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".

- 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

---

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

LESSOR: NAME & ADDRESS - PLEASE PRINT	**TENANT:** 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)

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

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)

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: _____

LESSOR: NAME - PLEASE PRINT	**TENANT:** NAME - PLEASE PRINT

Totals: Parts A, B & C (combined)	
Total Acres Leased to Tenant	
Carrying Capacity -- Annual AUM's	

See instructions for carrying capacity pertaining to grazing land

Listing of Land for this Lease

Use Continuation Page(s) (DOR 82917-C) if necessary

A. Deeded Land Owned by Lessor

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

B. Deeded Land Leased to Lessor, Subleased to Tenant

Item #	Land Parcels Assessor's Parcel ID Number	County	Owner's Name	Land Use (see codes)	Acres Leased to Tenant
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	Carrying Capacity Annual AUM's	Acres Leased to Tenant
1				
2				
3				
4				

Tenant's Agricultural Operation (overall) - General Information — **To Be Completed By Lessor**

Farm or Ranch Name: _____ Total Acreage: _____ (approximately)

Principal Agricultural Activity:

☐ Raising Livestock -- Approximate # of Animal Units: _____ (see Animal Unit definition) Type of Livestock: _____

☐ Raising Crops -- Type of Crops: _____

☐ Other -- Describe: _____

AGRICULTURAL LEASE ABSTRACT - Continuation Page

This Document is Not Open to Public Inspection

File Date: _____ County: _____ Key Parcel: _____

• First parcel listed on Page 2

LESSOR: NAME - PLEASE PRINT	**TENANT:** NAME - PLEASE PRINT

Listing of Land for this Lease - CONTINUED

A. Deeded Land Owned by Lessor

Item #	Land Parcels Assessor's Parcel ID Number	Land Use (see codes)	Acres Leased to Tenant	***** ASSESSOR'S USE ONLY *****		
				PUC	Parcel Size	Comment

B. Deeded Land Leased to Lessor, Subleased to Tenant

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

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	Carrying Capacity Annual AUM's	Acres Leased to Tenant