

**FINAL RULE
AGENCY NO. 209.01
EFFECTIVE
JANUARY 2,2020**

DISBURSEMENT OF STATE FUNDS FOR FAIRS AND LIVESTOCK SHOWS

I. DEFINITIONS

- A. Commission means the Arkansas Livestock and Poultry Commission.
- B. Premiums means funds appropriated by the General Assembly and administered by the Commission to be disbursed to county and district livestock shows and fair associations in the manner and for the purposes provided in this rule.
- C. Clothes line art means sheets of paper crafted by school children for the purpose of displaying their art work on a line or string hung in an exhibit.
- D. Exhibitor means a person who enters a display, product or animal.
- E. Pureblood means an animal with one purebred parent.
- F. Purebred- means an animal of known ancestry within a recognized breed that is eligible for registry in the official herd book of that breed.

II. APPLICATION FOR FUNDS

- A. Application forms prescribed by the Commission should be completed in full and postmarked no later than June 30. Applications postmarked by March 1 will receive a one hundred (100) points. Applications postmarked after June 30 will forfeit all premiums for that year.
- B. Fair audit forms received by the Livestock and Poultry Commission will be reviewed by an advisory committee for approval or disapproval of any classification.

III. MINIMUM STANDARDS FOR RECEIVING PREMIUM AND CONSTRUCTION FUNDS

To be eligible for consideration for funds, each fair must:

- A. Have a lease of at least 2 years with a rollover clause or own fairgrounds and file a copy of lease or proof of ownership with the Commission;
- B. Take place during the months of July-October of each year unless it is a Junior District Fair. All county fairs must be held prior to their district fair. A county fair board may appeal to the Commission and request an exemption to have its fair at a later date if the fair can show that it has had a loss of attendance due to pest infestation during the time period required by the rule;
- C. Have a duration of at least 3 days;
- D. Publish and circulate a catalog or tabloid either online or in print;

E. Have a fair board of no less than eight members, elected on a countywide basis as called and presided over by fair board election procedures, with officers consisting of president or chair, vice-president or vice-chair, secretary and treasurer. District fairs must have a voting board member from each county in their district, elected by that county. Fair board election procedures must be included in the association's by-laws and a copy of by-laws of each board must be filed with the Commission;

F. Bear the name of the county, district, or state fair;

G. Offer at least 10 approved classifications of exhibits. One must be livestock, as offered in catalog or tabloid or online;

H. Be able to document through point system that the fair is continually improving and making progress or at least maintaining the status quo;

I. File as a non-profit organization as recorded by the by-laws of the association or other documents furnished to the Commission; and

J. Establish and maintain proper internal controls to assure that all funds of the fair are properly receipted, recorded and disbursed with appropriated accounting records, reconciliations and source documents in support of transactions. Must adhere to the following procedures:

1. Maintain reconciled bank statements containing all canceled checks;
2. Maintain supportive invoices and contracts for all construction expenditures to be attached to canceled checks;
3. Maintain transaction ledger that is reconcilable to bank statements, i.e., deposits and expenditures;
4. Maintain separate bank accounts for local operating funds, state premiums and state construction;
5. Separate accounting duties so that no one individual has complete control or authority over financial transactions;
6. Require two signatures on construction fund checks over \$100;
7. Use numbered tickets to account for gate admission receipts and submission of four and one-half percent surcharge to the Commission. Admission receipts must be documented through bank deposits reflecting such purpose;
8. Officials handling financial matters must be covered by fidelity bond;
9. File annual itemized listings of all premium and construction expenditures reflecting check numbers in sequence, payee, amount and premium classification or construction purpose; and
10. Maintain all records for a period of five (5) years.

IV. SPECIFIC REQUIREMENTS FOR PREMIUM FUNDS

A. Premium funds must be used only for the purpose of paying awards on approved entry classifications.

B. Except as provided in Paragraph I, below, exhibitors must be residents of Arkansas. Each unit is not considered an exhibitor, but a person may be counted as an exhibitor in each classification in which he/she has an entry. Exhibitors may not receive funds from more than one (1) county association during any fiscal year.

