



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 665
133rd General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Jones and Wilkin

Amanda George Goodman, Attorney

SUMMARY

Ohio Fair Law

- Modernizes the language governing agricultural societies and county fairs conducted by those societies.
- Increases the amount that a county or independent agricultural society receives for operational expenses from a county.
- Removes the cap on the amounts that a county may transfer to an agricultural society for junior club expenses and expenses associated with operating fairgrounds.
- Removes the requirement that a society that permits the sale of intoxicating liquor on its fairgrounds use any proceeds it receives from the sale: (1) first to pay the cost of insurance on all buildings on the fairground, and then (2) for any other purpose authorized by law.
- Expands the total amount of debt that a society may incur.
- Allows a society to publish its annual financial abstract in a newspaper or on the society's website, rather than only in a newspaper as in current law.
- Streamlines a society's procedure for submitting annual financial reports to the State Auditor and Director of Agriculture.
- Removes the requirement that the county school superintendent serve as an ex officio member on the board of directors of a county or independent agricultural society.
- Specifies that an OSU Extension member serves with the board as a nonvoting member instead of an ex officio member as in current law.
- After an election, requires the society's secretary to send to the Director a copy of each board member's signature verifying the members that voted in the election.

- Requires a board of county commissioners to notify the applicable society of its intention to make a sale or exchange of fairgrounds in writing 14 days prior to the sale or exchange.
- Modifies the existing tax exemption for property owned by a county agricultural society.
- Prohibits a regional water and sewer district from charging assessments against county agricultural society property that is exempt from real property taxation.
- Repeals antiquated provisions governing the use of fairgrounds by a municipal corporation.

COVID-19 related changes to fairs

- Specifies that if a county or independent agricultural society or the Ohio Expositions Commission cancels an annual exhibition or fair because of an Executive Order related to COVID-19 that limits mass gatherings, the society or Commission will still receive funding as if the society or Commission had held the exhibition or fair.
- Specifies that if a county or independent agricultural society or the Ohio Expositions Commission is unable to conduct a previously scheduled horse race because of COVID-19, the society and the Ohio Harness Horsemen's Association may agree to alternative accommodations.
- Specifies that an agricultural society retains control and management of the land occupied by the agricultural society if an annual fair is not able to be held as a result of the COVID-19 Executive Order.

Technical changes

- Recodifies Ohio's law governing amusement rides from Chapter 1711 to Chapter 993.
- Removes outdated language and makes technical changes to Ohio's law governing fairs and agricultural societies.

Emergency clause

- Declares an emergency.

DETAILED ANALYSIS

Ohio Fair Law

Ohio law provides for the organization of both county agricultural societies and independent agricultural societies. These societies' main function is to plan and hold county and independent fairs throughout Ohio. Currently, there are 87 county fairs and seven independent fairs scheduled for the 2020 season.¹ The bill modernizes the language throughout

¹ See <https://ohiofairs.org/pdfs/current-year-ohio-fairs-schedule.pdf>.

the law governing county and independent agricultural societies. The bill also makes several substantive changes to the law as outlined below.²

County payments to societies

The bill makes the following adjustments to the amounts that a county must transfer to agricultural societies:

1. It increases, from \$800 to \$1,600, the maximum amount that a county treasurer must annually transfer to a county or independent agricultural society operating within the county. Consistent with current law, the county auditor must request the county treasurer to make the transfer only if all of the following have occurred:
 - a. The society has held an annual fair;
 - b. The society has made an annual report to the Director of Agriculture concerning the fair; and
 - c. The Director presents a certificate to the county auditor indicating that the society has complied with the applicable laws of Ohio.³
2. It removes the \$500 cap on the annual amount that a board of county commissioners must reimburse an agricultural society for junior club expenses. (It generally retains the \$100 minimum that the board must reimburse for junior club expenses.)⁴
3. It removes the \$2,000 cap on the amount that a board must annually appropriate to a county agricultural society if the society (a) owns or leases real estate used as a fairground, (b) has control and management of the lands and buildings on the fairground, and (c) requests an appropriation from the board. (Currently, a board must appropriate between \$1,500 and \$2,000 to the county agricultural society to encourage agricultural fairs. The bill retains the \$1,500 minimum.)⁵
4. It removes the \$2,000 cap on the amount that a board must annually appropriate to an independent agricultural society if: (a) there is no county agricultural society or annual county fair in the county, and (b) the society requests an appropriation from the board. It also increases, from \$500 to \$1,500, the minimum appropriation an independent agricultural society receives from the board. (Currently, a board must appropriate between \$500 and \$2,000 to the independent agricultural society to encourage agricultural fairs.)⁶

