

TAX-EXEMPT AGRICULTURAL SOCIETIES IN NEW YORK STATE:
A SPECIAL CLASS OF ORGANIZATIONS EXEMPT
FROM REAL PROPERTY TAXATION



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**TAX-EXEMPT AGRICULTURAL SOCIETIES IN NEW YORK STATE:
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FOREWORD

This report discusses the property tax exemption allowed for agricultural societies in the context of the exemptions allowed for similar organizations in New York State. In order to be eligible for total exemption, every other comparable organization is by law required to use its property primarily for the exempt purposes of the organization, is prohibited from allowing its property to be used by other organizations unless they are certain types of organizations that are themselves entitled to property tax exemption, and is restricted in the amount of rent it may receive from these other exempt organizations. An agricultural society, on the other hand, is required only to use its property "permanently" for meeting or exhibition purposes; as long as it continues to use its property for either of these purposes, even if infrequently, an agricultural society may also use the property for whatever other purposes it wishes, it may allow others to use the property for any purpose desired, and it may charge whatever rental fees it chooses.

It is possible, therefore, that local taxpayers might subsidize, through property tax exemptions, agricultural societies that are in fact using their property, or allowing others to use their property, primarily for revenue-producing activities that are totally unrelated to the promotion of agricultural excellence or any other purpose normally considered to be worthy of public support through tax subsidy. Because of this possibility, a major part of the report presented here is concerned with describing recent uses of fairgrounds property, the most valuable property owned by agricultural societies.

The information on fairgrounds use was collected from local public officials, primarily assessors or their staff members, who would be expected to be familiar with activities at fairgrounds. However, since it was likely that this information was in some cases inaccurate or incomplete, the agricultural societies owning or occupying fairgrounds were asked to review the description of property use.

On November 16, 1982, a draft of the report was sent to the president of each agricultural society with a request for written comments, particularly with regard to non-exhibition use of fairgrounds. Initially November 30 was set as the deadline for comments. At the request of the agricultural societies, however, the deadline was extended twice, the first time to December 8. By December 8, letters had been received from 12 of the 51 agricultural societies and from the New York State Association of Agricultural Fairs. Seven of the societies had specific comments to make on the draft report's description of property use at their fairgrounds; the report has been revised to correct factual errors and omissions pointed out by the agricultural societies (their letters are reproduced in Appendix C). The other five societies stated that they wished to comment on the draft report but needed more time for review. The fair association requested that the review period be extended to give the agricultural societies an opportunity to discuss the report at its annual meeting in mid-January and to prepare comments to submit to the Division of Equalization and Assessment. Accordingly the deadline for comments was extended to January 31.

No comments in addition to the ones submitted by early December have been received from agricultural societies. Instead the New York State Association of Agricultural Fairs has published its own report on the non-exhibition use and income of fairgrounds property. This report, "Tax-Exempt Agricultural Societies in New York State: Issues and Answers," is available from Tucker/Hardy Associates, 152 Washington Avenue, Albany, New York 12210.

I would like to thank the assessors and other local officials who contributed to my study. My thanks also to Mary Ann Pastore of the Division of Equalization and Assessment's Bureau of Equalization Rates for her help in obtaining data for the fiscal impact analysis included in this report, to Stephen J. Harrison of the Division's Office of Legal Services for the background material he provided and for his comments on the draft report, and to the Department of Agriculture and Markets for making available annual financial reports filed by agricultural societies.

SUMMARY

The law governing the exemption of agricultural societies from real property taxes is far more liberal than laws governing exemption of comparable private organizations in New York State. As a result, agricultural societies continue to be totally exempt from property taxes even though many of them use their property for commercial purposes.

Although the impact of agricultural society exemptions on local tax bases is slight statewide, in some communities their impact is significant. Three methods of alleviating this impact are discussed:

1. Changes in the property use requirements of the agricultural society exemption with resulting partial property taxation of currently exempt property.
2. Payments in lieu of taxes.
3. Non-property taxes on income received from activities unrelated to the statutorily defined purposes of agricultural societies.

The report recommends total exemption only for property used primarily (more than 50%) for exempt purposes, as measured by the percentage of the property used for exempt purposes, the percentage of time that the property is used for such purposes, and the percentage of income derived from such use. For property used primarily for nonexempt purposes, the report recommends total exemption for any portion used exclusively for exempt purposes and partial exemption of the remainder based on the proportion of exempt use.

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**TAX-EXEMPT AGRICULTURAL SOCIETIES IN NEW YORK STATE:
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Introduction

New York State law exempts from real property taxation all land and buildings owned by private agricultural societies and used permanently for exhibition or meeting purposes (Real Property Tax Law §450). Among property tax exemption laws that specify property use conditions for eligibility (the majority of exemption statutes), the law exempting agricultural societies is unique. To be eligible for exemption, most other private organizations must use their property "exclusively" or at least "primarily" for certain specified purposes. Agricultural societies, on the other hand, are eligible for exemption as long as they "permanently" use their property for exhibition or meeting purposes. That is, as long as a society uses its property regularly for either of these purposes — even as infrequently as once a year — it qualifies for exemption.*

Furthermore, to be exempt, many other types of private organizations are prohibited from using their property for money-making purposes. A religious organization, for example, cannot retain its totally exempt status if it rents property to an organization that does not itself qualify for exemption under one of several specified laws or if it rents property to an exempt organization but charges a rental that is in excess of the carrying, maintenance, and depreciation cost of that portion

* The exemption applies to the major property taxes, i.e., general taxes levied by counties, cities, towns, villages, and school districts, and to certain special ad valorem levies and special assessments. Like many other organizations exempt from general taxes, agricultural societies are liable for special ad valorem levies and special assessments for capital costs (but not operations and maintenance costs) of water supply and distribution systems, sewer systems, waterways and drainage improvements, and street, highway, road, and parkway improvements; these levies and assessments usually make up a very small portion of the property tax bill.

of the property rented. No such prohibition is contained in the law governing the exemption of agricultural society property. As a result, agricultural societies are in a privileged position relative to other private organizations that are exempt from real property taxes. They can rent property to whomever they wish at whatever price they wish, and they can engage in any other sort of profit-making activity if they wish to do so.*

It can be argued, therefore, that the law governing the exemption of agricultural societies is discriminatory, since it gives these societies an unfair advantage over other organizations. They are in a better position than other tax-exempt organizations in that they may be profit-making and yet not lose their exempt status. Further, by being free of property taxes, they can pass along savings in the cost of doing business to commercial users of their property and thus give these users a competitive advantage over other organizations engaged in the same business.

This paper examines the fiscal impact of agricultural society exemptions and analyzes the extent to which this impact is due to circumstances unique to agricultural society property. Particular attention is given to the financial condition and non-exhibition revenue-producing activities of those societies which own or operate fairgrounds, by far the most valuable type of agricultural society property. Finally, some methods for alleviating the impact of agricultural society exemptions are discussed and changes in the law are recommended.

* Twenty-three other states allow property tax exemptions for agricultural societies: Alabama, Arizona, Colorado, Connecticut, Florida, Illinois, Indiana, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, North Dakota, Ohio, South Carolina, South Dakota, Vermont, Virginia, Washington, and Wisconsin. Sixteen of these states require as a condition of eligibility for total exemption that the property be used exclusively for agricultural society purposes. In 1981, one of these states, Massachusetts, enacted a further eligibility requirement: if an agricultural society does not hold an agricultural exhibition on its property for a period of three years or more, the property becomes taxable. Vermont allows an exemption only if the property is used annually for an agricultural fair.

Fiscal Impact of Agricultural Society Exemptions

Table 1 shows the estimated value of property owned or occupied by agricultural societies in each of the 57 counties in upstate New York. Included are nine fairgrounds that are owned by government entities. While these are not governed by the provisions of §450 of the Real Property Tax Law, they are included in this analysis because the activities that occur at the fairgrounds are conducted directly or managed by agricultural societies exempt under §450.

The values shown are market (full) value equivalents, which have been calculated by dividing the assessed value in each municipality by the equalization rate for that municipality. Because different municipalities assess property at different percentages of market value, we must use market value equivalents rather than assessed values if we want to give a meaningful estimate of values at the county or state level. To be sure, it is risky to give market value equivalents for property that is totally exempt from taxation, since we cannot be sure that exempt property is everywhere assessed at the same percentage of market value as taxable property. Nevertheless, using market value equivalents to estimate the value of exempt property by county or statewide is clearly preferable to using assessed values, which when aggregated across municipalities mean nothing at all.

In 1979, the latest year for which reliable exemption data are available, the market value of exempt agricultural society property was \$43.6 million. Almost all of this property was owned by the agricultural societies themselves. One of the fairgrounds was owned and operated by New York State. In eight other cases, the property was owned by a local government body but occupied by an agricultural society; that is, the agricultural society held a "possessory interest" in the property.*

* A "possessory interest" is the "right to exert control over specific land to exclusion of others, [i.e.] the right to possess property by virtue of an interest created in the property though it need not be accompanied by title" (Black's Law Dictionary, West Publishing Co., St. Paul, Minn., 1979). In many states, although not in New York, possessory interests used for commercial purposes are taxable.

Table 1. Estimated Market Value of Tax-Exempt Fairgrounds and Other Property Owned or Occupied by Agricultural Societies, 1979.

<u>County</u>	<u>Number of Organizations</u>	<u>Market Value (\$000)</u>		
		<u>Fair-grounds</u>	<u>Other Property</u>	<u>Total</u>
Albany	6	558.1	439.0	997.1
Allegheny	14	90.0	106.3	196.3
Broome	4	470.1	30.6	500.7
Cattaraugus	2	874.5	2.6	877.1
Cayuga	6	-	53.4	53.4
Chautauqua	9	1,001.3	159.3	1,160.6
Chemung	3	583.2	28.0	611.2
Chenango	11	558.1	117.8	675.9
Clinton	2(a)	2,746.1	11.1	2,757.2
Columbia	2	1,262.8	9.6	1,272.4
Cortland	7	-	85.4	85.4
Delaware	3	15.1	18.0	33.1
Dutchess	15	910.6	354.6	1,265.2
Erie	5	12,070.8	81.2	12,152.0
Essex	3(a)	530.9	22.8	553.7
Franklin	8	1,209.7	80.6	1,290.3
Fulton	2	-	28.1	28.1
Genesee	6	149.1	209.8	358.9
Greene	1	-	31.2	31.2
Hamilton	0	-	-	-
Herkimer	7	300.8	58.8	359.6
Jefferson	10(b)	1,476.9	93.7	1,570.6
Lewis	7	49.6	40.8	90.4
Livingston	6(c)	452.9	33.1	486.0
Madison	2	20.2	8.1	28.3
Monroe	3	634.1	111.3	745.4
Montgomery	3	83.0	19.1	102.1
Nassau	1(d)	3,411.8	-	3,411.8
Niagara	0	-	-	-
Oneida	9	232.1	75.7	307.8
Onondaga	16(e)	3,487.5	218.9	3,706.4
Ontario	7	288.7	107.6	396.3
Orange	7	286.8	98.4	385.2
Orleans	1(d)	340.8	-	340.8
Oswego	12	252.3	90.4	342.7

Table 1. Estimated Market Value of Tax-Exempt Fairgrounds and Other Property Owned or Occupied by Agricultural Societies, 1979.

