

## THE AMERICAN HORSE COUNCIL

### LEGISLATIVE & REGULATORY ACCOMPLISHMENTS 1983 – 2010

#### INTRODUCTION

The American Horse Council represents the horse industry in Washington with a great deal of support and help from our organizational and individual members. We thought it would be interesting to document what we have done together over the last twenty-five years. These accomplishments reflect the industry's record of success.

Results in Washington, either in Congress or through the federal regulatory agencies, take time. Moving any part of the federal government involves a great deal of persuasion and education on a day-to-day basis, often over several Congresses or years. It also involves working with other coalitions and groups with similar goals. That is what the AHC does.

This document includes bills or amendments that have passed Congress and been signed into law, or defeated if adverse, regulations that have been proposed and/or adopted, and reports or decisions that have been made by Commissions or federal agencies. In other words, it includes concrete results benefiting the horse industry.

As you review this list, remember that there is a great deal of work still to be done, including protecting what we have accomplished. We must continue to ensure that federal tax provisions are favorable to horseowners and breeders; that any gaming legislation considers the special needs of pari-mutuel horseracing; that horses are eligible for all federal emergency relief available; that horses can be efficiently moved internationally and interstate for breeding, competition and use; that import restrictions protect our domestic horses and are administered fairly and efficiently; that federal monies for research into equine diseases are available; that public lands are accessible to riders and outfitters; that federal funding is available to build and maintain trails; that there are sufficient legal foreign workers for farms, ranches and other equine facilities; that any nationally-mandated identification system for livestock recognizes the uniqueness of the horse industry and that other issues that may arise are addressed.

**Thank you for your support.  
Please help us continue the effort together.**

**2010 Accomplishments**

- Participated in the White House Conference on America's Great Outdoors held at the US Department of the Interior.
- Released the *2009 Report on Equestrian Access on Federal Land*, the first report in the AHC's ongoing effort to document the problem that riders experience with respect to the loss of access on federal land. Top reasons cited by respondents were loss of access due to maintenance, additional restrictions or closed trails. The report can be viewed and downloaded on the AHC website.

## **2009 Accomplishments**

- Released national Welfare Code of Practice endorsed by many Equine Industry Organizations. The Welfare Code of Practice, drafted by the American Horse Council, outlines in generic terms what it means for an organization to be committed to the responsible breeding, training, care, use, enjoyment, transport and retirement of horses.
- Held "The Welfare of the Horse" forum in Washington, DC. The Forum was held as part of the AHC's National Issues Forum and featured speakers from segments of the horse community as varied as competition, sport, work and entertainment. Speakers and panelists discussed the many welfare and safety initiatives that various segments of the horse industry have in place or are instituting.
- The Unwanted Horse Coalition conducted its *2009 Unwanted Horses Survey*, a national survey taken by more than 27,000 horse owners, equine industry stakeholders, rescue and retirement facilities and non-horse owners. The results helped to show the magnitude of the issue of the unwanted horse, the perception of the problem, awareness of options, the economic impact and possible solutions.
- The Unwanted Horse Coalition releases its handbook, *Best Practices: How Your Organization Can Help Unwanted Horses*, which details initiatives and activities organizations can undertake to help reduce the number of unwanted horses.

## **2008 Accomplishments**

- Supported enactment of the Economic Stimulus Act, which raised the Section 179 expense deduction to \$250,000 and reinstated 50% bonus depreciation for horses and other depreciable property.
- Passed legislation reducing the depreciation period for younger race horses to three years. The change placed all racehorses in the three-year category for depreciation purposes regardless of when they were placed in service.
- Included provisions in the 2008 Farm Bill that specifically designated "horses" within the definition of livestock eligible for federal disaster assistance and "equine farmers and ranchers" within the definition of agricultural producers eligible for federal emergency loans.

