

Put more HORSEPOWER in Congress!

February 2020

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Congress Focuses on Trails Legislation

In addition to authorizing a study to quantify how much money non-highway recreation contributes to the Highway Trust Fund within the context of the 2020 spending law, Congress is now taking steps to double funding for the Recreation Trails Program (RTP). In February, Reps. Peter Welch (D-VT), John Curtis (R-UT), Angie Craig (D-MN), Annie Kuster (D-NH), Mike Simpson (R-ID) and Chris Stewart (R-UT) introduced the Recreational Trails Full Funding Act (HR 5797). The bill will increase RTP funding to \$250 million annually, up from \$84 million currently - or, alternatively, to the new estimated amount from the newly authorized DOT study. During meetings on Capitol Hill in mid-February, AHC and Back Country Horsemen of America (BCHA) met in the office of Senate Energy and Natural Resources Committee Chair Lisa Murkowski (R-AK), to discuss the possibility of drafting a "recreation package" that would bundle industry priorities, including the Restore Our Parks Act (S. 500), and the Simplifying Outdoor Access for Recreation (SOAR) Act (S. 1665). Staff confirmed that they are beginning to draft a "recreation package," similar to the "lands package" that passed in 2019. Senate staff did not offer a specific timeline for introduction and stated that it would be one of the few bipartisan measures that could pass during the 2020 election cycle.



House Panel Considers the Safeguard American Food Exports (SAFE) Act (H.R.961)

In early 2019, Reps. Jan Schakowsky (D-IL) and Vern Buchanan (R-FL) re-introduced the Safeguard American Food Exports (SAFE) Act of 2019 (H.R. 961) to prohibit the slaughter of horses in the U.S. and the export of horses for slaughter. The bill would make it illegal under the Federal Food, Drug, and Cosmetic Act to knowingly sell or transport horses or parts of horses in interstate or foreign commerce for purposes of human consumption. The legislation has so far gained 224 co-sponsors.

On January 29, the House Energy and Commerce Committee conducted a hearing on "improving safety and transparency in America's food and drugs," where panel members received testimony related to the bill. Although AHC has no formal position on this legislation, staff attended the hearing and will continue to monitor its progress on behalf of the membership.





AHC Crosses Paths with Hike The Hill Attendees

For over 20 years, Hike the Hill® has been a joint effort between the American Hiking Society and the Partnership for the National Trails System, bringing trail advocates from across the nation together in Washington, D.C. to urge Congress and agency leaders to protect and fund trails. The American Horse Council joins Back Country Horsemen of America (BCHA), a nation-wide organization that is committed to protecting the access of equestrians to public lands, in their support of this annual event and the collective efforts of public lands users in soliciting federal support and funding approval for trail and park maintenance, staffing and preservation.

During the 2020 Hike the Hill® event, both BCHA and AHC met with People for Bikes, which is an industry coalition of bicycling suppliers and retailers, to discuss what efforts need to be taken to educate policy makers and the general public specific to multi – use trails used by both horses and bikes. At the top of the agenda were conversations on the future of e-bikes. The Department of Interior Secretary David Bernhardt's non-legislative order in September of 2019 that reclassified e-bikes as non-motorized vehicles will undoubtedly have an impact on trails and trail users, and there was support for efforts to give more control to local public lands managers, who should have a stronger grasp of which trails are suitable and safe for the various modes of transportation by trail.

Additional educational materials will be developed and released through a collaborative effort between our groups to help promote healthy relations between our user groups and we hope to have these materials available in the near future.

If you have questions or comments concerning horse and bike interactions, please contact Cliff Williamson at cwilliamson@horsecouncil.org.