<u>County</u>	<u>Number of Organizations</u>	<u>Market Value (\$000)</u>		
		<u>Fair-grounds</u>	<u>Other Property</u>	<u>Total</u>
Otsego	10	150.6	152.0	302.6
Putnam	4	-	109.8	109.8
Rensselaer	4	219.6	40.0	259.6
Rockland	0	-	-	-
St. Lawrence	14	256.5	109.3	365.8
Saratoga	9	615.8	95.8	711.6
Schenectady	5	-	52.5	52.5
Schoharie	7	848.8	50.7	899.5
Schuyler	3	-	25.5	25.5
Seneca	6	341.0	134.5	475.5
Steuben	22	481.8	185.9	667.7
Suffolk	0	-	-	-
Sullivan	3	-	129.6	129.6
Tioga	10(a)	180.5	230.6	411.1
Tompkins	4	124.2	139.6	263.8
Ulster	4(a)	515.8	47.6	563.4
Warren	4	-	76.0	76.0
Washington	7	327.3	85.3	412.6
Wayne	9	30.8	243.7	274.5
Westchester	1	-	124.7	124.7
Wyoming	6	38.6	123.9	162.5
Yates	7	63.2	100.1	163.3
TOTAL	339	38,542.4	5,082.4	43,624.8

- (a) Includes 1 public owner (county).
- (b) Includes 1 public owner (city).
- (c) Includes 1 public owner (village).
- (d) Public owner (county).
- (e) Includes 2 public owners (state and village).

NOTE: Market value = exempt assessed value for city/town taxing purposes divided by city/town equalization rate.

As we might expect, there is little agricultural society property in cities; only 7 of the 61 cities upstate had such property in 1979. About a third (281 out of 931) of the upstate towns had one or more parcels of exempt property owned or occupied by agricultural societies.

Virtually all of the non-fairgrounds property was Grange property. The few exceptions were property owned or occupied by one "garden club," two "home bureaus," one "farm bureau," one "farm and home bureau," one "home economics organization," one "conservation education center," and one "farm center." Since these were all classified as agricultural societies by local assessors, all were included in the present study, even though there is some doubt whether an organization such as a "garden club" or a "conservation education center" actually qualifies as an agricultural society.

While we cannot say that in 1979 the exemption of agricultural societies had much of an impact on local tax bases statewide (their total exempt value being only \$43.6 million, compared to a total upstate taxable value of over \$154 billion), the impact of agricultural society exemptions in some communities was significant. Since, for the most part, the communities affected significantly by such exemptions were those which had fairgrounds, the impact of these exempt properties on the local tax base was examined in some detail.

As we see in Table 1, in 1979 the total market value of tax-exempt fairgrounds was \$38.5 million, about 88% of the value of all agricultural society property statewide. The value of these fairgrounds varied greatly from county to county, from a low of \$15 thousand in Delaware County to a high of \$12 million in Erie County. In themselves, such variations tell us nothing about actual tax impact. To evaluate the impact of an exemption on the tax base, we must compare the value of the exemption with the value of taxable property in the community; that is, we must calculate the

actual tax burden that has been shifted from the owner of the exempt property to other property owners. This has been done for the 47 tax-exempt fairgrounds in the state, and, to put into perspective the actual effect on individual taxpayers, per capita tax shifts have also been calculated. The results are shown in Table 2 (Appendix A).

In 1980, \$720,700 in municipal and school district taxes were shifted from the owners of tax-exempt fairgrounds to other property owners in the municipalities where the fairgrounds are located. As measured by total taxes shifted per capita, shown in the last column of Table 2, the impact on taxpayers was, in the large majority of cases, what may be called slight to moderate. In 18 out of 48 cases, the tax shift per capita was less than \$1.00; in another 24 cases, it was between \$1.00 and \$5.00. Only 6 fairgrounds were responsible for tax shifts in excess of \$5.00 per capita:

Location of Fairgrounds	Total Taxes Shifted per Capita
Cattaraugus County, Town of Little Valley	\$12.95
Columbia County, Town of Ghent	\$ 5.04
Erie County, Town of Hamburg	\$ 7.84
Essex County, Town of Westport	\$13.35
Onondaga County, Town of Geddes	\$ 5.13
Rensselaer County, Town of Schaghticoke	\$ 5.38

As we shall see in the next section, all 6 of the fairgrounds that caused significant tax shifts are used for purposes that, under other exemption laws, would jeopardize the owners' totally tax-exempt status.

Use of Fairground Property

In New York State, agricultural societies hold fairs annually. The fairs run for a week or less and are usually held in the late summer or early fall. In addition to agricultural and horticultural exhibits, various amusements are offered. At most fairs, as shown in Table 3 (Appendix A), these amusements include harness racing, which, in addition to providing entertainment, has in some cases an agricultural exhibition purpose, the showing of the quality of horse breeding and care. No betting is allowed on harness races held during agricultural fairs.

During the rest of the year, most fairgrounds in New York are used for activities other than agricultural and horticultural exhibitions. Recent non-exhibition uses are shown in Table 3. As indicated in the table, non-exhibition activities (other than harness racing) are held frequently at some fairgrounds and only occasionally or not at all at others. At 14 of the 47 fairgrounds, non-exhibition use is frequent, while at 24 it is only occasional and at 9 there is no non-exhibition activity at all.

In practice, it is unrealistic to apply the criterion of exclusive use, since, despite the fact that the state legislature has used the term "exclusively used" in exemption laws, over the years the courts have come to interpret "exclusively used" as meaning "primarily used." To determine whether or not a fairgrounds is entitled to exemption on the basis of primary use, we would have to have detailed information, which we do not now have, on the type and frequency of non-exhibition use of fairground property.

We can, however, make a rough estimate from the preliminary information on hand. First we have to define what we mean by "primary" use. Two measures seem reasonable: (1) the percentage of time the property is used for exhibition purposes versus the percentage of time it is used for other purposes and (2) the percentage of income received by the agricultural society (and the fairgrounds owner if the owner is not the agricultural society) that is derived from exhibition activity versus the

percentage of income derived from other activities. With each measure, obviously "more than 50%" would be equivalent to "primarily."

If we apply the time measure alone, few fairgrounds pass the test for tax exemption, since the duration of fairs is so short that even infrequent use of the fairgrounds for non-exhibition activities could outweigh the time dedicated to exhibition purposes. If we look at Table 3, we see that, in addition to the 9 fairgrounds at which there are no non-exhibition activities outside of the fair week, at only 4 fairgrounds is it highly probable that exhibition use exceeds non-exhibition use. These fairgrounds are in Delaware County, Franklin County, Genesee County, and Livingston County (Town of Caledonia).

As far as the measure based on income is concerned, no determination of primary use can be made with the information now available. Although we do have data on rental income received by agricultural societies (discussed in the next section of this paper), we do not know how much of this income comes from agricultural exhibitions and how much comes from other activities. To be fair in our treatment of agricultural societies, we would also have to be able to separate rental income received from organizations that are themselves tax-exempt from rental income received from nonexempt tenants. As mentioned earlier, other tax-exempt organizations, notably the nonprofit organizations exempt under §420-a and §420-b of the Real Property Tax Law, do not jeopardize their exempt status if they rent to certain other tax-exempt organizations provided that the rental does not exceed the carrying, maintenance, and depreciation costs of the portion of the property rented.

As shown in Table 3, many renters of fairground property are obviously not tax-exempt organizations, but rather are private individuals or operators of commercial enterprises. The rental paid by such tenants, if they were renters of property owned by other tax-exempt organizations (churches and schools, for example), would require

that the portion of the property rented to them be made taxable. The following are examples of these nonexempt tenants of fairground property:

Renters of storage space for boats and other equipment	Albany, Chautauqua Dutchess, Rensselaer, Steuben, and Wayne Counties
Renters of horse stalls	Cattaraugus, Chautauqua, Chenango, Columbia, and Livingston Counties
Auction operator	Chenango County
Antiques fair operator	Columbia County
Crafts fair operator*, restaurant operator	Dutchess County
Horse race operator	Erie, Livingston, and Onondaga Counties
Auto racing operator	Montgomery, Ontario, and Orange Counties

* The operator of the Northeast Crafts Fair, the largest crafts fair in the United States, has announced that, because of inadequate facilities, the fair will not be held at the Dutchess County Agricultural Society's fairgrounds after 1983. Operation of the fair will move to the Eastern States Exposition Center in West Springfield, Massachusetts. [Albany Times Union, January 22, 1983]

Income of Agricultural Societies

Perhaps the first thing that should be pointed out about the financial circumstances of agricultural societies in New York State is that total exemption from property taxes is not the only public support received by these organizations; all agricultural societies that hold fairs are also subsidized by the state, and most of these also regularly receive financial aid from counties. As a condition of state aid, fair operators must file annual financial reports with the state Department of Agriculture and Markets. These reports are the source of the agricultural society income and expenditure information presented in this paper.*

By law (§286 of the Agriculture and Markets Law), aid to each fair operator is geared to the actual amount paid by each society in premiums for participation in agricultural exhibits and for trials or tests of speed and endurance of harness horses. In 1980 a total of about \$417,000 in state aid was received by 50 agricultural societies holding fairs.

County aid is voluntary and varies considerably from area to area. In 1980 all but 13 of the 50 agricultural societies holding fairs received county aid. The total received was about \$246,000, with the Cattaraugus County Agricultural Society receiving the most (\$21,000) and the Caledonia Fair in Livingston County, the Hemlock Lake Union Agricultural Society in Livingston County, and the Tioga County Agricultural Society receiving the least (\$1,000 each).**

* No income and expenditure information is available on the fair operator in Orleans County, who did not file an annual report with the state during the period 1978-1980.

** The 13 agricultural societies receiving no county aid in 1980 were: the Agricultural & Horticultural Society for the City of Schenectady in Albany County, the Chemung County Agricultural Society, the Dutchess County Agricultural Society, the Erie County Agricultural Society, the Genesee Valley Breeders Association in Livingston County, the Montgomery County Agricultural Society, the Orange County Agricultural Society, the Rensselaer County Agricultural & Liberal Arts Society, the Rensselaer County Agricultural & Horticultural Society, the St. Lawrence County Agricultural Society, the Cobleskill Agricultural Society in Schoharie County, the Union Agricultural & Horticultural Society of Ulysses, Hector, and Covert in Tompkins County, and the Cambridge Valley Agricultural Society in Washington County.