- Worked with USDA to draft and adopt an amendment to its import rules to allow non-competitive entertainment horses to be brought temporarily into the U.S. from countries affected with Contagious Equine Metritis without undergoing all of the tests required for permanent entry.
- Submitted comments supporting the USDA's proposal to extend the regulations governing the commercial transport of horses to slaughter to horses bound for slaughter, but delivered first to an assembly point, feedlot, or stockyard.
- Published "Getting Involved in the 2008 Elections," a guide for the horse industry. The guide stemmed from the program at the AHC's National Issues Forum in Washington explaining how the horse industry could take advantage of the 2008 federal elections to get more involved with their elected representatives. This was the first national program of this kind for the horse industry.
- Sponsored a day-long program with the Department of Agriculture on "The Unwanted Horse Issues: What Now" in response to the growing problem of unwanted horses across the country.

## **2007 Accomplishments**

- Supported USDA's proposal to authorize the operation of permanent privately-operated quarantine facilities. In pressing USDA to propose the changes, the AHC recognized the international nature of the horse industry and the need for quarantine space to import horses.
- Clarified the 2008 Fiscal Year USDA Appropriations bill to ensure that the continued international and interstate movement of horses was protected by having the overly-broad language in the bill that was intended to apply only to the transport of horses to processing facilities, but which would have applied to all horses, removed before final passage.
- Supported broader opportunities for disabled riders in comments to the Architectural and Transportation Barriers Compliance Board calling for better trails, trail heads, access routes, mounting blocks, ramps, camping, rest room facilities and stables that accommodate the special needs of handicapped riders.
- Submitted comments to the Department of Treasury and Federal Reserve Board supporting the regulations proposed by the agencies under the Unlawful Internet Gambling Enforcement Act. The regulations appeared to follow the statutory directive in the Act to not block racing's transactions under the Interstate Horseracing Act. The AHC also suggested that the Agencies provide further positive clarification that such transactions are not to be blocked by allowing them to be designated by a specific merchant category code.
- *Recreational Horse Trails in Rural and Wildland Areas: Design, Construction, and Maintenance*, written by Dr. Gene Wood of Clemson University, is published. This guidebook concentrates specifically on horse trail development in rural and wild land areas. The AHC contracted with the Federal Highway Administration to facilitate the funding of this manual.

## 2006 Accomplishments

- Passed the Unlawful Internet Gambling Enforcement Act of 2006, which prohibits the use of credit in connection with unlawful Internet wagering, but permits pari-mutuel wagering on horse racing that is allowed under the Interstate Horseracing Act of 1978.
- Worked with other organizations to extend through FY 2009 legislation allowing trainers, training facilities, horse shows and other employers to employ needed foreign workers in non-agricultural positions under the H-2B program. The change exempted such workers from the cap if they had received H-2B visas in the past.
- Worked with other organizations to pass the Animal Enterprise Protection Terrorism Act of 2005. The bill extended the protections of the Animal Enterprise Protection Act not only to animal events, such as rodeos, shows and other equine competitions, but also to the employees and suppliers of such enterprises and commercial enterprises that sell animals.
- Organized the Unwanted Horse Coalition under the American Horse Council. By educating owners, breeders, sellers and horse organizations about the long-term responsibilities of owning and caring for horses, and focusing on opportunities available for these horses, such as retirement, retraining, new careers and uses, donation and euthanasia, the Coalition hopes to help these horses *before* they become unwanted.
- Initiated the Congressional Cavalry program to identify, in each Congressional district, individual horse owners, breeders, veterinarians, competitors, recreational riders, stables, service providers and others, who will agree to contact their Representatives/Senators or other federal officials as part of any grassroots lobbying efforts.

## 2005 Accomplishments

- Published new *Economic Impact of the Horse Industry on the United States* study documenting that the horse industry in all its segments of racing, showing, recreation and other activities involves 9.2 million horses, has a total economic impact on the U.S. of \$102 billion, supports 1.4 million full-time jobs, pays \$2 billion in taxes and includes 4.7 million Americans.
- Passed legislation making horses eligible for federal emergency relief assistance following disasters, ending the long-standing disparate treatment of horses versus other livestock and crops, which have enjoyed federal benefits for many years.
- Enacted legislation to permit trainers, training facilities, horse shows and other employers to continue to employ needed foreign workers in non-agricultural positions under the H-2B program. Passage of this legislation became urgent when the U.S. Citizenship and Immigration Service began to enforce the cap on the number of foreign workers allowed to enter the U.S. under this program although the restriction had not been imposed for some time.

