

Current Use Testimony 2/20/25

Senate Agriculture Committee

Intro: My name is Mindy Hinsdale, I am a 7th generation Vermonter, grew up in Charlotte, attended CVU and graduated from UVM. I owned and operated Steeple Ridge Farm, a horse farm first in Ferrisburgh, then in Charlotte for 35 years. I sold the farm 8 years ago and am now a small business owner. I am a long-time member of Vermont Farm Bureau and am currently serving as the Chittenden County Vice President. I am also on the board of the VHJA, where I was President for many years, the GMHA board, as well as active member of the VHC where I am on the Equine Industry Committee. After selling my beloved horse farm you would think I would have retired from the horse industry, but to the contrary, I have remained very active in the Vermont horse community and have been an advocate for the horse industry for many years as a volunteer.

I am very grateful to be able to speak with you today on behalf of the VT Horse Industry.

In the 35 years I owned and operated Steeple Ridge Farm, I was a full-time farmer making 80 – 100% of my income from working the horse farm. There were a few years when I supplemented my income with a part time school teaching position.

I'd like to share with you my background as a horse farmer:

In the 35 years I was a horse farmer I renovated two farms, one dairy and the other a replacement heifer and hay farm. The first farm I purchased and renovated was a run down 200 acre dairy farm in Ferrisburgh. The dairy barn was repurposed to horse stalls, the milking parlor became the tack room, and we used the same manure removal system that was already in place. Along with boarding, lessons, camps, and horse shows, we also raised hay, for our own needs and to sell to others. We made well over 50% of our income from the farm, but as soon as the cows walked out of the barn and the horses walked in, we were taxed at a higher rate as the buildings could no longer be included in Current Use.

In 1996, my circumstances changed, and I needed to downsize. The only way I could afford to purchase another farm was to do another farm renovation. I purchased a 32 acre heifer replacement and hay farm, and moved Steeple Ridge Farm to Charlotte. Later I purchased an adjoining 8 acre parcel for a total of 40 acres, a perfect size for my needs. It was the same situation, when the cows moved out and my horses moved in, I paid higher taxes than the farmer I purchased the farm from. I renovated the heifer barn to house 24 horses, then, several years later, added a 16 stall barn with an attached indoor. The farm became highly successful, so much so that I had several offers over the years from people who wanted to purchase it, but I had NO intention of ever selling my precious farm. But, as the years went by and taxes, insurance, and worker's compensation went up, it was becoming increasingly difficult to make a living from the farm. When I was approached in 2016 by

someone who wanted to purchase my farm, sadly, I sold it. Both farms I renovated from cow farms to horse farms are still operating as horse farms today and keeping the precious land open. Both farms, whose barns were once occupied by cows, and enrolled in the Current Use Program, provided the farmers with the privilege of not paying property taxes on the barns. When I converted the barns for horses, even though I kept the farms enrolled in the Current Use Program, all the barns were taxed.

I'd like to talk about some of the reasons I feel horse farms and horse farmers have not been fully accepted into the Current Use Program:

- 1) **Perception:** One thing that horse farmers face that other types of farmers do not, is the stigma that all horse owners, therefore all horse FARM owners, are wealthy. It is a fact that some horse owners are wealthy, I had some wealthy horse owners boarding their horses at my farm. But the reality is that most horse farm owners who are making their living with horses are not wealthy. They are hard working farmers with the same ethics about animal and land husbandry and are doing it because they love farming as a way of life. Horse Farms are keeping the land open with horses dotting the countryside, following the same best Ag practices, such as manure storage and removal, fertilizing schedules, field drainage, etc., as other VT farmers. We aren't asking to help the hobby horse owner who has a couple horses in their back yard, or the wealthy doctor who has an indoor arena, but the horse farmer who makes at least 50% of their income from their working horse farm, using their land for pastures, paddocks, hay production, and exercising the horses. For the 35 years I owned Steeple Ridge Farm I considered myself a true Vermont farmer and am very proud of my role in the VT farming industry. I'm proud of how I converted two cow farms into horse farms and that they continue to be successful horse farms, keeping the land open now and for years to come. I raised my two daughters and put them through college. Horse Farming can do this for a family in VT, but in today's economy, those farming families need help! Please understand that I was NOT a wealthy person playing at horses, I was a struggling, hard working farmer who made my living on my horse farm.
- 2) **Lack of Understanding of what is involved in taking care of horses:** It has occurred to me that one of the reasons horse farms have been excluded from the full tax benefit Current Use offers as well as sales tax exemptions on certain farm goods, is a misunderstanding and/or lack of knowledge about how horses are cared for.

