

Introduction

A published manual by the State Comptroller's Office entitled Manual for the Appraisal of Agricultural Land gives suggested guidelines pursuant to the Texas Constitution, Article VIII, Section 1-d and 1-d-1.

The manual is an official administrative rule that has the force of law, and has been adopted by the State Comptroller's Office and approved by a committee composed of the Governor, the Comptroller, the Attorney General, the Agricultural Commissioner and the General Land Office Commissioner.

Suggestions from this publication set the basic procedural guidelines for determination of agricultural use values set forth in the Burleson County Appraisal District.

Purpose

The purpose of this section of the appraisal manual is to estimate the agricultural productive value of the lands in the Burleson County Appraisal District.

Assumptions and Limiting Conditions

Appraisals for ad valorem tax purposes require assumptions and generalizations on land categories. The inherent nature of ad valorem tax appraisals prohibit each parcel of land from being individually and extensively analyzed.

This appraisal is conducted for the purpose as stated and should not be used for any other purpose.

Land Categorization System

In mass appraisal for ad valorem tax purposes, the derivation of value on an individual basis is not practical or advisable. For this reason, a system of land categorization is utilized that enables homogeneous land types to fall into a land category or classification.

The development of a workable and comprehensive land categorization system must adjust for physical, legal and economic factors relative to agricultural use. The land categorizations system must also be harmonious with the market value categorization system to allow for the rollback provisions of the Texas Constitution. This coordination of agricultural categories and market categories facilitates the efficient use of personnel in the tax equalization process and in tax administration.

Land Productivity Valuation

Two amendments to the Texas Constitution permit agricultural and open-space land to be taxed generally on its agricultural use or productivity value. This means that taxes would be assessed against the productive value of the land instead of the selling price of the land in the

open market. This permits the land to be taxed in proportion to its ability to produce agricultural products and not based on the land's value to society in general.

The legal basis for special land appraisal is found in the Texas Constitution in Article VIII, Sections 1-d and 1-d-1. The two types of land valuation are commonly called "ag-use" or "1-d" and "open-space" or "1-d-1". The corresponding provisions of the Texas Property Code are Sections 23.41 through 23.410, Agriculture Land and Sections 23.1 through 23.57, Open-Space Land.

The purposes of the provisions are similar. Under both provisions, the land must be in agricultural use and is valued in the same manner. However, there are differences in the qualifications that must be met in order to receive the productivity valuation.

1. Ag-use or 1-d qualifications:
 - a. The land must be owned by a natural person. (Partnerships, corporations or organizations may not qualify.)
 - b. The land must have been in agricultural use for three (3) years prior to claiming this valuation. The owner must apply for the designation each year and file a sworn statement about the use of the land.
 - c. The agricultural business must be the landowner's primary occupation and source of income.
2. Open-Space or 1-d-1 qualifications:
 - a. The land may be owned by an individual, corporation or partnership.
 - b. The land must be currently devoted principally to agricultural use to the degree of intensity that is common for the area.
 - c. The land must be devoted to a qualifying agricultural use for at least five (5) of the past seven (7) years.
 - d. Agricultural business need not be the principle business of the owner.
 - e. Once an application for 1-d-1 is filed and approved, a landowner is not required to file again as long as the land qualifies unless ownership changes or the chief appraiser requests another application to confirm current qualification.

The possibility of a "rollback tax" exists under either form of special-use land appraisal.

This liability for additional tax is created under 1-d valuation by either the sale of the land or a change in use of the land. It extends back to the three years prior to the year in which the sale or change occurs.

Under 1-d-1, a rollback is triggered by a change in use to a non-agricultural purpose that would not qualify for productivity valuation. Taxes are rolled back or recaptured for the five years preceding the year of the change.

The additional tax is measured by the difference between taxes paid under productivity valuation provisions and the taxes, which would have been paid if the land had been put on the tax roll at market value.

These provisions are effective only if applications are filed with the appraisal district office in a timely manner. Applications should be filed between January 1 and May 1. Applications received between May 1 and approximately July 1 when the appraisal records are approved by the ARB, are subject to a penalty for filing late. Applications may not be filed after records are approved for that tax year by the ARB.

Classification

It is the opinion of the Burleson County Appraisal District that the attached land descriptions and classification guidelines are valid for mass appraisal purposes and can be applied uniformly throughout the appraisal district.

