

STATE FAIR COUNCIL; FAIRGROUND OPERATIONS, PROPERTIES AND FACILITIES

565.451 Definitions for ORS 565.451 to 565.575. As used in ORS 565.451 to 565.575:

(1) “Fairground properties and facilities” means grounds, equipment, permanent and temporary structures and other improvements that are owned, rented, leased or otherwise controlled for Oregon State Fair or exposition center purposes.

(2) “Oregon State Fair” means the exhibition described in ORS 565.456 (3). [2013 c.492 §2]

565.455 [1995 c.796 §1; repealed by 2003 c.517 §1]

565.456 State Fair Council; mission and purposes of council. (1) The State Fair Council is established as a public corporation and shall exercise and carry out all powers, rights and privileges that are expressly conferred upon the council, are implied by law or are incident to such powers, rights and privileges. The council is an independent public corporation with a statewide mission and purposes and without territorial boundaries. The council is a governmental entity performing governmental functions and exercising governmental powers but, except as otherwise provided by law, is not a unit of local or municipal government or a state agency for purposes of state statutes or constitutional provisions.

(2) Unless otherwise provided by law, the council is not subject to ORS chapter 182, 183, 240, 270, 273, 276, 279A, 279B, 279C, 283, 291, 292 or 293 or ORS 35.550 to 35.575, 183.710 to 183.725, 183.745, 183.750, 190.430, 190.490, 200.035, 236.605 to 236.640, 243.303, 243.305, 243.315, 243.325 to 243.335, 243.345, 243.350, 243.696, 279.835 to 279.855, 282.010 to 282.150, 291.050 to 291.060 or 656.017 (2).

(3) The mission and purposes of the council are:

(a) To conduct a state fair to be known as the Oregon State Fair for the education and entertainment of Oregon residents and for the promotion, preservation, growth and prosperity of the industries and interests traditionally represented in state fair activities such as agriculture, stock raising, horticulture, youth group involvement in agricultural, stock-raising and horticultural activities, viticulture, manufacturing, metal fabrication, technology and artistic, creative and cultural pursuits; and

(b) To promote Oregon tourism related to the Oregon State Fair and fairground properties and facilities, and promote and further the preservation, growth and prosperity of other industries and activities important to the state economy by conducting the Oregon State Fair and using fairground properties and facilities.

(4) To help fulfill the council’s mission and purposes, the council shall encourage residents in all parts of this state to participate in or attend the Oregon State Fair. The council may take any necessary or expedient actions to ensure that fairground properties and facilities are adequate and in good repair. The council shall operate the fairground properties and facilities as an exposition center, encourage the full utilization of the properties and facilities for revenue generation and make expenditures for the construction, repair, remodeling, maintenance, insurance and other needs of the fairground properties and facilities. Subject to any limitations established under this chapter, the council may take other actions the council deems necessary or expedient to ensure the financial viability of the Oregon State Fair and the exposition center or to promote the Oregon State Fair, Oregon tourism and other industries related to fairground business operations or fairground properties and facilities. [2013 c.492 §3]

565.460 Council members and employees. (1) The State Fair Council shall consist of no fewer than nine and no more than 13 members appointed by the Governor. A council member holds office for a term of four years, but may be removed at any time during the term at the pleasure of the Governor. Council members are eligible for reappointment. Prior to the expiration of the term of a member, the Governor shall appoint a successor. If a member position becomes vacant for any reason, the Governor shall appoint a successor to fill the unexpired term.

(2) The council shall consist of:

(a) No fewer than seven and no more than 11 members who have experience in, and are representatives of, industries and interests traditionally represented in Oregon State Fair activities, and who have backgrounds in industries and interests pertinent to carrying out the duties, functions and powers of the council, including but not limited to:

- (A) Private sector business;
- (B) The nonprofit sector;
- (C) Economic development interests;
- (D) The finance industry; and
- (E) The events and facility management industry.
- (b) One member who is an elected official of a city.
- (c) One member who is an elected official of a county.