Congress Includes Horse Industry Priorities in Massive FY2020 Spending Bill

On December 19, Congress approved a \$1.4 trillion spending package to finance government operations through September 30, 2020. The appropriations law includes several provisions that will benefit the sector, ranging from support for Equine Assisted Therapy (EAT) programs to tax provisions that will provide investment certainty. Below is a summary of highlights from the law:

- **Department of Veterans Affairs (DVA)** Congress recommends that agency officials devote \$1.5 million for EAT, a funding level consistent with the FY2019 budget.
- **DVA**, **Adaptive Sports Program** The new law devotes substantial new resources to the Adaptive Sports Program an umbrella program covering EAT with a \$16 million appropriation. This is an increase from \$9 million for FY2019 and could potentially expand the pool of resources from which EAT facilities could draw.
- **Department of Homeland Security (DHS), H-2B Guest Worker Visas** The new law authorizes DHS to effectively double the number of H-2B guest worker visas issued in FY2020, which federal law currently caps at 66,000.
- Department of Transportation (DOT), Electronic Logging Device (ELD) The new law continues the ban on funding enforcement of the ELD mandate for livestock carriers.
- **DOT/ Recreation and Trails Program** Congress authorizes a study to quantify how much money non-highway recreation contributes to the Highway Trust Fund. The study will leverage efforts to dedicate more funds to maintain recreational trails.
- U.S. Department of Agriculture (USDA), Veterinary Medicine Loan Repayment
 The bill allocates \$8 million to support veterinary student debt relief.
- Extension of Certain Expiring Tax Provisions Consistent with ongoing industry advocacy, the new law applies three-year depreciation for racehorses two years old or younger placed in service before 2021. This credit expired at the end of 2017 and applies retroactively through 2020.
- Unrelated Business Income Tax (UBIT) The new law repeals the UBIT a tax applied to non-profit groups and associations for certain employee fringe benefits. Known as the "church tax," this was an unpopular provision included in the Tax Cuts and Jobs Act of 2017.

House Engergy and Commerce Committee Discusses Horseracing Integrity Act

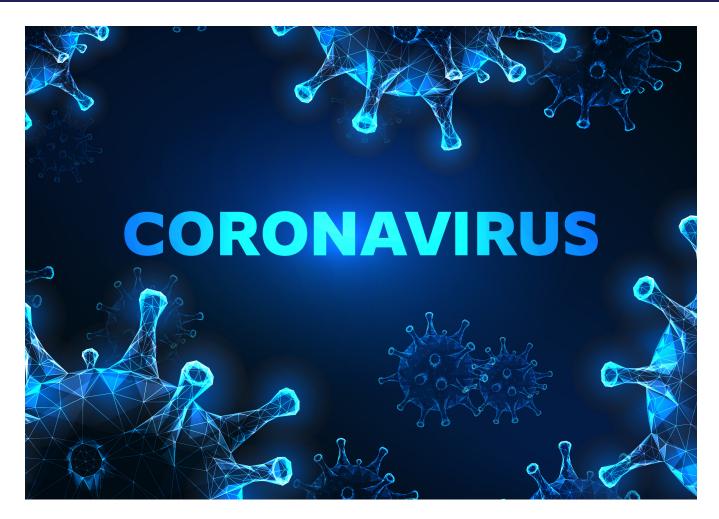
In March, Reps. Tonko (D-NY) and Barr (R-KY) reintroduced the Horseracing Integrity Act of 2019 (H.R. 1754). The bill would establish the Horseracing Anti-Doping and Medication Control Authority as an independent, private non-profit corporation with responsibility for developing and administering an anti-doping and medication control program for (1) Thoroughbred, Quarter, and Standardbred horses that participate in horse races; and (2) the personnel engaged in the care, training, or racing of such horses. In June, Sen. Kirsten Gillibrand (D-NY) introduced S. 1820, a companion measure in the Senate.

On January 28, the House Energy and Commerce Committee conducted a hearing on the bill and received testimony from a variety of witnesses. Although AHC has no formal position on this legislation, staff attended the hearing and will continue to monitor its progress on behalf of the membership.

Details: Bryan Brendle at bbrendle@horsecouncil.org.

EPA, Army Corps of Engineers Issue Long-Awaited "Navigable Waters Protection Rule"

On January 23, EPA unveiled a new definition for "waters of the United States" (WOTUS), a key definition related to the Clean Water Act (CWA) that identifies water bodies requiring a federal permit for agriculture and construction projects, among other activities. EPA promulgated the new rule following rescission of a similar rule implemented by the Obama Administration, which many farmers and ranchers claimed was an overreach of agency authority delegated by the CWA. Horse industry partners ranging from the American Farm Bureau Federation to the U.S. Chamber of Commerce applaud the new rule as a major step toward establishing regulatory certainty and clarity.