² Technical and modernization changes made throughout Chapter 1711, but no substantive changes were made in R.C. 1711.08 and 1711.11. R.C. 1711.06 was repealed and the substance of that law was incorporated into R.C. 1711.01.

³ R.C. 1711.01, 1711.02, and 1711.06 (R.C. 1711.06 is recodified from R.C. 901.06).

⁴ R.C. 1711.03.

⁵ R.C. 1711.22(A).

⁶ R.C. 1711.22(B).

Liquor sale proceeds

The bill removes the requirement that if a county or independent agricultural society allows the sale of intoxicating liquor on its fairgrounds, the society must apply any proceeds it receives: (1) first to pay the cost of insurance on all buildings on the fairground, and then (2) for any other purpose authorized by law.⁷

Debt authorization

The bill expands the total amount of debt that a society may incur. Under current law, the total net indebtedness of a society cannot exceed an amount equal to 25% of the society's annual revenues. The bill, instead, specifies that a society's *annual payments for debt obligations* cannot exceed 25% of its annual revenue. Thus, this may increase the amount of debt a society may incur.⁸

Reports of society finances

The bill modernizes the manner in which a county agricultural society must annually publish its financial abstract. Under current law, the abstract must be published in a newspaper of general circulation in the county. The bill also gives the society the option of instead publishing the abstract on the society's website and specifies that publication must occur for at least two weeks.

Currently, societies file one financial report with the State Auditor⁹ and a different financial report with the Director. The bill clarifies that only one report must be completed and sent to both the State Auditor and the Director.¹⁰

Society's board of directors

The bill removes the requirement that the county school superintendent serve as an ex officio member on the board of directors of a county or independent agricultural society. It retains an employee of the OSU Extension Office as a member. But, it specifies that the OSU Extension member must serve with the board as a nonvoting member instead of an ex officio member.

Also, under the bill, after an election of the board, the society's secretary must send to the Director a copy of the document containing each board member's signature verifying the members that voted in the election (the elections law generally refers to this document as a "pollbook" or "poll book").¹¹

⁷ R.C. 1711.09.

⁸ R.C. 1711.13.

⁹ See R.C. 117.38, not in the bill.

¹⁰ R.C. 1711.05.

¹¹ R.C. 1711.07.

Land sale by society

Current law allows a board of county commissioners to sell or exchange fairgrounds. The bill requires the board to notify the applicable society of its intention to make a sale or exchange. The board must provide the notice 14 days prior to the sale or exchange. (The bill also modernizes language governing a county or independent agricultural society's ability to sell fairground land).¹²

Taxation of county agricultural society property

Property tax exemption

The bill modifies an existing tax exemption for property owned by a county agricultural society. Under current law, fairgrounds owned by an agricultural society are exempt from taxation. The bill instead exempts any property owned by an agricultural society, so long as that property is "used in furtherance" of the society's purposes.¹³

Exemption from water and sewer assessments

The bill also prohibits a regional water and sewer district from charging water or sewer assessments or other charges against county agricultural society property that is exempt from real property taxation.¹⁴ Under continuing law, a regional water and sewer district may charge assessments or other amounts against property within the district that is deemed to benefit from the district's projects. Property that is exempt from real property taxation can be, but is not necessarily, exempt from such assessments.

