

## **CHAPTER 4.1-45 STATE FAIR ASSOCIATION**

### **4.1-45-01. State fair association - North Dakota state fair.**

The North Dakota state fair association shall conduct an annual North Dakota state fair, including exhibition of the agricultural, stockbreeding, horticultural, mining, mechanical, industrial, and other products and resources of this state. The North Dakota state fair must be held at Minot, North Dakota, at a site to be selected by the state fair association. No other fair in the state may include in its name the words "state fair".

### **4.1-45-02. State fair association members.**

1. The state fair association membership must be selected in the following manner:
  - a. Three members must be chosen annually from each county, who are residents of the county. From each county, one member must be selected by the county fair board, one member selected by the board of county commissioners, and one member selected by the county agent. In a county in which there is no county fair board or county agent, or neither, the board of county commissioners shall select the members for which there is no other appointing authority under this subsection. A majority of the members must be selected under this subsection.
  - b. By a two-thirds vote of the board of directors, the directors may elect individuals as nonvoting honorary life members in recognition of eminent services in agriculture, horticulture, or associated arts and sciences; long and faithful service in the association; or benefits conferred upon the association.
2. The election and selection of members must be made and certified to the state fair association on or before each annual meeting. The term of each member, except honorary life members, begins at the opening of the annual meeting after being chosen under subsection 1 and continues until the opening of the succeeding annual meeting. Each member holds office until that member's successor is chosen and qualified. A member who is a director remains a member through that member's term of office as director. Any member may resign from membership by filing a written resignation with the secretary of the association but memberships are not transferable or assignable. By majority vote of all members of the board, the board of directors may suspend or expel a member for cause.

### **4.1-45-03. Meetings of the association - Time and place - Notice.**

1. The annual meeting of the state fair association must be held as provided in the bylaws of the association. The annual meeting must include election of directors and the transaction of other business of the association. If the election of directors is not held on the day designated for the annual meeting or at an adjournment of the annual meeting, the board of directors shall cause the election to be held at a special meeting as soon thereafter as convenient. The failure to hold the annual meeting at the designated time does not result in a forfeiture or dissolution of the association.
2. A special meeting may be held upon the call of the president or by order of the board of directors. The president shall call a special meeting upon request by ten percent or more of the association members.
3. The president or board of directors, whichever calls the meeting, may designate any place within the state as the place of an annual or special meeting.
4. At least ten but not more than fifty days before an association meeting, written or printed notice stating the place, day, and hour of any meeting of the association must be delivered to each member entitled to vote at the meeting, personally or by mail or by any form of digital communication directed with verification of receipt to a digital communication address at which the member has consented to receive notice. Delivery of notice must be done by, or at the direction of, the president or the secretary or the officers or persons calling the meeting. For a special meeting, or when required by law or the bylaws, the purpose for which the meeting is called must be stated in the

notice. If mailed, the notice of the meeting is deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the association with prepaid postage.

#### **4.1-45-04. Compensation and expenses of members.**

Each member of the board of directors is entitled to receive compensation in the amount of one hundred thirty-five dollars per day plus reimbursement of expenses as provided by law for state officers while attending meetings or performing duties directed by the board. The board of directors may pay to members rendering unusual or special services to the association special compensation appropriate to the value of the services.

#### **4.1-45-05. Board of directors - Terms.**

The affairs of the state fair association must be managed by its board of directors, which must consist of nine members unless otherwise provided in the association bylaws. A decrease in the number of directors may not affect the term of any incumbent director. Each director shall hold office for a term of three years, and until that director's successor has been elected and qualified. The terms of the directors must be staggered so three directors are elected annually. The directors must be members of the state fair association and residents of the state.

#### **4.1-45-06. Annual meeting of the board of directors - Special meetings - Notice.**

1. A regular annual meeting of the board of directors must be held immediately after and at the same place as the annual meeting of the association. Notice of the regular annual meeting of the board of directors must be included in the notice of the annual meeting of the state fair association. The board of directors may provide by resolution the time and place for the holding of additional regular meetings of the board without other notice than that resolution.
2. Special meetings of the board of directors may be called by the president or upon the written request of two of the directors. The president shall fix the time and place for the holding of any special meeting of the board of directors.
3. Notice of any special meeting of the board must be given to each director at least three days before the meeting by written notice delivered personally, sent by mail, or by any form of digital communication directed with verification of receipt to a digital communication address at which the director has consented to receive notice. Any director may waive notice of any meeting. The attendance of a director at any meeting constitutes a waiver of notice of that meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted, nor the purpose of any regular or special meeting of the board of directors, need be specified in the notice or waiver of notice of such meeting.