The second thing that should be pointed out is that few of the agricultural societies operating fairs in New York State can be considered to be operating at a profit, that is, ending the year with a sizable operating surplus. Three agricultural societies ended 1980 with a deficit (the Genesee Valley Breeders Association in Livingston County, the Ontario County Agricultural Society, and the Yates County Agricultural Society). Many borrow money annually, and without such borrowing would not be able to meet expenses. In 1980, for example, 21 of the 50 fair operators would have operated at a loss if they had not borrowed money during the year. If we consider a sizable operating surplus to be 10% or more of the current year's receipts plus any balance carried forward from the previous year, the only agricultural societies that ended 1980 with sizable operating surpluses were:

	Amount of 1980 Surplus	% of 1980 Receipts + 1979 Balance
Albany-Schenectady- Greene Counties Agricultural Societies	\$ 57,025	16%
Cattaraugus County Agricultural Society	\$ 34,648	17%
Chautauqua County Agricultural & Fair Association	\$ 29,565	11%
Columbia County Agricultural Society	\$ 44,936	21%
Delaware Valley Agricultural Society (Delaware County)	\$ 46,640	35%
Jefferson County Agricultural Society	\$ 36,634	29%
Caledonia Fair (Livingston County)	\$ 8,581	12%
Monroe County Fair & Recreation Association	\$114,339	15%

	Amount of 1980 Surplus	% of 1980 Receipts + 1979 Balance
Agricultural Society of Queens, Nassau & Suffolk Counties	\$ 8,030	21%
Ulster County Agricultural Society	\$18,446	19%

Rental income is an important source of revenue for some fair operators, as shown in Table 4A (Appendix A). Only 7 fair operators received no rental income during the years 1978-1980; these are listed in Table 4B (Appendix A). The fact that 5 of these agricultural societies do not own the property on which they hold fairs does not necessarily mean that the fairgrounds generate no rental income. It is quite likely that rentals are charged and collected by the fairground owners rather than the fair operators. Four of the 5 fairgrounds are used for non-exhibition purposes: according to local officials, storage space is rented at the fairgrounds in Albany and Rensselaer Counties, horses are stabled at the Livingston County grounds (although the horses may belong to the breeders association that runs the fair), and there may be concession rentals at the restored village on the Nassau County grounds.

In Table 4A we see that, in 1980, 17 of the 41 fair operators with known rental income had rental incomes that constituted 10% or more of their earned income during the year:

Chautauqua County Agricultural & Fair Association	15%
Delaware Valley Agricultural Society (Delaware County)	10%
Dutchess County Agricultural Society	32%
Erie County Agricultural Society	10%

Genesee County Agricultural Society	11%
Herkimer County Fair Association	16%
Jefferson County Agricultural Society	16%
Hemlock Lake Union Agricultural Society (Livingston County)	21%
Monroe County Fair & Recreation Association	58%
Montgomery County Agricultural Society	28%
Ontario County Agricultural Society	28%
Rensselaer County Agricultural & Horticultural Society	10%
Saratoga County Agricultural Society	10%
Steuben County Agricultural Society	11%
Palmyra Union Agricultural Society (Wayne County)	25%
Wyoming County Fair Association	24%
Dundee Fair Association (Yates County)	22%

It should be noted that 4 fair operators received rental income even though they do not own the property used for the fair: the Agricultural and Industrial Fair of Clinton County, the Essex County Agricultural Society, the Jefferson County Agricultural Society, and the Tioga County Agricultural Society. More information is needed about the sources of this income. It may have come from the rental of personal property, or from the fair operators' temporarily leasing their possessory interest in the real property, or from both sources. Also, to determine the total rental revenue generated by these fairgrounds, we would need to know if any of the government bodies owning them received any rental income from the properties.

Some rental income is undoubtedly derived from activities related more to fair operators' agricultural exhibitions than to non-exhibition use of the grounds. For example, at the fairgrounds in Wyoming County it appears that all of the rental income is related to exhibition activities. No harness racing is held during the fair, and the fairgrounds is not used at all during the rest of the year. Yet in 1980 the fair operator collected almost \$20,000 in rentals. Presumably these were from tenants using the property for fair-related purposes (perhaps concessionaires). If so, such rental income should not be included in the percentage of income derived from non-exhibition sources when we determine the primary use of the property for exemption purposes.

If we applied to agricultural societies the same property use criteria that have been legislated for other tax-exempt private organizations, a fairgrounds owner might be subject to partial property taxation even if, on the basis of its income sources, it were found to be using its property primarily for exhibition purposes. It would be subject to taxation on any portion of its property that is rented to a nonexempt individual or organization and on any portion of its property that is rented to an exempt organization at a rate that exceeds the carrying, maintenance, and depreciation costs of the portion rented. These rules would apply to rental income from exhibition-related activities as well as to rental income generated by activities that are unrelated to agricultural exhibitions.

Methods of Addressing the Problem

There are a few methods that may be used to compensate for the preferential tax treatment afforded properties owned by agricultural societies. While this report recommends the taxation of those property values related to profitmaking enterprises and unrelated to agricultural society purposes, in some instances alternative methods

are being or have been used by local governments, often in cooperation with the societies.

Full or Partial Property Taxation

This method of restricting the exemptions granted to agricultural societies has already been discussed in detail. Its main advantage is that it would tax the properties in direct proportion to non-exempt property use.

If eligibility for exemption were conditioned upon primary use of the property for exhibition purposes, six fairgrounds with the more significant tax impact would, theoretically at least, be partially taxable (i.e., the fairgrounds in Cattaraugus, Columbia, Erie, Essex, Onondaga, and Rensselaer Counties). The fairgrounds are said to be "theoretically" taxable because there could be problems with levying any tax on two of these. It might be impossible to tax these two because they are owned by government bodies rather than by agricultural societies. The first of these, in Essex County, is owned by the county; the agricultural society merely holds a possessory interest in the property. Under present law, neither the county nor the society would probably be taxable. The county would not be taxable unless it could be shown that the property is not being held for "public use" (§406 of the Real Property Tax Law). Since the law does not say "primarily for public use," the non-exhibition use of the fairgrounds, in this case the exercising of race horses and snowmobile races, might not be judged as violating the public use conditions of the law. Under present law, the agricultural society would not be taxable since at present in New York State possessory interests are not taxable. The other publicly owned fairgrounds, the one in Onondaga County, is owned by the state. The state is immune from local taxation unless it consents to be taxed.

We know of three attempts that have been made to tax agricultural society property. Only one of these attempts has been successful.

The Tioga County fairgrounds was once put on the tax roll by the assessor because part of the grounds was occupied by a mobile home rented to the fairgrounds caretaker. Soon after, however, the assessor's decision was overruled at the local level.

In 1973 the assessor of the Town of Hamburg put some 52 acres of the 215-acre fairgrounds owned by the Erie County Agricultural Society on the tax roll because that part of the fairgrounds was rented for as many as 150 days a year to a commercial operator of harness races (the Buffalo Raceway). The agricultural society protested, and the issue was carried as far as the state's highest court. In 1976 the Court of Appeals ruled that the agricultural society was entitled to full exemption, stating that the exclusive use provisions of other exemption statutes could not be applied to the property of agricultural societies; it went on to say that if the Legislature wished agricultural societies' exemption to be conditioned on exclusive use it should amend the law governing the exemption.

The one successful attempt to tax fairgrounds on the basis of non-exhibition use (stock car races) occurred several years ago in Orange County. As a result, half the value of the fairgrounds there is taxable. The agricultural society owning the property has every year protested this action, but, according the current assessor, has always failed to regain total exemption because it has consistently refused to disclose complete financial information.

Payments in Lieu of Taxes

Since public services are provided to agricultural society property as well as to other property, it may be reasonable to allow such property to be exempt from taxation but at the same time require that the owners make payments to offset the cost of providing public services to them. Payments in lieu of taxes are required of

certain other types of exempt property owners in New York State (notably, public authorities and certain housing companies), and, although not required by law, are made voluntarily by others. While potentially not as large a revenue source as property taxation, payments in lieu of taxes may be politically more feasible. The major drawback of this method of broadening the local revenue base, in addition to its relatively low revenue potential, is administrative. It might be difficult for a locality to determine how much the payment should be, since it is difficult on a property-by-property basis to allocate the cost of such services as fire protection, police protection, and highway maintenance.

Evidently some agricultural societies now make voluntary payments for services that normally would be provided by public agencies. For example, the Afton Driving Park and Agricultural Association in Chenango County pays for police services provided during its fair. Through an arrangement with the local police department, payment is made directly to the police officers employed at the fairgrounds while off duty as village police.

Another example is the Columbia County Agricultural Society, which pays \$300 a year to the Village of Chatham to help pay the cost of services provided during the four-day fair. Of course, the payment is welcome, although, according to the village clerk, the fair costs the village at least \$1,000 a year for additional police protection alone.

The Dutchess County Agricultural Society also makes voluntary payments. The society's secretary has stated that the organization "pays all additional expenses incurred by the Village of Rhinebeck during any event" and pays to the village "a \$10.00 fee for each trailer temporarily parked on the fairgrounds."* This statement

* Letter to author, November 29, 1982 (see Appendix C). The letter also points out that, in addition to voluntary payments to the municipality, the society makes donations to "the local hospital, library, recreation projects, Chamber of Commerce, Boy Scouts, Girl Scouts and American Red Cross."

has been clarified by the village clerk, who has explained that the society pays an amount equal to the cost of police protection provided during the agricultural fair (\$2,837 in 1982) and pays permit fees of \$10 per trailer (\$940 in 1982).^{*} In addition, according to the president of the village fire department, the agricultural society makes a donation to the membership of this volunteer company, rather than to the village, for fire protection and ambulance service provided during the agricultural fair and other events (\$1,000 for fire protection and \$500 for ambulance service in 1982).^{**}

A final example is the Erie County Agricultural Society. Both the agricultural society and the operator of the Buffalo Raceway have made substantial payments to the volunteer fire company serving the fairgrounds. During the period 1978-1980, the average annual payment made by the Erie County Agricultural Society was \$5,600; the operator of the Buffalo Raceway made an average annual payment of about \$3,500 during the three-year period.

Non-Property Taxation of Non-Exhibition Activities

Another way of obtaining local revenue displaced by the exemption of agricultural societies is to impose local non-property taxes on revenue-producing non-exhibition activities. One such non-property tax has been in existence for about 30 years -- the tax on admissions to harness race meetings.

Chapter 148 of the Laws of 1952 authorized all upstate counties and cities with a population in excess of 100,000 to impose a tax on admissions to harness race meetings. The maximum tax that could be imposed by each jurisdiction was 15% of

^{*} Telephone conversation, December 14, 1982.

^{**} Telephone conversation, January 10, 1983.

the admission price. Exempted from the tax were harness race meetings conducted by "any state, county or other agricultural association."

