

FRIO COUNTY APPRAISAL DISTRICT

AGRICULTURAL POLICY AND GUIDELINES



Frio County Appraisal District

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AGRICULTURAL GUIDELINES

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Introduction

In 1966, voters approved the first agricultural appraisal law for ad valorem taxes in the State of Texas. This first law, known as 1-d, intended to protect the family farm from being taxed out of existence as Texas became more and more urbanized and market prices of agricultural land skyrocketed. Section 1-d is very restrictive, as it applies only to land owned by families or individuals. Under 1-d, agriculture must be the owner's primary occupation and primary source of income.

In 1978, Texas voters approved a second constitutional amendment adding section 1-d-1, allowing open space land (as well as timberland) to be appraised based on its productivity value. Section 1-d-1 substantially expanded eligibility for productivity appraisal by individuals and corporations. Income and occupation do not apply under 1-d-1. In 1996, Wildlife Management was added as a subsection of 1-d-1, to include the management of native indigenous species as a qualification of productivity value.

The following is a set of guidelines that explain qualifications for agricultural productivity valuation under 1-d-1 agricultural use for Frio County Appraisal District. Due to the many different types of agricultural operations, only the most common in the area will be covered in this guideline.

It should be noted that these guidelines are to be used as a general guide for qualifying agricultural land. Exceptions to the rule will be handled on a case-by-case basis.

Application

A property owner must file an Application for 1-d-1 (Open-Space) Agricultural Appraisal between January 1st and April 30th of the tax year. If April 30th falls on a weekend or a holiday, the next working day is the deadline. The postmark is considered to be the delivery date. The Chief Appraiser may extend the deadline, for good cause, for not more than sixty (60) days, if the request is received in writing before the deadline, Texas Property Tax Code (TPTC) 23.54(d).

Applications received after the deadline will be accepted if filed before approval of the appraisal records by the appraisal review board, TPTC 23.541(a). If appraisal is approved when the application is filed late, the owner is liable for a penalty of 10 percent (10%) of the difference between the amount of tax imposed on the property and the amount that would be imposed if the property were taxed at market value TPTC 23.541(b). **If a person fails to file a valid application on time, the land is ineligible for appraisal for that year, TPTC 23.54(e).**

Once an application for 1-d-1 is filed and approved, a landowner is not required to file again, if the land qualifies, unless:

- the chief appraiser requests a new application
- there is a change in size of the land from the original application
- there is a recorded name change in the deed records
- there is a change of ownership
- there is change in use

Appraisal District Responsibilities

1. Approve or deny the application based on whether and if the intensity standards have been met and the application has been filed correctly and timely.

Qualification of Land

To qualify land for agricultural appraisal, the property owner must show the Chief Appraiser that his/her land meets the standards. Land must be devoted principally to agricultural use, to the degree of intensity generally accepted in the area. The property owner must apply and must give the Chief Appraiser all the information needed to determine whether the land qualifies. **The burden of proof is the responsibility of the property owner.** The property owner must also inform the Chief Appraiser of any changes in the status of his/her land. The general policy of the Frio County Appraisal District is intended to comply with the Property Tax Assistance Division of the Texas State Comptroller's Office qualification guidelines for agricultural use.

Small tracts of land that have been developed and/or marketed for residential use and are of inadequate size to support an economically feasible agricultural activity would not normally qualify for special valuation. Land will not qualify simply because it is rural or has some connection with agriculture. Neither will it qualify because it is open land that has no other possible use. **The law does not guarantee a tax break for everyone who owns acreage.** Casual or "token" uses such as home vegetable gardens; keeping two or three pleasure horses for personal use; or raising a steer, goat, or sheep for FFA and 4-H projects do not constitute agricultural use for property tax purposes.

The land beneath farm buildings and other agricultural improvements qualifies for the special appraisal due to its use in connection with the agricultural process. Agricultural improvements are taxed at market value. Residential structures and the land beneath them do not qualify for special appraisal.

