

REFERENCE TITLE: agricultural land; valuation

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2814

Introduced by
Representative Livingston

AN ACT

AMENDING SECTION 42-13101, ARIZONA REVISED STATUTES; RELATING TO THE
VALUATION OF AGRICULTURAL PROPERTY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-13101, Arizona Revised Statutes, is amended
3 to read:

4 42-13101. Valuation of agricultural land

5 A. Land that is used for agricultural purposes shall be valued
6 using only the income approach to value without any allowance for urban or
7 market influences.

8 B. The income of agricultural ~~property~~ LAND shall be determined
9 using the capitalized average annual net cash rental of the
10 ~~property~~ AGRICULTURAL LAND. For THE purposes of this subsection, the
11 average annual net cash rental of the property:

12 1. Is the average of the annual net cash rental, excluding real
13 estate and sales taxes, determined through an analysis of typical arm's
14 length rental agreements collected for a ~~five-year~~ FIVE-YEAR period before
15 the year for which the valuation is being determined for comparable
16 agricultural land THAT IS used for agricultural purposes and located in
17 the vicinity, if practicable, of the ~~property~~ AGRICULTURAL LAND being
18 valued.

19 2. Shall be capitalized at a rate 1.5 percentage points higher than
20 the average long-term annual effective interest rate for all new farm
21 credit services loans for the ~~five-year~~ FIVE-YEAR period before the year
22 for which the valuation is being determined.

23 C. FOR THE PURPOSES OF THIS SECTION, THE COUNTY ASSESSOR SHALL
24 EXCLUDE FROM THE STATUTORY VALUATION OF AGRICULTURAL LAND THE CONTRIBUTORY
25 VALUE OF DEPRECIABLE IMPROVEMENTS, INCLUDING STRUCTURES, FIXTURES AND
26 PERMANENT CROPS. THE COUNTY ASSESSOR SHALL IDENTIFY AND VALUE DEPRECIABLE
27 IMPROVEMENTS, INCLUDING STRUCTURES, FIXTURES AND PERMANENT CROPS,
28 SEPARATELY USING STANDARD APPRAISAL METHODOLOGIES AND TECHNIQUES.