(3) The President of the Senate and the Speaker of the House of Representatives shall jointly select one member from among the members of the Legislative Assembly for appointment to act as a nonvoting observer of and advisor to the council. The member of the Legislative Assembly may not exercise any power, right or privilege of a council member.

(4) The Salem city manager may act as a nonvoting observer of and advisor to the council. The Salem city manager may not exercise any power, right or privilege of a council member.

(5) A majority of the council is required for the conducting of business.

(6) The council shall elect one member as a chairperson and one member as a vice chairperson, with duties and powers as determined by the council. The council shall meet at the call of the chairperson or of a majority of the members.

(7) A member of the council is not entitled to compensation, but may be reimbursed as provided by council policies and procedures for any actual and necessary travel and other expenses incurred by the member in the performance of the member's official duties. [2013 c.492 §4]

565.470 State fair director; status of council, director and employees; services used by council. (1) The State Fair Council may employ a state fair director to oversee the day-to-day carrying out of fairground business operations and the operation of fairground properties and facilities, including but not limited to the annual conducting of the Oregon State Fair, the use of fairground properties and facilities for an exposition center, the issuance of payments for construction, repair, remodeling, maintenance, insurance and other needs of fairground properties and facilities as directed by the council, the solicitation for financial support for the Oregon State Fair and fairground properties and facilities and the promotion of the Oregon State Fair and related Oregon tourism and other industries.

(2) The state fair director may employ such subordinate council employees as the director deems reasonable for the carrying out of fairground business operations and the operation of fairground properties and facilities, including but not limited to the conducting of the Oregon State Fair and the operation of fairground properties and facilities as an exposition center.

(3) The council shall determine and approve policies and procedures to further the mission and purposes of the council and shall provide oversight and guidance to the state fair director and employees of the council.

(4) The members of the council, the state fair director and the employees of the council are not state employees and are not eligible for participation in state employee health benefit plans, state employee deferred compensation plans or the Public Employees Retirement System. The council shall determine the compensation and benefit package for the state fair director and other employees of the council. For purposes of any laws applicable to the council as a public corporation, including but not limited to ORS 30.260 to 30.300, the members of the council, the state fair director and the employees of the council are officers and employees of a public body.

(5) The council and a state agency may enter into agreements for the state agency to provide support services to the council. Except as provided in this subsection, if a state agency provides support services to the council, the state agency must provide the support services at the rate that the state agency would charge to other state agencies for the services. The State Parks and Recreation Department may provide support services to the council at any rate mutually agreed to by the department and the council.

(6) The council may retain private legal counsel or, notwithstanding ORS 180.060, may contract for representation by the Attorney General. If the council contracts for representation by the Attorney General, the Attorney General shall charge the council for services at the rate charged state agencies for similar services. [2013 c.492 §5]

565.480 Director powers and duties. (1) The state fair director employed by the State Fair Council under ORS 565.470 shall be entrusted with the day-to-day carrying out of fairground business operations and the operation of fairground properties and facilities.

(2) The state fair director may contract for law enforcement or security services for fairground properties and facilities, including but not limited to law enforcement and security services during the Oregon State Fair.

(3) In addition to any other duties, functions or powers, the state fair director may:

(a) Establish charges and fees, including but not limited to charges and fees for admission to, and lease or rental of, fairground properties and facilities;

(b) Conduct or authorize events, exhibitions and all manner of business at fairground properties and facilities consistent with the mission and purposes of the State Fair Council; and

(c) Do all other things the director considers proper in the conducting of the annual Oregon State Fair or the operation of fairground properties and facilities as an exposition center.