If the land is located within the boundaries of a town or city, one of the following requirements must be met, in addition to the normal requirements: the city must not provide the land with general services in comparison to those in other parts of the city having similar features and population and/or must have been devoted principally to agricultural use continuously for the preceding five years.

Minimum Acreage

Properties less than twenty (20) acres will generally not qualify for the agricultural use appraisal. Consideration will be given to parcels less than twenty (20) acres that are in operation with an adjoining parcel if all the following requirements are met:

- the agricultural use and the operator of both parcels are the same
- when adding the total acreage of the two parcels together, the total acreage devoted to agricultural use must be at least twenty (20) acres
- all other requirements of these guidelines are met
- properties that qualify under this exception may be asked to reap

Consideration will also be given to parcels less than twenty (20) acres that are being used for intensive type agricultural operations such as vegetable truck farms, beekeeping, orchards, vineyards, and hay production. Other exceptions may arise and will be evaluated on a case-by-case basis by the chief appraiser.

Tests

In addition to having qualified land, to receive a 1-d-1 productivity use value, the agricultural operation must pass four separate tests. These include principal use, historical, use, current use, and intensity of use.

Current and Principal Use – According to state law, land must be devoted principally to an agricultural use, to the degree of intensity generally accepted in the area. If the land is used for more than one purpose, the most important or primary use must be agriculture. Other uses do not prevent land from qualifying if the primary use is agriculture. For example, land used to graze cattle could also be leased for hunting. Leasing land for hunting is compatible with a primary use of land for cattle grazing. If another use replaces agriculture as the primary use of the land, then the land is no longer principally devoted to agriculture use and cannot qualify for agricultural appraisal. The Texas Property Tax Code defines agricultural use as including, but not limited to, the following activities:

- cultivating the soil, producing crops for human or animal consumption, or planting seed for the production of fibers
- cultivation and management of ornamental and flowering plants (floriculture)
- cultivation and harvesting of grapes (viticulture)
- cultivation of fruits, vegetables, flowers, herbs, nuts, or other plants (horticulture)
- raising or keeping of livestock
- raising or keeping of exotic animals for the production of tangible products having a commercial value
- planting cover crops or leaving land idle for participation in a government program or in conjunction with normal crop or livestock rotation
- wildlife management of native species
- Raising or keeping bees for pollination or for the production of human food or other commercial products.

Historical Use – According to state law, the land must have been used for any five (5) of the preceding seven (7) years for agricultural production. If agriculture was the principal use in the preceding years, the land may qualify even if the use did not meet the degree of intensity in all or some of the years. The level or intensity of use during this time is not considered. If an owner shows the required five-year history through previous applications and supporting documentation, they would be eligible for agricultural valuation in the sixth (6th) year. When history is in doubt, the following are examples of desired documentation provided for verification:

- livestock and/or crop sales receipts
- expense receipts
- valid current and past lease agreements

Once a property qualifies for agricultural valuation it must meet the intensity of use test every year.

Degree of Intensity Standards

The degree of intensity test measures whether land is being farmed or ranched to the extent typical for agricultural operations. The degree of intensity test measures what the owner is putting into the agricultural enterprise- in time, labor, equipment, management, and capital- and compares it with typical levels of these inputs for the same type of enterprise in the general area. To receive a productivity appraisal for agricultural use, the land must be used for an agricultural purpose to the degree of intensity typical in the area. In addition, a property owner/operator must be able to verify purchases and sales of livestock and/or farm products by bills of sale, sales receipts, or other documentation. **This test is intended to exclude land on which token agricultural use occurs in an effort to obtain tax relief.**

Current Use – Agricultural use must be the principal or primary use and not a secondary use. The land must be in agricultural use as of January 1st of the tax year, must meet or exceed the intensity standards, and must remain in agricultural use year-round, with extremely limited exceptions. An exception would be if the area were in a state of extreme or exceptional drought. In that circumstance, each case would be reviewed individually.

