

To House Committee reviewing SB0452 regarding Prohibited Liability Agreements:

As the equine representative on the Frederick County Agricultural Business Council, I speak for the equine businesses in our county. Although I understand perhaps the intent behind the bill in the protection of the consumer, passage of this bill would undoubtedly cause increased insurance expenses and undo hardship just for equine businesses to operate. Increasing the expense in an industry that already has seen increased costs would cause many businesses to close their barn doors due to not being able to meet the insurance requirements or the needs of the horses. Not only will this decrease needed profits to stay viable, there would be an increased chance that the horses would be given less quality care through cutting corners, spending less on vet care and other equine related purchases, and therefore putting less money back into the economy. In order to attempt to stay in business, their rates would need to be raised and therefore increase costs to consumers.

With needing to pay higher prices, consumers would reduce the amount of money they would be able to spend on equine related activities or stop them all together. Those who are not involved in this industry and who desire to participate in recreational activities would also face higher prices to do so OR have limited opportunities due to those needing to go out of business. This would ultimately prevent those with less available funds in experiencing the equine world and benefiting from the positive experiences the equine industry provides through outdoor recreation and mental health.

Along with consumers paying higher prices, businesses who have to close their doors have horses that will need to have a home. If the bill changes the ability of the owner's to care for them, the horse's welfare and well-being is also put in jeopardy and the local rescue's are either at capacity or unable themselves to afford to take on more horses and financial burden.

According to the 2023 American Horse Council Economic Impact Study released on January 31st (<https://horsecouncil.org/economic-impact-study>), they determined that horse enthusiasts are found in over 717,000 Maryland households which represent approximately 30% of the population. Maryland statistics were further broken down and include the following:

“The total economic impact of the industry grew 38% between 2017 and 2022, from \$2.1 billion to \$2.9 billion. In addition, the industry's direct contribution to Maryland's GDP grew by 40.5% between 2017 and 2022. The industry is responsible for 28,434 jobs, and horse industry wages total more than \$1.24 billion.

The industry directly employs 21,841 people, with a direct economic impact of \$1.05 billion. This direct impact induces a further \$713 million in added value to the economy and nearly 6,600 jobs, along with \$841 million in direct labor income and \$407 million in indirect and induced income.”

A summary of this report with additional statistics can be found in the Blood Horse Magazine through the following link:

(<https://www.bloodhorse.com/horse-racing/articles/274795/maryland-horse-industry-generates-2-9b-economic-impact#:~:text=The%20survey%2C%20conducted%20in%202023,population%20estimate%20of%20over%2094%2C000>).

Due to the increased costs on both the business owners and consumers, this bill would undoubtedly have a ripple effect that would effect business and horse owners, the horses themselves (there are already rescues to help horses that owners can't afford to feed or take care of), consumers, and the state of Maryland as less money would be generated by the industry and be part of our state's economy. On behalf of equine business owners in Frederick County, I highly encourage a vote of "no" for this bill.