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

Agricultural Land Qualification Policy Statement

The general policy of the Burleson County Appraisal District is in accordance with the State Property Tax Code's qualifications guidelines for agricultural use. The district's policy is that in order for ag-use valuation to be applied, the land must:

1. Be utilized to the "degree of intensity" generally accepted in Burleson County.
2. Be managed in the "typically prudent manner".
3. Be a substantial tract of land.

In accordance with the State Property Tax Code guidelines, the net-to-land is based on a five-year average of leases for the years preceding the year of the appraisal. This five-year average tends to remove fluctuations in value because of varying prices, yields, weather conditions and costs. Only the factors associated with the land's capacity to produce marketable agricultural and recreational (hunting) products are considered in estimating the productivity values.

Definitions of Key Words and Phrases

Prudent: Capable of making important management decisions, shrewd in the management of practical affairs. Specifically, the law states that the land must be utilized as would an ordinary and prudent manager in the area of the taxing unit. Normally, prudent farm or range managers are ordinary farmers in terms of acres farmed as well as management ability. Given that all other factors remain constant, the number of acres farmed determines the farmer's capital structure. It is assumed that prudent farm or ranch managers in a given area are assumed to have similar equipment of similar value and utility.

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 adequate size to be economically feasible to farm or ranch.

Typically: Exhibiting the essential characteristics of a group. Specifically, the law states that ag land will be utilized as would a typical or ordinary manager. Statistically, a typically prudent manager is the median farmer or rancher.

Agricultural use to the degree of intensity generally accepted in the area: Farming or ranching to the extent that the typically prudent manager in the area of the taxing unit would farm or ranch on an identifiable and substantial tract of land when the tracts are devoted principally to agricultural use. The farming and ranching practices (cropping patterns, planting rates, fertilization methods, harvesting and marketing techniques, etc.) are those of typically prudent farm or ranch managers.

Areas: That land that is located inside the jurisdictional boundaries of the Burleson County Appraisal District.

Principally: The more important use in comparison with other uses to which the land is put.

Intensity Standards from Open Space Land

Intensity standards are derived from what is typical in the local area for the different agriculture operations. In order to help the Appraisal Districts define these standards, the State Legislature provided for an outside advisory committee to be formed for this purpose. In order to qualify, open-space land must meet or exceed these minimum standards for Burleson County.

Operational Definitions: Only those operations that are truly commercial in nature were considered for defining these standards. These categories are Cropland, Pastureland and Special Operations. Within each category there are subcategories as follows:

Row Crops Orchard Hay Crop Truck Farm Vineyards Irrigated - Cropland	Improved Pasture Native Pasture Brush Land Wasteland	Dairy Feedlot Hog Operations Bee/Honey Permaculture Floriculture Domesticated Fowl Christmas Trees Aquaculture Turf Grass Farm Timber
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The three categories are separated primarily by use; cropland generally assumes soil cultivation, fertilization, and harvesting; pastureland will involve some type of grazing operation and appropriate fencing. Special operations are those endeavors that do not fall into cropland or pastureland categories.

Cropland Operations: The following subcategories for cropland are listed below with a brief description of each activity:

Row Crop - This operation generally involves the cultivation of the soil for planting grain crops with the intent of harvest for sale or for feed such as corn, wheat, milo, cotton, soybeans and other grains. A high degree of cultivation must be evident in order to qualify. Cropland that is not being farmed and is in the Federal Program to receive subsidies is still classified as row cropland. No till soil plots may also qualify as row crops.

Orchards/Vineyards - This operation is in the business of cultivation and growing of trees or grapevines that produce crops of nuts or fruits. A regular schedule of pruning, spraying and cultivation or close mowed turf grass as brush and weed control must be evident. This operation, like truck farming, can yield good harvests off small acreage, thus a minimum size requirement could be less than 10 acres. This type of operation will be reviewed on a case by case basis. The Chief Appraiser will make a determination based on the evidence seen during a field inspection of the property.

Hay Crop - This operation involves the cultivation (fertilizing) of planted or maintained grasses, such as hybrid Sorghum grasses or coastal Bermuda. These grasses are then cut, baled and marketed or used for personal livestock feed. Weed and brush control are usually evident. 10 acres is a minimum size requirement for this type of operation. Proof of sales of hay crop, proof of ownership of livestock and baling receipts may be required.

Truck Farming - This operation is in the business of cultivating the soil for planting vegetables. This type of operation depends on a good source of water, thus some type of irrigation equipment should be evident. This type of operation typically requires a minimum of 10 acres.