Intensity of Use – The chief appraiser is required by law to develop "degree of intensity" standards for each type of agricultural operation. These standards reflect the practices that are typical for producing various kinds of crops or livestock. Degree of intensity standards will vary from one type of agricultural operation to another. In most cases, property owners must prove that they are following all the common production steps for their type of operation and contributing typical amounts of time, labor, equipment, management, and capital.

Once the property qualifies for agricultural valuation, it must meet the intensity standards each year, unless special circumstances arise, such as resting or drought. The degree of intensity measures what land is capable of producing under typical management. This test is intended to exclude land for special-use valuation on which token agricultural uses occur to obtain tax relief. For land to qualify, the property must meet the minimum intensity standards set forth for the specific agricultural operation.

Types of Agricultural Operations

Some of these operations include one or more types of operation.

Livestock and Exotic Operations – Properties must be actively involved in standard agricultural practices. These practices include fence maintenance, providing a water source, minimum number of animal units, and marketing of livestock. Minimum animal units required for agricultural appraisal in Medina County is 3 animal units. Larger tracts of land may be required to have more than 3 animal units depending on the carrying capacity of the soil type(s). Livestock should be able to survive on the forage resources with minimum damage to the forage resources. See page 12 & 13 for Animal Unit Equivalent Charts.

Cow/Calf -The operators of cow/calf grazing operations are in the business of raising beef for sale to either processors or other operators as breeding stock. These include purebred operations as well as commercial breeders who sell calves to the local livestock market. Intensity requirements:

a minimum of 3 animal units (3 cow/calf pairs or 2 cow/calf pairs and 1 bull); cows must be bred and should calve each year; carrying capacity of land to be determined by soil type(s) but usually not less than 20 acres.

Stocker/Feeder Calf - This operation is in the business of raising beef for processors or for the feedlot. This operation involves acquiring calves at a certain weight from cow and calf operators or the livestock auction. The calves are then raised until they grow large enough for the feedlot or for slaughter; or are sold as replacement heifers. Both heifer and steer calves are found in these types of operations, with steers being the most common sex when sold for slaughter or to a feedlot. Intensity requirements: a minimum of 3 animal units (5 stocker or feeder calves); carrying capacity of land to be determined by soil type(s) but usually not less than 20 acres.

Sheep - This operation is in the business of providing two products: wool and meat. The wool is produced from the fleece of the animal and the meat is either mutton or lamb. Sheep operations may be purebred or commercial in nature. A commercial operation would not require any particular breed and may be in the business of meat production only. Purebred operations are normally in the business of producing wool, meat, or animals to sell to other producers as breeding stock. Intensity requirements: minimum of 3 animal units (15 head of grown breeding ewes); ewes must be bred and should lamb each year; carrying capacity of land to be determined by soil type(s) but usually not less than 20 acres.

Goat - This operation is in the business of producing primarily three products: mohair, meat, and milk. Typical mohair production is usually limited to the Angora breed, although there has been some Cashmere goat breeding in the area. Nubian and other similar breeds are milk producers. The milk is sold for human consumption or fed to orphan animals. Most other breeds are involved in the production of meat, or *cabrito*, meaning the meat from a kid goat. This breed is usually referred to as a Spanish goat. The Boer goat breed from South Africa was introduced some years ago as a meat producer and has been interbred with the Spanish and other goat breeds to increase the size of these animals. Some producers breed only purebred Boer goats for sale to other producers for breeding. Intensity requirements: minimum of 3 animal units; (18 head of grown breeding nannies); nannies must be bred and should kid each year; carrying capacity of land to be determined by soil type(s) but usually not less than 20 acres.

Horse - This type of operation is limited to breeding operations. A breeding operation involves having brood mares and either a stud (stallion) on location or using artificial insemination for breeding the mares. This type of operation may include some training of colts or fillies. The operation may involve any number of breeds. Land used primarily to keep, train, show, race, or ride horses does not qualify. Typical pastures are of the improved variety, such as Coastal Bermuda grass. Supplemental feeding is a given fact of a breeding horse operation. Intensity requirements: a minimum of 3 breeding age mares (should be 3 years or older) carrying capacity of land to be determined by soil type(s) but usually not less than 20 acres.

