

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

SENATE BILL 613

By: Senator J. Sturch
By: Representative Slape

For An Act To Be Entitled

AN ACT TO ESTABLISH A FAIR-FUNDING PROGRAM WITHIN THE DEPARTMENT OF AGRICULTURE; TO REPEAL EXISTING LAW REGARDING LIVESTOCK SHOWS AND FAIRS; TO ESTABLISH THE AGRI FAIR FUND; AND FOR OTHER PURPOSES.

Subtitle

TO ESTABLISH A FAIR-FUNDING PROGRAM WITHIN THE DEPARTMENT OF AGRICULTURE; TO REPEAL EXISTING LAW REGARDING LIVESTOCK SHOWS AND FAIRS; AND TO ESTABLISH THE AGRI FAIR FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 2-33-115 is repealed.

~~2-33-115.—Fees.~~

~~(a) The following fees shall be assessed by the Arkansas Livestock and Poultry Commission:~~

~~(1) A fee of two dollars (\$2.00) per head collected on all horses sold in the state; and~~

~~(2) On each state, district, and county fair held in the State of Arkansas there shall be levied a four and five tenths percent (4.5%) surcharge on each paid admission to the fairs, and such levy shall be remitted to the Treasurer of State, who shall deposit the revenues into the State Treasury to the credit of the Livestock and Poultry Special Revenue Fund or the Livestock and Poultry Commission Disease and Pest Control Fund as~~



determined by the Secretary of the Department of Agriculture.

~~(b) The commission is hereby authorized to promulgate such rules as are necessary to administer the fees, rates, or charges for services established herein.~~

SECTION 2. Arkansas Code § 2-36-101 is amended to read as follows:

2-36-101. ~~Grading of fairs~~ Fair-funding program.

~~(a) The Arkansas Livestock and Poultry Commission may formulate necessary and appropriate rules for the grading of fairs on a point system in cooperation with an ad hoc advisory committee formed of representatives of agriculture consisting of representatives from the United States Department of Agriculture, the University of Arkansas Cooperative Extension Service, the Office of Agricultural Science and Technology of the Division of Career and Technical Education, and the Arkansas Fair Managers Association, which shall make recommendations as to criteria for the allotment of grade points to the commission~~ There is created within the Department of Agriculture a fair-funding program that shall be used to provide fair-funding assistance to junior livestock shows, county fairs, district fairs, and the Arkansas State Fair and Livestock Show.

~~(b) The advisory committee shall determine the entry classifications for which grade points would be allowed and delete from approval such classifications as beauty contests, baby shows, antique shows, skills contests, purchased machinery such as cars and farm equipment, or other noncreative categories which in their opinion would be nonproductive and not in accord with the concept of an agricultural and industrial convention~~ The department shall utilize a historical average of total fair-funding provided by the State of Arkansas to previous fair funding recipients in determining an equitable distribution of available funding appropriated by the General Assembly.

(c)(1)(A) A recipient of fair funding under the fair-funding program under subsection (a) of this section shall:

(i) Maintain records of expenditures; and

(ii) Submit an annual financial report to the department and to Arkansas Legislative Audit by the end of each calendar year.

(B) A recipient of fair funding is subject to a decrease

in future funding if the recipient of fair funding does not:

(i) Submit an annual financial report as required under subdivision (c)(1)(A)(ii) of this section; or

(ii) Provide proof of yearly continuing education requirements under guidance adopted by the department.

(2) A recipient of fair funding under the fair-funding program established under subsection (a) of this section is subject to audit by Arkansas Legislative Audit.

SECTION 3. Arkansas Code §§ 2-36-102 and 2-36-103 are repealed.

