

Senate Bill 75 Proponent Testimony
House Agriculture and Rural Development Committee
Kari Burkey, KD Guest Ranch
June 9, 2015

Chair Bacon, Vice Chair Oelslager, Ranking Member Skindell and members of the Senate Civil Justice Committee thank you for considering my testimony on Senate Bill 75.

My husband and I own and operate KD Guest Ranch in the northern part of Muskingum County. KD Guest Ranch is an agritourism business that we started building in 2002 and opened in 2007. Dave and I met on a guest ranch and realized that this was what we were passionate about. We wanted to live and raise our family in a rural environment, but the feasibility of us going out and starting a farm or ranch on our own wasn't realistic. But, we could go back to my parents diversified 600 acre farm and add the tourism aspect to it.

Our Ranch sits on 44 acres where there are 4 buildings and a barn. We have 21 horses and feed out a small herd of cattle from April until November that are used for team penning. The majority of our acreage is used for pasture. We have made many land improvements such as drainage tile, 2 spring developments, fencing for rotational grazing, and a heavy use feeding pad for the horses.

At KD Ranch we also provide an all inclusive vacation destination, and our motto is "Bringing the West to the East". We provide lodging accommodations, three meals a day, two horseback riding activities each day and evening entertainment. We host guests from all over the US as well as from around the world. They come for weeklong stays in the summer months and shorter stays in the spring and fall. During the fall, we are booked to capacity who hunters who stay and eat meals at our Ranch. The majority of those hunters have private leases with neighboring farmers. We also do holiday parties and retreats during the winter months.

We pay typical real property taxes on the commercial buildings and the four acres that they sit on but the other 40 acres have been enrolled in CAUV for property tax valuation. In November of 2012, we were notified that we were being taken off of the CAUV program because "there [was] no apparent agriculture on any of our acreage." The CAUV inspector drove by the entrance of our property the two previous years, once in December and once in January. They could only see horses on our property, which they considered pets and not agriculture. However, our horses are not pets, but used as working animals in our commercial agricultural production, along with their role in our agritourism business.

We went through the very untimely appeal process. Before we were able to meet with the Board of Revisions, our January tax bill arrived and we had to pay the entire real property taxes on all of our acreage, we were asked to pay the three years of recoupment, and also had to re-apply for CAUV and pay the fee to re-enroll. We were finally scheduled to meet with the Board of Revisions in April where we presented them with our Schedule F with more than \$2500 in

farm sales and maps of our land showing more than 10 acres in pasture ground. We were notified in June that we had been reinstated into CAUV and our June tax bill was very minimal because we had paid nearly double the accurate amount in January.

Going through this process was extremely discouraging for a small business that employs 2 full time and 2 seasonal employees. Like most farms, income is not steady throughout the year, and, in our case, the majority of our income is realized between April and November. The revisions of SB 75 will clarify that agritourism is not a disqualification from CAUV when it takes place on land that otherwise qualifies. Hopefully, it will prevent the situation we had to endure, and that could have ultimately ended our small business.

In addition, to addressing the CAUV issue I have outlined, the liability protection and reasonable zoning restrictions in the bill will help agritourism grow in Ohio. This is important because agritourism, as a subset of Ohio's number one industry, can continue to add to the economic development of our communities.

Thank you for your time and consideration of this important issue. I would be happy to answer any questions you may have about our experience with agritourism.