Irrigated Cropland - This operation involves the cultivation of the soil with the intent to harvest for sale. The tract must be prepared for controlled flood irrigation with a series of levees, and a large reliable source of water. Irrigated cropland that is not being farmed and is in the Federal Program to receive subsidies is still considered irrigated cropland.

Grazing Operation - Grazing operations may fall into one or more of the following subcategories:

- 1) Improved pastures - are composed of grasses that are not native to the area such as coastal Bermuda, Alicia, Bahia, Jiggs, and Tifton varieties. High intensity management practices such as fertilization, weed control, shredding, rotated grazing or harvesting grass for hay are common. Stocking rates for intensely managed improved pastures may be as great as one animal unit per 5 acres.
- 2) Native pastures - are composed of grasses that are native to the area. A low level of management is common. Stocking rates will vary greatly. Open native grass requires 1 animal unit per 12 acres. Native grass with a canopy of less than 50% requires 1 animal

unit per 18 acres and native grass with a canopy cover of more than 50% requires 1 animal unit per 24 acres.

- 3) Wasteland – Land of extremely poor quality. This land is severely restricted in its ability to support livestock due to erosion, severe rock, and/or mountainous terrain. This land must be an integral part of one or more of the land types listed above to support livestock. Typically only a small portion of a qualifying tract would qualify as wasteland. Tracts that are solely intended wasteland would not qualify.
- 4) Oil Pads – Oil pads will not typically qualify for ag use since that was not their original intended use. If a portion of the pad is used to in agricultural operation, that portion may qualify. This will be reviewed on a case-by-case basis.

Beef Cow/Calf - This operation is in the business of raising beef for sale to either processors or to other operators as breeding stock. These operators include the purebred operations, also the commercial breeder who sells calves to the local stock markets. Typical requirements include a minimum herd size of 3 grown head of breeding age animals. One cow/calf pair or a mature individual is considered to be equivalent to one animal unit.

Feeder/Stocker Calf - This operation is in the business of raising beef for processors. This operation involves acquiring calves at a certain weight from cow/calf operators and raising the calves until they gain weight (feed lot or slaughter weight). Although both heifer and steer calves can be found in these types of operations, steer calves are the most prevalent. Typical requirements include a minimum herd size of 6 head. Two calves are equal to one animal unit.

Sheep/Goats - This operation is in the business of providing meat. Commercial operations would not require any particular type of breed and is usually in the business of meat production only. Purebred operations are normally primarily in the business of producing meat or animals for sale to other producers as breeding stock. Typical requirements include a minimum herd size of twenty-five head.

Horse Farm - This operation is directed to breeding operations. The by-products are colts and fillies. This operation involves having brood mares and either stud (stallion) on location or A/I service. This operation will involve facilities for the care, breeding, and raising of brood stock and their offspring together with intensive training of colts or fillies if operation involves any number of breeds and is not limited to thoroughbred and quarter horse breeds. Typical pastures are of the improved variety such as coastal and alfalfa. Typical requirements include a minimum of three head, with at least two being brood mares.

Working Horses - Acreage used to graze horses that are used in conjunction with ranching or farming qualifies for open-space ag valuation. The minimum number of animal units and the minimum acreage sizes are not required as long as the horse or horses are used in ranch or farm work.

Miniature Horses/Shetland Horses - Refer to the above section on horse breeding operations. Typical requirements are six miniature horses or four Shetland horses. Two miniature horses equal one animal unit; one Shetland horse is equal to one animal unit.

Exotics - This operation involves the raising of deer breeds that are not native to Texas for supplying meat and/or leather for the specialty markets. Production and sale of breeding stock can also qualify, but proof of sales may be required. The pastures that are involved in this type of operation require a seven to eight foot perimeter fence. This fence is made up of wire mesh and may have barbed wire at the top. In order to qualify, the operator should be able to provide the district a harvesting schedule. Typical requirements include fifteen grown deer minimum.

Special Operations: These special operation subcategories are as follows: (Note: These operations are intensive in nature thus requiring special handling from a value standpoint.)

Dairy Cow/Calf/Goats - This operation is the business of producing milk/cheese products. This operation involves dairy type breeds such as Holstein and Jersey. Typical operation involves a bull on location or A/I service to several head of breeding age cows. Calf production is necessary for the continual production of milk, and thus also is a secondary crop for the dairy producer. Calves are weaned very early from mother cows and fed out to sell to processors as veal or to local stock markets to supply the stocker calf operators. Heifer calves are returned to the herd as milk producers. Dairy herds are confined to improved pastures and in great numbers that requires a great amount of supplemental feeding. Dairies have also involved some cultivating of grain crops or fodder to support this supplemental food need. Typical requirements include a minimum of 5 head. One cow/calf or one mature individual is equal to one animal unit.