~~2-36-102. Exhibitors.~~

~~An exhibitor shall be a single person who enters a display in the fair. Each unit shall not be construed as an exhibitor, but a person may be counted as an exhibitor in each classification in which he or she has an entry.~~

~~2-36-103. Sale of immoral, lewd, etc., items.~~

~~Any facilities which house county, district, or state fairs shall prohibit the sale of literature, pictures, clothing, or other materials which are immoral, lewd, obscene, indecent, or offensive. The prosecuting attorney shall be notified of any proposed sales of such material.~~

SECTION 4. Arkansas Code Title 2, Chapter 36, Subchapter 2, is repealed.

~~Subchapter 2 — Funding Generally~~

~~2-36-201. Administration.~~

~~The Arkansas Livestock and Poultry Commission shall be empowered and authorized to administer the provisions of this subchapter and adopt rules as it may deem necessary.~~

~~2-36-202. Premium funds generally.~~

~~Premium funds appropriated by the General Assembly for the purpose of assisting in the development of the agricultural, livestock, and related industries of the state shall be disbursed and, thereafter, expended by the county and district livestock show or fair associations in the manner and for the purposes provided in this subchapter.~~

~~2-36-203. Premium funds for state fair.~~

~~(a) The Arkansas Livestock Show Association shall be entitled to receive the total amount of funds appropriated by the General Assembly for the purpose of paying premiums at the Arkansas State Fair and Livestock Show after qualifying by the filing of an application with the Arkansas Livestock and Poultry Commission and furnishing bond to the State of Arkansas in such form and amount and containing such conditions therein and type of surety thereon as the commission shall by general rules determine.~~

~~(b)(1) Premium funds paid over to the association shall be used only for the purpose of paying awards on approved entry classifications, the exhibitors of which are residents of this state.~~

~~(2) The association may pay awards on livestock to nonresident owners in an amount not in excess of ten percent (10%) of any premium funds received by it from an appropriation for the purpose of paying awards at the Arkansas State Fair and Livestock Show.~~

~~2-36-204. Division of funds among counties and districts.~~

~~(a)(1) Each county and district livestock show or fair association qualifying shall be entitled to that part of the total funds appropriated for the purpose that the qualifying grade points earned by that county for the previous year bear to the total grade points of all counties in which all qualifying associations are located.~~

~~(2) No county shall receive less than five hundred dollars (\$500).~~

~~(b)(1) Counties having more than one (1) city or town in which regular sessions of circuit court are authorized by law and in which livestock shows have been held, if otherwise qualified, may participate in the county premium funds on the same basis as other county shows.~~

~~(2) Associations located in two (2) or more adjoining counties may hold a joint show upon approval of their respective associations, in which event, the funds due each association shall be paid to the executive officer of the joint show.~~

~~2-36-205. Use of premium funds.~~

~~(a)(1) Premium funds paid over by the Arkansas Livestock and Poultry~~

~~Commission to the respective associations shall be used only for the purpose of paying awards on approved entry classifications, the exhibitors of which are residents of this state.~~

~~(2) Exhibitors are ineligible to receive such funds from more than one (1) county association during any fiscal year.~~

~~(b) Not less than twenty five percent (25%) of premium funds paid over by the state to the respective associations shall be used for paying premiums to winners of awards in the junior division of 4 H and FFA shows.~~

~~2-36-206. Appropriations for construction and operation.~~

~~(a)(1)(A) Funds appropriated by the General Assembly to be used for construction of a district livestock show shall be paid over to the executive officers of the respective district livestock show or fair associations.~~

~~(B) None of the funds may be used for paying premiums at or for acquiring sites for the district shows.~~

~~(2) No state funds may be paid over to any district association unless and until the executive officer shall have furnished bond to the State of Arkansas in such form and amount and containing such conditions and type of surety as the Arkansas Livestock and Poultry Commission shall by general rule determine.~~

~~(b)(1) Funds appropriated by the General Assembly to be used for construction and operation of the Arkansas State Fair and Livestock Show shall be disbursed upon orders of the commission.~~

