

Commissioners Handbook

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Chapter 134: Agricultural Societies

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1 Introduction

Agricultural societies, commonly referred to as fair boards, are authorized primarily to promote the agricultural and household manufacturing interests of the counties and the state. Most Ohioans are familiar with the work of agricultural societies through the annual fair. Fairs serve a community social function and as a gathering place for people of all ages. Fairs host competitive exhibits as well as provide a variety of entertainment, commercial exhibits, concessions and amusement rides.

To further their mission, societies are required to "award premiums for the improvement of grains, fruit, vegetables, livestock, articles of domestic industry, public school displays, and such other articles, productions, and improvements as it deems proper...." (ORC 1711.04).

Agricultural societies are of two types: county and independent. Ohio is home to 87

county and seven independent agricultural societies.

The organization of the county agricultural society is detailed in Ohio Revised Code; the organization of the independent society is less specific. However, the Ohio Administrative Code 901-5-01 makes no distinction between the two, so one must assume that the organizational procedures for the two are identical.

2 Membership

Minimum base membership for an agricultural society is 30 individuals. The society members must be from one county, but an independent society may represent up to three contiguous counties.

Each society shall issue membership certificates to those individuals who pay the required membership fee, as established by the society. Members may vote at the annual election of directors, typically held during the annual fair. Members may hold any office of the society.

Further details regarding agricultural societies are found in Chapter 1711 of the Revised Code and Ohio Administrative Code Chapters 901-5-01 through 901-5-16.

3 Board of Directors

The activities of a county agricultural society are governed by a board of directors of at least eight members, usually, but not statutorily, elected by township. An employee of the county extension service serves as a non-voting member of the board. Any vacancy on the board is filled by the board until the next annual election. Elections are required to be held no later than November 15, and the terms of office begin no later than November 30 (ORC 1711.07).

Individuals who wish to run for director must file a petition with the secretary of the society, signed by ten or more members of the society at least seven days before the election is held. OAC 901-5-05 requires that societies elect one-third of their directors every year, so much as is mathematically possible, with directors serving three-year terms.

Directors (other than ex-officio) may be paid, if allowed by the society's constitution, an amount not exceeding thirty dollars plus reimbursement for mileage for travel to up to 12 board meetings each calendar year. Certain other board members or authorized representatives of the board may have certain expenses paid as outlined in OAC 901-5-09. The board secretary, treasurer and fair manager may be members of the board of directors and may be compensated for their service in addition to that above if the society's constitution permits.

No later than November 30 of each year, the board holds its annual organizational meeting and elects a president, vice president, treasurer, secretary, and such other officers as it deems necessary. The president, vice president, and the treasurer shall

serve one-year terms, and the secretary not more than three years as the board may determine. The president and vice president must be directors. The secretary and the treasurer may or may not be directors.

The positions of members of the board of directors, officers, and employees of an agricultural society are not public offices, and persons holding these positions are eligible to hold any public office, except that of county commissioner.

Each society must have a constitution and by-laws, which must be filed with the Ohio Department of Agriculture (ODA).

4 Reporting to the Director of Agricultural

Each agricultural society shall report the following information to the Director of Agriculture:

- 1. A summary of the receipts and expenditures of the society during the period covered by the report.
- 2. A newspaper clipping of the treasurer's annual report.
- 3. A report of exhibits, premiums paid, and other expenses of the junior fair.
- 4. A report of the horse racing program, if any, at the fair.
- 5. A report of the colt stake races, if any, at the fair.
- 6. A voided membership ticket for the year of the report.
- 7. A voided season ticket for the fair, if the society uses such tickets.
- 8. A copy of the annual premium list although this may be submitted with or prior to the entirety of the report.

A majority of the board of directors shall approve the report and the secretary or secretary-treasurer the agricultural society shall sign and swear to the accuracy of the report.

If the Director of Agriculture determines that the board has violated any law or rule administered by the department, the director may refuse to issue a certificate to the board of county commissioners or county auditor, or an order to the state auditor, authorizing the payment of county or state funds to the society. OAC 901-5-07 details the options societies may have to rectify potential violations.

