

OFFICE OF THE ATTORNEY GENERAL

83-00189



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STATE OF ALABAMA

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ADMINISTRATIVE BUILDING
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Honorable Ken Malone
Mobile County Tax Assessor
P. O. Box 2925
Mobile, AL 36652.

Ad Valorem -- Farmers Markets -- Cooperatives & Associations

Real property owned by a cooperative of farmers used exclusively for the sale of farm produce is entitled to a Class III status for ad valorem tax purposes under the provisions of Code of Alabama 1975, §40-8-1, if the primary use of the land is for the sale of agricultural products by the farmer or farm family who raised and harvested such products.

Dear Mr. Malone:

Reference is made to your letter of December 8, 1982, in which you request the opinion of this office as to whether real property owned by the Farmer's Market of Mobile County, Inc., used exclusively for the sale of farm produce, is entitled to a Class III status under the provisions of Code of Alabama 1975, § 40-8-1, for ad valorem tax purposes.

Section 40-8-1(a) provides that "all agricultural, forest and residential property, and historic buildings and sites" are to be assessed at a 10 percent ratio of assessed value to the fair and reasonable market value. "Agricultural property" is defined in § 40-8-1(b)(3) as "[a]ll real property used for raising, harvesting and selling crops or for the feeding, breeding, management, raising, sale of or the production of livestock, including beef cattle, sheep, swine, horses, ponies, mules, poultry, fur-bearing animals, honeybees and fish, or for dairying and the sale of dairy products. . . ." The property owned by the Farmer's Market of Mobile County, Inc., would be entitled to Class III status if it fell within this definition.

It is clear from reading the definition of "agricultural property" that the Legislature meant to classify all property used for farming as Class III. The

inclusion of the words "selling crops" is somewhat ambiguous, however, since it is equally clear that the Legislature did not mean to classify as Class III all property where farm produce was sold. If so, the classification would extend not only to farmer's markets and fruit stands, but also to grocery stores and convenience stores. It would follow that the definition of agricultural property would include land for which the primary use is for the sale of agricultural products by the farmer or farm family who raised and harvested such products. It will be up to you, as Tax Assessor, to determine if the land owned by the Farmer's Market of Mobile County, Inc. is so used.

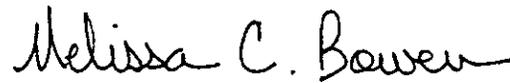
I trust the above is sufficient to answer your question.

Sincerely,

CHARLES A. GRADDICK

Attorney General

By-



MELISSA C. BOWEN

Assistant Attorney General

MCB:ccc