

QUALIFYING AGRICULTURAL STATUS – GUIDELINES

The following is general information on the criteria used to determine whether a parcel shall be designated as agricultural or ranch use for valuation purposes. What does and does not qualify as agricultural is outlined in the following Arizona Revised Statutes.

A.R.S. § 42-12151 – Identifies what qualifies as agricultural:

1. Farmers shall have a minimum of 20 acres of field crop in their economic unit to qualify.
2. Farmers shall have a minimum of 10 acres of permanent crop in their economic unit to qualify.
 - a. Permanent crops are identified as citrus, apples, nuts, jojoba, peaches, etc.
3. Ranchers shall have grazing land with a minimum carrying capacity of 40 animal units.
 - a. Based on the Wright Study of carrying capacity of rangeland in Arizona, a rancher shall have 12,800 acres in their economic unit to qualify.
4. Land devoted to high-density use for producing commodities such as dairies, feedlots, hydroponic vegetables, wholesale nurseries (retail nurseries are considered commercial), etc.
5. Land and improvements devoted to the commercial breeding, raising, boarding, or training of equine.

A.R.S. § 42-12152 – Requires that a parcel must have been in active agricultural use or production for at least three (3) of the last five (5) years. In addition, there shall be a reasonable expectation of profit to determine if the land is used for agricultural reasons for property tax purposes.

A.R.S. 42-12153 – Requires an Agricultural Land Use Application (DOR form 82916) to be filed by the property owner and approved by the county assessor before agricultural classification shall be given. If a new owner purchases property that has an agricultural classification, that new owner shall file their Agricultural Forms within 60 days of the purchase of the property, or the county assessor shall value the property at its full market value.

By law, the county assessor shall respond to all Agricultural Forms filed within 120 days of receipt. If the county assessor denies an Agricultural Form, the property owner has the right to appeal the denial.

A.R.S. § 42-13102 – The owner of a property that is leased to an existing qualified agricultural economic unit shall file an Agricultural Lease Abstract (DOR form 82917) and provide a copy of this lease agreement to the county assessor's office. Upon expiration of a lease, the property owner shall file a new State of Land Lease within 90 days or before January 31 of each year (whichever is later) and provide a copy of this lease to the county assessor's office, or the property will be returned to its full market value.