In 1957 (by Chapter 852), authority to impose the harness race admissions tax was extended to cities having a population of 100,000 or less. Two years later, the maximum on the tax that could be imposed by counties and cities was raised to 20% of admissions in those counties (a) adjacent to a city with a population in excess of 2 million and (b) containing a city having a population in excess of 100,000 (Laws of 1959, Chapter 852). In 1971 (by Chapter 1075), the law was amended once again to extend taxing authority to towns, which were specifically authorized to tax admissions to pari-mutuel harness race meetings conducted in those towns "where the site and facilities of the harness horse race meetings are leased from a tax exempt organization."

In 1973, with the establishment of off-track betting in the state, the law was again changed. The total admissions tax (county plus city or county plus town) that could be imposed on any harness race operator was reduced to 3%, with any resulting reduction in city and town revenues to be reimbursed from off-track betting proceeds (Unconsolidated Laws, §8076).

As of December 1980, 7 counties, 3 cities, and 1 town had imposed the harness race admissions tax. Of the three harness race operators conducting race meetings at tax-exempt fairgrounds (in Erie, Livingston, and Onondaga Counties), only one, the Buffalo Raceway, had an admissions tax. Both Erie County and the Town of Hamburg have received revenues from the admissions tax. In 1980, for example, the county and town each received \$5,941. For both Erie County and the Town of Hamburg the amount collected was less than the amount of county and town property taxes shifted from the exempt fairgrounds to other property owners in the town (\$7,500 in county taxes and \$52,000 in town taxes).

This method of taxation was not used for school taxes. In 1980, the amount of school taxes that would have been produced had the exemption not existed is estimated to be over \$118,000, about twice the county/town tax shift. According to Chapter 1075 of the Laws of 1971, the admissions taxes collected "shall be deposited in the general fund of the county, town or city and, unless restricted by local law to a specified purpose or purposes, shall be available for any lawful county, town or city purpose." Since no such local law has been passed, either at the county level or at the town level, all revenues from the admissions tax have been used strictly for county and town purposes; the Hamburg Central School District has received nothing. It looks as if Erie County and the Town of Hamburg are now in the same situation as the school district, since, as of January 1, 1982, the Buffalo Raceway stopped charging admission to its races.

Harness race admissions taxes have not been imposed on race operators at the fairgrounds in Livingston and Onondaga Counties. Evidently, since it is not under the jurisdiction of the New York State Racing and Wagering Board, the harness racing in Livingston County is not pari-mutuel racing and is therefore not subject to the admissions tax. In Onondaga County the admission to harness racing held at the state fairgrounds in the Town of Geddes is taxable. The county and town may have chosen not to impose the tax because the potential amount of revenue is small. Racing is held for only one week a year; total attendance in 1980 was only a little over 25,000, compared to nearly 428,000 at the Buffalo Raceway.

The situation in Erie County, the recent loss of county and town admissions tax revenues, points up the overriding disadvantage of this type of taxation as an alternative to the property tax — its instability. Unlike the property tax, taxes based on such highly variable sources of income as admissions and sales cannot be depended upon to provide a constant level of revenue. Nevertheless, non-property taxes as an

alternative to the property tax should be given serious consideration, especially where non-exhibition use of fairgrounds is prevalent but property taxation is not feasible.

Admissions taxes need not be confined to pari-mutuel harness racing. Logically they are appropriate for all types of non-exhibition activities for which admission fees are charged. There seem to be many such activities being conducted at tax-exempt fairgrounds. The following are examples of activities which have probably generated substantial revenue by way of admission charges:

Albany County	Scottish Games
Dutchess County	Northeast Crafts Fair
Livingston County	Horse races
Montgomery County	Auto races
Nassau County	Restored village
Ontario County	Stock car races
Orange County	Stock car races

Another type of non-property tax that might be imposed is a sales tax or a sales tax surcharge. The following non-exhibition activities might well generate substantial sales tax revenue:

Chenango County	Semi-weekly auctions
Columbia County	Annual antiques fair
Dutchess County	Northeast Crafts Fair, antique shows, restaurant

While admissions tax and sales tax revenues at fairgrounds are not likely to offset property tax shifts entirely, they might compensate for them to a significant degree.

Conclusion

The purpose of agricultural societies, according to §1409 of the Not-for-Profit Corporation Law, is supposed to be the promotion of agriculture, horticulture, and the mechanic and domestic arts through the conduct of fairs and exhibitions and the awarding of premiums, with special reference to "the net profits which accrue or are

likely to accrue from the mode of raising crops, or stock, or fabricating the articles exhibited, so that the award be made to the most economical or profitable mode of production." As organizations formed to promote excellence in certain fields, agricultural societies closely resemble the professional societies (medical societies and bar associations) exempt under §420-b of the Real Property Tax Law. Yet, agricultural societies are not subject to the same eligibility criteria that must be met by these professional societies.

The normal activities of agricultural societies in no way justify their privileged position among tax-exempt organizations in New York State. Many, in fact, by frequently allowing their property to be used for revenue-producing activities that have nothing to do with agriculture, appear to be serving private interests rather than a public purpose. At the same time, they are being subsidized by local taxpayers and by the state.

Therefore, it is recommended that the law governing the exemption of agricultural society property be amended to allow total exemption for property used primarily (more than 50%) for exempt purposes, as these purposes are defined in §1409 of the Not-for-Profit Corporation Law, and partial exemption for property used primarily for other purposes. Primary use would be measured by (1) the percentage of the property used for exempt purposes multiplied by the percentage of time that the property is used for exempt purposes and (2) the percentage of income derived from such use. If either (1) or (2) were 50% or less, the property would not be considered as being used primarily for exempt purposes.

Example 1

The entire area of a fairgrounds (40 acres) is used for one week (7 days) a year to hold an agricultural fair, which yields revenues of \$80,000. For 50 days during the rest of the year one building and a portion of the parking lot, which occupy two acres of the fairgrounds, are rented by a commercial operator for \$7,500 and used for weekly auctions.

The percentage of exempt use, in terms of area and duration of use, would be calculated as follows:

$$\frac{(A_t \times T_t) - (A_n \times T_n)}{A_t \times T_t} =$$

$$\frac{(40 \times 57) - (2 \times 50)}{40 \times 57} = \frac{2,180}{2,280} = 96\%$$

where A_t = Total area

T_t = Total time (days) used

A_n = Area used for nonexempt purposes

T_n = Time (days) used for nonexempt purposes

In terms of income, the percentage of exempt use would be:

$$\frac{\text{Total income} - \text{Income from nonexempt use}}{\text{Total income}} =$$

$$\frac{\$87,500 - \$7,500}{\$87,500} = 91\%$$

Since the percentage of exempt use (96%) and the percentage of exempt-use income (91%) both exceed 50, the property would be considered to be used primarily for exempt purposes and would therefore be entitled to a total exemption from taxation.

Example 2

The entire area of a fairgrounds (40 acres) is used for one week (7 days) a year to hold an agricultural fair, which yields revenues of \$80,000. For four months (120 days) of the year the grandstand, racetrack, and parking lot, occupying 30 acres of the fairgrounds, is leased by a commercial operator for \$120,000 a year and used for harness racing. In this case, the percentage of exempt use would be

$$\frac{127 - 120}{127}, \text{ or } 6\%$$

and the percentage of exempt-use income would be

$$\frac{\$200,000 - \$120,000}{\$200,000}, \text{ or } 40\%$$

Since neither the percentage of exempt use (6%) nor the percentage of exempt-use income (40%) exceeds 50, the property would not be considered to be used primarily for exempt purposes and would therefore be entitled to a total exemption for only that portion of the property used primarily for exempt purposes; the remainder of the property would be entitled to a partial exemption based on the proportion of exempt use of that portion of the property. If, for example, the fairgrounds had a total assessed value of \$250,000, 25% of that value (\$62,500), representing the 10 acres not leased for commercial purposes, would be totally exempt. For the remaining 75% of the property the amount exempt would be 6% (\$11,250), representing the proportion used for exempt purposes. The total amount of exemption would be \$73,750.

APPENDIX A

Table 2. Tax-Exempt Fairgrounds: Taxes Shifted to Other Property Owners

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes

Table 4A. Fairgrounds Owners and Fair Operators with Known Rental Income

Table 4B. Fair Operators with No Rental Income

Table 2. Tax-Exempt Fairgrounds: Taxes Shifted to Other Property Owners, 1980.

Location of Fairgrounds	Taxes Shifted to Other Property Owners (\$000)				Total Taxes Shifted per Capita (\$)
	County	City or Town	Village	School	
Albany County, Town of Guilderland, Village of Altamont	0.3	1.4	0.2	9.9	11.8
					0.63
Allegany County, Town of Angelica, Village of Angelica	*	0.6	0.5	0.7	1.8
					1.48
Broome County, Town of Triangle, Village of Whitney Point	*	1.3	0.8	1.5	3.6
					1.87
Cattaraugus County, Town of Little Valley, Village of Little Valley	0.1	2.7	9.0	6.6	18.4
					12.95
Chautauqua County, City of Dunkirk (a)	0.9	8.7	-	12.9	22.5
					1.48
Chautauqua County, Town of Dunkirk (a)	0.1	*	-	1.8	1.9
					1.14
Chemung County, Town of Horseheads	1.4	0.2	-	5.6	7.2
					1.25
Chenango County, City of Norwich	0.5	2.1	-	2.9	5.5
					0.68

* Less than \$50

(a) Single fairgrounds located partly in City of Dunkirk and partly in Town of Dunkirk

Table 2. Tax-Exempt Fairgrounds: Taxes Shifted to Other Property Owners, 1980.

Location of Fairgrounds	Taxes Shifted to Other Property Owners (\$000)				Total Taxes Shifted per Capita (\$)
	County	City or Town	Village	School	Total
Chenango County Town of Afton, Village of Afton & town outside village	0.2	0.6	1.0	2.0	3.8
Clinton County, Town of Plattsburgh	0 (b)	5.9	-	16.5	22.4
Columbia County, Town of Ghent, Village of Chatham	0.6	2.4	5.6	5.5	14.1
Delaware County, Town of Walton, Village of Walton	*	0.1	0.1	0.2	0.4
Dutchess County, Town of Rhinebeck, Village of Rhinebeck & town outside village	0.2	2.5	0.1	9.7	12.5
Erie County, Town of Hamburg	7.5	52.0	-	118.4	177.9
Essex County, Town of Westport, Village of Westport	*	2.6	6.5	6.9	16.0
					13.35

* Less than \$50

(b) County tax rate = \$0.00

Table 2. Tax-Exempt Fairgrounds: Taxes Shifted to Other Property Owners, 1980.

Location of Fairgrounds	Taxes Shifted to Other Property Owners (\$000)				Total Taxes Shifted per Capita (\$)
	County	City or Town	Village	School	
Franklin County, Town of Malone, Village of Malone	0.2	4.8	16.8	13.5	35.3
Genesee County, Town of Batavia	0.1	0 (c)	-	0.5	0.6
Herkimer County, Town of Frankfort, Village of Frankfort	0.2	1.3	3.6	4.5	9.6
Jefferson County, City of Watertown	3.0	20.8	-	18.1	41.9
Lewis County, Town of Lowville, Village of Lowville	0.1	0.2	0.5	0.5	1.3
Livingston County, Town of Avon, Village of Avon	0.2	0.3	2.0	2.1	4.6
Livingston County, Town of Caledonia, Village of Caledonia	0.2	0.6	1.3	1.4	3.5
Livingston County, Town of Livonia	0.2	0.3	-	0.8	1.3
					0.23

(c) Town tax rate = \$0.00

Table 2. Tax-Exempt Fairgrounds: Taxes Shifted to Other Property Owners, 1980.