C. Funds will not be disbursed to county, district, state, and 4-States fairs until an officer of the respective association has furnished a bond to the Commission for the amount of funds due.

D. Each fair must complete a check register form and submit the completed form to the Commission no later than 90 days after the conclusion of the fair each year.

E. Premium funds are not approved for such classifications as beauty contests, baby shows, antique shows, skills contests, purchased machinery (such as cars and farm equipment), or other noncreative categories in which a human is judged in preference to a product or animal. This does not preclude fair associations from using their local funds for these purposes.

F. Premium funds must not be used for

1. paying expenses for judges such as fees, travel, meals, etc.;
2. construction expenses of any type;
3. purchase of land

G. Premium funds may be used in purchasing awards such as trophies and ribbons.

H. Any unspent funds remaining each fiscal year must be refunded to the Commission.

I. Out-of-state junior exhibitors shall not be qualified to receive Arkansas state premium funds. If counties allow exhibitors from other counties or districts, they will only be able to pay premiums from that association's local funds or by approval of the Fair Administrator, unless that county does not have a fair. When out-of-state junior exhibitors are allowed to show with Arkansas junior exhibitors, the Arkansas junior exhibitors shall be placed in an Arkansas class regardless of how they place in overall competition. Arkansas junior exhibitors shall have priority over out-of-state junior exhibitors in entry or by barn space set aside for Arkansas exhibitors.

V. SPECIFIC REQUIREMENTS FOR CONSTRUCTION FUNDS

A. Construction funds must be used on lands owned by the association or under a lease as outlined in Section III.A. for construction and repair of buildings and facilities. See attached listing of allowable expenditures.

B. Fair associations must file a bond with the Commission covering the amount of state funds due.

C. Construction funds must not be used for paying premiums at or for acquiring sites for county or district fairs.

D. Any unspent balances remaining at the end of each biennium must be refunded to the Commission.

E. In the event the Arkansas Department of Agriculture (Department) has any construction funds remaining after the disbursement of those funds as provided in this rule, fairs may submit specific proposals for the use of said funds and any further granting of funds will be decided by a committee selected by the Department.

VI. POINTS CRITERIA:

A. Duration of fair: (Three days is minimum)

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|---------------------|--------------------|
| 1. Three days | Thirty (30) points |
| 2. Four days | Forty (40) points |
| 3. Five days | Fifty (50) points |
| 4. Six or more days | Sixty (60) points |

B. One (1) point for each exhibitor from that county who, during the same fiscal year, enters an exhibit in both their county and district fair. Two (2) points if entered in their county, district and Arkansas State Fair.

C. One (1) point for each one hundred dollars (\$100.00) or greater part thereof that the county or district association provided for paying premiums in addition to state funds appropriated for that purpose during a fiscal year. State premiums must not be used to compute these points. This claim must be supported by canceled checks at the time of application. Fairs must furnish a list of all animals sold in the premium sale, indicating weight and market value. \$25,000.00 maximum allowable for points.

D. Ten (10) points for publication of a fair catalog or tabloid, either in print or online.

E. One hundred (100) points for verified attendance of each representative (up to six members) of the county or district fair association at the Arkansas State Fair Managers Association annual seminar.

F. Three (3) points for each voting member of the local applicant county or district fair managers association attending at least four meetings during the year. Twenty-seven (27) points maximum.

G. Twenty (20) points if an admission fee (any amount) is charged or accepted for attendance to the fair. Other objective methods of attendance verification may be acceptable---subjective estimates are not acceptable.