(4) The state fair director may delegate any duty, function or power of the director to a subordinate employee except the duties, functions and powers of the director under ORS 565.539. [2013 c.492 §6]

565.495 Acquisition or disposal of real property or facilities; care, custody and control; expenditure of appropriated moneys. (1) The State Fair Council may not acquire or dispose of any real property or facilities without prior approval by the Oregon Department of Administrative Services. Legal title to fairground

properties and facilities must remain with, or be established in, the name of the State of Oregon. The department and the council shall enter into an agreement for the council to exercise exclusive care, custody and control over fairground properties and facilities. The agreement shall provide for the council to make periodic payments to the State of Oregon for the leasing of the fairground properties and facilities. The agreement may not establish a fixed term in excess of 10 years, but may provide for renewal. Notwithstanding any fixed term for the agreement, the Legislative Assembly may terminate the agreement by law if the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities by the council results in a net loss in three of any five consecutive years. If the Legislative Assembly terminates the agreement, the department may dispose of any fairground properties and facilities for which the department determines disposal to be reasonable. The department and the council may modify the agreement terms and conditions by mutual consent to the extent consistent with this chapter.

(2) If any state agency has incurred an obligation for the purpose of paying for the construction, repair or remodeling of fairground properties or facilities, and the obligation remains outstanding at the time the agreement described in subsection (1) of this section is negotiated, the agreement shall provide for all or part of the periodic payments by the council to be credited to an appropriate account established in the State Treasury pursuant to ORS 291.001 (3) to compensate the obligated agency for the amounts coming due under the obligation. The agreement shall give priority to the full compensation of an obligated agency for any amounts coming due on revenue bonds payable from the revenues of fairground business operations or from the operation of fairground properties and facilities, including but not limited to revenue bonds issued under ORS 565.095 as set forth in the 2011 Edition of Oregon Revised Statutes.

(3) If any fairground properties or facilities are sold, the Oregon Department of Administrative Services shall ensure that any net proceeds of the sale are applied as provided in this subsection. Net sale proceeds shall be applied according to the following priorities:

(a) First, for the repair and maintenance of other fairground properties or facilities.

(b) Second, for the payment of any bonds secured by the property or facility sold.

(c) Third, for the payment of any bonds payable out of Oregon State Fair revenues or other fairground revenues.

(d) Fourth, for the acquisition of new fairground properties or facilities or other new properties and facilities for the conducting of the Oregon State Fair or for deposit to fairground property and facility acquisition accounts described in ORS 565.545 (1).

(4) The agreement described in subsection (1) of this section shall provide for appropriate apportionment between the council and the Oregon Department of Administrative Services of any insurance proceeds paid in compensation for loss involving fairground properties or facilities.

(5) Notwithstanding subsection (1) of this section, the Oregon Department of Administrative Services may seek an appropriation from the Legislative Assembly or the Emergency Board for moneys to support the conducting of the Oregon State Fair, the carrying out of fairground business operations, the operation of fairground properties and facilities or the repair, maintenance or insurance of fairground properties and facilities, if the council and the department agree that the existing and projected financial resources of the council are inadequate to conduct the Oregon State Fair, to carry out fairground business operations, to operate fairground properties and facilities, to make necessary repairs to fairground properties and facilities or to adequately maintain and insure fairground properties and facilities. Any appropriation to the department shall be expended and accounted for by the department as provided by law. [2016 c.118 §6]

565.510 [Amended by 1953 c.675 §12; 1969 c.239 §2; repealed by 1983 c.327 §16]

565.515 Businesses that may be licensed; when other license may be required. The state fair director may authorize the conducting of any lawful business at fairground properties and facilities. A business operating on fairground properties or facilities under authorization from the state fair director is not required to obtain a local business license for the operation. However, nothing in this section shall interfere with the laws of this state requiring a license for the operation of a restaurant or requiring a license to be obtained from the Oregon Liquor Control Commission for the sale or distribution of alcoholic liquors. [Formerly 565.130]

Note: 565.515 was made a part of ORS chapter 565 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

565.520 [Amended by 1969 c.239 §3; repealed by 1983 c.327 §16]

565.521 Conducting of Oregon State Fair; fairground business operations, buildings and facilities. (1) The State Fair Council shall govern the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities. The council shall conduct the Oregon State Fair for a period of not less than three days and not more than 17 days annually on dates established by the council.

(2) The council may engage in all necessary or expedient actions or activities to carry out the mission and purposes of the council described in ORS 565.456.