Location of Fairgrounds	Taxes Shifted to Other Property Owners (\$000)				Total Taxes Shifted per Capita (\$)	
	County	City or Town	Village	School		
Madison County, Town of Brookfield	*	0.2	-	0.2	0.4	0.28
Monroe County, Town of Henrietta	0.3	1.3	-	9.4	11.0	0.31
Montgomery County, Town of Mohawk, Village of Fonda	*	0.2	0.3	0.5	1.0	0.46
Nassau County, Town of Oyster Bay	6.9	8.1	-	102.0	117.0	3.38
Oneida County, Town of Boonville, Village of Boonville	*	1.5	0.5	1.5	3.5	0.97
Onondaga County, Town of Geddes	1.7	17.5	-	56.2	75.4	5.13
Ontario County, Town of Canandaigua	0.1	0.5	-	1.4	2.0	0.34
Orange County, Town of Wallkill	0.2	1.2	-	2.1	3.5	0.28
Orleans County, Town of Ridgeway	0.3	0.8	-	2.4	3.5	0.53

* Less than \$50

Table 2. Tax-Exempt Fairgrounds: Taxes Shifted to Other Property Owners, 1980.

Location of Fairgrounds	Taxes Shifted to Other Property Owners (\$000)				Total Taxes Shifted per Capita (\$)
	County	City or Town	Village	School	
Oswego County, Town of Sandy Creek, Village of Sandy Creek	*	0.9	0.7	2.0	3.6
					1.65
Otsego County, Town of Morris, Village of Morris & town outside village	*	1.1	0.7	1.3	3.1
					2.18
Rensselaer County, Town of Schaghticoke, Village of Schaghticoke & town outside village	0.1	0.6	4.8	1.7	7.2
					5.38
St. Lawrence County, Town of Gouverneur, Village of Gouverneur	*	1.0	3.1	2.5	6.6
					1.27
Saratoga County, Town of Milton, Village of Ballston Spa	0.2	0.8	2.4	6.8	10.2
					1.20
Schoharie County, Town of Cobleskill, Village of Cobleskill	1.2	0.7	5.5	6.4	13.8
					2.22
Seneca County, Town of Waterloo, Village of Waterloo	0.5	0.1	4.0	1.9	6.5
					1.14

* Less than \$50

Table 2. Tax-Exempt Fairgrounds: Taxes Shifted to Other Property Owners, 1980.

Location of Fairgrounds	Taxes Shifted to Other Property Owners (\$000)				Total Taxes Shifted per Capita (\$)
	County	City or Town	Village	School	
Steuben County, Town of Bath, Village of Bath	0.2	1.1	2.3	5.8	9.4 1.06
Tioga County, Town of Owego, Village of Owego	0.4	0.8	2.6	2.2	6.0 0.82
Tompkins County, Town of Ulysses	*	0.2	-	0.9	1.1 0.31
Ulster County, Town of New Paltz	*	3.5	-	7.6	11.1 1.10
Washington County, Town of Easton	0.1	2.1	-	1.5	3.7 2.21
Wayne County, Town of Palmyra, Village of Palmyra	*	0.1	0.3	0.2	0.6 0.13
Wyoming County, Town of Pike, Village of Pike	*	0.3	1.2	0.1	1.6 3.33

* Less than \$50

Table 2. Tax-Exempt Fairgrounds: Taxes Shifted to Other Property Owners, 1980.

Location of Fairgrounds	Taxes Shifted to Other Property Owners (\$000)				Total Taxes Shifted per Capita (\$)
	County	City or Town	Village	School	
Yates County, Town of Milo	*	*	-	0.1	0.03
Yates County, Town of Starkey, Village of Dundee & town outside village	*	0.2	0.3	0.4	0.38
TOTAL	28.2	156.2	76.7	459.6	720.7

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* Less than \$50

NOTE: Total taxes shifted do not include taxes levied in towns by special districts (e.g., sewer districts and fire districts), which cannot be estimated on the basis of information now available. In 1980, special district taxes amounted to about 6% of total taxes levied upstate.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Albany County, Town of Guilderland, Village of Altamont

Fairgrounds owner: Albany-Schenectady-Greene Counties Agricultural Societies, Inc.
 Fair operator: Same (in conjunction with Agricultural and Horticultural Society for the City of Schenectady, Schenectady County, N.Y., Inc.)

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: General Electric Company Quarter Century Club outing, Democratic rally, Scottish Games, Fourth of July fireworks (sponsored by Altamont Fire Department), flea markets, rental of barns during winter for storage of boats and other vehicles.

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Allegany County, Town of Angelica, Village of Angelica

Fairgrounds owner: Allegany County Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Antique sales and similar functions to raise funds for the society, rental of one building to Angelica Central School District.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Broome County, Town of Triangle, Village of Whitney Point	
Fairgrounds owner:	Broome County Agricultural Society
Fair operator:	Same
Harness racing during fair:	Yes
Frequency of other non-exhibition use of grounds:	Frequent
Other non-exhibition use:	Regular use of athletic field by school (school maintains field) and Little League. Occasional tractor pulls and horse pulls sponsored by nonprofit organizations, dog shows, Army stopover en route to Camp Drum (most organizations charged no rental fee).
	No use at all during winter.
Cattaraugus County, Town of Little Valley, Village of Little Valley	
Fairgrounds owner:	Cattaraugus County Agricultural Society, Inc.
Fair operator:	Same
Harness racing during fair:	Yes
Frequency of other non-exhibition use of grounds:	Occasional
Other non-exhibition use:	Rental of stalls to horsemen.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Chautauqua County, City of Dunkirk & Town of Dunkirk

Fairgrounds owner: Chautauqua County Agricultural and Fair Association

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Skating rink, rental of hall for craft shows and dances, rental of horse stalls, rental of buildings for winter storage of boats and other equipment.

Chemung County, Town of Horseheads

Fairgrounds owner: Chemung County Agricultural Society, Inc.

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition of grounds: Occasional

Other non-exhibition use: Events such as annual horse show.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Chenango County, City of Norwich

Fairgrounds owner: Chenango County Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Auctions held twice a week year round, functions held by organizations such as Rotary Club (Society collects percentage of receipts).

Chenango County, Town of Afton, Village of Afton & town outside village

Fairgrounds owner: Afton Driving Park and Agricultural Association, Inc.

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Horses stabled.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Clinton County, Town of Plattsburgh

Fairgrounds owner: Clinton County

Fair operator: Agricultural and Industrial Fair of Clinton County, Inc.

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Snowmobile and other races, hot air balloon festival.

Columbia County, Town of Ghent, Village of Chatham

Fairgrounds owner: Columbia County Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Rental of horse barns year round, annual antiques fair, flea market, horse shows.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Delaware County, Town of Walton, Village of Walton

Fairgrounds owner: Delaware Valley Agricultural Society

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Tractor pulls (not in 1981). Horses were stabled some years ago.

Dutchess County, Town of Rhinebeck, Village of Rhinebeck & town outside village

Fairgrounds owner: Dutchess County Agricultural Society, Inc.

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Northeast Crafts Fair, Mothers Club Crafts Fair (no rental charged), antique auto show, antique shows, car shows, horse shows, cattle and sheep sales, various company picnics (e.g. IBM), restaurant open during Northeast Crafts Fair, storage of campers and boats.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Erie County, Town of Hamburg

Fairgrounds owner: Erie County Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Buffalo Raceway operated during 5-1/2 months a year.
Occasional special shows (e.g. antique car shows) for benefit of nonprofit organizations.

Essex County, Town of Westport, Village of Westport

Fairgrounds owner: Essex County

Fair operator: Essex County Agricultural Society, Inc.

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Exercising of race horses, snowmobile races.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Franklin County, Town of Malone, Village of Malone

Fairgrounds owner: Franklin County Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Rodeo in 1981.

Genesee County, Town of Batavia

Fairgrounds owner: Genesee County Agricultural Society, Inc.

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Voting place, public services such as cat and dog vaccinations.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Herkimer County, Town of Frankfort, Village of Frankfort

Fairgrounds owner: Herkimer County Fair Association, Inc.

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Great American Horse Race two or three years ago, Good Sam Club outings three or four times a year, fraternal organization outings.

Jefferson County, City of Watertown

Fairgrounds owner: City of Watertown

Fair operator: Jefferson County Agricultural Society

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: None

Other non-exhibition use: None

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Lewis County, Town of Lowville, Village of Lowville

Fairgrounds owner: Lewis County Agricultural Society

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Rental of athletic field to school.

Occasional functions such as Mennonite outing and auction, snowmobile contests.

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Livingston County, Town of Avon, Village of Avon

Fairgrounds owner: Village of Avon

Fair operator: Genesee Valley Breeders Association, Inc.

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Horses stabled.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Livingston County, Town of Caledonia, Village of Caledonia

Fairgrounds owner: Caledonia Fair, Inc.

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Firemen's carnival.

Livingston County, Town of Livonia

Fairgrounds owner: Hemlock Lake Union Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Horse races operated by separate organization.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Madison County, Town of Brookfield

Fairgrounds owner: Madison County Agricultural Society

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: None

Other non-exhibition use: None (used to hold stock car races).

Monroe County, Town of Henrietta

Fairgrounds owner: Monroe County Fair and Recreation Association, Inc.

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: None

Other non-exhibition use: None

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Montgomery County, Town of Mohawk, Village of Fonda

Fairgrounds owner: Montgomery County Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Auto racing every Saturday night (and sometimes Wednesday night) during summer operated by Fonda Speedway Inc., demolition derby, Octoberfest (held by Fulton-Montgomery Masonic Charities, rental charged limited to cost of electricity, sewer, water, and clean up).

Nassau County, Town of Oyster Bay

Fairgrounds owner: Nassau County

Fair operator: Agricultural Society of Queens, Nassau, and Suffolk Counties

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Restored village open year round (admission fees charged).

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Oneida County, Town of Boonville, Village of Boonville

Fairgrounds owner: Boonville Fair Association, Inc.

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Woodsman's field day (one weekend a year), Girl Scout camp (one week a year, no rental charged), Polish picnic sponsored by Boonville Area Chamber of Commerce (\$100 rental charged).

Onondaga, Town of Geddes

Fairgrounds owner: New York State

Fair operator: Same (NYS Department of Agriculture and Markets)

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Harness racing (one week a year), flea markets, youth hockey, many other activities all year round.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Ontario County, Town of Canandaigua

Fairgrounds owner: Ontario County Agricultural Society

Fair Operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Stock car races all summer operated by separate organization, cattle auction.