~~(2) The operating revolving fund set aside in a special account to be used for operating expenses in conducting the livestock show shall continue to be set aside for that purpose. All profits from the operation of the show shall be deposited into this account to the extent necessary to maintain the balance at the full amount of the initial deposit.~~

~~(3) If in any year the show is operated at a loss, then funds appropriated for this purpose by the General Assembly shall be used to the extent necessary to maintain the balance in the fund account at the full amount of the initial deposit.~~

~~(c) The commission shall designate the disbursing officers of all livestock show funds appropriated by the General Assembly.~~

~~2-36-207. Applications for funds.~~

~~(a) Each county and district livestock show or fair association desiring to participate in funds appropriated for a given fiscal year for the purpose of paying premiums on qualified entries as defined in this subchapter shall file an application during the month of June next preceding the fiscal year with the Arkansas Livestock and Poultry Commission.~~

~~(b)(1) The application shall include a complete report on the prior year's fair activities with regard to fair dates, exhibitors, classifications, amount of association funds paid as premiums over and above state funds, and any and all other information requested by the commission which it may deem necessary in order to classify and grade the fair.~~

~~(2) The president, secretary, treasurer, or other executive officer of the association shall make application on forms to be prescribed and furnished by the commission.~~

~~(c) Only those applications received before the close of business on June 30 shall be considered by the commission in making allocation of funds appropriated for that purpose for the following fiscal year.~~

~~2-36-208. Bonding of executive officers.~~

~~No state funds may be paid over to any county and district livestock show or fair association unless and until the executive officer shall have furnished bond to the State of Arkansas in such form and amount and containing such conditions and type of surety as the Arkansas Livestock and Poultry Commission shall by general rule determine.~~

~~2-36-209. Determination of bond and fund amounts.~~

~~(a) Within sixty (60) days after the closing date for the receipt of applications for funds, the Arkansas Livestock and Poultry Commission shall determine the amount of bond which the executive officer shall furnish and the amount of premium funds to which each county and district livestock show or fair association is entitled in accordance with the provisions of this subchapter.~~

~~(b) The state warrant issued in favor of each association for the amount found to be due shall be transmitted to the executive officer thereof upon receipt by the commission of a bond executed in conformity with its requirements.~~

~~2-36-210. Audits of expenditures.~~

~~(a)(1) The executive officer of each county, district, and state livestock show or fair association shall file an itemized listing of all expenditures of state funds with the Arkansas Livestock and Poultry Commission in a format developed by the commission.~~

~~(2) Upon request by the commission, the executive officer of each county, district, and state livestock show or fair association shall present to the commission adequate documentation supporting listed expenditures.~~

~~(b) Arkansas Legislative Audit may audit all expenditures of state funds paid over to the executive officers of the respective county, district, and state livestock show or fair association and file a copy of the report of each audit with the commission.~~

~~2-36-211. Accounting reports by recipients.~~

~~(a)(1) Each county and district livestock show or fair association participating in funds appropriated for paying premiums or appropriated for construction purposes at the various county, district, and fair associations shall annually submit to the Arkansas Livestock and Poultry Commission an itemized listing of all expenditures.~~

~~(2) In addition, the association shall file with the commission the original invoices, contracts, and other supporting documents necessary to adequately support the claim for the amount of funds received from the commission for construction programs.~~

~~(b)(1) For those expenditures representing premiums and awards payments, the receiving association shall file with the commission a detailed listing of payees, amounts, and classifications of awards and cancelled checks in support thereof.~~

~~(2) The documentation of expenditures as set forth in this section shall be maintained by the commission until audited by Arkansas Legislative Audit.~~

~~(c) The commission shall require that all documentation for the prior year's expenditures by an association be filed in compliance with subsections (a) and (b) of this section before the making of any further grants for premiums or construction to these associations.~~

SECTION 5. Arkansas Code §§ 2-36-301 and 2-36-302 are repealed.