- Worked with the Federal Highway Administration to issue a clarification that equestrians are allowed on shared-use paths and trails constructed or maintained with federal-aid transportation funds, an important positive step in recognizing riding activities on public land. Because horses were not specifically listed in the underlying statute, some land managers had erroneously used this oversight to exclude them from such trails, although this was not the intent of the law.
- Worked with the USDA to re-institute a new, more accurate test to determine whether horses imported into the U.S. are affected with Equine Piroplasmiasis. The AHC worked with the Department to ensure that problems that arose when the test was first initiated eighteen months earlier did not occur again.
- Worked with other organizations to secure \$370 million in funding for the Recreational Trails Program (RTP) over the next five years, more than was requested by the Administration. RTP funds are used to build and maintain recreational trails for various users, including recreational riders.
- Formed a Hurricane Katrina Relief Fund with other AHC organizational members to collect funds to assist horse owners in states affected by the disaster.

### **2004 Accomplishments**

- Organized an AHC Equine Identification Task Force to involve, report to and educate the horse industry about the issues surrounding a national equine identification system in order to form some consensus regarding the horse industry's involvement in the proposed national identification system. This group is later recognized by USDA as the official Equine Species Working Group and liaison with the Department on the proposed National Animal Identification System.
- Commissioned Deloitte Consulting LLP to do another study of the national economic impact of the horse industry in order to provide fresh, updated figures about the economic importance of the horse industry in all its segments.
- Worked with other industry groups in passing legislation clarifying that the 30% alien withholding requirement does not apply to non-resident aliens in foreign countries wagering on U.S. races through international pools commingled with American wagering pools. The change opens the opportunity to set-up world-wide betting pools on U.S. races in order to grow income to tracks, horsemen and states.

*“Just because you don’t take an interest in politics doesn’t mean politics won’t take an interest in you.” Pericles*

### **2003 Accomplishments**

- Supported federal tax changes that raised the beneficial “Section 179 expense deduction” for horses and other depreciable property used in the horse business from \$25,000 to \$100,000 for the period through 2007.

- Worked with other groups to raise the “bonus depreciation” from 30% to 50% for horses and other property purchased and placed in service in the horse business through 2004.
- Initiated the AHC’s popular *Washington Update* e-mail service to provide prompt, up-to-the-minute information to AHC members on the latest federal political, legislative and regulatory actions.
- Commissioned an *Equine Trails Manual* on the construction and maintenance of recreational horse trails by Dr. Gene Wood of Clemson University through the Federal Highway Administration and the U.S. Forest Service. The manual will be the first of its kind for the recreational horse industry.
- At the invitation of Interior Secretary Gale Norton, the AHC became a Charter Partner for the revitalized Take Pride in America Program, which was organized to recognize volunteer activities on public lands and promote outdoor recreational activities.
- Worked with the Environmental Protection Agency to ensure that the anti-pollution rules finally adopted under the Clean Water Act applicable to facilities confining large numbers of animals, including horses, clarified their limited application to the overwhelming number of equine facilities, other than racetracks and similar large equine facilities.
- Entered into a Memorandum of Understanding with the U.S. Forest Service establishing a formal relationship between the agency and our member organizations to better facilitate recreational opportunities for riders on public lands.
- Published the AHC’s *Care and Handling Guidelines for Horse Owners* outlining practices for good horse management.