Orange County, Town of Wallkill

Fairgrounds owner: Orange County Agricultural Society, Inc.

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Stock car races operated by separate organization.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Orleans County, Town of Ridgeway	
Fairgrounds owner:	Orleans County
Fair Operator:	4-H Clubs
Harness racing during fair:	No
Frequency of other non-exhibition use of grounds:	Occasional
Other non-exhibition use:	Training seminars for farm bureau and similar organizations.
Oswego County, Town of Sandy Creek, Village of Sandy Creek	
Fairgrounds owner:	Sandy Creek-Richland-Boylston-Orwell Agricultural Society
Fair operator:	Same
Harness racing during fair:	Yes
Frequency of other non-exhibition use of grounds:	Occasional
Other non-exhibition use:	Motorcycle meets, horse shows, safety classes, Boy Scout activities.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Otsego County, Town of Morris, Village of Morris & town outside village

Fairgrounds owner: Otsego County Fair Association

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: 4-H barbeque, exercising of horses.

Rensselaer County, Town of Schaghticoke, Village of Schaghticoke & town outside village

Fairgrounds owner: Rensselaer County Agricultural and Horticultural Society

Fair operator: Same (in conjunction with Rensselaer County Agricultural and Liberal Arts Society).

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Flea markets, occasional functions by various organizations, storage of boats and farm equipment during winter.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

St. Lawrence County, Town of Gouverneur, Village of Gouverneur	
Fairgrounds owner:	Gouverneur Agricultural and Mechanical Society & St. Lawrence County Agricultural Society
Fair operator:	Same
Harness racing during fair:	Yes
Frequency of other non-exhibition use of grounds:	Frequent
Other non-exhibition use:	Regular use by school for football and other athletic activities.
	Occasional events such as long-distance races.
Saratoga County, Town of Milton, Village of Ballston Spa	
Fairgrounds owner:	Saratoga County Agricultural Society, Inc.
Fair operator:	Same
Harness racing during fair:	No
Frequency of other non-exhibition use of grounds:	Occasional
Other non-exhibition use:	Dog shows, horse shows.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Schoharie County, Town of Cobleskill, Village of Cobleskill

Fairgrounds owner: Cobleskill Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Wedding receptions, auctions, displays, snowmobile races, motorcycle races.

Seneca County, Town of Waterloo, Village of Waterloo

Fairgrounds owner: Seneca County Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: None

Other non-exhibition use: None (at one time auto racing operated by separate organization).

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Steuben County, Town of Bath, Village of Bath

Fairgrounds owner: Steuben County Agricultural Society

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Dairy festival (one day), nonprofit antique show in grange building, rental of storage space during winter for boats and other equipment.

Tioga County, Town of Owego, Village of Owego

Fairgrounds owner: Tioga County

Fair operator: Tioga County Agricultural Society, Inc.

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: Frequent

Other non-exhibition use: Rental of mobile home to caretaker of grounds.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Tompkins County, Town of Ulysses

Fairgrounds owner: Union Agricultural and Horticultural Society of Ulysses, Hector,
and Covert

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: None

Other non-exhibition use: None

Ulster County, Town of New Paltz

Fairgrounds owner: Ulster County

Fair operator: Ulster County Agricultural Society, Inc.

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: None

Other non-exhibition use: None

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Washington County, Town of Easton

Fairgrounds owner: Cambridge Valley Agricultural Society, Inc.

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Shetland pony races (twice a year), motorcycle rallies (once or twice a year), flea markets, miscellaneous activities during summer.

Wayne County, Town of Palmyra, Village of Palmyra

Fairgrounds owner: Palmyra Union Agricultural Society

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: Occasional

Other non-exhibition use: Annual fiddlers' picnic, 4-H horse shows (three or four times a year), Rotary Club auction (one day a year), winter storage of boats and campers.

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Wyoming County, Town of Pike

Fairgrounds owner: Wyoming County Fair Association, Inc.

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: None

Other non-exhibition use: None

Yates County, Town of Milo

Fairgrounds owner: Yates County Agricultural Society, Inc.

Fair operator: Same

Harness racing during fair: No

Frequency of other non-exhibition use of grounds: None

Other non-exhibition use: None

Table 3. Tax-Exempt Fairgrounds: Use of Fairgrounds for Harness Racing and Other Non-Exhibition Purposes.

Yates County, Town of Starkey

Fairgrounds owner: Dundee Fair Association

Fair operator: Same

Harness racing during fair: Yes

Frequency of other non-exhibition use of grounds: None

Other non-exhibition use: None

SOURCE: Harness racing -- NYS Department of Agriculture and Markets,
1980 List of Agricultural Fairs in New York State.

Other non-exhibition use -- Assessors and other local officials, Afton Driving Park and Agricultural Association, Boonville Fair Association, Broome County Agricultural Society, Dutchess County Agricultural Society, Madison County Agricultural Society, Montgomery County Agricultural Society, and Seneca County Agricultural Society.

Table 4A. Fairground Owners and Fair Operators with Known Rental Income, 1978-1980.

Location of Fairgrounds	Name of Owner or Operator	Rental Income(\$)		% of Earned Income*		
		1980	1979	1978	1980	1979 1978
Albany County, Town of Guilderland, Village of Altamont	Albany-Schenectady-Greene Counties Agricultural Societies, Inc.	20,928	15,920	18,154	8	7 8
Allegany County, Town of Angelica, Village of Angelica	Allegany County Agricultural Society	5,563	8,369	5,688	7	10 7
Broome County, Town of Triangle, Village of Whitney Point	Broome County Agricultural Society	6,450	5,500	3,900	8	7 6
Cattaraugus County, Town of Little Valley, Village of Little Valley	Cattaraugus County Agricultural Society, Inc.	1,422	2,637	1,994	1	2 1
Chautauqua County, City of Dunkirk & Town of Dunkirk	Chautauqua County Agricultural and Fair Association	33,832	40,706	32,254	15	21 16
Chemung County, Town of Horseheads	Chemung County Agricultural Society, Inc.	1,721	1,808	57,557	1	1 31
Chenango County, City of Norwich	Chenango County Agricultural Society	6,615	5,560	5,095	5	4 4

*Earned income is all income except county aid, state aid, and borrowings.

Table 4A. Fairground Owners and Fair Operators with Known Rental Income, 1978-1980.

Location of Fairgrounds	Name of Owner or Operator	Rental Income (\$)			% of Earned Income*		
		1980	1979	1978	1980	1979	1978
Chenango County, Town of Afton, Village of Afton & town outside village	Afton Driving Park and Agricultural Association Inc.	4,714	4,709	6,680	6	6	8
Clinton County, Town of Plattsburgh (a)	Agricultural and Industrial Fair of Clinton County, Inc.	850	1,150	17,496	1	1	11
Columbia County, Town of Ghent, Village of Chatham	Columbia County Agricultural Society	2,856	2,665	3,524	2	2	2
Delaware County, Town of Walton, Village of Walton	Delaware Valley Agricultural Society	11,716	12,883	11,388	10	9	11
Dutchess County, Town of Rhinebeck, Village of Rhinebeck & town outside village	Dutchess County Agricultural Society, Inc.	214,813	61,962	72,890	32	11	13
Erie County, Town of Hamburg	Erie County Agrucultural Society	226,190	215,968	214,390	10	12	18

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*Earned income is all income except county aid, state aid, and borrowings.

(a) Property owned by Clinton County.

Table 4A. Fairground Owners and Fair Operators with Known Rental Income, 1978-1980.

Location of Fairgrounds	Name of Owner or Operator	Rental Income (\$)			% of Earned Income*		
		1980	1979	1978	1980	1979	1978
Essex County, Town of Westport, Village of Westport (b)	Essex County Agricultural Society, Inc.	3,511	1,324	1,020	4	2	2
Franklin County, Town of Malone, Village of Malone,	Franklin County Agricultural Society	13,932	12,578	28,510	6	6	16
Genesee County, Town of Batavia	Genesee County Agricultural Society, Inc.	9,311	4,883	4,340	11	7	9
Herkimer County, Town of Frankfort, Village of Frankfort	Herkimer County Fair Association, Inc.	18,247	15,308	14,625	16	20	16
Jefferson County, City of Watertown (c)	Jefferson County Agricultural Society	13,330	13,774	11,948	16	17	16
Lewis County, Town of Lowville, Village of Lowville	Lewis County Agricultural Society	2,376	1,865	1,877	3	3	3
Livingston County, Town of Caledonia, Village of Caledonia	Caledonia Fair, Inc.	4,825	4,445	3,444	8	7	6

*Earned income is all income except county aid, state aid, and borrowings.

(b) Property owned by Essex County.

(c) Property owned by City of Watertown.

Table 4A. Fairground Owners and Fair Operators with Known Rental Income, 1978-1980.

Location of Fairgrounds	Name of Owner or Operator	Rental Income (\$)		% of Earned Income*		
		1980	1979	1978	1980	1979 1978
Livingston County, Town of Livonia	Hemlock Lake Union Agricultural Society	17,446	7,052	7,095	21	12 13
Madison County, Town of Brookfield	Madison County Agricultural Society	4,848	329	663	9	1 2
Monroe County, Town of Henrietta	Monroe County Fair and Recreation Association, Inc.	401,603	366,024	220,359	58	62 51
Montgomery County, Town of Mohawk, Village of Fonda	Montgomery County Agricultural Society	58,502	25,091	20,422	28	13 13
Oneida County, Town of Boonville, Village of Boonville	Boonville Fair Association, Inc.	4,631	5,098	5,987	4	4 6
Ontario County, Town of Canandaigua	Ontario County Agricultural Society	18,200	16,688	18,951	28	30 26
Orange County, Town of Wallkill	Orange County Agricultural Society Inc.	28,434	92,594	158,609	4	14 24
Oswego County, Town of Sandy Creek, Village of Sandy Creek	Sandy Creek-Richland-Boylston-Orwell Agricultural Society	1,581	3,742	3,062	5	8 8

*Earned income is all income except county aid, state aid, and borrowings.

Table 4A. Fairground Owners and Fair Operators with Known Rental Income, 1978-1980.

Location of Fairgrounds	Name of Owner or Operator	Rental Income (\$)		% of Earned Income*		
		1980	1979	1978	1980	1979 1978
Otsego County, Town of Morris, Village of Morris & town outside village	Otsego County Fair Association	3,900	2,914	3,317	5	4 4
Rensselaer County, Town of Schaghticoke, Village of Schaghticoke & town outside village	Rensselaer County Agricultural and Horticultural Society	17,185	17,046	14,445	10	9 8
St. Lawrence County, Town of Gouverneur, Village of Gouverneur	Gouverneur Agricultural and Mechanical Society (d)	3,341	1,931	2,208	2	1 2
Saratoga County, Town of Milton, Village of Ballston Spa	Saratoga County Agricultural Society, Inc.	9,384	11,612	8,690	10	15 12
Schoharie County, Town of Cobleskill, Village of Cobleskill	Cobleskill Agricultural Society	9,292	11,683	9,510	4	5 4
Seneca County, Town of Waterloo, Village of Waterloo	Seneca County Agricultural Society	1,533	1,205	1,427	5	5 7

*Earned income is all income except county aid, state aid, and borrowings

(d) Owns property jointly with St. Lawrence County Agricultural Society

Table 4A. Fairground Owners and Fair Operators with Known Rental Income, 1978-1980.

