

House Agriculture Committee Testimony 3-10-25

Bill H-273

Suggested Updates to H-273

Hello, my name is Mindy Hinsdale, I'm here on behalf of the VT Horse Council Equine Industry Committee.

I would like to address the H-273 Bill that was recently introduced by Legislator Greg Burt, thank you Legislator Burt for sponsoring this Bill!

We aren't sure if this is the appropriate time to ask for more specific language or if that can be done in the future. Our main concern at this point is to get this bill moved forward. I'd like to make a few suggestions that can be taken into consideration now or when the bill moves further in the process:

- 1) We would like to ask that you strike any reference to Regulation 1.175-3 IRS Code of 1986 as used in the present Current Use Statute. This IRS Regulation references a "farmer" as someone who makes 50% or more of their income from the activities of farming. Since you are asking to lower the percentage of household income derived from farming, (50%-25%) it makes sense to eliminate this part of the definition currently used in the Use Value/Current Use Statute. This IRS Regulation is also used to disqualify several forms of equine income. With how things are going in the federal government these days, I urge you not to rely on any Federal regulations, but solely on what works for the State of Vermont and are voted on by the VT Legislature!
- 2) We would like to see more specific language used in H-273 as it references the allowed agricultural practices for equines, which then translates into income from those agricultural practices. Currently H-273 expands the definition of a 'farmer' under the Use Value Appraisal/Current Use Program as, "someone earning at least 25% of their income from raising, feeding, or managing equines." This language is too vague and allows for too many interpretations. As I have testified previously, based on what is involved with raising, feeding and managing equines this language would mean the following sources of income would be considered: Boarding, Lessons, Training, Leasing, Sales, etc. But, without this specific language the statute could be misinterpreted. In a memorandum recently put out by Laua Herrmann of the Vermont Law School Lara concludes: "H.0273 aligns with Vermont's existing recognition that equine related activities fall under the definition of "farming." Given that the VT state

statute 10 V.S.A section 6001 (22)(G) explicitly includes boarding, training, and lessons as part of “the raising, feeding, or management of equines,” it is reasonable to conclude that the bill’s language would encompass income derived from these activities. However, because H.0273 does not explicitly list these activities, legislative clarification, such as incorporating the full language from 10 V.S.A section 6001 (22)(G), may be beneficial to ensure consistency and avoid ambiguity in applying the Use Value Appraisal/Current Use Program.” To review, the complete language in 10 V.S.A. section 6001 (22)(G) states: “‘Farming’ means the raising, feeding, or management of 4 or more equines owned or boarded by the farmer, including training, showing, and providing instruction and lessons in riding, training, and the management of equines.” Quite honestly, there needs to be other sources of income specifically included as well, such as: Sales (as breeding has always been accepted in Current Use) and Leasing. We can see an argument for eliminating ‘showing’ in this statute, but there is also an argument to include showing as well as trail riding: In a recent email discussion with Nicole Killoran from the Vermont Law School, Nicole pointed out “the Legislature’s recent approval of ag-adjacent activities and subsidy of those activities as Accessory On Farm Businesses/AOFB. They (meaning the Legislature) can also define farming expansively to include horse businesses that are engaging in ag-adjacent activities.” These ag-adjacent activities are what encompass Agri-Tourism activities, i.e. horse showing and trail riding. We feel these additional equine activities should only count toward an equine farmer’s gross annual income if these activities are conducted by VT equine farming business. For example, not an out of state group that comes to VT and sets up to hold a horse show for 6 weeks, but only for equine farmers who run their business in VT and need to run some horse events to make their business model work. We urge you to consider these vitally important streams of income to horse farmers and specifically include them in H.273.

- 3) As we have stated consistently throughout our testimony, we are interested in helping the hard-working equine farmer who is a full-time farmer, not the backyard horse hobbyist. Our main objective is to have legitimate horse farms treated equally to other farming operations in Vermont. We want to be sure that the percentage of income required for a horse farmer to be fully included in the Current Use Program is defined in a way that doesn’t allow hobbyist to be included. The sources of income used in the definition to make the percentage calculations are vital to this determination. If you incorporate the sources of income we have suggested: Boarding, Lessons, Training, Sales, Leasing, Trail Riding, and Events in the Current Use definition, at 25% or even the current 50%, this would allow the full time farmer who is truly running a full-time equine business to qualify.

I urge you to pass this bill, H273, through to the next level and allow us the time and opportunity to fine tune the cost of the equine portion of this bill. It will also give you the opportunity to consider these suggested edits to better define the needs of the horse industry in VT.

Keeping this bill alive will do the following: 1) will determine a more accurate cost to the state, 2) stop the rapid loss of equine businesses in the state, 3) get equine businesses thriving again so they can continue to pump in money to the VT economy, and finally 4) this is the right thing to do..... to recognize equine businesses as fully agricultural and allow them to become partners with Vermont, working to keep land open now and for the future!