## **2002 Accomplishments**

- Worked with other groups to enact the Tax Stimulus Bill, which allows 30% “bonus depreciation” on new business assets, including horses and other property used in the horse business, purchased from September 11, 2001 to January 1, 2004 and used by January 1, 2005.
- Supported the reduction in the withholding tax on pari-mutuel wagers from 28% to 27% and ultimately 25% in 2006.
- Worked with USDA on final rules that subjected the commercial transport of horses to slaughter facilities to federal regulation for the first time.
- Worked with other groups to enact Terrorism Risk Insurance Act of 2002 to ensure the continued availability of commercial property and casualty insurance and reinsurance for the risk of losses arising from terrorist attacks on facilities that conduct large events, like racetracks, convention centers and exhibition halls and the construction of such facilities.
- Secured \$50 million federal appropriation for Recreational Trails Program.

- Faced with a shortage of quarantine facilities for the importation of horses, worked with the USDA to propose regulations for the establishment of privately owned, permanent-entry quarantine facilities for importing horses into the US. Submitted comments in support of the USDA proposal, which required USDA-oversight and other federal restrictions that had to be satisfied in order to protect the domestic horse population.
- Worked with the USDA to revise the fee structure to reserve quarantine space for importing horses into the U.S. to make the process user-friendlier and ensure stalls are available when needed.

*“No man’s life, liberty or property is safe while the legislature is in session.”*

*– Mark Twain*

## **2001 Accomplishments**

- Worked with other groups to enact legislation lowering tax rates and raising the estate tax exemption to \$1 million in 2002, \$3.5 million over the following eight years and repealing the estate tax completely in 2010.
- Worked with USDA to ensure that horses could continue to be imported into the United States during the Foot & Mouth Disease outbreak in England and France. USDA came very close to banning the importation of horses from those countries.
- Passed special legislation providing federal emergency loan relief for the first time for horse owners and breeders who suffered losses because of Mare Reproductive Loss Syndrome (MRLS).
- Worked with other groups to include in the Fiscal Year 2002 appropriations bill for the USDA \$40 million for a new USDA research facility for efforts on national and international standards for biocontainment, animal handling, personnel safety and health, quality assurance and environmental protections.
- Assisted in the formation of the bi-partisan Congressional Horse Caucus to educate Members of Congress and their staffs about the importance of the horse industry in the economic, agricultural, sporting and recreational life of Americans.
- At the urging of the AHC, the USDA issued a conditional license for the use of a vaccine against West Nile Virus to deal with the dramatic spread of the disease in the years since its first appearance in the U.S. in 1999. Such licenses are only issued to meet emergency situations or special circumstances.
- Worked with the Environmental Protection Agency regarding the agency’s proposal to tighten the regulations under the Clean Water Act regarding discharges of pollutants and water from Concentrated Animal Feeding Operations (CAFOs), submitting detailed comments differentiating the horse industry from traditional feedlot operations and explaining the potentially dramatic adverse impact and effect of the proposed rules on the horse industry.

- Recognized the importance of the recreational segment of the industry by forming the American Horse Council Recreation Committee to specifically advise the AHC on national issues and federal legislation and regulations affecting riders and events.

## **2000 Accomplishments**

- Amended the Interstate Horseracing Act to clarify that interstate simulcast wagering and account wagering are lawful between states where such pari-mutuel wagering is legal. This clarification was sought because of adverse positions expressed during hearings on the Internet gambling legislation by the Department of Justice on racing's interstate activities.
- Bureau of Land Management issued final rule on congressionally-designated Wilderness Areas clarifying, at the request of the AHC, that the use of horses and other pack stock is a legitimate activity in such areas.
- Worked with the Public Sector Gaming Study Commission on its final report recognizing the positive economic impact of the pari-mutuel racing and breeding industry. The Commission recommended that states review their regulations to ensure that racing is not operating at a competitive disadvantage because of antiquated restrictions, that alternative forms of wagering at tracks be left to each state, and that federal laws be clarified to ensure that interstate pari-mutuel wagering through electronic means is permitted between states where it is legal.
- At the request of the AHC, the USDA published an advance notice of proposed rulemaking seeking public input on the advisability of developing a federal program to deal with Equine Viral Arteritis (EVA) for horses in the U.S. The purpose is to seek a solution to the problems experienced by horse owners and breeders as a result of EVA.