Regarding Coronavirus

"It remains to be established whether the newly found human coronavirus can infect other species. It's now known with respect to the two other important human coronaviruses (SARS-CoV and MERS-CoV) that each originated from bats, before jumping species and infecting the masked palm civet in the case of SARS-CoV and the camel in the case of MERS-CoV; the latter two species serve as intermediate hosts between bats and humans.

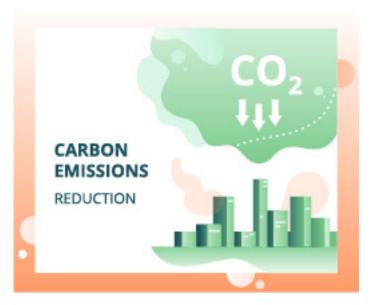
It's possible that the origin of the new human coronavirus may be similar. That said, current conjecture is also focusing on snakes (Chinese krait and Chinese cobra) sold at a local market in the Chinese city of Wuhan where the first cases were reported as a possible source of this virus infection for humans. Much remains to be done before we're likely to determine the new human coronavirus' origin."

From "The Horse" article https://thehorse.com/184201/in-the-news-coronavirus/

State legislation to be aware of:

- Private Certifications: Presently 50 state bills have been introduced in 24 states that would have far reaching implications on private certifications. Top priority states that the Professional Certification Coalition are targeting include AZ SB1142; MI HB4488 & SB40; MO SB647 & HB2141; OK SB651, SB1678; PA HB811, HB1477; RI 7359; TN SB1914; VA HB601 and WV HB2355, HB2875, SB 218 and SB 646.
- PA Government to Levy Tax on Membership Fees The Pennsylvania Department of Revenue (DOR) issued a sales and use tax ruling Jan. 31 clarifying that membership fees to join a professional association are taxable if the member receives tangible personal property in addition to non-taxable services in exchange for their dues payment. While the ruling acknowledges that a membership fee in and of itself is not taxable, it states that "if the membership fee includes the transfer of taxable tangible personal property, in addition to nontaxable services, the entire charge for the membership is subject to tax." Tangible personal property could include things like videos, books or other publications, apps and webinars or other goods digitally delivered, streamed or accessed. The ruling has drawn the attention of membership associations in Pennsylvania and at least one organization – the Pennsylvania Institute of Certified Public Accountants – has reached out to the Pennsylvania Department of Revenue for a meeting. Since issuing the ruling, the DOR has pulled the ruling off the department's website, but it's unclear if the department is rethinking the ruling. Letter rulings from the DOR are not subject to a public review process before publication, and are intended as clarifying interpretations of existing tax law in the state. This ruling is also concerning for national 501(c)(6) associations that may have members in Pennsylvania as it's unclear if these groups would have to pay state sales tax on tangible property received by members in the state. ASAE is also concerned about the precedent this ruling would set for other states.
- Taxes in Stall Rent In New Jersey, we are having to pay taxes on stall rent.
 We had two bills supporting to abolish this law from 2006 and they passed the Senate and the Assembly, but was pocket vetoed by our governor. Maggi Romano

Cap & Trade - In Oregon the hottest bill right now is Cap & Trade. If passed, Cap and Trade would restrict the amount of carbon large-scale industrial emitters could produce (the "cap" component) to 25,000 metric tons of carbon dioxide equivalent. Businesses that emit amounts under the cap would be able to sell carbon credits to those who emit more (the "trade" component). Over time, the credits available would decline, forcing producers



across the state to reduce their emissions by 80% by 2050. This would harm many small construction, trucking, and logging companies who rely on older, more affordable equipment. If SB1530 passes, the cost of hay alone will force many out of the horse business and ownership. Anything hauled on a truck (tack, feed, etc.) will also go up and our already expensive horse industry will become outside of many people's budgets. – Brandi Ebner

YOUR ADVERTISEMENT COULD BE HERE!

