

STAFF MEASURE SUMMARY

House Committee On Business and Labor

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 06/03/15

Action: Do Pass.

Meeting Dates: 05/27, 06/03

Vote:

Yeas: 11 - Barreto, Barton, Doherty, Esquivel, Evans, Fagan, Heard, Holvey, Kennemer, Nosse, Weidner

Prepared By: Jan Nordlund, Committee Administrator

WHAT THE MEASURE DOES:

Places limitation on state liability for non-property claims applicable to State Fair Council. Increases minimum membership of Council from nine to eleven and maximum membership from thirteen to fifteen. Provides for appointment of additional member of Legislative Assembly to be nonvoting observer and advisor to Council.

ISSUES DISCUSSED:

- Desire to increase year-round use of fairgrounds
- Frequency, type and size of past tort claims
- Current estimate of liability insurance premiums
- Number of Council employees
- Cultural and educational value of Oregon State Fair

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The Oregon State Fair began in 1858 as an agricultural exhibition and expanded in 1977 to include an exposition center. In 1981, the Legislative Assembly directed the Fair and Exposition Center to become financially self-supporting and removed General Fund support. In 1986, the Legislative Assembly authorized the Fair to sell up to \$10 million in revenue bonds to renovate the horse stadium, build a new livestock pavilion, and construct an outdoor amphitheater. The Fair, however, was unable to generate sufficient revenue to meet both operating and maintenance costs. In 1997, the Legislative Assembly directed the Joint Legislative Audit Committee to evaluate and identify solutions to the Fair's problems.

In 2005, House Bill 3502 shifted management of the fair to Oregon Parks and Recreation Department (OPRD) in order to curb the Fair's reliance on the state's General Fund. OPRD then proposed that the Fair and Exposition Center would benefit from a new governance structure. Senate Bill 7 (2013) provided for the establishment of the State Fair Council as a public corporation to conduct and oversee the fair and exposition center and associated operations.

Senate Bill 934-A places the Council under the same liability provisions as the Oregon Health and Science University, the only other comparable public corporation in the state. The changes will resolve questions in the insurance market. The increased number of available seats on the Council offers an opportunity to enhance public support and endorsement of the fair and will allow for more diverse and broad-based policy setting board.