



CLAY COUNTY APPRAISAL DISTRICT
AGRICULTURAL USE
QUALIFICATION & INTENSITY GUIDE



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USE	MINIMUM AC	STOCKING RATE	DOCUMENTATION
CATTLE	20.00 ACRES	1 PRODUCING ANIMAL UNIT PER 10 ACRES	PROOF OF SALE OF OFFSPRING FEED OR VET RECEIPTS <u>FFA & 4-H PROJECTS DO NOT QUALIFY</u>
HORSES	20.00 ACRES	1 PRODUCING ANIMAL UNIT PER 10 ACRES	PROOF OF SALE OF OFFSPRING FEED OR VET RECEIPTS MUST BE A BREEDING OPERATION
SHEEP/GOATS	20.00 ACRES	5 ANIMAL UNITS PER 10 AC	PROOF OF SALE OF OFFSPRING FEED OR VET RECEIPTS
FARMING (DRYLAND & IRRIGATED)	20.00 ACRES	WHEAT, OATS, HAY, GRAIN SORGHUM, COTTON, CORN	RECEIPTS FOR SEED, FERTILIZER PROOF OF SALE OF CROP
ORCHARD	3.00 ACRES	10-20 TREES PER AC	RECEIPTS FOR SEED, FERTILIZER PROOF OF SALE OF CROP
TRUCK FARMING	2.00 ACRES	2.00 ACRES OF PRODUCE	
VITICULTURE / FLORICULTURE	3.00 ACRES	600-700 VINES PER AC	RECEIPTS FOR PLANTS, PRUNING, FERTILIZER, HARVESTING PROOF OF SALE OF GRAPES
POULTRY/HOG OPERATIONS	2.00 ACRES	LARGE OPERATIONS OF RAISING ANIMALS FOR MEAT	PROOF OF SALE OF ANIMALS FEED OR VET RECEIPTS

**** THINGS THAT DO NOT QUALIFY****

Personal Chickens, Mini Horses, Donkeys, Wild Hogs, Horses for Recreation, Harvesting Native Plants, Processing of Plants or Animals

PARTICIPATION IN GOVERNMENT PROGRAMS

- Participation in Farm Service Agency (FSA) programs do qualify land for ag valuation. It is the property owner's responsibility to notify the CCAD and provide copies of such arrangements. The owner must be actively following directions of the plan.

Other agricultural endeavors minimum standards will be analyzed on a case-by-case basis, specifically to determine if the endeavor is economically feasible.

Guidelines have been established by the Clay County Appraisal District for the implementation of these provisions. It should be noted that these guidelines are to be used as a general guide for qualifying agricultural land. Exceptions to this guide will be handled on a case-by-case basis. All contiguous parcels can be considered on a stand-alone basis with consideration being given to common ownership.

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. **A home with a small tract of land is considered primarily residential in nature, with agricultural use as secondary.** A tract of land that is less than the required acreage will not typically qualify for agricultural use. Qualified parcels with a residence shall have no less than two acres ineligible for ag special valuation unless otherwise designated by recorded documentation.

Land will not qualify simply because it is rural or has some agricultural activity. The law does not guarantee a tax break for everyone who owns acreage. Casual uses such as home vegetable gardens, free-range chickens, livestock kept for recreation, and/or projects for **FFA** or **4H** do not constitute qualifying agricultural use.

Clay County Appraisal District Agricultural Use Land Qualifications and Guidelines

BASIC AGRICULTURAL INFORMATION:

Any property owner hoping to enjoy the benefits of “**special use valuation**” for the production of agricultural products needs to be aware of the following:

Open Space, 1-d-1, & Agricultural Use are all terms used simultaneously and referring to a “**Special Valuation**” method for land taxation in Texas. This “**special valuation**” was enacted by the legislature as a tax relief for farmers and ranchers.

The laws for this “**special use valuation**” have changed over the years and will likely continue changing. 1-d was the original “special valuation” method for farmers and ranchers. At that time at least 50% of your income had to be derived from the agricultural product raised from the land.