#### **4.1-45-07. Quorum of board of directors to transact business.**

A majority of the board of directors constitutes a quorum for the transaction of business at any meeting of the board. If less than a majority of the directors are present at a meeting, a majority of those present may adjourn the meeting from time to time without further notice. The act of a majority of the directors present at a meeting at which a quorum is present is the act of the board of directors unless the act of a greater number is required by law or by the bylaws. A director participating in a meeting through an electronic communication medium may be considered to be present at the meeting for purposes of this chapter.

#### **4.1-45-08. Vacancies and special compensation of board members.**

Any vacancy occurring on the board of directors must be filled by the board of directors for the unexpired term of the vacancy. The board of directors may contract for and pay directors rendering unusual or exceptional services to the association special compensation appropriate to the value of those services.

#### **4.1-45-09. Officers - Removal - Vacancies.**

The officers of the association must be a president, vice president, secretary, treasurer, and such other officers as may be created by the board of directors. An officer of the association shall perform the duties of the office as prescribed by law, the bylaws, or the board of directors. Any two or more offices may be held by the same individual except the offices of president and secretary. The president, vice president, secretary, and treasurer must be elected annually by the board of directors. Any office created by the board may be filled by appointment at any meeting of the board. Each elected officer holds office until that officer's successor has been duly elected and qualified. Any officer elected or appointed may be removed by the board. The removal of any officer is without prejudice to any contractual rights of the officer. Election or appointment of an officer or agent does not create contractual rights. A vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

#### **4.1-45-10. Officers - Duties.**

1. The president is the principal executive officer of the association and shall supervise and control the business and affairs of the association and preside at all meetings of the association and the board of directors. The president may sign, with the secretary or any other officer of the association authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments the board of directors has authorized to be executed, except when the signing is expressly delegated by the board of directors, the bylaws, or law to some other officer or agent of the association. The president shall perform all duties incident to the office of president and duties as may be prescribed by the board of directors.
2. In the absence, inability, or refusal to act of the president, the vice president shall perform the duties of the president and when so acting has all the power of and is subject to all the restrictions upon the president. If there is more than one vice president, the vice president elected or appointed earliest in time shall perform the duties of the president. A vice president shall perform such duties as assigned by the president or board of directors.
3. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of the treasurer's duties in a sum with that surety as determined by the board. The treasurer shall perform or supervise the performance of all the duties incident to the office of the treasurer and shall:
  - a. Keep accurate financial records for the association;
  - b. Deposit all money, drafts, and checks in the name of and to the credit of the association in the depositories designated by the board;
  - c. Endorse for deposit all notes, checks, and drafts received by the association as directed by the board, making proper vouchers;
  - d. Disburse association funds and issue checks and drafts in the name of the association, as directed by the board;
  - e. Give to the president and the board, when requested, an account of all transactions by the treasurer and of the financial condition of the association; and
  - f. Perform other duties assigned by the board or the president.
4. The secretary shall keep the minutes of the meetings of the board of directors; see that all notices are duly given in accordance with the bylaws or as required by law; be custodian of the association records; keep a register of the post-office address of each member as furnished to the secretary by the member; and, in general, perform or supervise the performance of all duties incident to the office of secretary and other duties as assigned by the president or by the board of directors.
5. Any other officers created by the board of directors may be required to give bonds for the faithful discharge of their duties in such sum and with such sureties as determined by the board of directors and shall perform duties assigned to them by the treasurer, secretary, president, or board of directors.

**4.1-45-11. Director's liability limited.**

The individual members of the board of directors of the state fair association are not liable for the negligence of any person, firm, corporation, or limited liability company staging any show, race, or other amusement at the state fair, nor for the negligence of any person employed by them.

**4.1-45-12. Bylaws, rules, and regulations.**

The state fair association may make all bylaws, rules, and regulations, not inconsistent with law, which it deems necessary or proper to carry out its responsibilities under this chapter and for the government of the state fair grounds, and for all activities on the state fair grounds, and for the protection, health, safety, and comfort of the public. The bylaws, rules, and regulations are in effect from the time of filing with the secretary of the association.