Repeal of antiquated fairground laws

The bill repeals the following antiquated laws governing the use of fairgrounds by a municipal corporation (these sections are not necessary for a municipal corporation and an agricultural society to contract for use of fairgrounds):

Repealed laws	
Current law section number	Description of law
R.C. 755.35	Specifies that any real estate that is within, adjacent to, or near any municipal corporation and used for fairs and is controlled and managed by any agricultural society (whether owned by a society, a county, or jointly by both) may be jointly used as a site for fairs and as a public park of a municipal corporation.

¹² R.C. 1711.26.

¹³ R.C. 5709.10.

¹⁴ R.C. 6119.092.

Repealed laws	
Current law section number	Description of law
R.C. 755.36	Specifies that if fairgrounds are jointly used by a society and a municipal corporation, the duration of the joint use and all the terms for the use must be agreed upon between the two entities, or if the county has any interest in the real estate, then the agreement must be made between all three entities.
R.C. 755.37	Specifies that a municipal corporation jointly using a fairgrounds must have the same authority to improve, equip, and maintain the fairgrounds as a public park and to do all things necessary for its use and enjoyment as a public park.

The bill also repeals an antiquated authorization that specifies that, in a county without an agricultural society, a majority of the presidents of the farmers' institutes of the county holding meetings, under the oversight of the trustees of the Ohio State University, may choose a representative to represent the county at the annual meeting of county agricultural societies.¹⁵

COVID-19 related changes to fairs

During any period of time that mass gatherings are restricted due to an Executive Order related to COVID-19, the bill specifies all of the following apply:

1. If a county agricultural society or independent agricultural society cancels an annual exhibition, the applicable county treasurer and the Department of Agriculture must pay the society an amount that the society otherwise would have received if it had held the exhibition.
2. If the Ohio Expositions Commission cancels the annual fair, the Director of Agriculture must distribute money to the Commission in an amount that it otherwise would have received if it had held the fair.
3. If a county agricultural society, independent agricultural society, or the Ohio Expositions Commission is unable to conduct a previously scheduled horse race, the society and the Ohio Harness Horsemen's Association may agree to alternative accommodations, including the rescheduling of the dates and location of any horse race. The agreement is not subject to the approval of the Director.

¹⁵ R.C. 901.07.

4. An agricultural society retains control and management of the land occupied by the agricultural society if an annual fair is not able to be held as a result of the Executive Order.¹⁶

Technical changes

The bill recodifies Ohio's law governing amusement ride safety from Chapter 1711 to Chapter 993 and makes conforming changes. The following table lists the applicable section under current law and the new codified section under the bill.¹⁷

Recodified amusement safety law sections	
Current law section	H.B. 665 section
R.C. 1711.50	R.C. 993.01
R.C. 1711.51	R.C. 993.02
R.C. 1711.52	R.C. 993.03
R.C. 1711.53	R.C. 993.04
R.C. 1711.532	R.C. 993.041
R.C. 1711.533	R.C. 933.042
R.C. 1711.534	R.C. 933.043
R.C. 1711.531	R.C. 993.05
R.C. 1711.54	R.C. 933.06
R.C. 1711.55	R.C. 933.07
R.C. 1711.552	R.C. 993.071
R.C. 1711.551	R.C. 993.08
R.C. 1711.56	R.C. 993.09
R.C. 1711.57	R.C. 993.10
R.C. 1711.99(C)	R.C. 993.99

¹⁶ Section 4.

¹⁷ Chapter 993 (conforming changes also in R.C. 3749.01 and Chapter 1711).

The bill also removes outdated language regarding the law governing fairs (for example, the bill removes a reference to the Chief of the Division of Fairs, which is no longer a position in the Ohio Department of Agriculture (ODA)).¹⁸

It also makes technical changes throughout the law (for example, incorrect division references).¹⁹

Emergency clause

The bill declares an emergency (meaning the bill goes into immediate effect rather than being subject to a 90-day referendum period).²⁰

HISTORY

Action	Date
Introduced	05-19-20

H0665-I-133/ks

¹⁸ R.C. 901.71(A)(1).

¹⁹ R.C. 901.74(B).

²⁰ Section 5.