1986

Introduction to Equine Law Symposium

Martha Layne Collins
Governor, Commonwealth of Kentucky

Follow this and additional works at: https://uknowledge.uky.edu/klj
Right click to open a feedback form in a new tab to let us know how this document benefits you.

Recommended Citation
Available at: https://uknowledge.uky.edu/klj/vol74/iss4/3

This Foreword is brought to you for free and open access by the Law Journals at UKnowledge. It has been accepted for inclusion in Kentucky Law Journal by an authorized editor of UKnowledge. For more information, please contact UKnowledge@lsv.uky.edu.
Introduction

BY GOV. MARTHA LAYNE COLLINS

From the days when horse races on Main Street entertained crowds and disrupted life in Lexington and other communities—prompting the legislature to forbid such racing in towns chartered after 1810—Kentuckians have demonstrated an uncommon devotion to the horse. The animal is woven firmly into Kentucky's social and economic fabric, far more than in states where affection for the horse faded rapidly with the development of the internal combustion engine. The horse is vital to our commerce; it imparts a unique richness to our colorful heritage.

To those reading this journal, it should be of special interest that since Henry Clay’s time, lawyers and the law have been vital to the growth of the horse industry. What Clay and others launched so many years ago, now ranks as one of Kentucky’s most significant economic enterprises.

Today, the breeding, selling, raising, and racing of horses and the related industries are a multi-billion dollar addition to the state’s economy each year. Pari mutuel taxes annually produce $9 million for the state treasury. The capital investment in horses in Kentucky amounts to over $2 billion. Tens of thousands of men and women earn their living directly or indirectly through the industry.

Since the horse is such big business in the Commonwealth, the structure and evolution of the industry are closely linked to developments in tax, securities, antitrust and other areas of the law. This, in combination with the horse’s special place in Kentucky’s heritage, makes it altogether fitting that an issue of the Kentucky Law Journal be devoted to clarifying how certain areas of the law apply to the horse industry, for example, how securities law relates to syndication.

Syndication of horses began early in the Commonwealth’s history. In 1806, Henry Clay brought the famed Buzzard to Lexington, thus strengthening the bloodlines that to this day
make the Bluegrass known worldwide. This prize horse, foaled in England and later brought to Virginia, where Clay purchased him, was among the first stallions to be syndicated in Kentucky. Today, nearly 180 years after Henry Clay sold shares in Buzzard to four other Bluegrass breeders, syndication gives rise to the question of whether a breeding share in a stallion is a security.

Those outside the industry must recognize that its importance to the state stems not only from the daily commerce generated by the breeding, raising, training, selling and racing of horses, but also because these operations attract hundreds of thousands of tourists. Horses rank right at the top of the list of things visitors want to see when they come here. The Kentucky Horse Park, a thousand-acre monument to the horse, is both an expression of our affection for the horse and a recognition of its essential place in promoting tourism, the state’s fastest growing industry.

Kentucky is the number one equine breeding state. Nearly nineteen percent of our 200,000 equines are used primarily for breeding purposes, a percentage far greater than that of any other state. Some one thousand farms breed thoroughbreds. More impressive than these numbers is the quality of our animals. Kentucky breds—whether thoroughbreds, standardbreds or saddlebreds—are more highly sought after and are sounder investments than animals foaled in other states.

Behind the highly visible breeding operations are a multitude of ancillary businesses dealing with horses: bloodstock agencies, equine dentists, farriers, veterinarians, photographers, auction companies, equipment manufacturers and dealers, firms that transport the animals, boarding stables and many more.

With other states promoting races offering multi-million dollar purses and aggressively seeking to become more competitive in the breeding aspects of the business, leaders in Kentucky’s horse industry face increasing challenges. As Governor, I want Kentucky to maintain its position as the world’s premier producer of fine horses.

Given what the industry means to the people of the Commonwealth, it is my hope that this issue of the Kentucky Law Journal will advance the understanding of legal questions surrounding various aspects of the industry, and that out of this understanding will emerge a climate conducive to making the equine industry an even greater asset to Kentucky’s economy.