If you would like to advertise in the AHC Newsletter, please contact Julie Broadway at: jbroadway@horsecouncil.org

- The passage of the NC Farm Act of 2017. This bill included three major sections for horse owners including changes related to the impoundment of equines, further clarification of income sources eligible for Present Use Value taxation and clarification of exemptions from the state building code for equine therapeutic riding facilities.
 - First, the statute was expanded to give boarding facilities and others who are custodians of horses certain rights in the event the horse's owner is not known or fails to pay the custodian for goods or services provided to the horse. In summary, North Carolina General Statute §68-17 has been amended to provide that custodians of livestock (including equines) are able to sell, transfer or humanely dispose of livestock abandoned at the custodian's facility for more than two months without boarding fees being paid PROVIDED that (a) the custodian has given the livestock's owner advance written notice of the stable's rights under this statute; AND (b) the custodian has made reasonable attempts to collect any past-due fees during the two-month period.
 - Advance written notice could be in the form of (i) posting a sign conspicuously in the custodian's facility which contains the notice language required by the new law; and/or, even better, (ii) incorporating the notice language required by the new law into a boarding agreement or disclosure signed by the owner. There may be other ways to comply, but these two methods seem to be the most obvious and easy to implement.
 - Second, the statute was expanded to further clarify what income
 can be used to qualify for Present Use Value taxation. Many horse
 farms were being denied present use value based on not meeting
 the \$1000 required income. Income from boarding and training fees
 were not acceptable under the current law. The new clarification offers an additional source of eligible income from a grazing fee. All
 boarding fees should include an identifiable grazing fee to be eligible under this new clarification. Exert from full text:
 - The third amendment impacting horses was to define therapeutic equine facilities and to clarify that certain farm buildings related to their facility were indeed exempt from the state building code

• The NC Farm Act of 2019: This bill includes language which will clarify that equine activities are indeed agritourism and exempt our equine farms from purchasing special use permits to hold events. The Farm Act of 2019 is a large Bill with many sections and is currently being heard in the short session of 2020. We hope to have positive results this year.

These pieces of legislation were the direct result of input from horse owners across the state and promoted and successfully passed due to the work of the North Carolina Horse Council – Sue Gray

- Pennsylvania Race Horse Development Trust Fund Pennsylvania's Governor Tom Wolf, recently, proposed cutting more than 80% of the Pennsylvania Race Horse Development Trust Fund, a move Pennsylvania Horse Breeders Association executive director Brian Sanfratello said would cost the state thousands of jobs and more than \$1.6 billion in economic impact. Wolf made the proposal to take \$200 million annually from horse racing purses and breeders awards in the Race Horse Development Trust Fund derived from a percentage of slot machine revenue and create a scholarship fund so Pennsylvania students can attend state universities. The proposal was made in his budget address to a joint session of the House and Senate in the state capitol in Harrisburg. Wolf's proposal, which would require legislative approval, is for the next fiscal year, which begins on July 1. Sanfratello said Wolf's proposed \$200 million cut represents more than 80% of the development fund that raises about \$240 million annually. Of that \$240 million, \$18 million goes to breeders' awards, Sanfratello said, with the balance to purse revenue Ann Swinker
- Race Horse Development Trust Fund In NJ we are keeping an eye on
 what's happening in PA. We received an appropriation from the Jersey legislature to better our racing and breeding product. We have to hand in stats every
 6 months and hope we can proof that the money is well spent otherwise it
 could not be allotted for the rest of the 5 years. Maggi Romano
- Rodeo Bill NY City Assembly members have introduced Assembly Bill #A08554 – Rodeo Bill. This bill intends to severely reduce or eliminate actions associated with rodeos. In addition, some animal rights groups are trying to achieve a boycott of the NYC Madison Square Garden pro-rodeo held this summer. At present there is no proposed similar legislation in the NYS Senate and until that happens this Bill cannot progress very far. – Stephen Ropel

• California Enacts AB5, Expands Definition of "Employee" - In September 2019, the state of California enacted Assembly Bill (AB) 5, expanding the definition of "employee" and dramatically increasing burdens on the broader business community. Any California business, large or small, that relies on independent contractors can potentially assume increased costs associated with employee benefits as a result of the new law, which took effect in January. Recent controversy surrounding the status of drivers for Uber and Lyft - whom the rideshare companies classify as independent contractors - has driven enactment of AB5. According to a California-based tax and labor law expert, however, AB5 is especially impacting entertainment companies and has the potential to burden the horse industry. The Professional Certification Coalition and AHC are monitoring implementation of AB5 and will keep members informed of its impacts.



