



*County of Cochise*  
**OFFICE OF THE COUNTY ASSESSOR**  
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## AGRICULTURAL LAND ASSESSMENTS

### WHAT IS "AG" LAND? (A.R.S. 42-12151 > 42-12158)

"AG" Land is land being used for the commercial production of an agricultural crop or commodity. The primary use must be for this purpose and be in **Active production** in conformance with generally accepted farming and ranching practices. The land must have been in production for at least three (3) of the five (5) prior years. A reasonable operating profit must be possible from its agricultural use. **Farm land** is defined as cropland of a least twenty (20) gross acres. **Ranch land** is defined as land used for the grazing of livestock on large uncultivated acreage utilizing natural forage crops with a minimum carrying capacity of forty (40) animals. **Commercial Horse Facility** is defined as a commercial training or boarding facility with a minimum capacity of ten (10) horses, or commercial breeding facility with a minimum capacity of three (3) horses (legislative change effective for 2013 tax year).

### IS "AG" LAND TREATED DIFFERENTLY FOR PROPERTY TAX PURPOSE? (A.R.S. 42-11051->11054, 42-13002->13005, 42-13101, 42-13257, 42-16157->16206)

Yes!! Arizona law requires agricultural land be valued using solely the income approach to value without consideration of market value. This approach usually generates a valuation below market value of the property.

### DOES MY LAND QUALIFY AS "AG" LAND? (A.R.S. 42-12151->12158)

If you own land on which you are farming at least twenty acres (20), if you are ranching and have at least forty animals (40), or if you operate a commercial horse facility with a capacity of at least 10 horses, and you have been engaged in this farming or ranching practice for at least three (3) of the most recent five years (5), you may qualify. Under Arizona Law, agricultural status may, under certain conditions, also be granted if you are farming/ranching fewer than the defined number of acres/animal units or have operated fewer than three (3) of the most recent five years (5).

Your land may qualify as "AG" if you lease it to a farmer/rancher who meets the above qualifications. Your land must be actively used and considered a significant contributing factor in their operation. Leased grazing land may contribute in a significant way if it has necessary wells, stock tanks, corrals, connects otherwise separated non-contiguous parcels and is actively being ranched. Leased farmland may contribute in a significant way if it is actively being farmed.

## **DO I HAVE TO FILL OUT FORMS TO QUALIFY MY LAND AS “AG LAND?”**

(A.R.S. 42-12151->12158, 42-13102)

Yes!!, If you are farming or ranching and wish to be classified as “AG” land you must file an **Agricultural Land Use Application** (Form DOR 82916) with the county assessor. Once this form is filed and agricultural status is approved by the assessor, “AG” status is established for property tax purposes. The property owner is required to notify the assessor if production ceases or changes. An **Agricultural Land Use Application** must be refiled within sixty (60) days of the date of transfer if ownership of the land changes if agricultural classification is to be continued.

If you lease your property to a farmer or rancher for a period of time in excess of ninety (90) days, Arizona law requires that you file an **Agricultural Lease Abstract** (Form DOR 82917) with the county assessor. If the ownership changes, or if the terms of the lease agreement change, a new lease form must be filed with the assessor within three (3) months after the change or prior to January 31, whichever is later.

The **Agricultural Land Use Application** (Form DOR 82916) and the **Agricultural Lease Abstract** (Form DOR 82917) may be obtained from the County Assessor or Arizona Department of Revenue.

## **WHO APPROVES/DISAPPROVES “AG” LAND STATUS (A.R.S. 42-12151->12158)**

Arizona law requires the county assessor to receive, approve or disapprove all **Agricultural Land Use Applications**. The law also requires the assessor to review twenty five percent (25%) of the county’s agricultural properties annually.