*“An elephant is a mouse, built to government specifications.” John Herro*

## **1999 Accomplishments**

- Worked with the National Gambling Impact Study Commission on its final report on all forms gambling. The report recognizes the economic significance of the U.S. horse industry, noting it is well-regulated and acknowledging the industry's efforts to deal with issues of problem gambling.
- Coordinated and represented the racing and breeding industry's presentation to the Public Sector Gaming Study Commission, which was established by the National Council of Legislators from Gaming States to provide the gaming states' perspective on gambling as a complement to the National Gambling Impact Study Commission's Report.
- Worked with other groups to develop a database of projects funded by the Recreational Trails Program to help educate Congress about the importance and value of the federal program.

## 1998 Accomplishments

- Worked with other groups to enact tax changes which made permanent the ability of farmers, including horse breeders, to average their “farm income” over three years in computing taxes, which extended to five years the period for carrying back a farm loss not fully used in the year of loss. The legislation also raised the deduction for the amount paid by self-employed individuals for health insurance to 60% immediately, increasing to 100% in 2003.
- Secured funding from the USDA's Fiscal Year 1999 budget for several programs that provided the horse industry with much needed money to improve the health and welfare of horses in the U.S. \$500,000 was appropriated for research into Contagious Equine Metritis and CEM-like organisms.
- Defeated a very adverse proposal in the Senate that would have eliminated the ability of individual taxpayers to offset pari-mutuel gambling winnings with documented gambling losses on their federal tax returns. The proposal would have made all winnings subject to federal tax.
- Secured \$230 million in federal funding for the Recreational Trails Program to build and maintain the nation's recreational trail system over six years.
- Secured \$400,000 in federal funding for the USDA to continue the development and enforcement of rules and regulations regarding the commercial transport of horses to slaughter facilities.
- Published *Responsible Wagering – Resources Guide for Racing Managers*, the first comprehensive guide specifically written for racetrack managers to address the issue of compulsive gambling and how to deal with the problem.
- Coordinated the racing and breeding industry's presentation to, and represented it during, the two-year review of the economic and social effects of gambling by the National Gambling Impact Study Commission in order to obtain as favorable a report as possible regarding pari-mutuel wagering.

## 1997 Accomplishments

- Worked with other groups to enact tax changes that lowered the capital gains tax to 20%, raised the estate tax exemption from \$600,000 to \$1,000,000 through 2006, and enhanced the ability of taxpayers to claim deductions for home office expenses.
- Secured federal funding of \$400,000 to enforce the Transportation of Equine for Slaughter Act, which protects horses transported to processing facilities.
- Passed a six-month extension of the Inter-modal Surface Transportation Efficiency Act (ISTEA), ensuring a continuing stream of federal funds of \$7.5 million for trail development and maintenance. This approach was initiated when Congress could not agree on a permanent reauthorization of the program.

- Developed a voluntary, industry-driven protocol to assist horseowners in preventing the establishment of the carrier state of Equine Arteritis virus in stallions and minimize the risk of EVA-related abortion in mares.
- Worked with other organizations to enact the Volunteer Protection Act, which provides immunity from personal civil liability to volunteers working on behalf of non-profit organizations, which includes most AHC members.

*“There are no victories in Washington, just varying degrees of defeat.” –  
Former Kentucky Senator Wendell Ford*

