
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 413 Session of
1989

INTRODUCED BY MORRIS, HAYES, STUBAN, COLE, BROUJOS, WASS AND
BRANDT, FEBRUARY 13, 1989

REFERRED TO COMMITTEE ON APPROPRIATIONS, FEBRUARY 13, 1989

AN ACT

1 Providing for loans to county fairs for capital projects; and
2 making an appropriation.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the County Fairs
7 Assistance Act.

8 Section 2. Legislative intent.

9 It is the intention of the General Assembly in enacting this
10 act to establish a fund from which loans may be made to county
11 fairs at a low interest rate for capital projects.

12 Section 3. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 "Advisory committee." The advisory committee established
17 under section 4 of the act of July 8, 1986 (P.L.437, No.92),

1 known as the Pennsylvania Agricultural Fair Act.

2 "Capital project." The term includes projects such as the
3 building of grandstands, exhibition halls, lavatory facilities
4 and animal pens, the infrastructure of fairs and the purchase of
5 maintenance equipment.

6 "County fair." An annual agricultural exhibition
7 contributing to the development of several or many phases of
8 agriculture or agribusiness by the conduct of educational
9 programs, activities, demonstrations, contests and exhibits.

10 "Department." The Department of Agriculture of the
11 Commonwealth.

12 "Secretary." The Secretary of Agriculture of the
13 Commonwealth.

14 Section 4. Duties of advisory committee.

15 In addition to those duties assigned to it pursuant to
16 section 4 of the act of July 8, 1986 (P.L.437, No.92), known as
17 the Pennsylvania Agricultural Fair Act, the advisory committee
18 shall assist and advise the secretary in the following matters:

19 (1) The development of forms and procedures necessary to
20 implement the provisions of this act.

21 (2) The review and recommendation of acceptance or
22 rejections of loan applications made pursuant to this act.

23 (3) The conditions and terms of loans.

24 (4) The security to be required for loans.

25 (5) The lien priority on capital projects financed in
26 whole or in part with funds borrowed under this act.

27 Section 5. County Fairs Assistance Loan Fund.

28 (a) Creation.--There is hereby created a special fund in the
29 Treasury Department to be known as the County Fairs Assistance
30 Loan Fund, which shall consist of the money appropriated under

1 the provisions of this act, future appropriations made by the
2 General Assembly for the purposes of this act, funds from any
3 other source which may become available for the purposes of this
4 act, and funds received from the repayment of principal and
5 interest from loans made pursuant to this act. The funds shall
6 be administered by the secretary.

7 (b) Procedure.--Upon approval of a loan, the secretary shall
8 routinely requisition from the County Fair Assistance Loan Fund
9 such amounts as shall be allocated by the secretary for loans to
10 county fairs. When and as the amounts so allocated by the
11 secretary as loans to county fairs are repaid to the department
12 pursuant to the terms of the agreements made and entered into
13 with the department, the department shall pay such amounts into
14 the County Fairs Assistance Loan Fund, it being the intent of
15 this act that the County Fairs Assistance Loan Fund shall
16 operate as a revolving fund whereby all appropriations and
17 payments made thereto may be applied and reapplied to the
18 purposes of this act.

19 Section 6. Assistance to county fairs.

20 (a) Loans.--The secretary is hereby authorized, upon
21 application of any county fair, to make loans to the county fair
22 for capital projects.

23 (b) Conditions.--Loans under this act shall be subject to
24 the following conditions:

25 (1) The amount of a loan for a capital project made to
26 any one county fair shall not exceed 50% of the total cost of
27 the project.

28 (2) The loan applicant must produce evidence that it has
29 at least 20% of the cost of the capital project available in
30 unobligated funds.

1 (3) Proceeds of the loan shall be used only for purposes
2 of land acquisition, construction or improvement of capital
3 projects, and shall not be used for the payment of fees for
4 design, planning, preparation of applications or any other
5 cost not directly attributable to such acquisition,
6 construction or improvement.

7 (4) Loans shall be for a period of not more than ten
8 years.

9 (5) Loans shall be subject to the payment of interest at
10 2% per annum and shall be subject to such security as shall
11 be determined by the secretary. The total amount of interest
12 earned by the investment or reinvestment of all or any part
13 of the principal of any loan shall be returned to the
14 department and transferred to the County Fairs Assistance
15 Loan Fund, and shall not be credited as payment of principal
16 or interest on the loan.

17 (6) The minimum amount of any loan shall be \$10,000.

18 (7) In no case shall one county fair receive more than
19 5% of the total appropriated funds in a given fiscal year.

20 (c) Financial statement.--Every application for a loan under
21 this act shall be accompanied by a notarized financial statement
22 of the county fair and a financial plan to show the amount of
23 assets and projected revenues for the repayment of the loan, any
24 other obligations of the county fair, and operating expense over
25 the period of the loan. Every application shall be accompanied
26 by evidence sufficient to show that all costs except the amount
27 of the loan have been obtained by assets of the county fair and
28 other loans or sources of revenue.

29 (d) Restriction.--Loans made under this act shall be used
30 only for capital projects and shall not be used for operating

1 expenses or for refinancing of construction or modernization of
2 existing capital projects, nor shall loans under this act be
3 made or used to reduce any debt or other obligations incurred
4 prior to the effective date of this act.

5 (e) Rules and regulations.--Loans made by the department
6 shall be paid from the County Fairs Assistance Loan Fund to the
7 county fairs in accordance with rules and regulations
8 promulgated by the department.

9 (f) Deposit of payments.--All payments of interest on said
10 loans and the principal thereof shall be deposited by the
11 department in the County Fairs Assistance Loan Fund.

12 (g) Legal ownership.--A county fair shall be eligible for a
13 loan under this act regardless of legal ownership, in whole or
14 part, by any political subdivision of any facilities or
15 equipment used by the county fairs.

16 Section 7. Appropriation.

17 The sum of \$10,000,000 is hereby appropriated to the County
18 Fair Assistance Loan Fund for the purposes set forth in this
19 act. The General Assembly may make appropriations from time to
20 time to the County Fair Assistance Loan Fund or to the
21 department to carry out the purposes of this act, which
22 appropriations shall be continuing appropriations and shall not
23 lapse.

24 Section 8. Interim.

25 No loan shall be made under this act until 120 days after the
26 effective date of this act.

27 Section 9. Effective date.

28 This act shall take effect in 60 days.