Location of Fairgrounds	Name of Owner or Operator	Rental Income (\$)		% of Earned Income*		
		1980	1979	1978	1980	1979 1978
Steuben County, Town of Bath, Village of Bath	Steuben County Agricultural Society	15,501	17,184	15,302	11	14 14
Tioga County, Town of Owego, Village of Owego (e)	Tioga County Agricultural Society, Inc.	2,235	2,691	2,804	3	4 5
Tompkins County, Town of Ulysses	Union Agricultural and Horticultural Society of Ulysses, Hector, and Covert	1,607	2,088	1,882	3	4 4
Wayne County, Town of Palmyra, Village of Palmyra	Palmyra Union Agricultural Society	17,077	15,927	13,131	25	26 24
Wyoming County, Town of Pike, Village of Pike	Wyoming County Fair Association, Inc.	19,892	13,633	10,841	24	19 17
Yates County, Town of Milo	Yates County Agricultural Society Inc.	125	327	0	**	1 --
Yates County, Town of Starkey, Village of Dundee & town outside village	Dundee Fair Association	6,776	2,472	1,999	22	9 8

*Earned income is all income except county aid, state aid, and borrowings.

**Less than 1%

(e) Property owned by Tioga County.

SOURCE: Annual financial statements filed with the NYS Department of Agriculture and Markets.

Table 4B. Fair Operators with No Rental Income, 1978-1980.

<u>Location of Fairgrounds</u>	<u>Name of Operator</u>
Albany County, Town of Guilderland, Village of Altamont (a)	Agricultural and Horticultural Society for the City of Schenectady, Schenectady County, N.Y., Inc.
Livingston County, Town of Avon, Village of Avon (b)	Genesee Valley Breeders Association, Inc.
Nassau County, Town of Oyster Bay (c)	Agricultural Society of Queens, Nassau, and Suffolk Counties
Rensselaer County, Town of Schaghticoke, Village of Schaghticoke & town outside village (d)	Rensselaer County Agricultural and Liberal Arts Society
St. Lawrence County, Town of Gouverneur,	St. Lawrence County Agricultural Society (e) Village of Gouverneur
Ulster County, Town of New Paltz (f)	Ulster County Agricultural Society, Inc.
Washington County, Town of Easton	Cambridge Valley Agricultural Society, Inc.
(a) Property owned by Albany-Schenectady-Greene Counties Agricultural Societies, Inc.	
(b) Property owned by Village of Avon.	
(c) Property owned by Nassau County.	
(d) Property owned by Rensselaer County Agricultural and Horticultural Society.	
(e) Owns property jointly with Gouverneur Agricultural and Mechanical Society.	
(f) Property owned by Ulster County.	

SOURCE: Annual financial statements filed with the NYS Department of Agricultural
and Markets.

APPENDIX B**Local Officials Contacted**

Albany County	Assessor, Town of Guilderland Clerk, Village of Altamont
Allegany County	County Director of Real Property Tax Services County Treasurer Assessor, Town of Angelica Clerk, Village of Angelica Superintendent, Angelica Central School District
Broome County	County Director of Real Property Tax Services Assessor, Town of Triangle Clerk, Village of Whitney Point
Cattaraugus County	Assessor, Town of Little Valley
Chautauqua County	Assistant to Assessor, City of Dunkirk Assessor, Town of Dunkirk
Chemung County	Assistant to Assessor, Town of Horseheads
Chenango County	Assessor, City of Norwich Assessor, Town of Afton Clerk, Village of Afton
Clinton County	Assessor, Town of Plattsburgh
Columbia County	County Director of Real Property Tax Services County Treasurer Clerk, Town of Ghent Clerk, Village of Chatham Business Manager, Chatham Central School District
Delaware County	Assessor, Town of Walton
Dutchess County	Assistant to Assessor, Town of Rhinebeck Clerk, Village of Rhinebeck President, Rhinebeck Fire Department
Erie County	County Director of Real Property Tax Services County Commissioner of Finance County Attorney Assistant to Assessor, Town of Hamburg Budget Director, Town of Hamburg Business Manager, Hamburg Central School District Officer, Armor Volunteer Fire Company

Essex County	Assessor, Town of Westport
Franklin County	Assessor, Town of Malone
Genesee County	Assessor, Town of Batavia
Herkimer County	Assessor, Town of Frankfort
Jefferson County	Assessor, City of Watertown
Lewis County	Assessor, Town of Lowville
Livingston County	Assessor, Town of Avon Assistant to Assessor, Town of Caledonia Assessor, Town of Livonia
Madison County	Assessor, Town of Brookfield
Monroe County	County Attorney Assessor, Town of Henrietta Superintendent, Rush-Henrietta Central School District
Montgomery County	Assistant to County Director of Real Property Tax Services Assessor, Town of Mohawk Clerk, Village of Fonda
Nassau County	Assistant to Assessor, Nassau County Staff Member, County Office of Recreation and Parks
Oneida County	Clerk, Village of Boonville
Onondaga County	Assistant to Assessor, Town of Geddes
Ontario County	Assessor, Town of Canandaigua
Orange County	Assessor, City of Middletown Assessor, Town of Wallkill
Orleans County	Assessor, Town of Ridgeway
Oswego County	Assessor, Town of Sandy Creek
Otsego County	Assessor, Town of Morris
Rensselaer County	Assistant to Assessor, Town of Schaghticoke
St. Lawrence County	Assessor, Town of Gouverneur
Saratoga County	Clerk, Village of Ballston Spa
Schoharie County	Assessor, Town of Cobleskill

Seneca County	Assistant to Assessor, Town of Waterloo
Steuben County	Assessor, Town of Bath
Tioga County	Assessor, Town of Owego Clerk, Village of Owego
Tompkins County	County Director of Real Property Tax Services Clerk, Village of Trumansburg Supervising Principal, Trumansburg Central School District
Ulster County	Assessor, Town of New Paltz Staff Member, Ulster County Cooperative Extension Service
Washington County	Assessor, Town of Greenwich Clerk, Village of Greenwich
Wayne County	Assessor, Town of Palmyra
Wyoming County	Assistant to County Director of Real Property Tax Services
Yates County	Assessor, Town of Milo Assessor, Town of Starkey

APPENDIX C

Comments from Agricultural Societies

Afton Driving Park and
Agricultural Association, Inc.
P.O. Box 15, Afton, New York 13730



December 2, 1982

Ms. Sylvia Adams, Asst. Director
Real Property Tax Research
Division of Equalization & Assessment
Agency Building #4
Empire State Plaza
Albany, N.Y. 12223

RE: Your report on tax exempt Agricultural Societies

Dear Ms. Adams:

I have read, with interest, your recent draft report mentioned above. Unfortunately, classifying all sizes of agricultural societies in the same light is unfair to the smaller, financially struggling societies. I rather imagine that if your proposed changes in the law are implemented, that it will be the "death Knoll" for many of the smaller organizations. Since your report mentions many times the impact of the non taxable status of the societies real estate on the communities in which they operate, I feel that some things should be pointed out to you of which you may not be aware. The payroll generated by the six day agricultural fair which is sponsored by our organization each year is quite substantial for a community of this size. We also pay for all police services provided by the village during fair week. The benefits to local businesses brought on by an influx of "fair goers" can also be substantial. It should also be noted that local service clubs and the local fire company derive a large percentage of their yearly income from activities conducted during fair week. In our case, and I assume in the case of many small fairs, all officers and directors serve entirely without pay and volunteer hundreds of hours during the year to plan and implement the fair.

Overall it would appear to me that the State of New York is grasping at straws in its never ending quest for additional revenue. The overall impact of the non taxable status of a fairgrounds such as ours is negligible when looked at in the overall scheme of things. I find it hard to see what will be gained by forcing many of these societies to disband thus losing one more small piece of local color for their respective communities. In short, as you may have guessed by now, I strongly oppose the conclusions reached by your report and feel that this is just one more step towards bigger government and less personal initiative.

Yours truly,

Thomas C. Vail
Treasurer/ Afton Driving Park & Agricultural Society Inc.

TCV/mm



the BOONVILLE FAIR

BOONVILLE, NEW YORK 13309

C-3

November 26, 1982

Ms. Sylvia Adams
Assistant Director
Real Property Tax Research
Program Analysis & Development Unit
Division of Equalization and Assessment
Agency Building #4
Empire State Plaza
Albany, New York 12223

Dear Ms. Adams:

I talked with you by telephone earlier this week concerning your letter of November 16 and the matter of tax-exempt agricultural societies in New York State. You were kind enough to extend to me a deadline date of December 11 to file corrections or comments.

But after discussing your letter and the report with members of other fair associations and with our state agricultural society President, it has been concluded that we should ask for a deadline for filing our comments of late January or the first of February. This will allow the report to be discussed at the Annual State Association Meeting in Syracuse in the middle of January.

Each time that I read your report, I find more items that are incorrect and it would take considerable time to go into detail about all of these items.

The main criticism I wish to bring to your attention at this time is reference to our Oneida County Fair on page 54 in which you are listing events which use our fair ground properties. You are incorrect in that the Kiwanis Club Foundation, Inc. operates the ice skating rink in their own building and for which we receive no rent. The Girl Scout Encampment is free; the Polish Picnic is a project of the Boonville Area Chamber of Commerce, Inc. with minimal rent of \$100; the Woodsmen's Field Day is sponsored by the New York State Woodsmen's Field Day Association, Inc. and since wood is a major product of this area, we feel that this is not a non-exhibition event. Thus, our fair ground is used for six days in August for the fair and the one weekend for the Woodsmen's Field Day or a total of eight days. This hardly would constitute frequent

An Ideal Country Holiday



the BOONVILLE FAIR

BOONVILLE, NEW YORK 13309

Ms. Sylvia Adams
Page 2
November 26, 1982

use for "other non-exhibition use".

I hope that you will receive enough letters from fairs that an extension of time will be granted. After all, this special agricultural exemption has been on the law books for over 100 years.

Thank you very much.

Sincerely,

Newell F. Wagoner
President

NFW:mcf

cc: Thomas A. Martin
James H. Donovan
William Sears
Richard Ruggiero

An Ideal Country Holiday

BROOME COUNTY

FAIR

WHITNEY POINT 13862

September 20, 1982

Sylvia Adams, Assistant Director
 Real Property Tax Research
 Program Analysis and Development Unit
 Agency Building #4, Empire State Plaza
 Albany, New York 12223

Dear Ms. Adams:

I am in receipt of your department's recent study on the tax exempt status of Agricultural Societies of New York. I think your department should be commended for all of the hard work that went into this report of approximately eighty pages, few of which I could comprehend.

