



MORNING STAR RANCH
COMMUNITY ASSOCIATION

100 Corporate Place • Suite 203 • Peabody, Massachusetts 01960 • (978) 535-2295 • FAX (978) 535-4214

**NOTICE OF THE 2019 ANNUAL MEETING
OF THE
MORNING STAR RANCH COMMUNITY ASSOCIATION**

THE 2019 ANNUAL MEETING OF THE MEMBERS OF THE MORNING STAR RANCH COMMUNITY ASSOCIATION WILL BE HELD:

WHEN: FRIDAY, FEBRUARY 8, 2019, AT 11:00 A.M. MST

WHERE: 1265 MORNING STAR DRIVE (LOT 28), RIO RICO, AZ 85648

THE PURPOSE OF THE MEETING IS TO APPROVE THE MINUTES OF THE 2018 MEETING, REVIEW THE ACTUAL EXPENSE REPORT FOR 2018 AND THE 2019 BUDGET, AS APPROVED BY THE BOARD OF DIRECTORS, AND TRANSACT SUCH OTHER BUSINESS AS MAY PROPERLY BE BROUGHT BEFORE THE MEETING.

A BUFFET LUNCH WILL BE SERVED FOLLOWING THE MEETING. PLEASE SEND DAVID BLOUIN AN E-MAIL AT MSRTUBAC@AOL.COM TO LET HIM KNOW IF YOU WILL BE COMING AND HOW MANY WILL BE IN YOUR PARTY.

**MINUTES OF THE 2018 ANNUAL MEETING OF THE MEMBERS
OF
MORNING STAR RANCH COMMUNITY ASSOCIATION**

Pursuant to a notice duly given to all of the members, the 2018 annual meeting of the members of the Morning Star Ranch Community Association was held on Friday, February 9, 2018, at 1265 Morning Star Drive (Lot 28), Rio Rico, Arizona. David Blouin, the President of the Association, acted as Chairman of the meeting, and Stephen Thomas, the Secretary of the Association, recorded the minutes.

The Chairman called the meeting to order at approximately 11:15 a.m. The members present were Mark and Linda Alyea, Howard Bach, Erik and Rita Brandin, Pam Brannon and Tom Lumley, Fred Johnson (on behalf of Elaine Cohen), Ursula Conway, Patti and Neil deLuca, Tom and Mae Duggin, Leigh and Roy Farrell, Conrad McCarthy, Suzy Offenberger, Russell Palmer and Alec White, James and Maria Read, Jim and Lee Ann Wehr, Dan and Debbie Willoughby, and Jim Wright and Jeanne Danaher.

DRAFT

The Secretary asked if there were any corrections or objections to the draft minutes of the 2017 annual meeting that had been sent to all members prior to this year's meeting. There were none, so the minutes were deemed approved as sent.

The Chairman opened the meeting with a report on the water issues. He said that it had become clear that Liberty Water was simply unwilling at this time to take the Ranch into its territory and as a result we shall continue the current bulk water purchase agreement with Liberty.

The Chairman then reported that the water law attorney had determined that it would be permissible for the Association to bill for water expenses based on metered usage, and the Board had decided to implement quarterly billing effective as of the first of this year. The Chairman said that he had been working closely with a group of Members consisting of Russell Palmer, Conrad McCarthy and Mark Alyea, together with the Association's accountant Frank Bille, to set up the meter reading and billing processes, and to determine how the amount to be billed should be calculated. Russell gave a detailed report on what had been done. The largest part of each statement will simply be the cost of gallons used, based on the rate paid to Liberty, plus a "base charge" still being calculated which would cover the expenses directly attributable to the operation of the water system. It had been decided that some of the costs of the system, such as capital items, should be allocated to general expenses since having a water system provides both value and usability for all Lots, whether or not they are currently using water. Dave said that Frank was working on revising the 2018 budget to reallocate certain expenses based on this new approach. Sample statements were circulated.

Some Members raised the question of whether there would still even be a need to pursue annexation since we continue to operate under the bulk water purchase agreement. The Chairman, the Secretary and others present gave reasons why being in a public water company's territory was advantageous, but it will require a change in Liberty's current policy.

DRAFT

Russell Palmer said that he and Howard Bach were working together to improve marketing of Lots.

