

Explanation of Criteria for Agricultural Land Classification
Wyoming Statute 39-13-103 (b) (x)

Agricultural crop and grazing lands enjoy preferential status under Wyoming's Constitution in that they are classified and taxed not as other properties, but according to "the capability of the land to produce agricultural products under normal conditions." For tax assessment purposes, Chapter 10 of the Department of Revenue Rules, have been promulgated to help clarify the current statutes. The following are *some* important points within the statutes and rules:

"Agricultural" means that the "primary [chief or of first importance] use of the land is to produce crops, harvest timber*, or graze livestock** for commercial purposes consistent with the land's capability to produce including land used for a farmstead structure that supports the land's capability to produce."

The owner of non-leased land must derive annual gross revenues of not less than \$500 from the marketing of agricultural products by the owner's agricultural operation. For leased land the lessee(s) must derive \$1000 from the marketing of agricultural products by the lessee's agricultural operation. The amount that you receive for leasing your land does not qualify for agricultural classification. The requirement is met based on the sale of hay and/or livestock.

The land must be utilized to its proper capacity. For the purposes of pastureland, the number of animal units grazing the land should be consistent with the land's size, location and capability to produce forage. In simple terms, under good management practices, the land must be utilized to produce the maximum return without causing damage to the grassland resource. ***Simply placing one cow on land that is capable of supporting 20 AUMS, and then selling the cow for a gross revenue of \$500 does not meet the appropriate requirement of statute because the land is not being used consistent with its capacity to produce.***

Lands which are **NOT** to be valued on a productivity basis include (but are not limited to) the following:

Lands, less than 35 acres, which have been platted and received approval from the governing body (County Commissioners) in whose jurisdiction the property resides.

Lands occupied by buildings that do not support the lands capability to produce, including a homesite, and lands on which the topsoil is removed, or the topography is disturbed to the extent that the property cannot be used for production unless the land is used for a farmstead structure as defined by W.S. 39-13-101(a)(x)(A) through (D).

Lands in active transition from agricultural use to residential, commercial or industrial use. This includes creation or division of a tract, parcel or other unit of land for the purpose of sale or development for such use.

Resort or recreational lands.

Commercial feed lots, dude ranch facilities and other commercial or income purposes.

Land zoned for purposes which exclude agricultural uses.

* Land used to harvest firewood, shrubs or seeds that grow wild on the land. In order to qualify, the trees must be planted and harvested with proof of annual sales.

** Land grazed by any animal kept as a hobby. Among other possible animals, this refers to horses. If you do NOT breed and sell your animals on the open market, then your land does not qualify.

** Land leased to pasture horses or llamas. The lease fee you receive does NOT qualify your land for agricultural classification. However, if your lessee breeds the animals to sell on the open market and has annual gross revenues from the marketing and sale of the pastured animals of not less than \$ \$1000, the land may qualify. Please contact our office to discuss this if you lease your land to pasture horses or llamas.