## **IF “AG” LAND STATUS IS DISAPPROVED, WHAT CAN I DO ABOUT IT?**

(A.R.S. 42-13002->13003, 42-13051->13053, 42-15101->15103, 42-16001, 42-16051->16056)

If “AG” status is denied by the assessor, the property owner may appeal this decision through either an administrative appeal or judicial appeal. The administrative appeal is initiated by filing a **Petition For Review Of Real Property Valuation** (Form DOR 82130) with the assessor after receiving the Notice of Valuation card around the end of February. This appeal process has two levels: #1-assessor, #2 county board of equalization. A judicial appeal may be filed in tax court within sixty days (60) of an administrative appeal decision or by December 15 of the valuation year if no administrative appeal was filed. The taxes must not be delinquent when filed in tax court.

For more information regarding the valuation of agricultural land, contact the Cochise County Assessor’s Office at (520) 432-8650 or send an email to [assessor@cochise.az.gov](mailto:assessor@cochise.az.gov).

**Original signed forms must be received in our office.** Email filings or FAX filings are not accepted.

# Agricultural Land Use Application

## Information and Instructions

For property tax purposes, the determination of "full cash value" for agricultural land is prescribed by statute in A.R.S. § 42-13101. The valuation method applies only to property that has been approved for agricultural classification by meeting the statutory requirements and criteria set forth in A.R.S. Title 42, Chapter 12, Article 4. One such requirement is the submittal of a completed Agricultural Land Use Application form to the county assessor.

- Complete all the items on the form that apply. Sign the application and keep a copy for your records. Although not required, you are also encouraged to complete the Supplement Page, Form 82916-S, as this will facilitate the processing of your application.
- Submit the signed application to the assessor for the county in which the property is located. Also include any Agricultural Lease Abstract forms required by A.R.S. § 42-13102 (see the block at the bottom of this page).
- Along with the application, the assessor may request other pertinent information for review, such as the legal description of the property, copies of land leases, registered brand information, etc.

**Quick File Option:** If you are an owner-producer (i.e. the landowner and agricultural producer) and your application pertains to newly added property to your existing operation, you may choose to streamline your application under the following conditions:

- A. The new property is an addition to your existing agricultural operation, **and**
- B. The real property in your existing operation already has agricultural classification.

If conditions A & B are met, it is only necessary to list the newly added property on the application. Naturally, you may list all the land utilized in your operation, but it is not required.

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**Animal Unit (AU):** Pursuant to A.R.S. § 37-285, "animal unit" means one weaned beef animal over six months of age, or one horse, or five goats, or five sheep, or the equivalent. A cow/calf pair (a cow and her calf) is considered equivalent to one animal unit.

**AUM - Animal Unit Month:** A.R.S. § 37-285 defines this as one animal unit grazing for one month. It is also known as the amount of forage required to sustain one animal unit for one month.

**Carrying Capacity:** Refers to the potential number of animal units that may be supported on an area of land for a given period of time based on forage potential. Please report the annual carrying capacity in the amount of animal unit months (AUM's). For example, consider a hypothetical 12,000 acre ranch property. If the forage potential can sustain 90 animal units grazing for ten months during the course of a year, the annual carrying capacity is 900 AUM's (90 animal units x 10 months). If 12 months, then 1,080 AUM's.

**Homesite Acreage:** If a portion of the parcel is used for a residence - typically the home of the owner's family - please report the approximate acreage for the site containing the home and its associated residential structures.

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### Land Use (codes to identify agricultural land use)

- **GR** Natural Grazing - livestock grazing on uncultivated land, on which naturally occurring plants provide forage
- **PA** Pasture - livestock grazing on irrigated and prepared land, on which plants are grown for forage
- **FC** Field Crops (cotton, wheat, barley, alfalfa, etc)
- **PC** Permanent Crops (citrus, nuts, apples, etc)
- **HD** High Density (feedlot, dairy, cotton gin, processing wine grapes, etc)
- **EQ** Equine (commercial breeding, raising, boarding or training; or rescue facility)

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### Important Awareness Items:

1. **Change of ownership.** If the ownership changes on a property that has agricultural classification, the new owner must file an application within sixty days after the ownership change to maintain the agricultural classification for the property.
2. **Notice of change in use.** Per A.R.S. § 42-12156, if all or part of the property ceases to qualify as agricultural property, the person who owns the property at the time of change must notify the assessor within sixty days after the change.
3. **A.R.S. § 42-12157.** This statute pertains to "Recapture and penalty for false information or failure to notify change in use".

