the funds described in subdivision (d) for the purposes of improving a fair enclosure, racetrack maintenance, safety at fairs, or other similar activities if both of the following conditions are satisfied:
 - f. The administrative costs do not exceed 7.5 percent of the funds retained.
 - g. An annual audit of the funds is conducted by an independent third party to ensure compliance with the law and approved standards and policies that shall be filed with the Department of Food and Agriculture, the board, and the Senate and Assembly Committees on Governmental Organization.

(2) This subdivision shall apply retroactively to January 1, 2016.

PROPOSED LAW:

This bill:

- 1) States any unallocated balance revenue deposited into the Fair and Exposition Fund pursuant to Section 19614 of the Business and Professions Code, and funding appropriated by the Legislature or otherwise designated for California fairs pursuant to this chapter or any other law is hereby appropriated without regard to fiscal years for allocation by the secretary for capital outlay to California fairs for fair projects involving public health, fire and life safety, and emergency services improvement projects at fairs, California Code of Regulations compliance projects, and maintenance projects at fairgrounds, for projects that are required by physical changes to the fair site, for projects that are required to protect the fair property or installation, such as fencing and flood protection, and for the acquisition or improvement of any property or facility that will serve to enhance the operation of the fair.
- 2) States a portion of the funds moneys subject to allocation pursuant to subdivision (a) may be allocated to California fairs for general operational support. It is the intent of the Legislature that these moneys be used primarily for those fairs whose sources of revenue may be limited for purposes specified in this section.
- 3) States that no more than 5 percent of the moneys in the Fair and Exposition Fund may be retained in the fund from year to year as a prudent reserve for contingencies. The remainder of the fund shall be allocated annually as specified in subdivision (d).
- 4) States all available funds moneys in the Fair and Exposition Fund shall be allocated to the network of California fairs pursuant to an approved expenditure plan no later than December 31 of each calendar year.

ARGUMENTS IN SUPPORT: 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. AB 1711 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."

The Western Affairs Association and the California Fairs Alliance, sponsors of the legislation, write in support stating California’s 76 state-designated fairs play a vital role in their communities and are aging and in desperate need of modernization. Their letter states:

“To date, funds generated through this mechanism have generated over \$20 million, however, because of bureaucratic hurdles, these funds have not been released. AB 1711 ensures that the sales tax revenue intended to assist California’s fairs is distributed expeditiously for fairground improvement. These funds will allow California fairs to address the growing backlog of deferred maintenance projects and begin fairground improvement projects to address public health and safety, infrastructure, and emergency management.

For these reasons, we support AB 1711 and appreciate Assemblymember Connolly’s ongoing efforts to help California’s fair network be as successful as possible.”

ARGUMENTS IN OPPOSITION:

None received

RELATED LEGISLATION:

AB 2143 (Version: 94 - Chaptered Sep 25, 2024): This bill repealed and recast provisions referencing the Division of Fairs and Expositions in the Business and Professions Code into the Food and Agricultural Code. This bill also established the California Fairs Trust Account within the Fair and Exposition Fund to continuously appropriate monies from license fees from satellite wagering for specified projects, including fire and life safety improvements, among others.

PRIOR ACTIONS:

Assembly Floor:	74 - 0
Assembly Appropriations Committee:	15 - 0
Assembly Agriculture Committee:	8 - 0

SUPPORT:

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

OPPOSITION:

None received

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