Typical Management Practices for Livestock

- Fences maintained
- Continuous water supply
- Herd management
- Systematic marketing practices
- Recordkeeping (receipts for: purchases and sales of livestock, breeding, vaccination & deworming, etc.)

- Proper land management to provide long-term forage
- Adequate animal units matching the carrying capacity of the land and typical agricultural operations

Cropland - Row crop farming is done on a limited basis. The types of crops planted in row crop farming are usually milo, corn, cotton, peanuts, potatoes and watermelons. Much of the land that is not irrigated is grazed during part of the year, usually during the winter months. Small grain and sorghum hay operators will typically plant their fields on an annual basis and combine the grain or bale hay for a minimum of one cutting.

Landowners should follow practices typical for their area.

Typical Management Practices for Cropland

- Removal of previous crop
- Planting
- Cultivation
- Application of herbicides and pesticides
- Fertilize according to soil test or typical for area
- Must try to harvest average county yield
- Recordkeeping (receipts for seed, chemicals, sale of crops; crop rotation schedule, etc.)

Hay Production - This is land used to grow perennial, improved grasses, which are cut and baled for livestock consumption. The most common type of grasses includes Coastal Bermuda, Tifton, and Klein grass. These grasses are usually baled in the spring and early summer if irrigation is not available. If the land is irrigated, it may be baled up to the fall. Landowners should follow practices typical for their area. Property cut occasionally to clear the grass/weeds will not qualify for ag use.

Typical Management Practices for Hay Production

- Fertilize as typical for area
- Weeds and insects controlled
- Cut and bale with a minimum of 2 cuttings per year.
- If cut less than minimum, should be used for grazing for remaining of growing season
- Recordkeeping (receipts for seed, sprigs, sale of crops; hay rotation schedule, etc.)
- Market or used for personal livestock feed

Orchard and Vineyard - These operations are in the business of cultivating and growing trees and/or grapevines that produce crops of nuts and/or fruits. This type of operation can yield abundant harvest on small acreage. The orchard/vineyard must be a wholesale operation.

Typical Management Practices for Orchards/Vineyards

- Minimum density:
 - Pecan/fruit trees – 14-100 trees per acre
 - Vineyard – 100 vines per acre
- Recordkeeping and written production plan and
- Spraying as recommended by Texas AgriLife Extension Service
- Mechanical or chemical weed control
- Fertilization according to soil test or typical for the area

- Drip system or some other means of adequate irrigation for establishment and production of nuts/fruit/grapes
- Pruning of trees and vines
- Harvesting techniques to maximize yields for commercial sales – home use does not qualify

Truck Farming Operations - This type of operation is in the business of cultivating the soil for the planting and production of vegetables. Truck farming depends on a good source of water for irrigation purposes and will utilize some type of irrigation system. Examples of crops grown in truck farming operations include tomatoes, squash, potatoes, peppers, carrots, and other types of vegetables.

Typical Management for Truck Farming

- Site preparation
- Erosion control
- Pest/fungus control
- Recordkeeping and marketing

Exotics - This type of operation involves the raising of deer, antelope, emus, ostriches, and other types of animals not native to Texas. Some exotic animal operations supply meat for consumption or leather or plumage for clothing or industrial use. Some by-products of exotic animals are used in cosmetics or for medicinal purposes. Some exotic animal operations supply animals for breeding purposes. Intensity requirements: a minimum of 3 animal units; an animal unit for this type of operation depends on the type of animals being raised; carrying capacity of land to be determined by soil type(s) but usually not less than 20 acres.

The primary use test is particularly important for exotic game since only production for food or other commercially valuable products qualifies. Exotic game is defined to include axis deer, nilgai antelope, red sheep, and other “cloven-hooved ruminants” not native to Texas. The owner must raise game to produce human food or tangible products that have commercial value, such as leather or hides. Because hunting is recreation, an exotic game ranch that is devoted primarily to hunting could not qualify for agricultural appraisal.