~~2-36-301.—Northwest Arkansas District Fair and Livestock Show.~~

~~(a)—There is established a district livestock show to be known as the “Northwest Arkansas District Fair and Livestock Show” to be located in Boone County, and to be managed by the existing livestock show association which manages and conducts the county livestock show in that county.~~

~~(b)—Counties composing the Northwest Arkansas District Fair and Livestock Show district shall be Boone County, Newton County, Marion County, Baxter County, Searcy County, and Carroll County.~~

~~(c)—The Northwest Arkansas District Fair and Livestock Show shall enjoy the same privileges and status as the four (4) previously established district livestock shows in the State of Arkansas.~~

~~2-36-302.—Northeast Arkansas District Fair Advisory Board.~~

~~(a)(1)—There is created the Northeast Arkansas District Fair Advisory Board, to be composed of the following members:~~

- ~~(A)—One (1) member from Mississippi County;~~
- ~~(B)—One (1) member from Craighead County;~~
- ~~(C)—One (1) member from Greene County;~~
- ~~(D)—One (1) member from Clay County;~~
- ~~(E)—One (1) member from Crittenden County;~~
- ~~(F)—One (1) member from St. Francis County;~~
- ~~(G)—One (1) member from Cross County;~~
- ~~(H)—One (1) member from Poinsett County;~~
- ~~(I)—One (1) member from Jackson County;~~
- ~~(J)—One (1) member from Lawrence County;~~
- ~~(K)—One (1) member from Randolph County;~~
- ~~(L)—One (1) member from Lee County;~~
- ~~(M)—One (1) member from Woodruff County; and~~
- ~~(N)—One (1) member from White County.~~

~~(2)(A)—The county fair board of each county shall select the person from that county to be a member of the board.~~

~~(B)—If any county does not have a county fair board, the county judge of that county shall appoint that county’s representative to the board.~~

~~(C)(i)—There is created an executive board that shall be~~

~~composed of the members of the county fair board of the county in which the Northeast Arkansas District Fair is located.~~

~~(ii) The executive board shall be responsible for the day to day operations and maintenance of the Northeast Arkansas District Fair fairgrounds.~~

~~(3) Members of the board shall serve four year terms, and any vacancies arising in the board membership shall be filled in the same manner as were the original appointments.~~

~~(b)(1) In all matters, the fair shall be subject to the rules of the Arkansas Livestock and Poultry Commission and otherwise conducted in the same manner as other district fairs.~~

~~(2) The location of the Northeast Arkansas District Fair shall be in Craighead County.~~

~~(c) The board shall annually select a chair from among its membership.~~

~~(d) After each federal decennial census, the membership on the board shall be reapportioned among the counties listed in subsection (a) of this section in such manner as to reflect the proportionate population of each county relating to the district as a whole.~~

SECTION 6. Arkansas Code § 2-36-303 is amended to read as follows:

2-36-303. Annual joint fair and livestock shows by adjoining counties.

(a)(1) Any two (2) or more adjoining counties in the state are authorized to enter into an agreement for and to conduct an annual joint fair ~~and~~ or livestock show.

(2)(A) The agreement for a joint fair ~~and~~ or livestock show shall be executed in writing by the county fair and livestock show association board of each of the participating counties.

(B) The agreement shall designate the location at which the annual joint fair ~~and~~ or livestock show is to be conducted and shall contain such other provisions regarding the joint fair ~~and~~ or livestock show as the boards of the respective participating county fair and livestock show associations shall deem necessary or appropriate to assure the proper and efficient conduct of the joint fair ~~and~~ or livestock show.