(3) The council may enter into contracts and agreements involving property, goods or services as the council deems reasonable to carry out the mission and purposes of the council or to execute any duties, functions or powers of the council, including but not limited to contracts and agreements related to the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities as an exposition center or the construction, repair, remodeling, maintenance and insurance of fairground properties and facilities. However, the council may not enter into any contract or agreement that will result in a lien on fairground properties or facilities that exceeds the available financial resources of the council without first obtaining permission for the lien from the Oregon Department of Administrative Services.

(4) The council may sue and be sued in its own name.

(5) Subject to subsection (3) of this section and ORS 565.495 (1), the council may acquire, purchase, receive, hold, control, convey, sell, manage, operate, lease and improve real or personal property as the council deems necessary or expedient for conducting the Oregon State Fair, carrying out fairground business operations or operating fairground properties and facilities.

(6) ORS 227.286 does not apply to any construction, repair, remodeling or maintenance of fairground properties and facilities.

(7)(a) The council may solicit support for carrying out the mission and purposes of the council described in ORS 565.456 and, subject to ORS 565.495 (1), may accept conditional or unconditional gifts, grants, donations, bequests and other contributions of money, property, services or other things of value from public or private sources and, subject to any terms of a contribution, may:

(A) Expend the contribution to benefit the conducting of the Oregon State Fair, the carrying out of fairground business operations, the operation of fairground properties and facilities, the promotion of the Oregon State Fair and related Oregon tourism and other industries;

(B) Deposit the contribution in a dedicated acquisition account described in ORS 565.545 (1); or

(C) Use the contribution for any other purpose consistent with the mission and purposes of the council.

(b) The council may obtain sponsorships, sell advertising space, sell naming rights and engage in other transactions to generate revenue for any purposes consistent with the mission and purposes of the council. [2013 c.492 §8]

Note: Section 21, chapter 492, Oregon Laws 2013, provides:

Sec. 21. (1) The Governor shall complete the appointment of the initial members of the State Fair Council under section 4 of this 2013 Act [565.460] no later than January 1, 2014.

(2) The Oregon Department of Administrative Services and the council shall make a good faith effort to complete an agreement no later than July 1, 2014, for the council to assume care, custody and control over the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities no later than December 31, 2015. The department shall report as provided under ORS 192.235 to 192.245 no later than October 1, 2014, to an interim committee of the Legislative Assembly dealing with economic development regarding the progress of the council and the department toward reaching an agreement. If the council and the department have not reached an agreement by the time the report is submitted, the report must note that the statutory repeals under section 34 of this 2013 Act are scheduled to occur no later than December 31, 2015.

(3) If the council and the department complete an agreement as described in subsection (2) of this section, the department shall notify the State Parks and Recreation Director and the State Treasurer of the date that the council will assume care, custody and control over the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities under the agreement.

(4) Upon receiving notice under subsection (3) of this section, the director shall arrange for State Parks and Recreation Department staff to meet with the council to prepare for transferring the care, custody and control over the Oregon State Fair, fairground business operations and fairground properties and facilities to the council. The director shall make a good faith effort to ensure that the members of the council are fully briefed and familiarized with matters relating to the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities prior to the transfer taking effect.

(5) Notwithstanding section 5 (5) of this 2013 Act [565.470 (5)], for the period commencing on the effective date of this 2013 Act [June 26, 2013] and ending on the care, custody and control assumption date stated in the notification given to the director by the Oregon Department of Administrative Services under subsection (3) of this section, employees of the State Parks and Recreation Department may provide support services to the council without charge. [2013 c.492 §21]

565.530 [Amended by 1953 c.675 §12; repealed by 1969 c.239 §9]

565.539 Council finances. (1) As used in this section:

(a) “Depository” has the meaning given that term in ORS 295.001.

(b) “Financial institution” has the meaning given that term in ORS 706.008.