The meeting adjourned at approximately 12:45 p.m., and was followed by a buffet lunch for those present.

Approved:

Stephen A. Thomas, Secretary

David Blouin, President

1/14/2019

Account Balances - As of 12/31/2018

Page 1

Account	12/31/2018 Balance
Bank Accounts	
Money Market Acct.	698.72
Operating Checking Acct.	1,999.58
Special Assessment Acct.	1,000.00
TOTAL Bank Accounts	3,698.30
Liability Accounts	
Loan Due MSRD, LLC	-7,500.00
Management Fees Due MSRD, LLC	-4,000.00
TOTAL Liability Accounts	-11,500.00
OVERALL TOTAL	-7,801.70

**Morning Star Ranch Community Association
Budget Report
1/1/18-12/31/18**

<u>Category Description</u>	<u>2018</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
INCOME			
HOA Owner Assessment Income-2018	\$112,368.00	\$112,368.00	\$0.00
HOA Owner Assessment Income-2017 Dues Paid in 2018	\$2,297.00	\$2,297.00	\$0.00
HOA Owner Water System Expense Assessment Income-2018	\$29,657.37	\$65,000.00	(\$35,342.63)
HOA Owner Water System Expense Assessment Income-2017 Paid in 2018	\$5,037.00	\$5,037.00	\$0.00
Loans from Developer	\$7,500.00	\$0.00	\$7,500.00
Interest Income	\$0.13	\$0.00	\$0.13
TOTAL INCOME	\$156,859.50	\$184,702.00	(\$27,842.50)
EXPENSES			
Accounting Fees	\$7,775.00	\$7,000.00	(\$775.00)
Annual Meeting Expenses	\$760.53	\$500.00	(\$260.53)
Bank Service Charges	\$0.00	\$0.00	\$0.00
Tubac Foothills Ranch Assoc. Dues	\$800.00	\$800.00	\$0.00
Engineering & Consultants	\$1,473.69	\$20,000.00	\$18,526.31
Entry Gate Maintenance & Repairs	\$286.01	\$750.00	\$463.99
Insurance-Directors & Officers Policy	\$3,018.00	\$3,018.00	\$0.00
Insurance-General Liability	\$583.00	\$400.00	(\$183.00)
Insurance-Umbrella Policy	\$2,150.00	\$4,000.00	\$1,850.00
Landscaping & Gardening-Common Area	\$8,482.88	\$7,500.00	(\$982.88)
Legal Fees	\$10,089.40	\$15,000.00	\$4,910.60
Loan Repayment to Developer	\$15,106.00	\$15,000.00	(\$106.00)
Office Supplies & Expense	\$223.33	\$500.00	\$276.67
Project Repairs & Maintenance	\$706.10	\$5,000.00	\$4,293.90
Project Management	\$60,000.00	\$64,000.00	\$4,000.00
Ranch Road Maintenance	\$2,418.25	\$5,000.00	\$2,581.75
Road Paving	\$0.00	\$1,500.00	\$1,500.00
Taxes-Federal & State	\$50.00	\$10.00	(\$40.00)
Taxes-Local	\$19.56	\$20.00	\$0.44
Trash Removal Maintenance	\$5,417.10	\$6,000.00	\$582.90
Utilities-Common Area	\$867.57	\$500.00	(\$367.57)
Utilities-Water Usage Expense	\$2,238.62	\$3,000.00	\$761.38
Water Contract Expense-Usage	\$37,826.28	\$37,000.00	(\$826.28)
Well & Water Line Repairs	\$6,661.01	\$10,000.00	\$3,338.99
Well & Water Testing Maintenance	\$4,061.00	\$4,000.00	(\$61.00)
TOTAL EXPENSES	\$171,013.33	\$210,498.00	\$39,484.67
OVERALL SURPLUS/(DEFICIT)	(\$14,153.83)	(\$25,796.00)	\$11,642.17