The gist of the matter being understood, I offer the following comments:

Without a doubt, some of the larger fairs are taking advantage of their tax exempt status and, if your report is entirely factual, all fairs stand guilty.

What I feel your report fails to explain is that most fairs need the little income they receive from "outside rentals" in order to survive from year to year. Our fair presently owes approximately \$43,000.00 with \$38,000.00 of this owed on our grandstand. We have four buildings that need replacing with no money to do so.

If our fair were put on the tax rolls it would create a severe financial hardship for us. It would also be difficult for the school that uses it for various events and for the organizations that use it at various times (most of them at no charge.)

It seems to me that the State of New York does not want to promote Agricultural Fairs which are as much a part of Americana as motherhood and mom's apple pie. Instead of finding ways to discourage us by cutting back on our premium money (as it did a few years ago) and working to get us on the tax rolls (as it has been doing right along) the State should try to help us survive for the enjoyment of future generations.

I would welcome the opportunity to discuss this in detail with a representative of your office.

Very truly yours,

Charles Franklin

Charles Franklin, Acting President
 Broome County Agricultural Society



Dutchess County Agricultural Society, Inc.

P. O. BOX 389 — RHINEBECK, NEW YORK 12572

(914) 876-4001

29 November 1982

State of New York
Division of Equalization and Assessment
Agency Building #4
Empire State Plaza
Albany, New York 12223

Attention: Mrs. Sylvia Adams, Assistant Director,
Real Property Tax Research
Program Analysis & Development Unit

Re: "Tax-Exempt Agricultural Societies in New York State:
A Special Class of Organizations Exempt from Real Property Taxation"

Dear Ms. Adams:

In response to your letter of November 16, 1982 to President Robert Flanigan, we respectfully request that any decisions made to publish the referred to report be suspended until late in January 1983 or early February. To substantiate our request we are making the following comments:

Page 10 There is no "bar" on these Fairgrounds
A restaurant serving drinks is in operation during the Northeast Crafts Fair and the Dutchess County Fair ONLY.

Page 22 The Dutchess County Agricultural Society pays all additional expenses incurred by the Village of Rhinebeck during any event. In addition to which a \$10.00 fee for each trailer temporarily parked on the fairgrounds is remitted to the Village. There is no local statute to establish this procedure. In addition donations are made to the local hospital, library, recreation projects, Chamber of Commerce, Boy Scouts, Girl Scouts and American Red Cross.

Page 26 If an admission tax were imposed by the Village it would have to apply to all activities in the Village, including Churches.

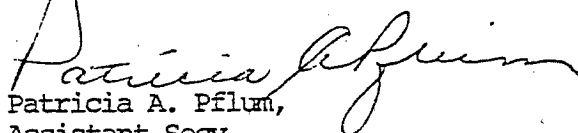
Page 26 If a sales tax was imposed it too would have to apply to all Village sales or could be challenged as discriminatory.

Page 46 Activities that are referred to as "swaps" do NOT take place, there is an Antique Auto Show, cattle and sheep sales as noted earlier in these comments no "bar" but a restaurant operated the same as any other concession during the Fair. No fees are charged for Agricultural events or activities nor are any fees charged to not for profit organizations, e.g. Mother's Club.

Page 75 According to the Chairman of the Board of Assessors there is no one with such a title as Assistant to the Assessors and the Board of Assessors did not provide this information.

We would appreciate a more accurate picture of the events that are conducted at the Dutchess County Fairgrounds. The majority of which are Agriculturally oriented.

Very truly yours,



Patricia A. Pflum,
Assistant Secy.

By Direction of the President

PAP:pob



C-8

Madison County Fair

BROOKFIELD, NEW YORK 13314

GLENN BACON, President
Brookfield (315) 899-5812

TERRI LARKIN, Vice President
Earlville (315) 691-3466

SHARON B. MAINE, Treasurer
Leonardsville (315) 855-7849

MARIE WIGGINS, Secretary
West Winfield (315) 822-6260

PEARL F. MERRILL
Assistant Secretary and Entry Clerk
Brookfield (315) 899-5828

November 22, 1982

State of New York
Div. of Equil. & Assessment
Albany, N.Y. 12223

Dear Ms. Adams:

In reply to the recent draft report review, we as a body, wish to make the following comments.

Even though termed a non-profit organization, the fair society quite naturally requires funds to ensure it's continuation. State monies fall way short of providing this for our County Fairs. Many small fairs such as ours, can not meet this need from fair proceeds alone. Our fair lasts 3 or 4 days but the cost of maintenance, overhead, improvements, paper work etc. continues for 365 days of the year. Much time and hard labor ms donated by us and other county residents, but many must be paid also. Depreciation occurs whether the buildings are in use or not but primarily when not in use for long periods of time. We feel the taxpayers have a right to use the buildings but it can't be entêrely donated to them since we pay for the upkeep.

Would New York State be able to or even want to foot the bill for the cost of operations for each and every one of the Agricultural Societies for each and every year? I doubt it. Some of the uses mentioned might be questionable i.e. bars, but most of the others in one way or another promote some side of agriculture or provide services to the public not otherwise available like a cheaper alternative to a building for wedding receptions, family gatherings, horse shows, tractor pulls etc.

As far as costing the county, because their is no tax collected, isn't the society supposed to be a public service in as far as learning experiences from exhibits, 4-H involvement, a place to show off accomplishments? Also consider the tourists and visitors it draws to a given area garnering income for the towns.

It would be impossible to hold a 186 day fair to comply with the primary use issue. Also, if, as you suggest, exemptions be granted to Societies who rent with the proviso it "does not exceed carrying, maintenance and depreciation costs of the portion leased", who decides what these costs are?

Charging sales tax for auctions or the like would seem like a feasible answer to that problem, but then again, who would enforce it?

Garden Clubs and Conservation Centers would seem to be agricultural in nature. They are vital components in today's society. A more urban approach to agriculture where awareness of protecting our resources and environment can not be met in other ways.

It seems you have a lot of unanswered questions and a certain lack of information, as you admit. We would raise this question? How much did this compilation cost the State (the taxpayer) to prepare? Will the end justify the means or will this be just another waste of the taxpayer's money and an attempt at putting a scare into the already floundering, most of us are you know, Agricultural Societies? We would suggest an investigation be made into known industries, realizing huge profits and not paying taxes, and the affluent nouveau riche citizen who have the money to find the loop-holes to avoid same; State or Federal.

Sincerely,

Marie Wiggins

Marie Wiggins, secretary
Madison Co. Ag. Society

cc to McCann

MONTGOMERY - FULTON COUNTY FAIR

Montgomery County Agricultural Society

Fonda, New York 12068

TYPED COPY

Nov. 18, 1982

Dear Ms. Adams,

A few comments on matters you may not have considered concerning non-exhibition use of fairgrounds. (These comments are pertinent to the Montgomery County Fairgrounds at Fonda and may not be valid for other facilities.)

1. The use of the Fairgrounds for stock car racing during the summer months brings many outside people to Fonda. These people spend considerable money in the area for food, beverages, motel rooms, etc. -- in this way aiding the local economy. Also all of these purchases (except food) bring sales tax money in -- a portion of which is remitted to the Village of Fonda and the Town of Mohawk.
2. Fonda (Mont. Co. Ag. Soc.) Fair receives no money from Montgomery County to help us maintain our grounds or for any purpose.
3. All money received by the Ag. Society from non-exhibition uses is used for up-keep and modernization of the Fairgrounds. Without this type of income, we could not maintain our grounds without looking elsewhere for added revenue, such as an admission price increase. Without additional revenues we could, conceivably, be forced to close our Fair or by raising admissions, to bring in added revenue, price the Fair out of the range of many people (especially families with several children) who are the very ones Fairs are held for.
4. Some events, such as the Octoberfest, held by the Fulton-Montgomery Masonic Charities, are used as money raisers for the organization's charitable and community service projects and the rental only covers our expenses for electricity, sewage, water and clean-up. I know of no other facility in the area where such events could be held.

5. We pay the Village of Fonda for services rendered -- namely village water and sewage facilities.
6. Without non-exhibition use thruout the summer, the Fairgrounds would probably not be mowed, etc. until shortly before Fair time and could become an eyesore to the Village of Fonda.

Yours truly,

Robert Johnson
President, Mont. Co. Ag. Society
R.D. #5
Amsterdam, N.Y. 12010

RECEIVED
DIVISION OF
EQUALIZATION & ASSESSMENT



NOV 30 1982

SENECA COUNTY

AGRICULTURAL SOCIETY



LEGAL SERVICES

P. O. Box 91

Waterloo, New York 13165

President

RAYMOND SCHAFFER
Waterloo, N.Y.

Vice President

LEROY POORMON
Waterloo, N.Y.

Secretary

RICHARD COMPO
Seneca Falls, N.Y.

Treasurer

ELLEN TEN EYCK
Waterloo, N.Y.

TYPED COPY

— DIRECTORS —

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ELLEN TEN EYCK
Waterloo

ERWIN TEN EYCK
Waterloo

DARRELL TRAVERS
Ovid

November 26, 1982

State Board of Equalization
and Assessment

Dear Sirs:

After reading this report I would like to know where you came up with the value of the fairgrounds? I don't think the man who appraised this property came up with any such value, but if you know anyone that is interested at these figures please let me know as the grounds would be for sale. If you do tax the fairgrounds it will mean the end of the fair at Seneca County. All we are running this fair for is the kids of the community to show what they have done during the year, mainly 4H and school kids. At the present time we are in debt to the tune of about Twelve Thousand Dollars. Also you mentioned the State gives us money for premiums. That money came this year about the first of July. That means with that money that we received, as we are in debt, we had to pay interest on this money from October 1st to July 1st at 19%. The State doesn't reimburse us for all the premiums. Also the judges, the ribbons, and so forth aren't reimbursed because the money doesn't go around, if you have any kind of a fair.

The electric for the fairgrounds is on a demand rate, which if we didn't shut off the electric after the fair it would cost us the same price the year around, as we ran into that situation this year by not cancelling right on the day, it cost us one thousand dollars for 3 kilowatt hours for that month. This fair is run by volunteer help. The president and treasurer who are chief working officers of the fair receive no money. Also we have to pay our own expense and some fair expenses. You mentioned the county reimburses us some money. The biggest share of that goes for insurance on buildings and insurance

which we have to pay year around on grounds and week of the fair extra. I think I have answered the questions as far as our fair goes, which were brought out in the report. Again I say if you know anyone interested in paying that value have them get in touch with me. If the fairgrounds are assessed this will be the end of giving the kids a positive avenue for their time and talent. Let this be on State Board of Equalization and Assessment's conscience instead of ours. Thank you for your time reading this letter.

Yours truly,

Herbert Marshall
President

P.S. If I can be any more help please let me know.