VA Adaptive Sports Grant Program

Applications are open NOW through March 17 @8 p.m. EST for the VA Adaptive Sports Grant Program. Full details are in the Notice of Funding Availability available on our webpage: https://www.blogs.va.gov/nvspse/grant-program/ on the "Apply" tab.

VA awards grants to qualifying organizations to plan, develop, manage, and implement programs to provide adaptive sports, provide training, and other opportunities for Veterans and members of the Armed Forces. With the use of these grants, VA is helping community organizations promote community reintegration through sports. Eligible activities range from traditional and Paralympic sports to non-traditional outdoor recreational activities such as hiking, fishing, and adventure sports.



Equine Genetics and Genomics Labratory

The Equine Genetics and Genomics Laboratory at the University of Minnesota is conducting a study using 3,000+ horses to study the genetic mechanisms behind different muscle disorders in horses and how diet and exercise may impact these disorders. The results of this study will provide veterinarians, researchers, and horse owners with information on genetic and management factors that influence muscle disease and aid in developing treatment strategies for muscle disease in individual horses. To make this study happen, we need help from the owners of horses affected by muscle disease.

To contribute to this important effort owners will need to:

- 1. Provide information in our survey for a horse on your property with suspected or diagnosed muscle disease.
- 2. Provide the same information in the same survey for another horse of similar age and breed on your property without suspected or diagnosed muscle disease.
- Upload photos, videos, blood test results with creatine kinase (CK) and aspartate transaminase (AST) values, muscle biopsy results, and genetic testing results for each horse from the survey to our secure file-receiving folder on Dropbox.
- 4. Mail-in hay, grain, supplement, and hair root or blood samples for each horse from the survey to our laboratory.

For more information about the study, FAQs, and detailed instructions about how to participate, please visit our <u>website</u>.

Krishona Martinson, PhD
Professor | Equine Extension Specialist | Extension Livestock Program Leader
Department of Animal Science | University of Minnesota
1364 Eckles Avenue | St. Paul, MN 55108

AHC Annual Award Nominations Now Being Accepted

Van Ness Award

The recipient of the Van Ness Award must fulfill at least one of the following criteria:

- Successfully worked to pass legislation that had a beneficial and significant impact on the horse industry in his/her state;
- Developed programs through state government or state agencies that promoted and represented the interests of all horse people in the state;
- Increased awareness, generated interest, and raised the visibility of the horse industry through educational programs and related events

Hickey Award

The recipient of the Hickey Award must meet the following criteria:

- Exhibited a history of service and leadership to the industry and AHC.
- · Made a lasting impact on AHC and the industry.
- Given willingly of their time and expertise with the simple goal of improving the industry.

Nominations are due April 1, 2020





Save the date for one of the most informative conferences you'll attend all year!

American Horse Council's National Issues Forum June 7-10th Le Meridien Hotel -Downtown Denver, CO

(Washington, DC) - The American Horse Council (AHC) is known for convening the equine industry's visionaries and leaders in an intimate three days of informative and innovative discussion on some of the most relevant challenges and initiatives facing the industry.

Attendees get to network with industry leadership and participate in discussions that help shape the industry and optimize existing and emerging legislative and regulatory issues

Tentative speakers include:

- Dr. Tony Franks, Chancellor of Colorado State University
- David Fuscus, President/CEO Xenophon Strategies, Inc.
- Paul Andrews, CEO National Western Complex
- Leslie Janecka, Kentucky Equine Management Internship
- Jen Rotyz Thoroughbred Racehorse Project
- Todd Gralla, Director of Equestrian Services, Populous
- Amy Showalter CEO Showalter Group
- plus many, many more....

American Horse Council's National Issues Forum June 7-10th Le Meridien Hotel -Downtown Denver, CO

AHC will also honor industry brightest leaders with the presentation of the Van Ness Award, Rolapp Award and the Hickey Award.