**Morning Star Ranch Community Association
Annual Budget
2019**

Income;	HOA Owner Assessment Income (\$2,500/48 Lots)	\$120,000
	Total Income	<u>\$120,000</u>
Expenses;	Accounting Fees	\$7,500
	Annual Meeting Expenses	\$500
	Bank Service Charges	\$0
	Tubac Foothills Ranch Assoc. Dues	\$800
	Engineering & Consultants	\$2,000
	Entry Gate Maintenance & Repairs	\$1,000
	Insurance-Directors & Officers Policy	\$3,018
	Insurance-General Liability	\$600
	Insurance-Umbrella Policy	\$2,150
	Landscaping & Gardening-Common Area	\$6,000
	Legal Fees	\$2,500
	Loan Repayment to Developer	\$7,600
	Office Supplies & Expense	\$500
	Project Repairs & Maintenance	\$2,000
	Project Management-Current Year	\$48,000
	Project Management-Deferred Payments from Prior Year	\$4,000
	Ranch Road Maintenance	\$2,500
	Road Paving-(See Proposed Special Projects Below)	\$0
	Taxes-Federal & State	\$50
	Taxes-Local	\$20
	Trash Removal Maintenance	\$6,000
	Utilities-Common Area	\$1,000
	Water Contract Expense-Drinkers (4) Grazing Lease	\$2,500
	Well & Water Line Repairs	\$10,000
	Well & Water Testing Maintenance	\$4,000
	Total Expenses	<u>\$114,238</u>
Anticipated Net Reserve Surplus/(Deficit)		<u>\$5,762</u>

2019 PROPOSED SPECIAL PROJECTS MAINTENANCE SCHEDULE

REPAIR & RESURFACE MORNING STAR DRIVE MAIN ROAD	\$47,500
REPLACE ALL RANCH ROAD SIGNS	\$2,500
TOTAL ESTIMATED EXPENSE	<u>\$50,000</u>

(FIGURES USED WILL BE CONFIRMED AND REVISED AS REQUIRED BY BID PROPOSALS)

2019 PROPOSED SPECIAL PROJECTS MAINTENANCE ASSESSMENT	
DUE MAY 1, 2019-ESTIMATED AT \$1,050 PER LOT x 48 LOTS	<u>\$50,400</u>

Morning Star Ranch Community Association
Water Meter Annual Budget
2019

"ONLY APPLIES TO HOMEOWNERS WITH WATER METERS"

2019 WATER METER BUDGET SCHEDULE

Income;		
	HOA Owner Metered Water Users System Expense Assessment Income	\$41,000
	HOA Owner Metered Water Users System Expense Assessment Income-2018 Delinquents	<u>\$1,019</u>
	Total Income	<u>\$42,019</u>
Expenses;		
	Water Contract Purchase Expense-Usage	\$37,000
	Utilities-Water Usage Expense	<u>\$2,500</u>
	Total Expenses	<u>\$39,500</u>
Anticipated Net Reserve Surplus/(Deficit)		<u><u>\$2,519</u></u>

Water System Expenses - Last year

1/1/2018 through 12/31/2018

1/15/2019

Page 1

Category	1/1/2018- 12/31/2018
EXPENSES	
Utilities-Common Area	
Water System Utilities	2,238.62
TOTAL Utilities-Common Area	2,238.62
Water Contract Expense	
Water Usage Expense	37,826.28
TOTAL Water Contract Expense	37,826.28
TOTAL EXPENSES	40,064.90
OVERALL TOTAL	-40,064.90

Water System Expense Details - Last year

1/1/2018 through 12/31/2018 (Cash Basis)