Horses are livestock that need to be cared for daily; fed 3-4 times per day, stalls and run-in sheds cleaned, horses turned out if live inside, hooves picked every day, and exercised 4-6 times per week, especially if in a training program. Turn out in the summer months can be tricky for some horses and ponies who cannot eat fresh green grass due to hormone issues, so need to be turned out in dry lot paddocks, much like cows who go out on cement pads to get fresh air and sunshine. Most horses can go out in larger fields full of lush green grass. Horse farms need enough turn out spaces so pastures can be rotated in order to

limit worm infestation and to allow grass to regrow for rotational grazing. Horse farms need safe spaces to exercise the horses, give lessons, run events, and turn out horses on bad weather days. These spaces are outdoor and indoor riding arenas. And, of course, we need barns to house and care for the horses. All of this infrastructure requires acreage which is why many horse farms meet the 25 acre minimum and are often larger if hayfields are part of the farm. I have learned of several horse farms that have recently been contacted by the Current Use Office identifying pieces of their property that may be ineligible for the Current Use Program. Town Listers are then asked to go inspect the property to see if there is any acreage that can be deemed ineligible for the Current Use Program. I have been disheartened to learn that horse pasture space is being taken out, farm roads are being taken out, outdoor riding arenas are being taken out and these parcels are being put back into acreage that gets the full development value placed on it, as if it was a stand-alone parcel you could sell to be developed. In some cases, it makes a farm not able to meet the 25-acre minimum any more. These outdoor spaces are vitally important for the care of the horses. The farmers are not going to build a house in their horse pastures or outdoor ring. I don't understand why this is happening. All of my farm acreage, including the pastures, paddocks, farm road, and outdoor ring, minus the 2 acre homestead, was taxed at the Current Use rate. As I have shared, none of my buildings were allowed to be exempt from property taxes in the same way other farmers have this exemption. Buildings are taxed on square footage and the square footage of barns that house horses, especially if in a repurposed dairy barn, are quite large.

- 3) **Breeding Qualifies, but it doesn't work for Horse Farmers:** The one category that allows horse farm buildings to be included in Current Use is horse breeding. I understand the argument that horse farms aren't producing food, but neither are flower farms or sheep farms that just produce wool. Allowing only horse breeding farms to be fully accepted in the Current Use Program doesn't make sense to me. I understand that having a replacement heifer operation makes sense. The turn around to cash flow for cow breeding operations is much quicker than for horse breeding operations. A dairy cow can be bred as early as 2 years old, then starts producing milk. A heifer replacement farm can sell calves to farmers who need them shortly after they are born. The earliest horses can be bred is 3 years old. Most are older. Then, to make money from the breeding operation, the foals need to grow up and be trained. You shouldn't start riding a horse or pony until they are at least 3 years old. Many are still too immature to start at that age. Training is a long process and a lot of money is put into the animal with feed, care, vet and farrier bills, etc. So the turn around to profit time is much longer and more complicated for horses. It makes more sense for horse farms to purchase young horses when they are 4 – 5 years old and then finish their training. My point is a horse farmer cannot be exclusively in the breeding business and make at least 51% of their income from the breeding portion of their business. That business must teach lessons, board horses, do summer camps, etc. So making breeding the only requirement for horse farm buildings to be considered Ag buildings and be treated the same as other Ag businesses under the Current Use Program isn't realistic. The definition used in the

Current Use Program needs be expanded to include the 'raising' of horses. In all the other VT definitions of agriculture it is understood that raising horses includes boarding, training, and lessons as they are an integral part of horse care and the financial success of the business. A successful business plan for a horse farm is much different from a successful business plan for a dairy farm or heifer replacement farm.

