



Michigan Association of Fairs & Exhibitions Position Paper March 2021

Introduction

The Michigan Association of Fairs & Exhibitions (MAFE) is a membership association comprised of county and community fairs in Michigan. Membership is also extended to various festivals, as well as businesses that support our industry such as food vendors, performers, and carnival operators.

Industry Issues

Various issues and legislative efforts affect the fair industry within this state. As with any organization comprised of members from every part of the state, MAFE monitors areas from budget issues, to inspections, food safety laws, and employment concerns. While the fairs are non-profit organizations, they still function much like any other business. During this past year, because of the COVID pandemic, the industry has been unable to operate in its usual manner. Below are a few of the major issues that MAFE has been actively involved in and/or is currently monitoring.

COVID-19

2020 was a difficult year for all industries, but the fair, festival, and carnival industries were hit harder than most. Capacity limitations outdoors made events impossible, even on fairgrounds with massive acreage. The uncertainty surrounding the virus was also a deterrent, so fairs and festivals were forced to cancel their programs. Some fairs opted to do programs for the youth exhibitors which allowed them to show and auction their animals or projects; these events were not attended by the public and the cost of holding these events fell squarely on the fair and resulted in a loss for the year. Vendors and carnival operators rely on contractual agreements with their locations that are made years in advance. When these contracts are cancelled, the entities are not able to then make up the difference; they are at a loss for the income that would have been gained by the contract. To add to the complexity of the issue, as seasonal entities many vendors and carnival operators, as well as fairs and festivals,

were not able to apply for grants and loans that are available to many business entities. This has resulted in an industry that has been largely unable to operate in any capacity since October of 2019. The industry is in dire need of relief, either through safe means of raising capacity limits or through funding that would be available to them as seasonal employers.

Budget

Capital Improvement Grant

For the past several years, the Michigan fairs have been granted a line item in the budget for Capital Improvement Grants, matching funds made available to county and community fairs on a competitive basis to be used to make improvements to local fairgrounds. Fairs may apply for these grants through MDARD and funds are awarded to those fairs that most adequately complete their application, have funds available to match and have completed all requisite state reports. A panel of judges ranks the applications from highest to lowest and the highest are awarded grant funds. In the 2020-21 budget, a supplemental included the line item at \$500,000, which was enacted. MAFE greatly appreciates this inclusion in the budget; it will certainly be useful to those hoping to complete infrastructure and building improvements.

For the 2021-22 budget, MAFE respectfully requests any amount of funding legislators deem acceptable. The association understands that balancing the budget during this crisis will be difficult and that critical efforts must be funded before this type of grant. To that end, MAFE requests any amount that can be spared, in order to maintain a place within the budget. Even a \$200,000 line-item can go a long way in helping some of our fairs.

Horse Racing Purses

The allotted amount in the Agriculture budget for purses for horse racing at county fairs is funded through the Agriculture Equine Development Fund. The purse awards are in direct relation to the number of race days that occur in the horse racing industry and simulcast fees are paid into the Ag Equine Development Fund. A small percentage of those funds are then passed on to county fairs for racing purses and are capped at \$1,000 per overnight race. MAFE supports this appropriation and asks that it be allowed to continue.

Large Carnivore

In 2018 legislation was passed amending the Large Carnivore Act in Michigan. The language of the legislation was meant to allow zoos to conduct breeding. MAFE did not weigh in on the legislation, as it did not seem to affect the fair industry. Upon MDARD review of the new bill language, the MAFE was contacted and informed that the section of the bill related to black bear breeding would make traveling large carnivore shows coming to fairs from outside of the state illegal. The residency requirement in the language would now pertain to traveling large carnivore shows. There are several fairs that have contracts with these vendors to allow these animals to be displayed for educational purposes at county fairs.

HB 4186 would modify residency requirements to allow for fairs and festivals to continue to contract with large carnivore acts from out of state; the bill is supported by the industry.

Carnival Safety

MAFE has many associate members that are comprised of businesses that partner with our events to help them run smoothly and contribute to the entertainment experience for attendees. One such partner is the carnival companies that set up all of the rides on the midway. Over the course of the last few years, MAFE has been working with the carnival members to make certain that inspections are being done by the state and that our midways are as safe as possible.

To further that discussion, MAFE has been involved in discussions with inspectors, state officials and the administration regarding changes to the Carnival Safety Act. MAFE will continue that involvement as the process moves forward.

Carnival Safety Board – the board allowing for carnival operator input into the process was disbanded by Governor Snyder. MAFE would love to be able to either have the board reinstated, or to at a minimum, have an open dialogue with LARA as to any amendments to the Administrative Rules.

MAFE will also continue to monitor the carnival rules to ensure that any enacted rules are not detrimental to the industry and will protect the health and safety of all carnival patrons.

Horse Racing

The horse industry in Michigan greatly benefits from the ability to racehorses within the state. The industry has suffered hardships in the racing arena due to limitations imposed on the industry by gaming laws and proposals. County fairs serve as a training ground for horses that are too young to race at tracks. Without a horse racing industry, there will not be a need for racing at the county fair level. Recently, gaming legislation was enacted in this state, and one of the bills that was a part of that package was for Advanced Deposit Wagering. A percentage of the funds from ADW will be placed into the Ag Equine Development Fund to be used for purses at county fairs and to be used to help with building and track improvements at county fairgrounds.

Legislation for Historical Horse Racing was introduced last session and the issue will continue to be monitored by the MAFE. The association acknowledges that more modern gambling advancements at racetracks will allow the tracks to be more competitive.

Summary

The abovementioned issues reflect those that are actively on the radar of the MAFE, and those that MAFE has weighed in on. MAFE continues to monitor legislation in this new session season and attempts to support all fair members and all businesses that contribute to the success of the Michigan fair and festival industry. As always, education of our youth in relation to agriculture is the key component to a successful fair season and MAFE remains vigilant in its advocacy for and protection of the industry.

Contact Information

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