Typical Management Practices for Exotics

- Seven to eight-foot perimeter fence, working pens, capture equipment, trailers, etc.
- Continuous water supply
- Written breeding and herd management procedures
- Written active business plan showing herd size, harvest schedules and harvest reports
- Systematic marketing practices
- Recordkeeping (receipts for purchases and sales of exotics, etc.)
- Proper land management to provide long-term forage
- Adequate animal units matching the carrying capacity of the land and typical agricultural operations

Field Inspections

Frio CAD performs routine on-site inspection and verification of all land receiving agricultural use appraisal. Any property or portion of property that is found to be not in compliance with the requirements for the valuation will be dealt with in the appropriate manner. This action

could range from a request for a new application, removal of the agricultural appraisal, or removal of the agricultural appraisal AND the initiation of a rollback, if the requirement for rollback is met.

Beekeeping

Beekeeping practices involve the use of the land to raise or keep bees for pollination or for the production human food or other tangible products having commercial value.

For more information on beekeeping see Frio CAD's Beekeeping Guidelines.

Wildlife Management

In 1995, Texas voters approved Proposition 11, which amended Article VIII, Section 1-d-1 of the Texas Constitution to permit agricultural appraisal for land used to manage wildlife. H.B. 1358 implemented the constitutional amendment by making wildlife management an agricultural use that qualifies the land for agricultural appraisal.

For more information on wildlife management see Frio CAD's Wildlife Management Guidelines.

Ecological Laboratory

Land used principally as an ecological laboratory by colleges or universities may qualify for agricultural appraisal.

Governmental Programs

Currently, the only governmental program that will qualify for 1-d-1 productivity use value on its own is the Conservation Reserve Program (CRP) ten year set aside program; a federal program that pays producers to participate in the program to put cropland back into grassland. The value of the property at the time it is accepted into this program will be the value of the property each year it remains in the program. There may be governmental programs for activities such as riparian management in the future, and these programs may be added to the state's approved activities from time to time.

Other governmental programs, such as brush and/or cedar control, or crop subsidies, are normal and prudent ranch or farm maintenance, and those programs alone, with no other agricultural use, are not considered a qualifying use.

1-d-1 Rollback Tax Penalty

Rules for a rollback tax exist under agricultural appraisal. The law imposes the rollback tax on 1-d-1 land when the owner stops using it for agricultural purposes. The term rollback is used because it recaptures the taxes that would have been paid if the property had been taxed at market value and covers the three years preceding the year of the use change. The 1-d-1 rollback covers the three calendar years preceding the current year.

<i>For example:</i>	<u>Year</u>	<u>Tax Paid</u>	<u>Tax on Market Value</u>	<u>Difference</u>
	2022	\$50	\$1000	\$950
	2021	\$50	\$1000	\$950
	2020	\$50	\$ 975	\$925
			Total	\$ 2,825.00

It is the property owner's responsibility to notify the chief appraiser in writing if they:

1. Stop using the property for ag; or
2. Change the category of use or change the level of use; or
3. Change the nature of the use; or
4. Enter – leave – or change the governmental program; or
5. Begin using the land for something other than agriculture

Local Resources for Assistance

The following agencies may be of assistance for information regarding land and livestock management.

USDA/NRCS Office: 411 East Colorado Street
Pearsall, TX 78061
(830) 334-3646

AgriLife Extension Office: 400 S. Pecan Street
Pearsall, TX 78060
(830) 334-0099

Animal Unit Equivalent Chart

Domestic Livestock

Animal Type	Animal Equivalent	Minimum # to Qualify
Cow or cow/calf pair	1.00	3
Mature bull	1.25	3
Weaned calf (to 1 year old)	0.60	5
Steer/heifer (1-year old)	0.70	5
Horse	1.25	3
Miniature horse	0.50	6
Mule or donkey	1.25	3
Miniature donkey or burro	0.75	4
Ewes (with or without lambs)	0.20	15
Rams or buck sheep	0.25	12
Lambs (weaned to 1 year)	0.125	24
Nanny goats (with or without kids)	0.167	18
Billy or buck goats	0.20	15
Kid goats (weaned to 1 year)	0.10	30