1/15/2019

Page 1

Date	Num	Description	Memo	Amount
EXPENSES				-40,064.90
Utilities-Common Area				-2,238.62
Water System Utilities				-2,238.62
1/5/2018	2140	S UNS Electric, Inc.	#9274420...	-25.17
			#2257220...	-26.18
			#2255210...	-29.17
1/30/2018	2141	S UNS Electric, Inc.	#0608980...	-91.48
			#9274420...	-25.17
			#2257220...	-26.37
			#2255210...	-29.34
3/21/2018	2168	S UNS Electric, Inc.	#0608980...	-86.68
			#9274420...	-25.17
			#2257220...	-26.17
			#2255210...	-28.55
3/29/2018	2176	S UNS Electric, Inc.	#0608980...	-77.73
			#9274420...	-25.17
			#2257220...	-26.24
			#2255210...	-28.54
4/30/2018	2180	S UNS Electric, Inc.	#0608980...	-79.40
			#9274420...	-27.69
			#2257220...	-28.65
			#2255210...	-32.12
5/30/2018	2191	S UNS Electric, Inc.	#0608980...	-107.55
			#9274420...	-27.09
			#2257220...	-28.14
			#2255210...	-30.83
7/12/2018	2205	S UNS Electric, Inc.	#0608980...	-112.78
			#9274420...	-27.09
			#2257220...	-28.08
			#2255210...	-31.57
8/1/2018	2213	S UNS Electric, Inc.	#0608980...	-125.63
			#9274420...	-46.03
			#2257220...	-28.18
			#2255210...	-30.83
9/14/2018	2223	S UNS Electric, Inc.	#0608980...	-129.30
			#9274420...	-27.07
			#2257220...	-28.04
			#2255210...	-30.39
10/17/2018	2233	S UNS Electric, Inc.	#0608980...	-99.07
			#9274420...	-27.84
			#2257220...	-28.21
			#2255210...	-31.44
10/31/2018	2239	S UNS Electric, Inc.	#0608980...	-123.21
			#9274420...	-25.16
			#2257220...	-26.06
			#2255210...	-28.26
12/17/2018	2252	S UNS Electric, Inc.	#0608980...	-84.52
			#9274420...	-25.16
			#2257220...	-26.33
			#2255210...	-29.49
			#0608980...	-100.28

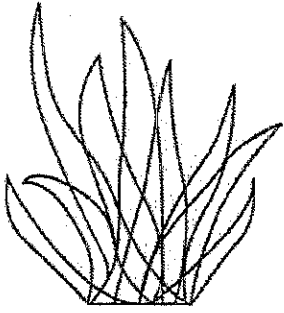
Water System Expense Details - Last year

1/1/2018 through 12/31/2018 (Cash Basis)

1/15/2019

Page 2

Date	Num	Description	Memo	Amount
Water Contract Expense				-37,826.28
Water Usage Expense				-37,826.28
1/5/2018	2135	Liberty Utilities	12/4/17-A...	-3,215.10
1/30/2018	2143	Liberty Utilities	1/2/18-Ac...	-2,633.60
2/27/2018	2158	Liberty Utilities	2/2/18-Ac...	-2,339.80
3/29/2018	2171	Liberty Utilities	3/5/18-Ac...	-2,180.80
4/30/2018	2183	Liberty Utilities	Acct# 813...	-2,633.76
5/30/2018	2195	Liberty Utilities	Acct# 813...	-3,325.45
6/28/2018	2201	Liberty Utilities	Acct# 813...	-3,600.89
7/20/2018	2209	Liberty Utilities	Acct# 813...	-4,115.15
8/23/2018	2215	Liberty Utilities	Acct# 813...	-3,326.70
9/27/2018	2228	Liberty Utilities	Acct# 813...	-1,911.81
10/18/2018	2237	Liberty Utilities	Acct# 813...	-3,401.91
11/20/2018	2246	Liberty Utilities	Acct# 813...	-2,246.72
12/20/2018	2256	Liberty Utilities	Acct# 813...	-2,894.59
OVERALL TOTAL				-40,064.90



Young Law Firm PLLC

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christine w young

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chris@younglawaz.com

To: Morning Star Ranch Lot Owners
From: Christine Young
Date: January 9, 2019
Re: Agricultural Status for Property Taxes

I am writing to you regarding the Agricultural Land Status on the Morning Star Ranch Lots. Many of you may recall that you previously received communications from Steve Thomas on this subject. Steve has retired from the practice of law and I recently began representing Morning Star Ranch Development, LLC (MSRD).

Based on my review of the Santa Cruz County Assessor's on-line records, it appears that every Lot in the Ranch currently has the grazing classification, either in full if the Lot is vacant, or in part if you have a residence on it. The basis for the agricultural classification is the Grazing Lease between MSRD and Mill Iron Cattle Co. LLC.

The importance of this classification is hard to overstate. For 2018, a vacant 36-acre Lot had an "appraised value" for tax purposes of \$720. The 2016 appraised value on one of the Lots without the classification was \$97,200. If there is a home on the Lot, those portions not occupied by it and any other improvements also were assigned a value of \$20 per acre, while the rest of the land and the improvements were valued by methods generally applied to residential property.