- H. Five (5) points if a statement appears in the published catalog that only purebred or pureblood livestock or animals equal to Breed Association Herd Book quality are admitted. (poultry and rabbits are exempt from this requirement.)
- I. Five (5) points if numbered gate tickets with stubs are sold.
- J. Ten (10) points for an exhibit never used at the applicant's fair before. The exhibit must be actually new to the applicant fair and not just a change in title or new description of an already existing exhibit. (Points awarded one time only.) (Limit of 5)
- K. Ten (10) points for each percentage increment of county population attending the fair up to 50%;
Fifteen (15) points for 50% to 75% of county population attendance; and
Twenty (20) points for 75% to 100% of county population attendance.
- L. One (1) point for each exhibitor, and one (1) point for each of the allowable classes entered in your fair. Three hundred (300) maximum allowable for clothes line art exhibitors. (See attached list of allowable classes of exhibits.)
- M. Deduction of one hundred (100) points if fair does not publish the Commission's Livestock Exhibition Rules in print or online and assist in the enforcement thereof. Deduction of 200 points if any livestock are allowed to be exhibited without examination of health papers by a designated person and made available to Commission personnel for approval.
- N. One hundred (100) points for filing premium application along with canceled checks and listing by March 1 of each year. If the application is not postmarked by June 30, the fair will not receive any state premium funds.
- O. Each county fair will receive four points for each first and second place winners in the food preservation division that show at their district fair. Each district fair will receive 2 points for each 25 jars of food preservation entered at that level. District fairs will receive 5 points for each blue ribbon winner entered at the state fair.
- P. County fairs will receive 10 points for entering rabbits at their district fair. District fairs will receive 5 points for each county entering rabbits at the district fair.
- Q. County fairs that enter chickens at their district fair will receive 10 points.
- R. County fairs will receive 3 points for each head of livestock up to 25 head and 2 points for every group of 25 head entering the district fair. Each district fair will receive one point for each head of livestock up to 100 head and one point for each group of 25 head thereafter entered at the district fair. Each district fair will receive 5 points for each of its respective counties that show junior livestock at the district fair.

S. County and/or district fairs will receive one hundred and fifty (150) points if they appointed a delegate who attended the Arkansas Fair Managers Convention in January. An additional one hundred fifty (150) points will be awarded to that county and/or district if its delegate attended the meeting with the Board of the Arkansas Fair Managers and the General Session.

VII. EXEMPTIONS AND AUTHORITY

- A. Any exemptions from this rule must be approved in writing by the Commission.
- B. Authority: ACA §§ 2-33-107 and 2-36-201

ALLOWABLE EXHIBIT CATEGORIES

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| Beef Cattle-Senior | Handicraft or Crafts-Senior |
| Beef Cattle-Junior | Handicraft or Crafts-Junior |
| Dairy Cattle-Senior | Home Furnishings-Senior |
| Dairy Cattle-Junior | Home Furnishings-Junior Art-Senior |
| Swine-Senior | Art-Junior (300 points maximum for clothes line art) |
| Swine Junior | Flowers-Senior |
| Goats-Senior | Flowers-Junior |
| Goats-Junior | Floral Arrangements-Senior |
| Sheep-Senior | Floral Arrangements-Junior |
| Sheep-Junior | Educational Booths-Senior |
| Poultry-Senior | Educational Booths-Junior |
| Poultry-Junior | Hobbies-Senior |
| Rabbits-Senior | Hobbies-Junior |
| Rabbits-Junior | Apiary-Senior |
| Horses-Senior | Apiary-Junior |
| Horses-Junior | Aquaculture-Senior |
| FoodPreservation-Senior | Aquaculture-Junior |
| Food Preservation-Junior | |
| Clothing-Senior | |
| Clothing-Junior | |
| Household Arts-Senior | |
| Household Arts-Junior | |
| Field Crops-Senior | |
| Field Crops-Junior | |
| Food Preparation-Senior | |
| Food Preparation-Junior | |

ALLOWABLE CONSTRUCTION EXPENDITURES

- Constructing new buildings
- Renovating existing buildings
- Repairing existing buildings
- Site clearing, grubbing, excavation, drainage and sewer
- Repair of streets, electrical distribution, streets and flood lighting facilities, fencing and paying existing indebtedness for such purposes
- All improvements to grounds that remain on the fairgrounds under the control of the fair association
- Labor used for the purposes listed
- Painting facilities
- Building materials
- Parking lots
- Arenas
- Bleachers
- Stalls
- Water systems
- Concession Stands
- Ticket Booths
- Pens
- Bathrooms
- Stages
- Ground Maintenance

Contact Livestock and Poultry Commission auditors or Commission office if unsure about expenditures.