Animal Unit Equivalent Chart

Native Wildlife and Exotic Wildlife

Animal Type	Animal Equivalent	Minimum # to Qualify
Native Wildlife		
Mule Deer	0.18	17
Pronghorn Antelope	0.14	22
White-tailed Deer	0.13	23
Exotic Wildlife		
Addax	0.34	9
Aoudad Sheep	0.27	11
Arabian Oryx	0.20	15
Axis Deer	0.20	15
Barasingha (Swamp) Deer	0.47	7
Blackbuck Antelope	0.12	25
Common Eland	0.96	3
Elk	0.92	3
Emu	0.34	9
Fallow Deer	0.18	17
Gemsbok Oryx	0.54	6
Greater Kudu	0.61	5
Ibex x Boer Goat	0.19	16
Impala	0.18	17
Llama	0.34	9
Mouflon/Barbados Sheep	0.16	19
Nilgai Antelope	0.47	7
Ostrich	0.50	6
Pere David's Deer	0.54	6
Red Deer	0.47	7
Sable Antelope	0.58	5
Sambar Deer	0.54	6
Scimitar-horned Oryx	0.54	6
Sika Deer	0.20	15
Sitatunga	0.27	11
Thompson's Gazelle	0.13	23
Waterbuck	0.58	

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Definitions

Agricultural Appraisal — A special valuation of land, based on its use in agricultural operations, provided for by the Texas Constitution and the Texas Property Tax Code.

Agricultural Use to the Degree of Intensity Generally Accepted in the Area — Farming or ranching to the extent that a typically prudent manager in the area of the taxing unit would farm or ranch on an identifiable and substantial tract of land, when the tract is devoted principally to agricultural use.

- **Degree of intensity generally accepted in the area** shall mean that the farming and ranching practices (stocking rates, cropping patterns, planting rates, fertilization methods, harvesting and marketing techniques, etc.) of a typically prudent manager.
- **Typically, prudent farm or ranch managers** are ordinary farmers or ranchers in terms of acres farmed as well as management ability. Given that all the other factors remain constant, the number of acres farmed or ranched determines that farmer or rancher's capital structure. Typically, prudent farmers or ranchers in Medina County are assumed to have equipment of similar value and utility.
- Simply stated, a “**substantial tract**” is an identifiable tract of land that is large enough to be farmed or ranched by itself in a typically prudent manner. In Medina County, the land proposed for an agricultural valuation will typically be 10 acres or more in size, with few exceptions.
- **Area** is interpreted to be that land inside the jurisdictional boundaries of the Medina County Appraisal District.

Animal Unit — Used to represent the relationship of quantity of livestock and wildlife in terms of weight. An animal unit equals 1000 lbs. of live animal weight. See Animal Unit Equivalent Charts.

Beekeeping — Raising or keeping of bees for the pollination of crops, or the production of food or products that have commercial value.

Cultivate — To prepare and use land for growing and harvesting crops.

Drought — According to Sec. 23.522 of the Texas Property Tax Code, the eligibility of land for appraisal under the subchapter does not end because the land ceases to be devoted principally to agricultural use to the degree of intensity generally accepted in the area if:

- a drought declared by the governor creates an agricultural necessity to extend the

normal time the land remains out of agricultural production; and

- the owner of the land intends that the use of the land in that manner and to that degree of intensity be resumed when the declared drought ceases.

Dry Cropland — Land that is dedicated to crop production (hay production or row crops) that is not irrigated.

Exotic Game — Cloven-hoof ruminant animal that is not native to Texas and is not livestock.

Good Cause — Delay in application or conformance to standard due to poor health, death in family, or other unforeseen circumstance, to be determined by the Chief Appraiser.