Registration will open on or around April 1, 2020 on the AHC website www. horsecouncil.org

Hotel reservation are being accepted until May 18th at 303-893-1888, use Group Code "AHC".

Sponsorships are also available for the AHC's National Issues Forum. This is the only meeting where every segment of the equine industry gets together to discuss issues of importance, to not only their respective fields, but to the industry as a whole. As such, your sponsorship dollars will be ensuring you receive outreach to every segment of the industry.

Contact AHC President at <u>jbroadway@horsecouncil.org</u> for more information.





Time To Ride® Now Accepting 2020 Applications: Grow Your Lesson Program As A Time To Ride Program Facility



Washington, DC – Following a highly successful pilot program in 2019, Time To Ride® is now accepting applications for 2020 Time To Ride Program Facilities. An initiative of the American Horse Council (AHC) Marketing Alliance, Time To Ride's purpose is to introduce school-age children to horseback riding and horse care in a safe, welcoming environment by helping approved facilities

gain new students with marketing-related support.

One pilot program participant said, "We used our Time To Ride Program Facility status to reach an entire school district and become part of their physical education program." In 2019, Time To Ride Program Facilities acquired an average of 9 beginner riders, with one facility gaining 35 new lesson students!

Time To Ride Program Manager Molly O'Brien said, "We're very excited about the success of the pilot program. The participants were very willing to share ideas and suggestions, and we're implementing some of those for this year, including a recommended curriculum that's being incorporated into the marketing materials."

O'Brien continued, "In addition, we're working with one of the Marketing Alliance members to develop a digital marketing campaign for each facility that would be created, implemented and managed for free. We're hoping to implement this program over the summer."

Continued...

Equine facilities and instructors must meet specific requirements to be considered for Time To Ride Program Facility approval. All instructors must either hold a current professional membership with one or more national breed or discipline associations, be certified as an instructor through a recognized program such as Certified Horsemanship Association or licensed as a riding instructor in the state in which they teach.

Barns and instructors meeting the program's standards are designated Time To Ride Program Facilities and provided with marketing tools, techniques and assistance to help in reaching out to their local schools, youth groups, recreational departments and similar organizations.

Time To Ride Program Facilities also receive free or discounted products and services from Marketing Alliance member companies and organizations, including a free or discounted Professional Membership from United States Pony Clubs, a free Fan Membership from US Equestrian, a coupon for a free bag of Purina horse feed, discounts on purchases from Certified Horsemanship Association, Spalding Laboratories, Troxel Helmets, Weaver Leather and more.

To learn more about Time To Ride, review the requirements and apply, <u>visit www.timetoride.org.</u>

For more information contact Molly O'Brien, Time To Ride Program Manager: ttr@horsecouncil.org; 202-891-7971



United Horse Coalition Update

Phase 1 of the UHC Resource Database has reached completion and we are now forging ahead with Phase 2. We are excited to see this massive project take flight!



Phase 2 includes a questionnaire regarding safety net programs that organizations may be able to provide to assist

at-risk horses and those in transition. We will be reaching out to over 1,000 non-profits, rescues and sanctuaries, as well as industry organizations in the coming weeks to complete this brief questionnaire. The results will help us to compile a massive list of all known resources available to help these horses Nationwide. It will be compiled in a manner in which owners in need can utilize the UHC searchable database to access whatever resources they are in need of.

As always, I am happy to hear any questions, comments or suggestions at uhc@ horsecouncil.org. - Ashley Harkins

Equine Welfare Data Collective Update

A hearty **CONGRATULATIONS** to our 6 UHC members for winning the EWDC Participation Raffle!

- Refuge Farms, Inc
- Grune Heidi Farm Rescue
- Wildhorse Ranch Rescue
- · Equine Rescue and Adoption Foundation ERAF
- Wild Horse Rescue Center
- · Randy's Rescue NFP

We had such a great response, and we are so thankful for all of you that participated. Our 6 winners will be sent a microchip scanner and 10 chips!

Keep an eye out for future opportunities, and as always, you can learn more about the EWDC at www.United-HorseCoalition.org!



For more information, contact Emily Stearns at EWDC@horsecouncil.org





YOUR UNIFIED VOICE IN WASHINGTON Securing the future of the Equine Industry today!

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