

Review and Develop Standards to Assess Equine Production Activities on a Preserved Equine Farm

Overview and Specifications

The State of New Jersey has a successful Farmland Preservation Program (FPP) administered by the State Agriculture Development Committee (SADC) since 1983. Proper monitoring and stewardship of approximately 2,700 preserved properties throughout the State is a critically important task in ensuring proper expenditure of public funds and fostering continued public support for the FPP. Landowner compliance with the terms of the FPP Deed of Easement (DOE) is crucial to maintaining program integrity. One of the many important requirements of the DOE is that the preserved property be used only for agricultural production and associated "common farm site activities".

The SADC is seeking a qualified equine, financial, and/or legal professional to assist the agency in developing standards that will be used to assess what aspects of a specified equine operation located on a preserved farm constitute and do not constitute equine production activities. The operation consists of breeding and sale of horses, training of landowner-owned horses and training of horses owned by other parties, sales commission arrangements, boarding, equine consulting, and hosting U.S. Equine Federation sanctioned hunter/jumper competitions.

The agency requires analysis of farm-specific practices and associated financial information in addition to development of an annual checklist of acceptable documentation to accurately and efficiently quantify the extent of equine production activities occurring on this type of operation. The SADC seeks a comprehensive assessment of which aspects of the operation consist of equine production activities versus non-production activities based on state and federal tax codes, North American Industry Classification System (NAICS) codes, other relevant agency definitions, and/or general equine industry practices and standards.

The successful bidder shall have experience related to equine tax accounting and/or evaluation of equine-related financial documents and contracts for various types of operations with annual gross receipts in excess of \$500,000.

Qualifications and Bidding

As part of the bid submittal process, bidders must submit curriculum vitae and licensures for all personnel contributing to the assignment demonstrating their experience and expertise providing financial analyses for equine operations. Graduation from an accredited college or university with a degree in agriculture, equine science, accounting, law or a related field, as well as a minimum of 10 years experience in the field, is required by at least one person on the bidder's team.

The bidder should provide a brief synopsis of the concepts, tax law, legal justifications, industry standards or other criteria it may utilize to develop assessment criteria that will be used to evaluate production activities and production income.

For purposes of this project, the SADC has determined that the following categories count as equine production activities:

- 1) Horses produced and owned in full or in part by the farm;
- 2) Horses purchased by the farm and raised or trained for more than 120 days prior to sale;
- 3) Horses owned by other parties that are being trained by the farm operation in which a commission agreement is in place entitling the farm/trainer to a commission if the horse is sold.

An analysis of how other government agencies, professional organizations and/or the equine industry define and classify training of horses for third parties will be required.

Performance Period and Deliverables

The report shall be delivered in an electronic format via email to the administrative contact listed below.

The SADC anticipates this project will consist of four distinct phases:

- 1) Assessment of the overall parameters of the project, with the specific case being reviewed and identification of existing data.
- 2) A review of applicable federal, New Jersey, and/or other state rules and regulations.
- 3) Development of criteria to distinguish production and non-production activities.
- 4) Final report summarizing research and recommendations.

Confidentiality

The report and recommendations shall be confidential and shall not be disclosed to any third party except that the report and recommendations may be disclosed as required by law or duly promulgated regulation.

Administrative Contact

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