Idle — Leaving land idle for the purpose of participating in a governmental program provided the land is not used for residential purposes or a purpose inconsistent with agricultural use.

Improved Pasture — Land planted or sprigged with grasses (Bluestem, Kline, Bermuda) that are not native to Medina County. These grasses are used to grow forage that is typically baled for later use by livestock. Also called introduced grasslands or hay lands.

Indigenous — Originating and living or occurring naturally in an area or environment.

Irrigated Cropland — Land planted in row crops, broadcast crops, or improved grasses then watered on a regular basis.

High Intensity - Land that is used for intensive type agricultural operations such as beekeeping, swine/poultry production, vegetable truck farms, plant nurseries, etc.

Livestock — Domestic animal that derives its primary nourishment from vegetation, supplemented as necessary with feed. Livestock includes meat or dairy cattle, goats, sheep, swine, poultry and in some cases, horses.

Native Pasture — Land that has been partially cleared of brush and trees with native grasses and is primarily for grazing livestock. Native pasture can be used to grow forage that is baled for later use by livestock.

Non-Ag Use — Land that is not being utilized for agriculture (providing food or fiber). An example is the one acre used to support a house.

Open-Space — Land that is currently devoted to agricultural use to the degree of intensity generally accepted in the area and that has been devoted principally to agricultural use for any five of the preceding seven years.

Orchard— Trees planted in an orchard method setting for the specific purpose of producing fruit or nut crops for commercial sale.

Principally — The more important use in comparison with other uses to which the land is put. If the land is used for more than one purpose, the most important use must be agricultural. For example, pleasure gardening is not the principal use of the land. 13

Prudent — Capable of making important management decisions, and shrewd in the management of practical affairs. Specifically, the law states that the agricultural land must be utilized as would an ordinary and prudent manager in the area of the taxing unit.

Rangeland Brush — Land that is serving as a pasture for some type of livestock, but is heavy brush and trees, so grass production is minimal. The land will not support any type of crop.

Resting — To lie fallow or unworked; to let land rest. A property owner can let land rest for up to two (2) years out of seven (7) consecutive years, however, the property owner must notify MCAD in writing prior to the action and the action must reflect best land management practices.

Rollback — The recapture of taxes when land previously receiving special valuation ceases agricultural or wildlife management use or changes to a non-agricultural use.

Substantial — Ample to satisfy, considerable in quantity. Specifically, the law states that the agricultural land must be an identifiable and substantial tract of land. This means that the tract must be of adequate size to be economically feasible to farm or ranch. Thus, when two small tracts are used together, they may become a substantial amount of land; when they are used separately, they may not qualify.

Typical — Exhibiting the essential characteristics of a group. Specifically, the law states that agricultural land will be utilized, as would a typically (ordinary) prudent manager. Statistically, a typically prudent manager is the median farmer or rancher.

Vineyard — Grapevines planted for a specific purpose of producing grapes for the production of wine.

Wasteland — Land that the typical operator would not use. It is normally restricted to less than 20% of the total tract of land. It consists of creeks, draws or other areas that are not financially feasible to utilize. This can also apply to small tracts that are split by roads. It is extremely poor quality due to erosion or soil type. It is land that is severely restricted in its ability to support domestic livestock. It must be an integral part of one or more of the listed land types.

Wildlife Management — Land actively used to generate a sustaining, breeding, migrating, or wintering population of indigenous wild animals.

Frequently Asked Questions

Q: The application says, “open-space” and isn’t that what my land is “just open spaces”?

A: If the land is not used – it does not qualify. Open-space is not a land use. This term is used for describing ranch land characteristics.

Q: The application wants me to list the prior seven years of agricultural use. I just purchased the property and have no idea what the land was used for in the past. Do I just leave that part blank?

A: By law, to qualify for the agricultural valuation, you must have a history. It is your obligation to obtain that information if you want to qualify.

Q: Can we get the history of agricultural use from the Appraisal District?