### **1996 Accomplishments**

- Saved the “Section 179 first-year expense deduction” for horses, which would have been eliminated by a House-passed tax bill. Fortunately, the provision was ultimately deleted from the final bill enacted into law, preserving horseowners’ and breeders’ eligibility to write-off up to \$17,500 of the cost of a horse in the year it is purchased and placed in service. The deduction was increased to \$25,000 over six years.
- Passed the Commercial Transportation of Equines for Slaughter Act giving the Secretary of Agriculture the authority to regulate the shipping of horses to slaughter facilities in order to protect them.
- Published the two-year economic study of the horses industry, *The Economic Impact of the Horse Industry in the United States*, which concluded that the industry is a \$112 billion industry that supports 1.4 million jobs, includes 1.9 million owners, 6.9 million horses, 7.1 million participants, and pays \$1.9 billion in taxes to all levels of government.
- Worked with other groups to pass the Animal Drug Availability Act to amend the animal drug review process at the Food and Drug Administration to increase the availability of new medicines to treat animals, including horses.
- Initiated and coordinated the first industry “Washington Visits” as part of the AHC annual meeting in a grassroots effort for the industry to meet with their Congressional representatives and Federal officials to discuss issues important to the industry and individual horse owners.
- USDA released the Horse Protection Strategic Plan initiated in 1995 reviewing the effectiveness of the Department’s enforcement of the Horse Protection Act and alternative methods of enforcement. As suggested by the horse industry, the Plan did not call for a broader enforcement of the Act beyond the traditional areas of concern.
- Worked with USDA to streamline the Contagious Equine Metritis import rules for horses.

## 1995 Accomplishments

- Worked with other groups to enact an appropriation of \$30 million over two years for the Recreational Trails Fund to build and maintain recreational trails.
- Commissioned Barents Group LLC to undertake a national economic impact study to document the size and importance of the U.S. horse industry to our nation's and states' economies.
- Worked with other groups to restore the 25% tax deduction for self-employed individuals for health insurance premiums. This was important to the horse industry because many individuals are self-employed.
- Expanded the popular and informative *American Horse Council Tax Bulletin* to include special, in-depth articles on the application of the tax laws to particular situations faced by horseowners and breeders. The articles are written by a six member Editorial Board of equine tax experts.
- Participated in a USDA review of effectiveness of the Department's enforcement of the Horse Protection Act. Suggested that the Act not be enforced beyond the traditional areas of concern.
- Worked with USDA on the waiver to allow Equine Piroplasmiasis (EP) positive horses entry into the U.S. to compete in the 1996 Summer Olympics in Atlanta to ensure that the restrictions imposed protected U.S. horses.

## 1994 Accomplishments

- Defeated a proposal by the Administration to institute a 4% excise tax on net gambling revenues and an increase in the withholding rate on gambling winnings from 28% to 36% to help finance welfare reform. This tax would have reduced betting and resulting revenue to tracks, horse owners and states.
- Worked with other groups to enact the Animal Medicinal Drug Use Clarification Act to give licensed veterinarians the discretion to use medications approved by the Food and Drug Administration for use on one animal on another animal. This is particularly important to the health of horses because it allows veterinarians to prescribe for horses the most effective medicines available, many of which are not specifically approved by FDA for use on horses because of the cost of the approval process.
- Participated in a USDA working group to review the regulations governing the importation of horses from countries with Contagious Equine Metritis (CEM).
- Worked with USDA on its report on the Horse Protection Act recommending that the USDA augment its primary responsibility to enforce the Act with additional inspections by horse industry organizations.

*“In Washington, success is often measured not by what you get done, but by what you keep from getting done to you.” – Anonymous Sage*

### **1993 Accomplishments**

- Supported the enactment of federal legislation increasing the Section 179 expense deduction on horses from \$10,000 to \$17,500.
- Supported regulations proposed by the Internal Revenue Service to clarify that most sponsorship fees paid by corporations and businesses to tax exempt organizations, like many horse shows and competitions, are not taxable as unrelated business income.
- Established the Rolapp Award to recognize that Member of Congress who has been particularly supportive of the horse industry. The award is named in memory of R. Richards Rolapp, President of the AHC from 1978 to 1993.