After 1-d-1 was initiated almost no one filed for the 1-d special valuation.

1-d-1 states, “**Qualified open-space land**” means **land that is currently devoted principally to agricultural use to the degree of intensity generally accepted in the area and that has been devoted principally to agricultural use for five of the preceding seven years.**”

This “**special valuation**” granted by using the land to produce an agricultural product is a very important tax break. However, you have to meet the qualifications and you must apply for this privilege. It is determined by the property owner how the land will be used. The property owner must apply for this “special valuation”. It is up to the property owner to meet the qualifications for this “special valuation”. The C.C.A.D.’s responsibility is to either approve or deny the application, based on whether the guidelines have been met and the application has been filled out correctly and it was filed in a timely manner.

Applications are available in the lobby or on-line at our website, claycad.org.

Additionally, C.C.A.D. has Agricultural Land Qualifications, Guidelines and Definitions available for review.

Please note the following:

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.

If you fail to notify the Chief Appraiser prior to April 30th, you will be required to pay a penalty. Determining the history of qualified land use for the previous seven years is also the property owner's responsibility. If you are a new owner, the history is still your responsibility. Hopefully, before acquiring the property, this will be determined. The actual land usage is the information necessary, not whether or not the property had the special use valuation from C.C.A.D. (It would be impossible for the C.C.A.D. to inspect and have knowledge of every single parcel of land's agricultural usage and there are fraudulent abuses of this special valuation.) Before purchasing this land to use for the production of income, a prudent purchaser would factor in the current agricultural activity and value they hope to obtain.

INTRODUCTION:

Clay County Appraisal District uses the following agricultural land qualification guidelines for mass appraisal purposes. These are applied uniformly throughout Clay County. Two amendments to the Texas Constitution permit agricultural land to be taxed on its agricultural use or productivity value. Taxes are based on the productive value of the land instead of the market value. This is not an exemption, but is a *special valuation* referred to as: "**Qualified open-space land**".

The legal basis for special land appraisal is found in the Texas Constitution in Article VIII, Sections 1-d and 1-d-1. The corresponding provisions of the Texas Property Tax Code are Sections 23.41 through 23.46 for 1-d and Sections 23.51 through 23.57 for 1-d-1. The purpose of the two provisions is 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-d-1 qualifications are much easier to meet. Most applications are filed under the 1-d-1 provisions. The Manual for the Appraisal of Agricultural Land, which is available from the Property Tax Assistance Division, Comptroller of Public Accounts, supports these guidelines. A copy of this manual can be viewed on the State website:

<https://comptroller.texas.gov>.

***** 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. *****

PROPERTY OWNER RESPONSIBILITIES:

- It is determined by the property owner how the land will be used.
- The property owner must apply for this “special valuation”.
- It is up to the property owner to meet the qualifications for this “special valuation”.

CCAD RESPONSIBILITIES:

- Approve or deny the application, based solely on whether or not the guidelines have been met and the application has been filled and filed correctly.

REQUIREMENTS: 1-D-1

- > The land may be owned by individuals, corporations, or partnerships.
- > The land must be currently devoted principally to agricultural use to the degree of intensity generally accepted in the area. (Producing an agricultural product either for food or fiber.)
- > The land must have been devoted to a qualifying agricultural use for at least five (5) of the past seven (7) years.
- > The agricultural business need NOT be the principal business of the owner.
- > If the land is located within the boundaries of a city or town, one of the following requirements must be met in addition to the normal requirements: The city must not provide the land with general services comparable 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.