**Land You Lease to a Tenant:** Per A.R.S. § 42-13102, an Agricultural Lease Abstract - DOR Form 82917 - is required for each agricultural land lease exceeding ninety days. This pertains to any deeded land and/or government land that you lease to a tenant, or sublease to a tenant.

Online source for statutes: <http://www.azleg.gov/ArizonaRevisedStatutes.asp>

# AGRICULTURAL LAND USE APPLICATION

File Date: \_\_\_\_\_ County: \_\_\_\_\_

**ASSESSOR'S USE ONLY**

Agricultural Unit Number: \_\_\_\_\_

**OWNER: NAME & ADDRESS - PLEASE PRINT**

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Check here if you are choosing the Quick File Option  
(See the instructions)

## Listing of Agricultural Land

Use Continuation Page(s) (form DOR 82916-C) if necessary

Totals: Parts A, B & C (combined)	
<b>Agricultural Land -- Total Acres</b>	
<b>Carrying Capacity -- Annual AUM's</b>	

See instructions for carrying capacity pertaining to grazing land

### A. Deeded Land You Own

Item #	Land Parcels	Land Use (see codes)	Acres (AG Land)	Homesite Acreage	ASSESSOR'S USE ONLY			
	Assessor's Parcel ID Number				Parcel Size	App	Den	PUC
1								
2								
3								
4								

### B. Deeded Land Leased to You

If located in a different county than the land in Part A, which county?

Item #	Land Parcels	Land Use (see codes)	Acres Leased	Lease Term Dates		Owner's Name
	Assessor's Parcel ID Number			Begin	End	
1						
2						
3						

### C. Government Land Leased to You (or subleased to you)

Item #	Gov't Agency e.g. BLM, Forest Service, State Land Dept.	Lease ID e.g. Lease Number, Permit #, Allotment # / Name	Lease Term Dates		Acres	Carrying Capacity
			Begin	End		Annual AUM's
1						
2						
3						

**Affirm and Attest**

Before marking the checkboxes here, you are advised to read the Agricultural Property Classification statutes set forth in A.R.S. Title 42, Chapter 12, Article 4. Online source: [www.azleg.gov/ArizonaRevisedStatutes.asp](http://www.azleg.gov/ArizonaRevisedStatutes.asp) **Note:** If you leave any boxes unchecked, you must provide an explanation on a separate sheet of paper and attach it to your application.

1. I hereby affirm this is a true and complete statement, to the best of my knowledge, of the property that is owned, claimed by, or in possession or control of the undersigned.
2. I hereby affirm that the property meets the requirements prescribed in A.R.S. § 42-12152, "Criteria for classification of property used for agricultural purposes".
3. I affirm and attest that the property is in active production with an expectation of profit.

Signature of Owner or Representative \_\_\_\_\_ Date \_\_\_\_\_ Print Name (and title, if applicable) \_\_\_\_\_ Telephone \_\_\_\_\_

State Board of Appraisal # \_\_\_\_\_ (for Property Tax Agents only) \_\_\_\_\_ Email address \_\_\_\_\_

Include a current Agency Authorization (82130AA)



# AGRICULTURAL LAND USE APPLICATION - Continuation Page

File Date: \_\_\_\_\_ County: \_\_\_\_\_

Key Parcel: \_\_\_\_\_  
 • First parcel listed on first Application page

**OWNER:** NAME - PLEASE PRINT

## Listing of Agricultural Land - CONTINUED

<b>A. Deeded Land You Own</b>					<b>ASSESSOR'S USE ONLY</b>			
Item #	Land Parcels	Land Use (see codes)	Acres (AG Land)	Homesite Acreage				
	Assessor's Parcel ID Number				Parcel Size	App	Den	PUC

<b>B. Deeded Land Leased to You</b>					If located in a different county than the land in Part A, which county?		
Item #	Land Parcels	Land Use (see codes)	Acres <b>Leased</b>	Lease Term Dates		Owner's Name	
	Assessor's Parcel ID Number			Begin	End		

