

Maricopa County Assessor's Office Internal Policy and Procedures

Title: Removal of Agricultural Designation	Number: RPAG-07202007
Policy Category: Agriculture	Date: July 20, 2007
Initiating Division: Real Property	Revision: Yes
Reviewed by: David Boisvert, Chief Appraiser Approved by: Tim Boncoskey, Chief Deputy	Revision Date: 9/7/2012

Purpose:

Agricultural Designation by the Assessor's Office is an Arizona Statutory designation and valuation for property tax purposes. The Statutes explain when and why a parcel should be denied the Agricultural Designation.

Requirements:

The property owner is required to meet the following requirements:

42-12152. Criteria for classification of property used for agricultural purposes

A. Property is not eligible for classification as property used for agricultural purposes unless it meets the following criteria:

1. The primary use of the property is as agricultural land and the property has been in active production according to generally accepted agricultural practices for at least three of the last five years. Property that has been in active production may be:

(a) Inactive for a period of not more than twelve months as a result of acts of God.

(b) Inactive as a result of participation in:

(i) A federal farm program requiring conserving use acreage or acreage conservation requirements, or both.

(ii) A scheduled crop rotation program.

(c) Inactive or partially inactive due to a temporary reduction in or transfer of the available water supply or irrigation district water allotments for agriculture use in the farm unit.

(d) Grazing land that is inactive or partially inactive due to reduced carrying capacity or generally accepted range management practices.

2. There is a reasonable expectation of operating profit, exclusive of land cost, from the agricultural use of the property.

3. If the property consists of noncontiguous parcels, the noncontiguous parcels must be managed and operated on a unitary basis and each parcel must make a functional contribution to the agricultural use of the property.

B. If feedlot or dairy operations that are in active production are moved to another property at which the operations are in active production, the requirement that the property be in active production for at least three of the last five years does not apply to the property to which the operations are moved for the first seven years after the operations are moved.

42-12153. Application for classification of property used for agricultural purposes

A. The county assessor shall make agricultural use application forms available that require the following information in addition to any other information prescribed by the department:

1. The size of the property.

2. The type of crops grown on the property.

3. The type and number of animal units raised on the property.

4. The number of acres leased for agricultural purposes and the terms of the lease for each parcel leased.

5. A verification that the property meets the requirements prescribed in section 42-12152.

B. The owner of property or the owner's designated agent under section 42-16001 shall file a completed agricultural use application form with the county assessor before the property may be classified as being used for agricultural purposes. If the ownership of a property changes, an agricultural use application form must be filed by the new owner within sixty days after the change in ownership to maintain the agricultural use status. If the owner or the owner's agent fails to file an application form as prescribed in this subsection, the assessor shall not classify the property, on notice of valuation, as being used for agricultural purposes. The owner or agent may appeal the classification as prescribed by chapter 16, article 2 of this title regardless of whether the owner or agent filed an application form.

42-12156. Notice of change in use

If all or part of the property ceases to qualify as agricultural property under this article, the person who owns the property at the time of change shall notify the assessor within sixty days after the change.

42-12157. Recapture and penalty for false information or failure to notify of change in use

If an owner of property or the owner's agent intentionally provides false information on an application form, or fails to provide the notice required under section 42-12156:

1. The property shall be reclassified immediately as being used for a nonagricultural use and shall be valued at its nonagricultural full cash value.
2. The owner is liable for the additional taxes on the difference between the nonagricultural full cash value and the full cash value of the property for all of the tax years in which the property was classified based on the false information.
3. The owner shall also pay a penalty equal to twenty-five per cent of the additional taxes computed under paragraph 2 of this section. The assessor may abate this penalty for good cause. Twenty per cent of the penalty shall be deposited in the state general fund, and eighty per cent of the penalty shall be deposited with the county treasurer to be used by the county assessor's office.