Each society shall also submit to the Director of Agriculture, on or before November 10 each year, a request for approval of the dates for its next fair (OAC 901-5-11).

5 Funding

The county has certain obligations to support the agricultural society, as follows:

- 1. \$1,600 or an amount not to exceed that paid in regular class premiums (ORC 1711.01-02)
- 2. At least \$100 to support junior club work (ORC 1711.03)
- 3. No less than \$1,500 for the purpose of encouraging agricultural fairs (ORC 1711.22)
- 4. County commissioners must insure the buildings on the fairgrounds (ORC 1711.24). The attorney general has ruled that if the county commissioners procure an insurance policy with a deductible payment, in the event of a loss, the commissioners may not require the county agricultural society to pay the deductible. (OAG 88-044)
- County commissioners may appropriate funds to purchase or lease real estate, for a term of not less than 20 years, repair or erect buildings, pay rent, and meet indebtedness of the society, provided that the ODA Director has certified to the commissioners that the agricultural society is in compliance with certain laws and regulations. (ORC 1711.15, 1711.17)

Agricultural societies may also utilize property tax levies as a source of revenue for their fairgrounds and fair operations. ORC 5705.19(NN) provides societies the option of placing a property tax levy on the ballot for the purchase, maintenance or improvement of real estate and for operating expenses of agricultural societies. The levy length may not exceed five years. The board of commissioners is the taxing authority for agricultural societies. Thus, commissioner approval is required for the tax levy to be submitted to voters.

Commissioners may also place on the ballot a property tax levy for any combination of agricultural society, soil and water conservation district, and OSU Extension funding (ORC 5705.19(YY)).

The Ohio Fairs Fund, consisting of revenues derived from pari-mutual and exotic wagering on horseracing, is another funding source for agricultural societies and is distributed to county and independent agricultural societies as follows (ORC 3769.082):

- 1. Twelve percent of the fund is allocated to each society for general operations.
- 2. Four thousand dollars to each society which conducts horse races, to be used as purse money.
- 3. One thousand dollars to each society which conducts horse races, to be used for track maintenance.
- 4. An additional \$4,000 to each society which conducts stake races, to be used as purse money.

These monies may be pro-rated up or down, depending upon fund availability.

Agricultural societies have many other sources of funding, including fairgrounds and facilities rental, granting of concession rights during fairs, sale of memberships, and gate and grandstand admissions.

6 Management and Control of Fairgrounds/Powers of Agricultural Societies

County agricultural societies are bodies corporate and politic, and as such they are capable of suing and being sued. They may hold title to land purchased by them for the purpose of holding fairs.

They may mortgage their land for the purpose of renewing or extending pre-existing debt, and for the purpose of buying additional land. However, if the county commissioners have used county money to aid in the purchase of land, that land shall not be mortgaged without the consent of the commissioners.

County agricultural societies may obtain loans and credit for expenses related to the purposes of the society, if approved by the society's board of directors. The total annual payments for debt obligation incurred by a county agricultural society shall not exceed 25 percent of its prior three-year average of annual revenues. Approval by the board of commissioners is required prior to incurring any debt if the county if the county has paid money out of the county treasury to purchase the county fairgrounds (ORC 1711.13).

County agricultural societies may also appropriate land for fair purposes through eminent domain. For details of this procedure, see Section 163.01 – Section 163.22 of the Revised Code (ORC 1711.14).

7 Acquisition of Fairgrounds

Both county agricultural societies and boards of county commissioners may purchase or lease, for a term of not less than twenty years, real estate on which to hold fairs under the management and control of the county agricultural society, and may erect thereon suitable buildings and otherwise improve it.

In a county where a county agricultural society has purchased or leased for a term not less than twenty years, real estate as a site on which to hold fairs or in which the title to the site in vested in fee in the county, the board may erect or repair buildings or otherwise improve the site, pay the rental of it, or contribute to or pay any other form of indebtedness of the society, provided that the ODA Director has certified the society's compliance with department regulations. The board may appropriate from the general fund or permanent improvement fund any amount that it considers necessary.