<b>C. Government Land Leased to You</b> (or subleased to you)						Carrying Capacity
Item #	Gov't Agency e.g. BLM, Forest Service, State Land Dept	Lease ID e.g. Lease Number, Permit #, Allotment # / Name	Lease Term Dates		Acres	Annual AUM's
			Begin	End		

# AGRICULTURAL LAND USE APPLICATION - Supplement Page

File Date: \_\_\_\_\_ County: \_\_\_\_\_ Key Parcel: \_\_\_\_\_

- First parcel listed on Application

OWNER: Name - Please Print

## Section 1

**Type of landowner:** For the purpose of this form, there are two terms to distinguish the type of landowner.

**Owner-Producer:** A landowner who is the agricultural producer utilizing the land in his/her agricultural operation. Also known as owner-user or owner-operator.

**Owner-Lessor:** A landowner who leases the land to either: 1) an end-user tenant for use in the tenant's agricultural operation, or 2) a sandwich leaseholder tenant who subleases the land to a subtenant agricultural user.

### **Which scenario fits your application?**

The Agricultural application form has the flexibility to be used under the following scenarios. Please mark the appropriate checkbox. In the case of Scenario 3, #2 may also apply.

1. An owner-producer's application on a new agricultural property unit, i.e. all the land in the operation.
2. An owner-lessor's application on property used in a tenant's or subtenant's agricultural operation.
3. An application prompted by an ownership change on an existing agricultural property to maintain the agricultural classification.
4. An owner-producer's application on newly added property to his/her existing agricultural operation.

## Section 2

**Introduction:** Upon receiving an application, one of the assessor's foremost considerations is to examine whether a property meets the definition of "agricultural real property", as set forth in A.R.S. § 42-12151 for property tax purposes. This definition specifies eleven different agricultural property types, each pertaining to the entire real property unit or "the whole", meaning all of the land being utilized in a particular agricultural economic operation (i.e. a farm, ranch, or agri-business).

Thus, it is important for the assessor to know what the "whole" agricultural property unit is. As such, you are encouraged to complete a brief section pertaining to the entire operation overall. For an **owner-producer**, complete the *Owner's Agricultural Operation* block at the bottom of this page. For an **owner-lessor**, complete the *Tenant's Agricultural Operation* block on the Agricultural Lease Abstract form.

### **Whole or a Portion?**

If the land listed on your application is a portion of an agricultural property unit, the information you provide pertaining to the "whole" property unit is imperative. Recognize that if the assessor is unable to gain sufficient knowledge of "the whole" in order to test whether it meets the definition of "agricultural real property", it then follows that a portion would not be approved for agricultural classification.

**The following question pertains to all the land listed on your Application in Parts A, B & C:**

Does this land represent the "whole" agricultural property unit, or a portion of the agricultural property unit? Check the appropriate box.

**Whole**

**Portion**

<b>Owner's Agricultural Operation (overall) - General Information</b>	<b>To Be Completed By Owner-Producer</b>
Farm or Ranch Name: _____	Total Acreage: _____ (approximately)
<u>Principal Agricultural Activity:</u>	
Raising Livestock -- Approximate # of Animal Units: _____ (see Animal Unit definition)	Type of Livestock: _____
Raising Crops -- Type of Crops: _____	
Other -- Describe: _____	

# Agricultural Lease Abstract

## Information and Instructions

Pursuant to A.R.S. § 42-13102, each lease of agricultural land, or agreement to rent agricultural land, for a period of more than ninety days shall be reported on a lease abstract form. The owner or lessor, or an agent of the owner or lessor, shall file the lease abstract with the county assessor.

The assessor's collection of rental data by way of this form is essential to the valuation process for determining the "full cash value" of agricultural land for property tax purposes. As such, information on the form must be reported in a complete, clear, and accurate manner. Note that rental data reported for an individual property will not directly affect the assessment or taxes on that property.

The valuation process for agricultural land is prescribed by statute in A.R.S. § 42-13101, which specifies "using only the income approach to value without any allowance for urban or market influences". In short, this method is utilized to calculate value based on the potential typical rental income for agricultural land, referred to in the statute as "average annual net cash rental".