Feedlot - These operations take calves and feed them for finishing purpose/before slaughter. Only the part used for this operation would qualify. There are typically special requirements the owner must meet regarding wastes, etc.

Hog Operations - This operation involves the raising of hogs for the pork meat market. Typically the hogs are confined to small pen areas. Also large numbers of hogs can be kept on small acreage. Minimum intensity requirement is five breeding sows or thirty feeder pigs. Only the land involved with the pen area will qualify, unless the pigs are grazed, in which case special fencing should be in place.

Bee/Honey – Please request the Burleson County Appraisal District's Bee Keeping Guidelines. Only tracts from 5 to 20 acres have the potential to qualify for beekeeping.

Permaculture - This operation is in the business of cultivating herbs and medicinal type plants not native to this area using the native plant cover to protect the budding plants. This operation is intensive on small acreage; there are no minimum acreage requirements. This type of operation will be reviewed on a case by case basis. The Chief Appraiser will make a determination based on the evidence seen during a field inspection of the property.

Floriculture - This operation is in the business of cultivating plants or nursery stock in pots on top of the ground. This stock is then sold wholesale to nurseries. Intensive conditions exist on small acreages; there are no minimum acreage requirements for these tracts. This type of operation will be reviewed on a case by case basis. The Chief Appraiser will make a determination based on the evidence seen during a field inspection of the property.

Domesticated Fowl - This operation involves the raising of domesticated fowl, such as: chickens, turkeys and quail, as meat for human consumption. Chicken operations may involve also the harvesting of eggs as well. This operation involves raising the birds in large barns holding thousands of birds. The barns then with some surrounding land for access would qualify.

Exotic Birds - This operation involves the raising of exotic birds for breeders, zoo, or specialty markets. To qualify for open-space these cases must be reviewed on an individual basis by the chief appraiser.

Christmas Trees - This operation is in the business of cultivating evergreen trees to market as Christmas trees. A regular schedule of pruning and spraying and cultivation, along with mowed turf grass as brush and weed control must be evident. Some reliable source of water should be present. Intensive conditions exist on small acreages; a minimum size requirement would be three acres.

Aquaculture - This operation involves the raising and harvesting of fish, shrimp, crayfish, or other aquatic animals for human consumption. Intensive conditions exist on small ponds. Raising fish is a qualified agricultural land use when all the elements of a bulk harvest are present. Taking fish by individual line is clearly a recreational activity.

Turf Grass Farms - This operation is in the business of cultivating turf type grasses for wholesale to landscapers and builders. A high degree of weed and pest control must be evident. This operation always involves irrigation and thus should be evident as well. The minimum acreage is 10 acres.

Timber - This operation is currently and has been devoted principally to the production of timber or forest products with the intent to produce income for five of the last seven years. Planted forests can qualify as well as native stands of timber. Native stands of pine may only be harvested every 10 to 15 years and cedar every 15 to 20 years.

Evidence of harvesting, marketing, and replanting should be supplied on request.

Minimum Acreage - Typically a minimum of ten acres is required for agricultural operations. However, land may qualify for open-space if it is used as a part of a larger operation (in conjunction with each other).

Verification - If a small tract is leased as part of a larger operation, it may qualify. Written verification of participation in a larger operation must be on file with the Appraisal District. This written documentation can be a written lease and/or a written statement from the property owner that an oral agreement is in effect. If a statement is used, the location of property, parties involved and length of agreement must be stated.

Temporary Interruption - If a tract shows no activity and this lack of activity is because of:

- A) Disaster (drought, flood, no water source for livestock etc.) reasons, these standards may be set aside for the year that the disaster occurs, or as long as officially designated by State or local officials. Prudent management during extreme drought conditions may dictate that all grazing animals be removed for short periods. It is recommended that the CAD office be notified if this drought situation is for a period greater than 12 months. The open-space ag value can continue under the above circumstances.
- B) Fence construction (estate settlements, partition, condition), a temporary interruption may be granted for a maximum of one year except when litigation is pending.

Land Used in Conjunction—with larger tracts may qualify if used to store farm equipment, working ranch horse(s), bull pastures, weaning pastures if there is no residential or commercial endeavor on the property.

Periodic Adjustments - These standards are subject to periodic review by the Agricultural Advisory Board to keep them current with what is typical agriculture practice in Burleson County. Also from time to time, adjustments will be needed to comply with changes in either Texas Comptroller of Public Accounts appraisal manual or Texas Property Tax Code.

