SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1711 (Connolly) - Fairs: funding

Version: April 8, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: AGRI. 5 - 0
Mandate: No
Consultant: Robert Ingenito

Bill Summary: AB 1711 would divert certain unallocated and other specified moneys deposited into the Fair and Exposition Fund (FEF) for specified fair projects.

Fiscal Impact: By limiting CDFA to retaining no more than 5 percent of the FEF as a reserve for contingencies, this bill could create ongoing cost pressures of an unknown but significant magnitude, possibly reaching the low millions of dollars annually (FEF, General Fund). According to CDFA, maintaining adequate reserve balances allows the department to respond to unforeseen financial needs within the state's fair network, including providing emergency and bridge loans to financially distressed fairs. Restricting the reserve could reduce the department's ability to respond to unexpected circumstances, increasing fiscal risk and potentially creating pressure for additional state financial assistance.

Background: Current law establishes a network of California-designated fairs, composed of 52 district agricultural associations, 23 county fairs, two citrus fruit fairs, and the California Exposition and State Fair. Fairs are most known for their annual fairs but they also operate year-round, offering agricultural education and environmental leadership and hosting smaller events like trade shows, concerts, and private events that generate millions of dollars in state and local revenues. Many fairs are also part of the state's emergency response network. The Division of Fairs and Expositions within CDFA provides fiscal and policy oversight for the network of California fairs.

Prior to 2009, funding for California fairs was supported by licensing fees imposed on horse racing wagers. SBx2 16 (Ashburn, 2009) ended this practice and provided a continuous General Fund appropriation of $32 million for fairs, until this appropriation was eliminated in 2011-12. AB 1499 (Gray, 2017) provided a new mechanism for funding fairs by requiring the California Department of Tax and Fee Administration to develop a form to segregate sales at state-designated fairs and annually report to the Department of Finance the total gross receipts segregated the prior fiscal year. An amount equal to 2 percent of such reported receipts must then be included in the next annual Governor's budget for CDFA to allocate to the fairs. However, the actual transfer of designated General Fund revenue to FEF is still subject to legislative appropriation during the budget process. Also, while transfers from gross receipts comprise the primary revenue source for FEF, the fund also includes revenues from other sources, such as horse racing handles, loan principal and interest payments, and proceeds from sales of real property. Fairs are the only recipients of funding from the FEF.

Proposed Law: This bill would do the following:

- State 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.

- State 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.

- State 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).

- State 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.

Related Legislation: AB 2143 (Connolly, Chapter 559, Statutes of 2024) 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.

Staff Comments: The 2025-26 budget included a transfer (from sales tax revenue) of nearly $5 million to FEF. CDFA notes that as of March 31, 2026, FEF, after reconciling for pending transfers and adjustments, maintained a balance of approximately $7 million.

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