

SPECIAL DESIGNATION ISSUES

PLEASURE HORSES

Rural tracts that graze pleasure horses do not qualify as agricultural because the animals do not qualify as livestock used for food, breeding, draft, or profit. This would apply to parcels that board pleasure horses for profit. The use of the animal must be to derive a profit.

In John S. Palmer and Colorado Board of Assessment Appeals v. Eagle County Board of Equalization and Mary Huddleston, Intervenor, 957 P.2d 348 (Colo. App. 1998), the Court said that 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 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.

The Court agreed with the two criteria used in determining if a parcel of land should be considered a ranch and classified as agricultural.

1. The land must be grazed, **AND**
2. The owners of the livestock must use the livestock for food for human or animal consumption, breeding, draft or profit.

PLATTING AND SUBDIVIDING

The platting and/or subdividing of agricultural land for anticipated future development does not, of itself, affect its status as agricultural land as long as the land is currently used as a farm or ranch. This is true even if the land is sold at an unusually high price.

Agricultural land means a parcel of land that was used the previous two assessment years and is presently used as a farm or ranch as paraphrased from § 39-1-102(1.6)(a), C.R.S. Division policy is that any continuous twenty-four month period prior to and continuing through the current assessment date is sufficient to satisfy this requirement.

Although it is probable the future use of the property may be residential or commercial, it should remain agricultural as long as its present use on the assessment date is for farming or ranching as defined by § 39-1-102(3.5) or (13.5), C.R.S. Refer to Boulder County Board of Equalization and Board of Assessment Appeals v. M.D.C. Construction Company, 830 P.2d 975 (Colo. 1992). This case is discussed under *Agricultural Court Cases* found earlier in this chapter.

However, if the land has been taken out of cultivation or is no longer grazed and is not in the process of being restored through conservation practices, the land no longer qualifies for agricultural classification and should be reclassified according to its surface use.