TYPICAL HERD SIZE REQUIREMENTS

Type of Operation	Minimum Size
Beef Cow/Calf	3
Dairy Cow/Calf	5
Feeder/Stocker	6
Sheep/Goats	25
Horses (24+ mo)	3
Miniature Horse	6
Shetland Horse	4
Exotic Deer	15
Llamas	4

Application Process

The State Property Tax Code requires an application must be filed with the appraisal district before land is considered for agricultural valuation. The deadline for filing a timely application is before May 1. Late agricultural valuation applications may be filed up to the time the appraisal roll is certified, however, a penalty is imposed for late filing. After an application is filed, the property is inspected to determine its qualification.

These criteria must be met when determining qualification:

1. **Use** – Land must be currently devoted principally to agricultural use.

2. **Degree of Intensity** – The agricultural use must be to the degree of intensity generally accepted for the area.
3. **History of Use** – The land must have been devoted principally to agricultural use for five (5) of the preceding seven (7) years. Land located within an incorporated city or town must have been devoted principally to agricultural use continuously for the preceding five (5) years.
4. **Acreage Requirement** - Burleson County Appraisal District requires a minimum of 10 acres for agricultural valuation and 93 percent (15 acres) for wildlife management.

When the land's use qualifications have been reviewed, one of three (3) actions will be taken:

1. **Application Denied** – Property owner is notified by certified mail and given 30 days to appeal the decision to the Burleson County Appraisal District's Appraisal Review Board.
2. **Disapprove Application as Presented & Request a Modified Application and/or More Information** – The application is disapproved and the applicant is allowed thirty (30) days to provide additional information, otherwise the application is denied. When requested information is provided, it is added to data already collected to arrive at a final decision.
3. **Application Approved** – Once approved, the property remains valued as a special agricultural use until a change of use occurs, or the ownership changes. If the property's use remains unchanged, but the ownership changes, the new owner is notified and is required to submit a timely application for the special agricultural valuation.

Wildlife Management Process

In order for the property to begin receiving a 1-d-1 agricultural appraisal under the Wildlife Management guidelines, the property must already have a 1-d-1 agricultural valuation. The Appraisal District uses those guidelines as set out by the Texas Parks and Wildlife's *Wildlife Management Activities and Practices – Comprehensive Wildlife Management Planning Guidelines for the Post Oak Savannah Ecological Region* in determining if a property qualifies.

The Burleson County Appraisal District Board of Directors has adopted the following **minimum** size requirements for wildlife management properties:

- acreage to be dedicated to wildlife management - 15 acres or 93%
- acreage that lies within a qualifying wildlife property association – 93%
- acreage that is designated by Texas Parks and Wildlife Department as habitat for an endangered species, a threatened species, or a candidate species, as determined by Texas Parks and Wildlife Department – 93%

The Appraisal District requires that property owners submit a written management plan along with a new application for 1-d-1 agricultural appraisal in order to be considered to receive the 1-d-1 agricultural appraisal for wildlife management.

Periodic evaluations and reports for those properties qualifying under wildlife management practices will be required as deemed necessary by the Chief Appraiser.

When a property is first re-classified as receiving wildlife management, the property is identified with the proper property group code and the land type code is changed to WL on the property record in the appraisal module.

The property's agricultural value is treated the same as that of traditional 1-d-1 agricultural value.

Office Procedures

Throughout the year, as the deed clerk makes ownership changes to the appraisal roll for an agricultural property, the department will mail the new property owner an application.

As the agricultural applications are presented to the appraisal district, the Chief Appraiser or an appraiser working under the authority of the Chief Appraiser, will approve, request additional information, or deny the applications based on the application and on-site inspection of the property. If the application is denied, the owner is notified by certified mail.

During the course of the annual reappraisal process, if an appraiser questions the agricultural use of a property or sees a need to request more information regarding the agricultural activity, the Chief Appraiser may request the owner file a new application and/or send correspondence to the property owner explaining their findings and the need for more information (i.e. copies of lease agreements, or ag timber number, etc.)

A property owner may request, in writing, that their agricultural value be removed. A form is provided for owners requesting the removal of the special use appraisal for loan or other purposes. Once removed, the owner is advised that they cannot re-apply for the special valuation until the following January.

Qualifying applications received after April 30, but before certification of the appraisal roll on July 1, will be granted the special valuation, but a 10% penalty will be imposed for the current tax year.