### **1992 Accomplishments**

- Enacted the Animal Enterprise Protection Act making it a federal offense to damage property or disrupt activities involving animals at farms or competitive events, including rodeos, horse shows and similar competitive events. At one point, horses were deleted from the protections of the bill. The Act is intended to stop the growing number of illegal acts conducted by individuals and organizations against farms, ranches and users of animals.
- Passed legislation to raise the level from \$1,000 to \$5,000 at which federal income tax is withheld on certain winning payouts at racetracks. Although the withholding rate was also increased to 28%, the increase in the threshold level eliminated over 90% of the transactions subject to the withholding tax.
- Passed the Professional and Amateur Sports Protection Act outlawing betting on professional and college sporting events in the US, except in Nevada (and lottery-type games in Oregon and Delaware), making pari-mutuel racing the only sport on which people can wager.
- Enacted the National Recreation Trails Act creating a new trails trust fund for the maintenance, repair and construction of trails. Funding comes from the federal excise tax collected on fuel used in non-highway recreation.

### **1991 Accomplishments**

- Enacted legislation that included horses within the category of business property eligible for the first-year “Section 179 expense deduction.” Previously, horses were not eligible for this tax benefit.
- Organized the American Horse Council Foundation to support charitable, scientific and educational projects of interest to the horse industry and to educate the public about the horse, horse care and the horse industry.

- Supported USDA rule change to allow horses to travel between the US and Canada for up to thirty days, rather than just three, using one set of veterinary health documents, benefiting pleasure riders and participants in horse shows and similar events by making it easier to enter both countries.
- Supported USDA rule change eliminating some of the testing requirements on importing horses from countries with Contagious Equine Metritis and making their importation simpler.

### **1990 Accomplishments**

- Defeated proposals to apply a 5% gambling excise tax to pari-mutuel racing and to increase withholding rate on gambling winnings to 28%.
- Worked with USDA to designate an employee in the Animal and Plant Health Inspection Service to the position of Equine Specialist to act as a specific liaison between the Department and the horse industry.
- Established the Van Ness Award to recognize the achievement of excellence by an AHC member state horse council or individual. The award is named in memory of Marjorie Van Ness, a long-time supporter of the AHC and the first chair of the State Horse Council Committee.
- Organized the AHC's Animal Welfare Committee to advise the organization on federal issues and regulations in the area of equine welfare.

### **1989 Accomplishments**

- Worked with the USDA to adopt rules allowing the temporary importation of horses from countries with Contagious Equine Metritis in order to compete in races, horse shows and other competitions.
- Worked with the USDA and the horse show industry to develop final workable show regulations under the Horse Protection Act.

*“Government is the great fiction, through which everybody endeavors to live at the expense of everybody else.” – Frederic Bastiat*

### **1988 Accomplishments**

- Amended the Federal Wire Act to allow the international simulcasting of U.S. races for wagering purposes to foreign facilities. The change was prompted by conservative interpretations of the Wire Act by the New York Attorney General who concluded that the federal law prohibited the international simulcasting of New York races.

- Worked with other groups to enact the Indian Gaming Regulatory Act to provide for the regulation of gaming on Indian lands and require Native Americans to enter into compacts with the state prior to offering gaming on reservation land. The Act also organized a federal Indian Gaming Commission to oversee such gaming.
- Passed the Pari-mutuel Simplification Act which eliminated the major federal stumbling block to a uniform multi-state licensing system for horse owners and other licensees in the racing industry.
- Repealed the pre-productive period expense capitalization requirement in the Internal Revenue Code, which had required horse owners and breeders to capitalize expenses associated with the production of a foal until it was sold or became “productive.” With the change horse owners and breeders could once again deduct their breeding and other expenses as paid. The change eliminated a provision that had been particularly onerous for horse breeders.
- Worked with the USDA and the horse show industry to develop workable regulations under the Horse Protection Act after a federal court ruled that portions of the regulations under the Act were invalid. That ruling had led to an onerous USDA emergency letter that disrupted many horse shows because it prohibited the use of pads and other devices during shows.
- Defeated a proposal by the Joint Committee on Taxation to limit the deductibility of farm losses.

### **1987 Accomplishments**

- Worked with the U.S. Customs Service to clarify that horses entering the country temporarily are exempt from the .22% merchandising processing user fee assessed on the formal entry of goods to the U.S. The imposition of the fee had caused problems for individuals bringing horses into the US for races and other events, particularly from Canada.
- Completed the first national economic impact study of the horse industry, finding the industry contributed \$15 billion directly to the economy and that there were 5.25 million horses.

