

Susan Murphy, Assessor
221 Comanche Street
P.O. Box 26
Kiowa, CO 80117
(303) 621-3101
(303) 621-3173 (Fax)

ELBERT COUNTY

OFFICE OF THE COUNTY ASSESSOR



"Fair, Uniform, & Equitable Assessments, Within the Law"

Agricultural Land Classification and State Statute §39-1-102 Defined

- (1.1) "Agricultural and livestock products" means plant or animal products in a raw or unprocessed state that are derived from the science and art of agriculture, regardless of the use of the product after its sale and regardless of the entity that purchases the product. "Agriculture", for the purposes of this subsection (1.1), means farming, ranching, animal husbandry, and horticulture.
- (1.6) (a) "Agricultural land", whether used by the owner of the land or a lessee, means one of the following:
- (I) (A) A parcel of land, whether located in an incorporated or unincorporated area and regardless of the uses for which such land is zoned, that was used the previous two years and presently is used as a farm or ranch, as defined in subsections (3.5) and (13.5) of this section, or that is in the process of being restored through conservation practices. Such land must have been classified or eligible for classification as "agricultural land", consistent with this subsection (1.6), during the ten years preceding the year of assessment. Such land must continue to have actual agricultural use. "Agricultural land" under this subparagraph (I) shall not include two acres or less of land on which a residential improvement is located unless the improvement is integral to an agricultural operation conducted on such land. "Agricultural land" also includes the land underlying other improvements if such improvements are an integral part of the farm or ranch and if such other improvements and the land area dedicated to such other improvements are typically used as an ancillary part of the operation. The use of a portion of such land for hunting, fishing, or other wildlife purposes, for monetary profit or otherwise, shall not affect the classification of agricultural land. For purposes of this subparagraph (I), a parcel of land shall be "in the process of being restored through conservation practices" if: The land has been placed in a conservation reserve program established by the natural resources conservation service pursuant to 7 U.S.C. secs. 1 to 5506; or a conservation plan approved by the appropriate conservation district has been implemented for the land for up to a period of ten crop years as if the land has been placed in such a conservation reserve program.
- (B) A residential improvement shall be deemed to be "integral to an agricultural operation" for purposes of sub-subparagraph (A) of this subparagraph (I) if an individual occupying the residential improvement either regularly conducts, supervises, or administers material aspects of the agricultural operation or is the spouse or a parent, grandparent, sibling, or child of the individual.

It is the role of the assessor's office to provide you with the best customer service in a fair, courteous and respectful manner. We are here to serve the community and will work to make our interactions as stress-free as possible.

(3.5) "Farm" means a parcel of land which is used to produce agricultural products that originate from the land's productivity for the primary *purpose of obtaining a monetary profit*.

(13.5) "Ranch" means a parcel of land which is used for grazing livestock for the *primary purpose of obtaining a monetary profit*. For the purposes of this subsection (13.5), "livestock" means domestic animals which are used for food for human or animal consumption, breeding, draft, or profit.

Case Notes:

To qualify as "agricultural land" under subsection (1.6), the land must (1) be presently used as a farm or ranch; (2) have been so used during the two-year period prior to the assessment; (3) have been classified or eligible for classification as agricultural land during the 10 years preceding the assessment year; and (4) continue to have actual agricultural use. *Boulder County Bd. of Equaliz. v. M.D.C. Constr. Co.*, 830 P.2d 975 (Colo. 1992).

The plain meaning of the phrase "used for grazing" is that livestock actually graze on the land. There must be actual grazing on the parcel during each relevant tax year to qualify for agricultural classification unless the land is subject to non-use for conservation purposes. *Douglas County Bd. of Equaliz. v. Clarke*, 921 P.2d 717 (Colo. 1996).

Land was held not to be "agricultural land" because the primary use of the land during the three years in question was not for farming with the intent to obtain a profit. *Arapahoe P'ship v. Bd. of County Comm'rs*, 813 P.2d 766 (Colo. App. 1990).

Parcel of land did not qualify as agricultural land for ad valorem tax purposes under the first criterion of subsection (1.6). Subsection (1.6) requires that the land be used as a farm or ranch currently and for the previous two years. It is the actual use during the relevant time period that is dispositive. In 2006, the actual use of the subject land was not as a farm, or as part of a farm, but as a construction site. *C.P. Bedrock, LLC v. Denver County Bd. of Equaliz.*, 259 P.3d 514 (Colo. App. 2011).

The grazing and boarding of "pleasure horses" does not qualify as a "ranching" use. Only the grazing of "livestock" for the purpose of obtaining a monetary profit constitutes a "ranching" use, and horses may constitute "livestock" only if they are used for food or for human or animal consumption, breeding, draft, or profit. The taxpayer's profit motive alone in boarding and grazing horses on his land is insufficient. *Palmer v. Bd. of Equaliz.*, 957 P.2d 348 (Colo. App. 1998).

It is the role of the assessor's office to provide you with the best customer service in a fair, courteous and respectful manner. We are here to serve the community and will work to make our interactions as stress-free as possible.