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- Complete all the items on the form that apply. **Note:** You must complete the brief section pertaining to the *Tenant's Agricultural Operation (overall)* at the bottom of Page 2.
  - Sign the form and keep a copy for your records. Submit the completed form to the assessor for the county in which the property is located.
  - Along with the lease abstract form, the assessor may request other pertinent information for review, such as a copy of the lease, the legal description of the property, registered brand information, etc.
- 

**Animal Unit (AU):** Pursuant to A.R.S. § 37-285, "animal unit" means one weaned beef animal over six months of age, or one horse, or five goats, or five sheep, or the equivalent. A cow/calf pair (a cow and her calf) is considered equivalent to one animal unit.

**AUM - Animal Unit Month:** A.R.S. § 37-285 defines this as one animal unit grazing for one month. It is also known as the amount of forage required to sustain one animal unit for one month.

**Carrying Capacity:** Refers to the potential number of animal units that may be supported on an area of land for a given period of time based on forage potential. Please report the annual carrying capacity in the amount of animal unit months (AUM's). For example, consider a hypothetical 12,000 acre ranch property. If the forage potential can sustain 90 animal units grazing for ten months during the course of a year, the annual carrying capacity is 900 AUM's (90 animal units x 10 months). If 12 months, then 1,080 AUM's.

**Rental Sales Tax:** In Arizona, the technical term for sales tax is transaction privilege tax. Some cities and counties impose this tax on the rental of real property. For information, see Arizona Dept of Revenue Publication 608 - Commercial Lease and Publication 622 - Business Basics. Online source: [www.azdor.gov](http://www.azdor.gov)

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### Land Use (codes to identify agricultural land use)

- **GR** Natural Grazing - livestock grazing on uncultivated land, on which naturally occurring plants provide forage
  - **PA** Pasture - livestock grazing on irrigated and prepared land, on which plants are grown for forage
  - **FC** Field Crops (cotton, wheat, barley, alfalfa, etc)
  - **PC** Permanent Crops (citrus, nuts, apples, etc)
  - **HD** High Density (feedlot, dairy, cotton gin, processing wine grapes, etc)
  - **EQ** Equine (commercial breeding, raising, boarding or training; or rescue facility)
- 

### Important Awareness Items:

#### **A new lease abstract form must be filed when a change occurs.**

Certain changes to a previously reported lease will prompt a requirement to submit a new lease abstract. These include a change in the ownership, the lessor, or the tenant; or a change to the rent, the land size, lease term, or lease conditions, etc. A new lease abstract form must be filed within three months after the change or before January 31, whichever is later.

**A.R.S. § 42-15052.** This statute pertains to the assessor's authority to request information and examine documents that bear on reporting or valuing taxable property.

**A.R.S. § 42-15055.** This statute pertains to the consequence and penalty for false information or failure to supply information required by the assessor.

**Online source for statutes:** <http://www.azleg.gov/ArizonaRevisedStatutes.asp>

# AGRICULTURAL LEASE ABSTRACT - Page 1

This Document is Not Open to Public Inspection

File Date: \_\_\_\_\_ County: \_\_\_\_\_ Key Parcel: \_\_\_\_\_  
 • First parcel listed on Page 2

<b>LESSOR:</b> NAME & ADDRESS - PLEASE PRINT				<b>TENANT:</b> NAME & ADDRESS - PLEASE PRINT			
NAME				NAME			
ADDRESS				ADDRESS			
CITY	STATE	ZIP	TELEPHONE	CITY	STATE	ZIP	TELEPHONE

Are the Lessor and the Tenant related? Yes  No   
 If Yes, state relationship: \_\_\_\_\_  
 (spouses, family members, related business entities, etc)

• NOTE: This is a two-page form. You must complete both pages.  
 • Refer to the Information & Instructions as you complete the form.