APPLICATION:

Application must be made on an acceptable form after January 1 and by April 30th of the tax year. [If mailed, the postmark is considered to be the delivery date.] Applications received after the deadline will be accepted until the appraisal roll is certified. If approved, these late applications will be subject to a penalty of ten (10) percent of the difference between the taxes with the special valuation and the amount of taxes if the property was taxed at market value. Applications turned in after the appraisal records are certified cannot be considered for that tax year. If the application is not completed in full, the application may be denied. Please note: Once an application for 1-d-1 is filed and approved, a land owner is not required to file again as long as the land qualifies unless the Chief Appraiser requests another application to confirm current qualifications. However, the land owner is still obligated to inform the Appraisal District of any changes in the land use. A new application is required any time there is a recorded name change in the deed records.

QUALIFICATION GUIDELINES:

The general policy of the Clay County Appraisal District is in accordance with The Texas Property Tax Code, qualification guidelines for agricultural use. The District's policy is that in order to qualify for Agricultural Use Valuation the land must:

1. Be **utilized to the degree of intensity generally accepted** in Clay County. Degree of intensity is measured by local farming and ranching practices of a typical prudent manager.
2. Be **managed in a typically prudent manner**. Typically, prudent may be measured by comparing the actual production of the subject property to the average yields of Clay County.
3. Be a **substantial tract of land**. Substantial means an identifiable tract of land of adequate size to support a typical prudent operation.

DEFINITIONS OF KEY WORDS / PHRASES

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 an identifiable and substantial tract of land when the tract is devoted principally to agricultural use. A better understanding of the definition can be gained by identifying the key elements of the definition and explaining each as follows:

- **Degree of intensity generally accepted in the area** shall refer to the farming and ranching practices. (i.e., herd size, cropping patterns, planting rates, fertilization methods, harvesting and marketing techniques, etc.)
- **Typically prudent farm or ranch managers** are ordinary farmers in terms of number 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. Typically, prudent farmers or ranch managers located in Clay County are assumed to have similar equipment of similar value and utility.
- Simply stated a "**substantial tract**" is an identifiable tract of land that is large enough to be farmed by itself in a typically prudent manner.
- **Area** is interpreted to be that land inside the jurisdictional boundaries of the Clay County Appraisal District.
- **Principally** means the more important use in comparison with other uses to which the land has.
- **Prudent** – capable of making important management decisions; 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.

- **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.
- **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 typical prudent manager is the median farmer or rancher.

PRINCIPLE USE:

For special valuation, qualified open-space land must be currently devoted principally to agricultural use. The principle use of the land must be agricultural and will be verified by on-site inspection. Texas Property Tax Code Section 23.51 (2) defines the term “agricultural use” as including but not limited to the following activities:

- Cultivating the soil.
- Producing crops for human food, animal feed, or planting seed or for the production of fibers.
- Floriculture: the cultivation and management of ornamental and flowering plants.
- Viticulture: the cultivation of grapes.
- Horticulture: the cultivation of fruits, vegetables, flowers, herbs or other plants.
- Raising or keeping livestock: “Livestock” means a domesticated animal that derives its primary nourishment from vegetation, supplemented as necessary with commercial feed. Livestock includes meat or dairy cattle, horses, goats, swine, poultry, and sheep. Wild animals are not livestock.
- Raising exotic game for commercial use. Exotic game means a cloven-hoofed ruminant mammal that is not native to Texas and is not “livestock”. Raising such game may qualify, but must meet the primary use test.
- Participation in a government program and normal crop rotation. Land left idle to participate in a government program is used for agriculture. Land left idle for crop rotation qualifies until it is left idle for longer than the crop rotation period typical the crop in the area.
- Raising or keeping bees for pollination, or for the production of human food. The land for keeping bees cannot be less than 5.0 acres or more than 20 acres. (See CCAD Beekeeping Qualification & Intensity Guide)

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 uses such as home vegetable gardens, free-range chickens, or FFA and 4H projects do not constitute agricultural use for property tax purposes. Once a property is in the special valuation program it must meet the intensity of use test every year. The degree of intensity test measures what the property owner/operator is contributing to the agricultural operation (time, labor, equipment, management, and capital), and compares it with typical levels of in-puts for the same type of operation in the area. In addition, a property owner/operator must be able to verify purchases and sales of livestock and/or farm products by bill of sale, sales receipts or other documentation.