(2) Except as provided in this section, moneys received by the State Fair Council must be promptly deposited into an account established by the council in a depository that is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund. In a manner consistent with the requirements of ORS 295.001 to 295.108, the chairperson and vice-chairperson of the council shall ensure that sufficient collateral secures any amount of funds on deposit that exceeds the limits of the coverage provided by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

(3) The council may deposit moneys into an account established by the council in a financial institution that is not a depository if the amount on deposit is at all times fully insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund or another appropriate federal regulatory body responsible for insuring amounts on deposit with the financial institution for the benefit of depositors.

(4) The council may invest any moneys the council receives. Except as provided in subsection (5) of this section, investments that the council makes are:

- (a) Limited to investments described in ORS 294.035;
- (b) Subject to the investment maturity date limitations described in ORS 294.135; and
- (c) Subject to the conduct prohibitions listed in ORS 294.145.

(5) In addition to or in lieu of investments described in subsection (4) of this section, the council may invest in the investment pool described in ORS 294.805. For purposes of ORS 294.805 to 294.895, the state fair director is a local government official.

(6) Except as provided in this subsection, the state fair director shall provide to each meeting of the council a financial report that includes, but need not be limited to, a summary of account and investment activity, and copies of any account or investment statements received from a bank, investment firm or other source since the previous report was provided. The council may waive the financial report requirement if the council is meeting less than 30 days after a meeting to which the state fair director provided a financial report. [2013 c.492 §9]

Note: Section 23, chapter 492, Oregon Laws 2013, provides:

Sec. 23. (1) Notwithstanding ORS 565.107 and sections 2 to 13 of this 2013 Act [565.451 to 565.575], at the request of the State Parks and Recreation Director, for the period commencing on the effective date of this 2013 Act [June 26, 2013] and ending on the date stated in the notification given to the State Treasurer under section 21 (3) of this 2013 Act as the date the State Fair Council is to assume care, custody and control over the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities, in addition to any other authorized use of Oregon State Fair Account moneys, the State Treasurer may issue warrants for the purpose of paying the costs and expenses of the council and paying for the salaries and benefits of the state fair director and other council employees.

(2) On the date stated in the notification given to the State Treasurer under section 21 (3) of this 2013 Act as the date the State Fair Council is to assume care, custody and control over the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities, the State Treasurer shall issue a warrant payable to the State Fair Council in the amount of the unexpended balances of the Oregon State Fair Account and the State Fair Capital Project Fund. The council shall deposit the amounts to depository or investment accounts as described in section 9 of this 2013 Act [565.539]. The council shall keep any amounts transferred from the State Fair Capital Project Fund in depository or investment accounts that are separate from accounts holding any other council moneys. Subject to any additional conditions imposed under the terms of the bonds, the council may expend moneys transferred from the State Fair Capital Project Fund only for the construction, repair or remodeling of fairground properties and facilities. [2013 c.492 §23]

565.540 [Repealed by 1983 c.327 §16]

565.545 Profit and loss reports; triggering of appraisal. (1) If the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation, maintenance or repair of fairground properties and facilities by the State Fair Council results in a net profit for the fiscal year, the council shall use any moneys in excess of scheduled expenditures and reasonable reserves only for:

- (a) Deposit into depository or investment accounts designated for fairground business operations or for the repair, maintenance, acquisition or operation of fairground property or facilities; or
 - (b) Payment of obligations owed the Oregon Department of Administrative Services under ORS 565.495
- (5).

(2) The council shall include information regarding the fiscal year net profit or loss from the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities in the annual report made under ORS 565.555. The report shall include the amounts for each use made of any net profit moneys.