**LEASE TERM:** START DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_

**LAND FOR THIS LEASE:** Summary of Land Listed on Page 2 and any Continuation Pages

**Property Location:** \_\_\_\_\_ (Address or Twp & Range)  
**Acres Leased to Tenant:** \_\_\_\_\_ **Land Use:** \_\_\_\_\_ (see codes)  
**Carrying Capacity -- Annual AUM's:** \_\_\_\_\_ (applicable for grazing land - see instructions)

<b>Annual Rent</b>	\$	If rent is paid in a form other than cash, report the approx cash equivalent. Provide explanation in the box below.
<b>Rent Per Acre</b>	\$	
For Grazing Land: <b>Rent Per AUM</b>	\$	

**LEASE CONDITIONS:** 1) Is the lease part of a sale/leaseback transaction? Yes  No   
 2) In addition to the rent, does the tenant pay the following items, either directly or by reimbursing the lessor?  
     • Property Tax ..... Yes  No   
     • Sales Tax (on the rent) ..... Yes  No   
     • Irrigation District Assessment ..... Yes  No   
 3) Other Conditions (rent increases, option to renew, residence included in the rent, etc) \_\_\_\_\_

**LESSOR EXPENSES:** Report anticipated annual costs paid by the lessor that are directly related to the production of the rent. These may include items such as property tax, rental sales tax, irrigation district assessment, grazing fees plus surcharge for government land subleased to the tenant, property management, maintenance of wells and irrigation ditches, etc. Do not report items paid by the tenant. Do not report land cost, interest on land cost, cost of capital improvements, or income tax depreciation.

Expense Item	Amount	Expense Item	Amount
	\$		\$
	\$		\$
	\$		\$

I hereby affirm that this is a true and complete statement, to the best of my knowledge, of the property that is owned, claimed by, or in the possession or control of the undersigned.

Signature of Lessor or Representative \_\_\_\_\_ Date \_\_\_\_\_ Print Name; and Title (if applicable) \_\_\_\_\_ Telephone \_\_\_\_\_

State Board of Appraisal # \_\_\_\_\_  
 (for tax consultants only) Include a current Agency Authorization (82130AA) \_\_\_\_\_ Email address \_\_\_\_\_



# AGRICULTURAL LEASE ABSTRACT - Page 2

This Document is Not Open to Public Inspection

File Date: \_\_\_\_\_ County: \_\_\_\_\_

**ASSESSOR'S USE ONLY**

Agricultural Unit Number: \_\_\_\_\_

<b>LESSOR:</b> NAME - PLEASE PRINT	<b>TENANT:</b> NAME - PLEASE PRINT
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**Listing of Land for this Lease**  
Use Continuation Page(s) (DOR 82917-C) if necessary

**Totals: Parts A, B & C (combined)**

<b>Total Acres Leased to Tenant</b>	
<b>Carrying Capacity -- Annual AUM's</b>	

See instructions for carrying capacity pertaining to grazing land

**A. Deeded Land Owned by Lessor**

Item #	Land Parcels	Land Use (see codes)	Acres Leased to Tenant	***** ASSESSOR'S USE ONLY *****		
	Assessor's Parcel ID Number			PUC	Parcel Size	Comment
1						
2						
3						
4						
5						
6						
7						

**B. Deeded Land Leased to Lessor, Subleased to Tenant**

Item #	Land Parcels	County	Owner's Name	Land Use (see codes)	Acres Leased to Tenant
	Assessor's Parcel ID Number				
1					
2					
3					

**C. Government Land Leased to Lessor, Subleased to Tenant**

Item #	Government Agency e.g. BLM, AZ State Land Dept	Lease ID e.g. Lease Number, Permit Number, Allotment Number / Name	Annual AUM's	Acres Leased to Tenant
1				
2				
3				
4				

<b>Tenant's Agricultural Operation (overall) - General Information</b>	<b>To Be Completed By Lessor</b>
Farm or Ranch Name: _____ Total Acreage: _____ <span style="float: right;">(approximately)</span>	
<u>Principal Agricultural Activity:</u> Raising Livestock -- Approximate # of Animal Units: _____ Type of Livestock: _____ <span style="margin-left: 40px;">(see Animal Unit definition)</span>	
Raising Crops -- Type of Crops: _____	
Other -- Describe: _____	