A new Grazing Lease was just signed for the 2019 – 2022 period. Under the CC&Rs (as clarified by the Fourth Amendment adopted in 2010 to satisfy the Assessor's requirements), during the current period of developer control of the Community Association, MSRD has the right to enter into a commercial grazing lease that covers the entire Ranch, regardless of ownership. Once this period ends, the right to lease will pass to the Community Association. Lot owners may only prohibit cattle from grazing within their "Building Envelope" (as defined by the Design Guidelines) by fencing it off.

The new Grazing Lease and the required Abstract of Lease were filed by MSRD on December 18, 2018, so there is nothing that you need to do in that regard. I have communicated with Edmo Acuna, with the Agricultural and Vacant Land Department of the Assessor's Office, regarding these filings and the overall Agricultural Status of the Ranch. Previously, the Assessor sent letters to the owners of property within the Ranch advising them of the need to file the Agricultural Land Use Application (DOR 82916) and the Supplement Page (DOR 82916-S) to request continued Agricultural Classification. Based upon my conversations with Mr. Acuna, I understand the Assessor does not intend to send to the owners the letters and forms in advance of the deadline by which filings must be made for each Lot. Nonetheless, Mr. Acuna stated that the Assessor expects each Lot owner to file a new Application and Supplement Page no later than four years after the last filing (for the majority of the owners, this was in January 2015). Of course, it is up to each owner to ensure that the filing is timely made. We recommend that each owner file the Application and Supplement now. For your convenience, enclosed are

4558 n first avenue
suite 140
tucson az 85718

Morning Star Ranch Lot Owners Memo

January 9, 2019

Page 2

copies of the current version of the Application and the Supplement or if you would prefer to download the forms in PDF format, which can be completed, printed and saved, they are available on the Arizona Department of Revenue's website at <http://www.azdor.gov/Forms/Property.aspx>.

As it has been several years since you have gone through this process, I am providing some information below which may be useful in completing the forms.

Application:

1. At the top, use the date that you expect to mail the form. Fill in Santa Cruz County. Fill in your name and the address where you want documents from the Assessor to go in the future.
2. In the "Totals" box, use the Total Acres listed in the third column of Box A. For "Carrying Capacity—Animal AUM's", as a general rule, enter eight for each Lot you own. Based on the Grazing Lease and information in the Abstract of Lease, that is the correct number for 36 acres. If you exclude more than five acres for Homesite Acreage, reduce it to seven. If your Lot is more than 40 acres, increase it to nine plus one more for each additional five acres.
3. In Box A, fill in the tax parcel number for each Lot you own. The number should be on the tax and other forms you have received from the Assessor's Office. Generally, the number for each Lot in the Ranch is 112-39-lot number (adding zeros as needed to make it three digits, e.g., Lot 7 is 112-39-007). The Land Use code is GR for grazing. In the third column, state the total acreage of your Lot, less the number of acres in the next column, if any, for Homesite Acreage (as defined in the instructions). In the past, the Assessor has used five acres as the minimum. If you do not know your acreage, you can look it up at <http://www.co.santa-cruz.az.us/323/Parcel-Tax-Search>. Boxes B and C are inapplicable.
4. The Affirm and Attest section has three boxes. The instructions state that you can add an attachment to explain why you have left any of them unchecked, but the Assessor generally has made it clear that he expects them all to be checked. I can understand your reluctance to check the second and third based on just your Lot(s), but I believe that this can be overcome by writing in "as part of Morning Star Ranch" after each box or below with an asterisk after the boxes referencing it. I understand that all of your applications will be considered by Mr. Acuna along with the one from MSRD for the majority of the acreage in the Ranch.

Supplement:

1. Fill in the information requested at the top.
2. In Section 1, check Box 2. You may not be the "landlord", but your Lot is leased.
3. In Section 2, check "Portion". This ties your Lot(s) into the Ranch.

The Assessor's Office has stated that all owners must file their own Applications for the Lots. Please make sure yours is filed on time. Please copy me if it is not too much trouble so I know that it has been done. If you have any questions on this filing, you can reach Edmo Acuna, Santa Cruz County Assessor's Office at 520-375-8030 or you can call me.

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.

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.

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:

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

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)	
Agricultural Land -- Total Acres	
Carrying Capacity -- Annual AUM's	

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 **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 - 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

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