~~(b)(1) When any two (2) or more adjoining county fair or livestock show associations conduct a joint fair and or livestock show as authorized in this section, funds appropriated by the state for county livestock show~~

~~construction shall be allocated and paid by the disbursing officer of the Arkansas Livestock and Poultry Commission to the executive officer of each participating county association the same as if each county were conducting a separate fair and livestock show the joint fair or livestock show shall be funded jointly by the participating counties.~~

~~(2) Construction funds received by each executive officer shall be transmitted to the appropriate official of the joint fair and livestock show to be used exclusively for construction of facilities for conducting the joint fair and livestock show.~~

~~(c)(1)(A) Each joint fair and livestock show conducted under the provisions of this section shall be graded and awarded qualifying grade points the same as if it were a single county show for the purposes of the allocation of state funds appropriated for premiums for county livestock shows.~~

~~(B) The amount of such funds allocated and distributed to any such joint fair and livestock show by the disbursing officer of the commission shall be based upon the qualifying grade points earned by the joint show.~~

~~(2)(A) In addition to the premium funds so allocated to the joint show on the basis of qualifying grade points, each participating county other than the county in which the joint show is located shall be eligible to receive from state funds appropriated for county livestock show premiums the amount of five hundred dollars (\$500), which shall be paid annually by the disbursing officer of the commission to the executive officer of each participating county fair association the same as if each county were conducting a separate fair and livestock show.~~

~~(B) Premium funds received by each executive officer shall be transmitted to the appropriate official of the joint fair and livestock show to be used exclusively for premiums at the joint fair and livestock show.~~

SECTION 7. Arkansas Code §§ 2-36-304 – 2-36-306 are repealed.

~~2-36-304. Participation by nonresident landowner.~~

~~In the event any individual owns land in two (2) adjacent counties and the county in which he or she resides does not conduct a county livestock show, the individual shall be deemed to be eligible to participate in the~~

~~county livestock show conducted in the county in which he or she owns land but does not reside.~~

~~2-36-305.—District junior livestock shows.~~

~~(a)—A junior livestock show is authorized for each of the six (6) livestock show districts of the state.~~

~~(b)—Any organization desiring to establish a district junior livestock show shall make application and submit proposed organizational and operational plans for the district junior livestock show to the Arkansas Livestock and Poultry Commission.~~

~~(c)—The commission may approve only one (1) district junior livestock show in each of the six (6) livestock show districts.~~

~~(d)—Funds appropriated to the commission for district junior livestock shows shall be distributed equally to all district junior livestock shows.~~

~~2-36-306.—North Central Arkansas District Fair and Livestock Show.~~

~~(a)—There is established a district livestock show to be known as the “North Central Arkansas District Fair and Livestock Show” and to be located in IZARD County.~~

~~(b)—Counties composing the North Central Arkansas District Fair and Livestock Show district shall be Cleburne County, Fulton County, Independence County, IZARD County, Sharp County, Stone County, and Van Buren County.~~

~~(c)—The North Central Arkansas District Fair and Livestock Show shall enjoy the same privileges and status as previously established district livestock shows in the State of Arkansas.~~

~~(d)(1)—There is created the North Central Arkansas District Fair Board, to be composed of fourteen (14) members. Two (2) members shall be selected from each county. One (1) member in each county shall be selected by the livestock show association in the county, and one (1) shall be selected by the Arkansas Farm Bureau Federation.~~

~~(2)—The members of the board shall serve four-year terms. Any vacancies arising in the board membership shall be filled in the same manner as were the original appointments.~~

SECTION 8. Arkansas Code Title 19, Chapter 5, Subchapter 12, is amended to add an additional section to read as follows:

19-5-1269. Agri Fair Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the "Agri Fair Fund".

(b) The Agri Fair Fund shall consist of:

(1) General revenues appropriated to:

(A) Agriculture show premiums, refunds, and reimbursements;

(B) County fair improvement grants; and

(C) Community improvement grants, county fairs, and rodeos; and

(2) Other revenues as authorized by law.

(c) The Agri Fair Fund shall be used by the Department of Agriculture for:

(1) Grants and aid under § 2-36-101; and

(2) Personal services and operating expenses of the department.

APPROVED: 4/13/21