**4.1-45-13. Appointment of necessary employees.**

The president, or any other person delegated the authority by the board of directors, shall appoint and employ deputies and other subordinates; contractors, architects, builders, clerks, accountants, and other experts; and agents and servants as required to carry out the functions of the state fair association. Salaries and other compensation must be set by the president and board of directors and any expenses incurred in the performance of employment must be reimbursed in the same manner and for the same amounts as is provided for officials and employees of the state.

**4.1-45-14. State fair operating fund - Continuing appropriation.**

A special fund for the North Dakota state fair association to be known as the state fair operating fund must be maintained in the state treasury. All income, fees, rents, interest, and any other moneys, from any source derived by the state fair association, must be deposited in that fund for the use of the North Dakota state fair association. Moneys credited to the fund are appropriated as a standing appropriation for the purposes provided in this chapter. The fund is not subject to section 54-44.1-11.

**4.1-45-15. Organization under corporation laws - Real property transactions - Contracts.**

The state fair association has the rights, privileges, and liabilities of a corporation under the corporation laws of this state except as provided by this chapter. The association may purchase, hold, lease, exchange, trade, or sell real estate for the purpose of promoting and conducting a state fair. Real estate controlled by the state fair association may be leased, subleased, rented, or used for other than fair purposes when the property is not needed for fair purposes. The state fair association may contract in its own name, but as an agency of the state, and shall make all of its purchases under the purchasing laws of the state, except as exempted by the director of the office of management and budget.

**4.1-45-16. Name in which business conducted and titles taken - Execution of written instruments.**

All business of the association must be conducted under the name of "North Dakota state fair association". Title to property obtained in regard to the operation of the association must be obtained and conveyed in the name of the state of North Dakota, doing business as the North Dakota state fair association. Written instruments must be executed in the name of the state of North Dakota.

**4.1-45-17. Certified audit of state fair association.**

The state fair association shall submit annually to the governor and the legislative audit and fiscal review committee an audit report prepared by a certified public accountant based upon an audit of all records and accounts of the association.

**4.1-45-18. Attorney general to act as legal adviser.**

The attorney general shall appoint an assistant attorney general or a special assistant attorney general to provide legal assistance to the state fair association. The appointment is revocable at the pleasure of the attorney general. This section does not prohibit the state fair association from employing any other attorney to carry out the legal functions of the association or provide additional legal services, other than those provided through the office of the attorney general, necessary for the proper administration of the state fair association.

**4.1-45-19. Law enforcement - Arrangements with local law enforcement agencies.**

The state fair association shall make arrangements with local law enforcement agencies for the provision of law enforcement personnel. For the purpose of enforcing any state and local laws, rules, regulations, bylaws, and ordinances of the state fair association, negotiations may be entered with local law enforcement agencies for the use of law enforcement personnel or the deputizing of employees of the state fair association. The cost of providing law enforcement personnel is the responsibility of the state fair association, except in the case of law enforcement officials who are functioning in their normal capacity as agents of the state or its political subdivisions. Law enforcement personnel shall wear appropriate badges of office while acting as such.

**4.1-45-20. Service of process.**

In any action or proceeding upon a claim arising out of the conduct of the state fair, service of process may be made as provided in section 53-05-04.

**4.1-45-21. Regulation and licensing.**

The state fair association shall regulate all shows, exhibitions, performances, establishments, and privileges carried on during the state fair and ensure those enterprises are properly licensed according to local and state laws. The state fair association may license any enterprises not required to be licensed by state or local laws. The state fair association shall ensure that shows, exhibitions, performances, establishments, and exercise of fair privileges are conducted in compliance with all state and local laws and all rules and regulations of the state fair association.

**4.1-45-22. Nonliability of state for debts - Exception.**

The state is not liable for any of the debts or liabilities of the state fair association except as appropriations are made for that purpose by the legislative assembly.

**4.1-45-23. Annual report.**

The secretary or other officer charged with compiling an annual report of the proceedings of the state fair association and its financial condition for the preceding fiscal year by the annual meeting shall file a copy in the office of the agriculture commissioner. The commissioner shall include it, in whole or in part, in the commissioner's biennial report to the governor and the secretary of state.

**4.1-45-24. The Iverson grandstand.**

The grandstand constructed by the state fair association on the state fairgrounds during the 2009-11 biennium is designated the Iverson grandstand.