



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1130 (Substitute S-4 as reported by the Committee of the Whole)
Sponsor: Senator Cameron S. Brown
Committee: Agriculture, Forestry and Tourism

CONTENT

The bill would amend the Michigan Exposition and Fairgrounds Act to do the following:

- Create the State Exposition and Fairgrounds Authority within the Department of Management and Budget (DMB).
- Transfer to the Authority responsibilities of the Michigan Department of Agriculture (MDA) related to the management of the State Exposition and Fairgrounds.
- Provide for an Authority board, which would replace the State Exposition and Fairgrounds Council.
- Require the Authority board to include nine appointed members representing agricultural interests, Fair exhibitors, tourism, the general public, organized labor, the business community, and county fairs.
- Require the appointed members to include at least one resident each of Detroit, Ferndale, and Hazel Park.
- Prohibit the Authority from conducting or allowing gaming (except as currently allowed under the Act), horse racing and wagering, or motorized vehicle racing while the State Fair was not being conducted.
- Provide for a manager of the Authority (rather than of the State Exposition and Fairgrounds), and expand his or her responsibilities.
- Require the Authority to submit to the Governor and the Legislature each year a rolling five-year operational plan and construction plan.
- Require the Authority to establish a local neighborhood advisory council for the purpose of gathering public input on the Authority's activities.

The bill would take effect October 1, 2004.

MCL 285.161 et al.

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

The State Exposition and Fairgrounds (State Fair) receives appropriations in the annual MDA budget to cover its operations. These appropriations are supported from revenue generated at the State Fair from events held throughout the year. Nearly all of the revenue generated by the State Fair accrues during the annual Michigan State Fair held in late August. The State Fair is accounted for in the General Fund, which means that if it does not generate sufficient revenue to cover all of its expenses, the General Fund is responsible for the shortfall. The table below shows revenue received by the State Fair, annual expenses, and General Fund assistance provided to the State Fair for the past seven fiscal years (FYs), FY 1996-97 through FY 2002-03.

During four of the past seven fiscal years, the State Fair required General Fund appropriations to cover its expenses. In FY 2002-03, the State Fair lost \$746,700. This shortfall was made up by a transfer from various accounts within the MDA budget (\$255,200) and a transfer from various accounts within the DMB budget (\$491,800). In FY 1999-2000, the shortfall was made up by a one-time transfer of \$1,250,000 from the Bovine Tuberculosis Program within in the MDA budget.

Michigan State Fair Financial History Fiscal Year Ending September 30 (thousands)							
	1997	1998	1999	2000	2001	2002	2003
Revenue	\$6,078.7	\$6,684.3	\$6,614.8	\$6,789.5	\$5,350.0	\$4,953.1	\$5,047.3
Expenses	(6,880.3)	(7,322.1)	(6,604.0)	(7,932.2)	(5,265.3)	(4,868.4)	(5,794.0)
Income (Loss)	(801.6)	(637.8)	10.8	(1,142.7)	84.7	84.7	(746.7)
GF/GP Transfer	885.0	707.0		1,250.0			747.0
Income (Loss) After Transfer	83.4	69.2	10.8	107.3	84.7	84.7	0.3

Date Completed: 7-9-04

Fiscal Analyst: Craig Thiel

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.