

## NOTES ON FORMATION OF A STATE HORSE COUNCIL

### Introductory notes on Forming a State Horse Council (from CSHC Chair Jean Ligon)

The beginning point in the formation of a state horse council is filing Nonprofit Articles of Incorporation and adopting a set of bylaws. Each state has its own requirements for forming a nonprofit corporation, and these requirements must be strictly followed. As part of this initial process, it would probably be wise to do an internet search to ensure there isn't a conflicting organization in the state, and to determine if the new council is going to be competing with other groups for members, dues and sponsors.

Likewise, the new corporation's adoption of a set of bylaws is an important second step, since these bylaws will set out its mission, membership requirements, goals, management and all other "rules of the road" for the organization. A good place to begin would be to put together at least a basic business plan for the new council so there is a roadmap to follow. The bylaws should be consistent with its business plan. Every organization is legally required to adhere to all provisions contained in its bylaws, so each board member should be familiar with the provisions contained in the bylaws that are adopted.

A number of CSHC members have provided their bylaws as examples to assist newly formed state horse councils in the task of creating its own bylaws. Sample bylaws may be found on the CSHC website in a section devoted to CSHC-member bylaws.

Once organized under state statute by filing Articles and adopting bylaws, state horse councils are then in a position to apply to the IRS for nonprofit tax status. As a practical matter, while many councils have an attorney assist in the formation of the state nonprofit corporation by filing the state Articles of Incorporation and assisting in the creation and adoption of bylaws, some states undertake these steps without the aid of counsel. However, it is recommended that either an attorney or a CPA help secure the desired nonprofit designation from the IRS, as this is an exercise best left to those with specialized knowledge.

At this point, you are ready to carry on the business of an operating state horse council: elect officers, appoint committees, and begin all other operations that will advance the equine interests in your state. It is at this point that you are encouraged to apply for membership in the AHC and CSHC for the many advantages these important collaborations will provide.

### **Excerpts from the June 15, 2009, *Report of the AHC - CSHC Task Force*:**

State Horse Councils. Each SHC is an independent, non-profit, incorporated organization with its own mission, goals and activities. Some include organizational members in their state and all include individual members. Each state council is responsible for representing its members in its state with the state legislature, state agencies and local authorities.

SHCs are involved in issues at the state and regional level that the AHC has not historically gotten involved with, not only because such activities are outside the AHC

federal mission, but also because of the lack of funding and AHC staff necessary to successfully pursue such efforts. In addition, most SHCs are involved in a much wider range of activities at the state level than the AHC is at the national level. For example, some promote and market the horse industry in their state, run clinics, operate horse expos, sponsor trail rides, maintain trails, assist individual horse owners, provide scholarships, support charitable equine endeavors and similar activities.

### **A Horse Council in Every State – Every State in the CSHC**

Presently there are 48 organizations that consider themselves “state horse councils,” although some are local organizations and others are regional. Of those, 43 are members of the AHC and the CSHC. Some do not participate with the CSHC, although they are members of the AHC. Seven states have no organizations, that we are aware of, that designate themselves as horse councils. These states include Alaska, Hawaii, North Dakota, Rhode Island, Tennessee, West Virginia and Wyoming.

Given the importance of the work of the SHCs, every state should have a strong council. Given the national network and potential expertise and assistance that the CSHC can offer, every state council should be a member of the Committee and participate.

The absence of a horse council in every state or the failure of some to participate could be a function of many things, including a small horse industry in the state; unwillingness of anyone to undertake the work to organize a council; limited funds; or a failure to show the benefits of a state horse council and participation with the other SHCs. More than likely it is a combination of all these factors and more.

### **Stronger State Horse Councils – Standards and Structure**

The Task Force reviewed the prior definitions of a state horse council. The AHC Bylaws define a state horse council (SHC) to include:

State organizations and associations of any type whose interest is related or similar to that of the Council provided each submits its bylaws for review by the Board of Trustees or Executive Committee to ensure that the organization or association is open to membership to all local breeders and activity groups. Such members are required to pay dues to the Council as prescribed by the Board of Trustees.

In the initial meeting of the State Horse Council Advisory Committee (now known as the Coalition of State Horse Councils (CSHC) on December 8, 1984, that Committee defined a state horse council as follows:

A state horse council is an association which actively seeks the participation of individuals and groups from all breeds and all types of

horse activities, amateur or professional, throughout the state. Its primary purpose is to further the common interests of horse people and augment the activities of the entire industry. A major emphasis shall be to establish an effective government relations program with both the state legislature and the state agencies such as the department of natural resources, the state board of business regulation and the state department of agriculture. It shall serve as a means of communication for horse groups within the state, monitor legislative and administrative decisions which affect the horse industry, and seek to promote interest in horse related activities.

The Task Force feels that both of these descriptions define the role of a state horse council well.

In reality, there is a great diversity among the state horse councils in terms of membership, resources, staff and sophistication. Some represent all segments of their horse industry, others are primarily recreation oriented. Some rely completely on membership dues; others have a dedicated revenue source, such as a state fee or an annual horse expo. Some have a paid executive, others rely on volunteers. Some states have two organizations which might dilute resources. Regardless, all could be improved.

There are no standards for an organization to be designated a state horse council by AHC or the CSHC. If there were, state councils could be improved as individual entities as they strive to meet those standards. For example, state councils would be stronger if they represented all segments of the horse industry in their state, including all state affiliates of national horse organizations, state breed organizations, race tracks, state horsemen's associations, state showing organizations, state recreation organizations, equine rescues, land conservancies, private stables, etc. There are some state councils that represent all these organizations and there are some being organized to include them. But all state councils would be stronger if they were able to include all state horse-related associations. This would improve not only their funding but their value to their members.

The CSHC has as a goal to establish recommended accreditation standards, objectives and best management practices for its state horse council members and to create educational, training and assistance programs to aid its members in achieving and maintaining those standards. Current members should be encouraged to meet these new standards over time.