When appropriating funds to the county agricultural society, the money is placed in a special fund designated as the "county agricultural society fund," and may be drawn out by the treasurer of the society (ORC 1711.16).

Independent agricultural societies, along with their respective boards of county commissioners, may also purchase or lease jointly, for a term of not less than twenty years, real estate on which to hold fairs. Commissioners may also make rental payments for fairground facilities and pay any other form of indebtedness of the society, provided

that the society is compliant with ODA regulations. Boards may appropriate from their respective general funds any necessary amount for this purpose (ORC 1711.17).

Commissioners are required to notify the agricultural society of its intention to make a sale or exchange of fairgrounds in writing 14 days prior to the sale or exchange (ORC 1711.26).

8 Issuance of Bonds for New Site

Section 1711.25 – Section 1711.32 of the Revised Code provides a method whereby the county commissioners may issue bonds to purchase a new fairgrounds site. The county agricultural society's board of directors must pass a resolution stating the necessity of such a purchase and forward that resolution to the commissioners within 30 days. The society may sell or lease the old site and buy or lease the new one. If the county paid any portion of the cost of the site to be sold or leased, the written consent of the commissioners is required. The society must notify the commissioners of the sale price of the old site, the amount of money necessary to purchase the new site, the terms of purchase or lease, and a full description of the new site and any improvements.

The commissioners may pay, from any unappropriated funds in the county treasury, the cost of the new site or, if the old site has been sold, the difference between the receipts from the sale and the cost of the new site. If no funds are available in the treasury, the commissioners may levy taxes to pay the cost of retiring bonds for the purchase. No bonds shall be issued until the question of issuing bonds is put before the voters of the county and the question receives an affirmative majority. The question must be submitted at the next general election held not less than 90 days after the commissioners receive notice from the society. Fifteen days notice of the submission must be given by the board of elections by publication in a newspaper of general circulation in the county or as provided by ORC 7.16.

9 Issuance of Bonds for Indebtedness

Section 1711.18 – Section 1711.20 of the Revised Code provide provides a method of paying off debts of \$15,000 or more of a county agricultural society. At least 500 voters must petition the county commissioners to submit to the voters the question of issuing bonds to pay off such debt. The commissioners, within ten days of receiving the petition must set a date for the question to be voted on, which must be within 30 days of the passage of the resolution. The commissioners must certify the resolution to the board of elections for submission of the question. The board of elections must give 15 days notice of the election by publication, which shall state the amount and purpose of the bonds and the time and place of the election. If the question receives an affirmative majority, the bonds will be issued and the commissioners will pay off the indebtedness. The county commissioners must then levy a tax as outlined in ORC 1711.20 for the purpose of retiring the bonds at the rate and for the length of time necessary.

10 Encumbrance of Fairgrounds

The county agricultural society may not encumber the fairgrounds with any debt or mortgage without the consent of the county commissioners if the county has paid any money out of the treasury for the purchase of the real estate. When such consent is obtained, the society may encumber not more than 50 percent of the value of the real estate to pay the cost of necessary repairs and improvements.

11 Special Constables

On application by the agricultural society, a county or municipal court judge having jurisdiction may appoint a suitable number of special constables to assist in keeping the peace during the fair or a society meeting. The judge must make an entry in the court docket of the names of all persons so appointed.

12 Credit Cards

The board of directors of an agricultural society shall adopt a written policy before first holding a credit card account. The policy shall include provisions addressing all of the following:

- 1. The officers or positions authorized to use credit card accounts.
- 2. The types of expenses for which a credit card account may be used.
- 3. The procedure for acquisition, use, and management of a credit card account and presentation instruments related to the account including cards and checks.
- 4. The procedure for submitting itemized receipts to the treasurer or the treasurer's designee.
- 5. The procedure for credit card issuance, credit card reissuance, credit card cancellation, and the process for reporting lost or stolen credit cards.
- 6. The society's credit card account's maximum limit or limits.
- 7. The actions or omissions by an officer or employee that qualify as misuse of a credit card.

Contact Information

Please contact the following Policy Team staff member with any questions:

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