The chief appraiser is required by law to develop “**degree of intensity**” standards for each type of agriculture production in a given county. 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 labor, management, and investment. The chief appraiser’s decision on what constitutes an “area”, (i.e., soil type) will define “typical” agricultural intensity. The size of the area can vary depending on the commodity. For a common crop, the chief appraiser may be able to look to farming practices within the county. Less common crops may require the chief appraiser to consider a multi-county region to decide the typical agricultural inputs. Small acreage that is not used as part of a larger operation and has a home built upon the tract is primarily residential in nature, with agricultural use secondary. Home sites will be considered a separate land segment on the appraisal roll. The CCAD standardizes a minimum of two acres for a home site on agricultural parcels. Open-space land must have agricultural use as its primary use in order to qualify. In some instances, the principle use could be two different activities; part agriculture and part nonagricultural. (Example: hay meadow on part of the property with wooded area not in use) When part of a parcel is not utilized for agricultural purposes the parcel will be split into separate land segments.

INTENSITY GUIDELINES FOR AG – USE

FARMING

This will be either irrigated crop land or dry crop land.

Row Crop & Hay Crop require a minimum of 20 acres to qualify (excluding homesite acres). The scale of operation is not feasible in terms of capital required for less than 20 acres (owned or hired).

Hay Crop: Standard practices include tillage, fertilizing, cutting, baling, hauling, feeding, or selling. 2-3 cuttings should be achieved under normal weather conditions. Production should be around 3,000 lbs. per acre. The hay must be a marketable product. Cutting and baling of *unmanaged vegetation*, is not considered hay production.

Row Crop: Includes cultivating the soil for planting grain (wheat, oats, sorghum, corn) or cotton.

RANCHING

The land will be either improved pasture or native pasture and may include a portion of wooded pasture. **A minimum of 20 acres is required (excluding homesite acres).**

Cattle: Cow/Calf operations involve keeping mature cattle to produce calves to sell to other producers. Cows are bred to have a calf every year, usually in late winter or early spring. Although the cows and calves generally graze on large pastures, supplemental feeding is used to allow calves to gain more weight while nursing. Generally, calves are weaned at 6 to 10 months of age. There are two different general classifications of cow-calf operations. The commercial cow-calf producer raises most of the potential steers and heifers for harvest. The other type of operation is known as seedstock breeders. These producers keep herds for purebred breeding stock and provide replacement bulls or semen for cow-calf operations. One (1) cow/calf pair or a mature individual is considered to be equivalent to one (1) animal unit. (See Chart #1)

Feeder/stocker calf operations involve the raising of beef for feeders. Calves are raised until they weigh enough to send to feed lots for finishing. One (1) animal unit is equal to three (3) calves. (See Chart #1)

Sheep or Goats: Purebred or commercial operations are allowed. Typical flocks in Clay County range from 15 – 20 ewes or does and 1 to 2 rams or bucks. One (1) animal unit is equal to five (5) sheep or (6) goats. (See Chart #1)

Horses: This operation may involve 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. One (1) animal unit of horses depends on age of the horse. (See Chart #1) Several head of mares are required in a breeding operation. Supplemental feeding is a given fact of operation in Clay County. Breeding associations have suggested that a typical minimum amount of acreage for breeding is in the 40 to 50 acres range.

Exotics: This operation involves the raising of exotic breeds that are not native to Texas for supplying meat and or leather for the specialty markets. The pastures that are involved in this type of operation may require a 7 - 8 feet perimeter fence. In order to qualify, the operator should be able to provide the district a harvesting schedule.

