

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 28, 2007
POSITION: Neutral

BILL NUMBER: SB 281
AUTHOR: A. Maldonado

BILL SUMMARY: District Agricultural Associations: Surplus Property

This bill would require the California Department of Food and Agriculture (CDFA), with the approval of the Department of General Services (DGS), to develop criteria for use by district agricultural associations (DAAs) and the California Exposition and State Fair (Cal Expo) when disposing of surplus property.

FISCAL SUMMARY

The provisions of this bill might result in some initial increased workload for CDFA, which would likely be absorbable. To the extent that CDFA requires additional resources to conduct the activities specified in this bill, the request would be subject to review and approval through the annual budget development process.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the Original version are minor and do not alter our position.

COMMENTS

The Department of Finance is neutral on this bill.

Existing law requires the DAAs to operate in accordance with state law governing the operation of state agencies and requires the DGS to establish an annual purchasing delegation program, subject to specified criteria, for the DAAs to be administered by the CDFA.

This bill would do the following:

- State that the CDFA shall develop criteria to be used by DAAs and Cal Expo for the disposal of surplus property.
Define "disposal of property" as sale of equipment, materials or other forms of personal property no longer necessary for the purposes of the fair and do not exceed a fair market value of \$50,000.
Provide that the criteria shall include, but not be limited to, the possible use of surplus property by other DAAs before being sold to the highest bidder.
Require the CDFA to audit the DAAs to confirm proper use of state funds and compliance with the approved criteria.
Exempt the DAAs and Cal Expo from any requirements in the State Administrative Manual relative to the disposal of surplus property if they adopt the CDFA criteria.

Currently, there are 54 fairs that are managed under the CDFA with each fair operating under a degree of autonomy, with a board of directors appointed by the Governor. The fairs do not receive General Fund money from the state, but receive revenues from the pari-mutuel wagering tax levied on horseracing. The wagering tax is collected by CDFA and distributed to the fairs based upon their size.

Analyst/Principal (0221) R. Baker Date Program Budget Manager Todd Jerue Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

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SB 281

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
8570/Food & Ag	SO	No		-----	See Fiscal Summary	-----			0191
<u>Fund Code</u>	<u>Title</u>								
0191	Fair and Exposition Fund								