### **1986 Accomplishments**

- Worked with other groups in enacting the Tax Reform Act that reduced tax rates, retained the two-years-out-of-seven “hobby loss” test for the horse industry while others were required to satisfy a two-years-out-of-five test, kept race horses over two and older horses in the three-year depreciation category, and allowed breeders to be deemed farmers and able to use the cash method of accounting.
- Notwithstanding a “Sense of the Senate” resolution adopted earlier in the Congress endorsing the concept, defeated a proposal to limit to \$25,000 the amount of farm losses deductible against non-farm income in one year.

- Worked with the Internal Revenue Service on the \$10,000 cash reporting rules to clarify that because of the unique nature and operation of pari-mutuel facilities the regulations do not require racetracks to aggregate wagers and report the names of patrons who wager more than \$10,000 over the course of a day's races.
- Worked with the Internal Revenue Service on final partnership regulations to provide that the determination of whether an activity was entered into for profit is to be made at the partnership level, rather than at the partner level.

### **1985 Accomplishments**

- Enacted legislation making permanent the prohibition on exporting horses intended for slaughter by sea.
- Commissioned the first national economic impact study of the U.S. horse industry to document its size and importance to the nation's economy.

*"Ten people who speak make more noise than ten thousand who are silent."  
Napoleon Bonaparte*

### **1984 Accomplishments**

- Formed the AHC State Horse Council Advisory Committee to coordinate the national activities of the state horse councils and advise the AHC on federal legislative and regulatory issues important to the individual horse owner at the state and local level.
- Worked with the Federal Communications Commission to clarify the regulations pertaining to the broadcast of racing information and eliminating three out-dated FCC policy positions which prohibited the live broadcast of a full program of races, the immediate reporting of race results, prices and similar information, and severely restricted the content of racing-related advertisements. These policies, adopted in the 1960s to prevent the misuse of such information by illegal bookmakers, had limited the promotion of the state-licensed and regulated industry.
- Worked with USDA to ease the embargo on the importation of horses into Great Britain, Ireland and France because of Equine Viral Arteritis outbreak in Kentucky.
- Defeated an amendment to the tax code to restrict to \$21,000 the total deduction for losses from horse breeding.
- Worked with the Internal Revenue Service to clarify favorably the depreciation of horses under the Accelerated Cost Recovery System with respect to when a horse was more than two-and twelve-years-old.

### **1983 Accomplishments**

- Passed legislation repealing the 10% federal excise tax on horse trailers.

- Opposed the Corrupt Horse Racing Practices Act, legislation that would have made the federal government responsible for enforcement of racing drug and medication rules, testing and security. The enforcement program would have been funded by assessments levied on race track operators.
- Convinced IRS to delay the effective date of regulations opposed by the racing industry to require the aggregation of winning payouts at racetracks for purposes of determining whether the 20% withholding tax is imposed on winnings over \$1,000 at odds of 300-to-1 because of the administrative difficulty in enforcing them.

***“A government which robs Peter to pay Paul can always depend on the support of Paul.” - George Bernard Shaw***

### **Rolapp Award Winners**

1994 Senator Wendell Ford, Kentucky  
 1995 Senator Mitch McConnell, Kentucky  
 1996 Congressman (now Senator) Jim Bunning, Kentucky  
 1997 Congressman Bart Gordon, Tennessee  
 1999 Congresswoman Karen Thurman, Florida  
 2000 Congresswoman Anne Northup, Kentucky  
 2001 Congressman Hal Rogers, Kentucky  
 2002 Congressman Ernie Fletcher, Kentucky  
 2003 Congressman Larry Combest, Texas  
 2004 Congressman Jim McCrery, Louisiana  
 2006 Congressman Ron Lewis, Kentucky  
 2008 Senator Jon Kyl, Arizona  
 2009 Congressman Ben Chandler, Kentucky  
 2010