(3) If the total balance of depository or investment accounts described in subsection (1)(a) of this section exceeds \$50 million, the council shall notify the Oregon Department of Administrative Services. Upon receiving notice from the council under this subsection, the department shall cause an appraisal to be made of

the sale and long-term lease values of fairground properties and facilities. The department shall also determine the payment schedule and outstanding amount of any obligations that have been incurred by state agencies for the purpose of paying for the construction, repair or remodeling of fairground properties and facilities, including but not limited to any amounts owing in payment of revenue bonds or lottery bonds issued for the construction, repair or remodeling of fairground properties and facilities. The department shall provide the appraisal and obligation information to the council. The council shall include information regarding the balance of the depository and investment accounts described in subsection (1)(a) of this section and the properties and facilities appraisal obligation information provided by the department in the annual report submitted by the council under ORS 565.555. [2013 c.492 §10]

565.550 [Amended by 1953 c.675 §12; repealed by 1969 c.239 §9]

565.555 Budget; audits; activities reporting. (1) The State Fair Council shall adopt a budget on a biennial basis using classifications of expenditures and revenues required by generally accepted accounting principles applicable to governmental entities. The budget is not subject to review and approval by the Legislative Assembly or to modification by the Legislative Assembly or the Emergency Board. The budget is not subject to any expenditure limit or to an allotment process. All moneys received or collected by the council are available for use as provided under this chapter at the discretion of the council.

(2) Prior to adopting or modifying a biennial budget, the council shall make the proposed budget, the adopted budget for the biennium then in progress and a financial report for the completed months of the biennium then in progress available for public review on a website maintained by the council for Oregon State Fair purposes. The council shall hold at least one regularly scheduled public meeting at which the public may comment on the proposed budget or modification. The council shall adopt a budget or budget modification at a regularly scheduled public meeting that is subsequent to the meeting at which the council allows public comment on the proposed budget or modification.

(3) The council shall submit to periodic audits by the Secretary of State. The council may retain a public accounting firm to annually examine and attest to the financial operations of the council. The council shall include the results of any public accounting in the annual report submitted to the Legislative Assembly under subsection (4) of this section.

(4) The council shall file an annual report with the Governor, a committee or interim committee of the Legislative Assembly dealing with economic development, the Legislative Fiscal Office and the Oregon Department of Administrative Services regarding the activities of the council, including but not limited to the conducting of the Oregon State Fair, the carrying out of fairground business operations and the operation of fairground properties and facilities as an exposition center and the resulting revenues and expenses. [2013 c.492 §11]

565.560 [Repealed by 1983 c.327 §16]

565.565 Unauthorized entry to fairgrounds; penalty. A person who gains or attempts to gain unauthorized entry to the Oregon State Fair or to an event held at fairground properties or facilities without paying a required admission fee commits a Class D violation. In addition to any enforcement officers specifically identified in ORS 153.005, the state fair director and other employees of the State Fair Council may issue citations for violations of this section. [2013 c.492 §12]

565.570 [Repealed by 1983 c.327 §16]

565.575 Oregon State Fair location; use of fairground buildings and facilities. (1) The Oregon State Fair shall be conducted on the state property, located in the City of Salem, historically devoted to Oregon State Fair purposes. The fairground properties and facilities described in this section must be dedicated for the conducting of the Oregon State Fair and for the operation of the properties and facilities by the State Fair Council as an exposition center.

(2) The Oregon Department of Administrative Services may obtain or receive, by donation, exchange or purchase, properties and improvements adjacent to the fairground properties and facilities that the department, after consultation with the council, considers beneficial for the conducting of the Oregon State Fair and the use of the properties and facilities and, subject to the terms of any agreement described in ORS 565.495 (1), may conduct or approve the construction, repair or remodeling of improvements, properties and facilities as the department considers necessary or expedient for the conducting of the Oregon State Fair, the operation of fairground properties and facilities as an exposition center or other council activities. [2013 c.492 §13]

565.580 Armory on state fairgrounds. (1) Notwithstanding ORS 565.495, the State Fair Council and the General Staff of the Oregon National Guard may enter into a mutual agreement for the use, by the council and the General Staff, of an armory building and appurtenant grounds at a location on fairground property and for the General Staff to exercise control over the armory and grounds for the period that such armory and grounds are used for military purposes. When such armory and grounds are no longer used for military purposes, the control over them shall revert to the council.

(2) For purposes of this section, “control” does not include the power to sell, lease, mortgage or in any other way encumber an armory or grounds described under subsection (1) of this section. [Formerly 565.150]