- 4) **Equality of Taxation:** Buildings are taxed according to their square footage and barns that house horses, and used for training horses, especially if a repurposed dairy barn, are many square feet. How does Vermont handle unequal and often over taxation of agricultural buildings? One of the problems is taxing on square footage, and many of these structures are being taxed at commercial rates. Indoor arenas and horse barns are a lot of square feet! A small indoor arena, 60 x 120, is 7,200 square feet; My indoor arena was 72 x 176, 12,672 square feet. The largest indoor arena I know of in VT is in New Haven and is 100 x 200 foot arena...you can do the math on that one! Many buildings, including equine buildings, are considered single purpose structures; if you don't use an indoor arena for riding lessons, then what do you use it for, storage? Which isn't allowed in some towns and certainly not if the land is in Current Use or part of the VT Land Trust. Prior to 1978, Ag buildings were considered business inventory and taxed, so, Legislator Bobby Starr came up with the idea that Ag buildings were farm equipment inventory, so not to tax them. This was to encourage farming. Bobby Star's motto was, "Don't kill farmers with property taxes." The Equine Industry is now facing the same problems the dairy industry was facing back in the 70's. Horse farms are declining at a rapid rate. It would be nice if horse facilities weren't taxed for more than they are worth, but taxing on square footage tends to make that happen. And frankly, these buildings shouldn't be taxes at all.

When I went to the Town Clerk's office to get a permit to build my indoor arena I was told I didn't need a permit because it was for an Agricultural building. I couldn't believe it! I asked for that decision to be in writing! Yet, as soon as the agricultural building was completed it didn't qualify as an Ag building for Current Use purposes.

I believe that horses are the last livestock animal in our state that can help keep significant tracts of land open as well as keep the scenic viewscapes we cherish. Horses need large areas to graze and be turned out. Horses need large areas to be exercised, both indoors and outdoors. Horses need hay baled in square bales, either put up on the farm they live on or purchased from another local farmer. Horses are eating grain produced by local farmers. All of these needs support the purposes outlined for the Current Use Program, (which Heidi will touch on in her testimony).

So, what is standing in the way of horse farms being treated equally with other types of farms to receive fair taxation through the Current Use Program? The answer....The definition of Agriculture used by Current Use.

With the help of the Vermont Law and Graduate School, we have learned that there are at least 15 different definitions of Agriculture in our state statutes. What we have discovered is that people who run equine businesses, earning at least 51% of their gross income from equine business activities are considered farmers and their properties are considered farms in all but one definition....Current Use. All horse farmers in Vermont are required to meet all the RAP requirements. We are farmers when it comes to water quality issues, manure management, etc.

We have sent the Memorandum put out by the Vermont Law School to you to be filed with our testimony that has the results of their research on Vermont Statutes Relevant to Equine Businesses.

The Vermont Law School Summarizes their findings this way:

Equine businesses may generally constitute farming in two ways. First, the raising, feeding, or management of equines constitutes farming under 10 VSA section 6001(22)(B), (32). Second, the raising, feeding, or management of four or more equines the farmer owns or boards, "including training, showing, and providing instruction and lessons in riding, training, and the management of equines" constitutes farming under 10 VSA section 6001(22)(G).

Exceptions are notable. Vermont Current Use statutes (32 VSA Sections 3750-3777) exclude many forms of equine businesses from the definitions of "agricultural land," "farmer," and "farm buildings" that do not satisfy certain conditions, thereby disqualifying those businesses from tax relief from Current Use.

The Current Use Program has been revised and 'tweaked' several times since its inception in 1978. Farmers with less than 25 acres wanted to be included in the Current Use Program, so there were provisions made for vegetable farmers and flower growers to be able to put smaller than 25 acre parcels into Current Use as long as they could show they make at least \$2,000 per year selling their vegetables or flowers. Simply changing the definition of Agriculture in the Current Use statute, as it relates to equines, would allow horse farms this same tax relief.

We are asking Vermont to accept the fact that horse farms **are** keeping the land open **now and for the future** and are meeting the same Required Agricultural Practices. Until Vermont sees horse farms in this way and treats them equitably in Agriculture, letting them

benefit from the same tax relief Current Use offers as well as other Agriculture programs, we predict we will continue to lose horse farms at a rapid rate.

I feel we are at a tipping point in the horse industry in Vermont. We know people who are still wanting to purchase farms, some are trying to hold on to the ones they have, some have already gone out of business, while others have left the state to run their business elsewhere. We are trying to encourage horse farmers to hang on and hope we can help them by letting them know progress is being made.

We have appealed to the House Agriculture Committee and have testimony you can find filed with them. We learned yesterday that Legislator Greg Burrt , along with others, has put forward a Bill based on the testimony we have given. We urge you to take a serious look at fully including horses, including the income derived from caring for, training, and other value added pursuits, to allow Horse Farms, Horse Farmers, and land used by Horse Businesses to be fully included in the Current Use Program.

Thank you! I'm happy to answer any questions you might have.