A: No. The Appraisal District will only have a record on the land when the original application was submitted. The District will only know if the agricultural valuation was granted, they will not know the specific use or even if it would have qualified for that year. The property may have been receiving the agricultural valuation in error if the land was not being used.

Q: What if the land was in agricultural use, but the prior owner did not apply for or receive the agricultural valuation?

A: Again, the Appraisal District looks at the actual land use not the valuation. If the land was being used in a qualifying manner, then it would count toward the history of agricultural use.

Q: The appraiser came by and my fences were down, and my cattle had been sold. The Appraisal District asked me to resign my agricultural application. I was letting the land rest, but I cannot find any information on that.

A: The land can rest (not be used) for two years and still qualify for the history. However, if the land is not being used, it does not qualify and will not receive the tax savings for the years it is resting. Remember it is the taxpayer’s obligation to inform the Appraisal District of any changes of use on the land. The exception to this is when the land is in a government program.

Q: I purchased my property in February and immediately came down and filed my agricultural valuation application. It was granted. Then the next year, I received a letter asking me to resign the application again. I thought that once it was filed, I did not have to file it again.

A: Since you purchased the property in February, you were not the legal owner on January 1st of that tax year. It is the following year that you are required to apply. If the previous owner was receiving the agricultural use valuation, you would have received their benefit. If they had not applied for agricultural use, you could apply for them that first year – but you will be asked to apply the next year under your name.

Q: I know I turned in my application for agricultural use, but it is not listed on my tax bill. How do I prove I turned in my application?

A: We recommend keeping a copy of your application. The Appraisal District will be happy to provide a copy with a dated stamp showing we received your application.

Q: Do you have any other suggestions on filling out my application?

A: Yes, please do the following:

- Read the application
- Answer all the questions to the best of your ability
- Do not leave anything blank
- Applications not filled out completely will be sent back unapproved
- Turn in your application in a timely manner (by April 30th)
- If there is anything specific the appraiser would need to know, please state it on your application or include an attachment that describes it in detail

Q: How often do I have to fill out these agricultural use forms?

A: You must fill out a new agricultural use application when any of the following occurs:

- Anytime you change the use of the land
- Anytime you sell off part of the land
- Anytime you buy additional land
- Anytime you change the deed
- Anytime you change the name to a trust
- Anytime you change the undivided interest percentages
- Anytime the Chief Appraiser requests an updated application

Note: The appraiser will physically inspect your property to see if it is in agricultural use. If your land does not qualify for agricultural use, you will receive a notice or letter. Then you will have an opportunity to discuss the denial with the appraiser and if an agreement is not reached you can file a protest.

Frequently Made Mistakes

The most common mistakes people make when wanting to obtain an agricultural special use valuation are:

The property should be in “active use” at the time the application is turned in to the Appraisal District:

- Do not expect the special use valuation to be approved when the property is not in current – active utilization. Do not confuse **current use** with **I intend to**.

Asking the Appraisal District, the minimum requirement to obtain ag valuation:

- The property owner chooses the land and should have some idea of the type of prudent farmer or rancher they were hoping to become prior to the purchase.

Waiting until the application is due before utilizing the land:

- The property owner can make it difficult for themselves (timewise) if they wait until the last minute to put the land into an actual use.

Working on other aspects of the property before utilizing the land:

- Every aspect of the land does not need to be perfected before utilizing the land. Examples: painting the fence, making the pond/tank bigger, brush-hogging. These items can be accomplished later while the land is being utilized – thus meeting the active use qualification.

Only utilizing part of the property:

- When the land size is 50 acres and the land use is hay/crop – if the hay meadow is only 20 acres of the property and there is no other use, only 20 acres of the 50 acres would qualify for the special valuation. Be sure to look at the whole property utilization.

Incomplete application & lack of information:

- This is one application form where it is necessary to fully explain the aspects of your agricultural operation to be approved for the special valuation.

Not providing a contact phone number and email address:

- The application may be denied if the Appraisal District cannot clarify questions regarding the application.