

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1155 – HB 1286**

March 21, 2021

**SUMMARY OF BILL:** Authorizes the State Fair and Exposition Commission to advise, facilitate, and coordinate with the Wilson County Promotions, Inc. for the purpose of operating, managing, and conducting at least one fair or exposition annually. Authorizes county legislative bodies to appropriate funds towards a fair to be held annually at the Wilson County Fairgrounds, under the management of the Tennessee State Fair Association or Wilson County Promotions, Inc., or both, and to provide ways and means and prescribe rules and regulations governing the expenditures of any moneys so appropriated.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$5,148,800/FY21-22  
\$148,800/FY22-23 and Subsequent Years**

**Increase Local Revenue – \$5,148,800/FY21-22  
\$148,800/FY22-23 and Subsequent Years**

**Increase Local Expenditures - \$5,148,800/FY21-22/Permissive  
\$148,800/FY22-23 and Subsequent Years/Permissive**

**Other Fiscal Impact - A recurring appropriation of \$250,000 and a one-time appropriation of \$5,000,000 has been included in the Governor’s proposed budget document for FY21-22 on page B-308.**

**This legislation has the possibility to result in additional impacts on state and local revenue and expenditures. Due to multiple unknown factors, any such impacts cannot be quantified with reasonable certainty.**

Assumptions:

- It is assumed that in the absence of this legislation, Wilson County would not host the State Fair.
- A recurring appropriation of \$250,000 and a one-time appropriation of \$5,000,000 has been included in the Governor’s proposed budget document for FY21-22 on page B-308.
- Based on information provided by the Department of Finance and Administration, these appropriations will go directly to the Wilson County Government.
- Based on information provided by the Wilson County Government, it will contract out the operations management for the state fair, to a local business.

- Such local business is assumed to be Wilson County Promotions, Inc., the not-for-profit corporation that has produced the Wilson County Fair since 1979.
- It is assumed that the one-time state grant amount of \$5,000,000 and the recurring grant amount of \$250,000 will be spent on a contract between the Wilson County Government and the Wilson County Promotions, Inc.
- Currently based on information provided by the Department of Agriculture, the following are the amounts provided by the state for the last state fairs held (in Nashville):

<u>FY</u>	<u>Merit Awards &amp; Premiums</u>	<u>Base</u>
2020	\$ 12,000	\$ 150,000
2019	\$ 5,000	\$ 75,000
2018	\$ 12,000	\$ 75,000
2017	\$ 12,125	\$ 75,000
2016	\$ 12,000	\$ 82,000
2015	\$ 4,550	\$ 150,000

- The TDA has provided maximum merit awards and premiums of \$5,000 and \$7,000, respectively.
- For the purposes of this fiscal note, it is assumed that the amount of merit awards and premiums will not change regardless of the location of the State Fair.
- The discretionary base amount varies most years based upon funding needs and ability. The discretionary base is a state grant utilized to assist the State Fair with general operational costs.
- The average discretionary base amount over the past 6 fiscal years is \$101,167 [(\$150,000 + \$82,000 + \$75,000 + \$75,000 + \$75,000 + \$150,000) / 6].
- It is assumed that the recurring grant amount of \$250,000 will replace this discretionary grant.
- An increase in state expenditures in FY21-22 of \$5,148,833 (\$5,000,000 + \$250,000 - \$101,167).
- An increase in state expenditures in FY22-23 and subsequent years of \$148,833 (\$250,000 - \$101,167).
- An increase in local expenditures of \$5,148,833 in FY21-22 and \$148,833 in FY22-23 and subsequent years.
- It is assumed that if the State Fair is relocated to Wilson County, it would be combined with the current Wilson County Fair, which traditionally has a significantly higher attendance than the State Fair held in Nashville (approximately 580,000 vs. 105,000 in 2019).
- This legislation has the possibility to result in additional state and local revenue, as well as state and local expenditures due to the additional capacity and attendance at the Wilson County location. However, combining the two fairs could result in a decrease in state and local revenue and expenditures if the event in Nashville is not replaced with a similarly sized event. Due to multiple unknown factors, the net impacts on state or local revenue and expenditures cannot be determined with reasonable certainty.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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