

DEPARTMENT OF AGRICULTURE

FINANCE AND TECHNOLOGY DIVISION

REGULATION NO. 805. MATCHING ASSISTANCE TO FAIRS

(By authority conferred on the director of the department of agriculture by section 13 of Act No. 327 of the Public Acts of 1980, as amended, and sections 9 and 178 of Act No. 380 of the Public Acts of 1965, as amended, being SS431.73, 16.109, and 16.278 of the Michigan Compiled Laws)

R 285.805.1 Definitions.

Rule 1. (1) As used in these rules:

(a) "Act" means Act No. 327 of the Public Acts of 1980, as amended, being S431.61 et seq. of the Michigan Compiled Laws.

(b) "Association" means a corporation which is organized pursuant to a law of this state and which is governed by an elected board of directors. The term also means an association or board which functions pursuant to the provisions of Act No. 11 of the Public Acts of 1929, being S46.151 et seq. of the Michigan Compiled Laws, and which conducts a fair.

(c) "Commission" means the commission of agriculture.

(d) "Department" means the Michigan department of agriculture

(e) "Director" means the director of the department.

(f) "Equipment" means implements or apparatus which is rented during the time of the fair and which is limited to the following:

(i) Communications systems.

(ii) Computer software and hardware.

(iii) Display equipment.

(iv) Electric timing devices.

(v) Horse/pony/mule/tractor pulling machines.

(vi) Photo finish equipment (light horse races).

(vii) Portable bleachers.

(viii) Portable toilets.

(ix) Starting gates.

(x) Tents.

(g) "Fair buildings" means the buildings which are used for fair purposes and which are owned by a fair association or a political subdivision.

(h) "Grounds" means the land which is used for fair purposes and which is owned by a fair association or a political subdivision.

(i) "Proposed annual plan" means a document which is prepared by the association and submitted to the department at the time of application for funds and which describes the activities in eligible categories that the association intends to complete in the coming year and the budget allocation to each category.

(j) "Racetrack" means a track which is used for horse races and which may include the fence around the track, the hubrail, and the infield.

(2) Terms defined in the act have the same meanings when used in these rules.

History: 1979 AC; 1984 AACS; 1992 AACS.

R 285.805.2 Qualifications for allotments.

Rule 2. (1) A fair shall have been conducted for a period of not less than 3 years before the time of application for matching assistance.

(2) Matching assistance may be made only to a fair association which does not receive state funds for building, race track, grounds improvement and equipment rental projects directly from any other source for the same project.

History: 1979 AC.

R 285.805.3 Application and approval for allotments.

Rule 3. (1) The president and secretary of an association that requests funds shall file a proper application, on forms provided by the department, in duplicate, within 120 days after the close of the fair or exposition. The application shall include a proposed annual plan that lists the activities in eligible categories and the estimated cost for each category. The state may participate on a 1/2 matching basis on cost but shall not pay more than \$8,000.00 per fair for any 1 fiscal year. The match shall not be more than 1/2 of the fair market value for applicable materials and labor.

(2) An application shall be accompanied by a resolution approving the application that is passed by the fair's board of directors or its duly authorized executive committee.

(3) The president or secretary of the association shall submit such additional information as may be required by the director in considering the application.

(4) A lease-purchase agreement is an acceptable method of equipment rental.

(5) A fair shall submit an application each year to be eligible for funding.

History: 1979 AC; 1984 AACS; 1992 AACS.

R 285.805.4 Submittal of fair's cash receipts and disbursement statement; records maintenance.

Rule 4. (1) Within 120 days after the close of a fair, an association shall submit, to the department, unless notified otherwise, the fair's cash receipts and disbursement statement with all eligible expenses summarized in the following categories:

(a) Equipment rental during the fair.

(b) Grounds improvement.

(c) Capital improvements.

(d) Maintenance and repair.

(e) Racetrack maintenance and repair.

(2) All transactions posted to the accounts specified in subrule (1) of this rule shall be substantiated by adequate detailed documentation, including the following:

(a) Cancelled checks.

(b) Original, itemized invoices that pertain to the materials and services claimed, including copies of contracts, where applicable.

(c) Proof that all state and local ordinances were followed, if applicable.

(3) If all funds are not utilized in eligible categories, unused funds shall be repaid to the department before any other payments for state programs are made by the department.

(4) For state auditing purposes, an association shall keep all records for not less than 4 years, and all records shall be made available at the time of audit. The audit will include an analysis of rentals. Once the cost of purchase and maintenance is exceeded, future rental payments will be disallowed.

History: 1979 AC; 1984 AACS; 1992 AACS.

R 285.805.5 Inspection of grounds.

Rule 5. An inspection of a fair's grounds may be conducted by the department to see that the money spent is consistent with the annual plan and the fair's cash receipts and disbursement statement and that capital improvements were made.

History: 1979 AC; 1984 AACS; 1992 AACS.

R 285.805.6 Initial payment; final payment.

Rule 6. (1) The department will provide the association up to 1/2 of the value of the proposed annual plan or a prorated share of the appropriation, whichever is less. Final payment will be paid on the actual

expenses as reported in the cash receipts and disbursement statement, on a 1/2 matching basis, and shall not be more than \$8,000.00 in any 1 fiscal year, unless otherwise authorized by the legislature.

(2) Allocated and unused funds will be redistributed, on a prorated basis, to fairs that have eligible costs that exceed their original allocations.

History: 1979 AC; 1984 AACS; 1992 AACS.

R 285.805.7 Noncompliance.

Rule 7. The department may deny state funds to any fair found to be in noncompliance with these rules.

History: 1979 AC; 1984 AACS.

R 285.805.8 Rescission.

Rule 8. R 285.804 of the Michigan Administrative Code, appearing on page 1325 of the 1979 Michigan Administrative Code, is rescinded.

History: 1979 AC; 1984 AACS.