Chart #1 Animal Units

Types of Livestock	Numbers	AU
Stocker calf	1	.33
Yearling	1	.50
Bull	1	1.30
Rams	5	1.00
Buck (goat)	6	1.00
Yearling Horse	1	1.00
Two Year Old Horse	1	1.50
Mature Cow w/Calf up to 6 months	1	1.00
Ewes	5	1.00
Does (goats)	6	1.00
Deer	7	1.00
Three Year Old Horse	1	2.00

TYPICAL HERD SIZE: The following chart summarizes the minimum herd sizes found in Clay county and relates that back to Chart #1. The following minimums can be derived from the operational definitions:

<u>Type of Operation</u>	<u>Typical Size</u>	<u>AU</u>
Beef Cow / Calf	5 HD	5+ AU
Feeder / Stocker	10 HD	3+ AU
Sheep	20 HD	4+ AU
Goats	20 HD	4+ AU
Horses	5 HD	10+AU
Exotics	30 HD	4+ AU

Note: The minimums are derived using herd size (#HD) to animal units using Chart #1.

STOCKING RATIO: Another minimum intensity standard is a stocking ratio, which is the number of acres that will support one (1) animal unit. Chart #2 reflects the relationship of pastureland, soil types and carrying capacities typical in Clay County.

Chart #2 Stocking Ratios

<u>Pasture Type</u>	<u>CC / AU</u>
Improved (Dry)	10.00 AC
Native Range	20.00 AC
Below Average	30.00 AC
Wasteland	60.00 AC +

*Many of the above stated minimum intensity standards can be applied as a qualifying test for open space (1-D-1). In larger acreage operations the stocking ratio would be a more reliable test.

ADDITIONAL TYPICAL RANCHING REQUIREMENTS: Clay County requires that the perimeter of the land used for grazing be completely fenced. One strand electric wire is not acceptable for permanent pasture operations. Typical fence for a permanent pasture is either six-strand barbwire or mesh with three-strand barbwire on top.

OTHER AGRICULTURAL ENDEAVORS

Beekeeping is an agriculture use and shall qualify for agricultural use productivity valuation if used for pollination or for the production of human food or other tangible products that have a commercial value. **The State of Texas has set a minimum of 5 acres and a maximum of 20 acres to qualify beekeeping as an agricultural use.** The first 5 acres should have a minimum of 6 colonies with another colony for each 2.5 acres of land. A colony is the hive and its equipment and appurtenances including bees, comb, honey, pollen and brood. The colonies must be maintained.

Orchards are plots of fruit or nut trees that are designed, planted, harvested and the produce is sold in a business manner. Trees are planted in rows or in an organized way in accordance with the type of orchard and type of trees. Standard practices: 10 – 20 trees per acre, written production plan, weed control, water available for establishment, insect control, fertilize, prune trees, manage and harvest. **The typical minimum size requirement is 3 acres.** The orchard must be a wholesale operation.

Viticulture – Vineyards for either wine or table grapes will typically include 600-700 Vines per acre. **The typical minimum size requirement is 3 acres.**

Truck Farming involves the cultivation of the soil for planting vegetables and depends on a good source of water. Irrigation equipment must be evident. **The typical minimum size requirement is 2 acres.**

Floriculture involves growing plants or nursery stock in pots. This stock is then sold wholesale to nurseries. **The typical minimum size requirement is 3 acres.**

Participation in Government Programs - Participation in Farm Service Agency (FSA) programs do qualify land for ag valuation. It is the property owner's responsibility to notify the CCAD and provide copies of such arrangements. The owner must be actively following directions of the plan.

Poultry / Hog Operations – These operations involve raising chickens, turkey, or hogs in large barns and pens as meat for human consumption. Chicken operators also may involve the harvesting of eggs. The land under the barns and the pens with some surrounding land for access will qualify.

******* These standards are subject to periodic review by the agricultural advisory board to keep them current with what is typical agriculture practice in Clay County. Also, from time to time adjustments will be needed to comply with changes in either appraisal manuals or Texas Property Tax Code. *******

SPECIAL VALUATION

Once the property has been approved for agricultural use “special valuation”, this special value is applied to the property. The property will still have a market value based on the true market value of the property; however, the property will be assessed taxes on the agricultural value.

The agricultural value is based on a formula provided by the state, where the income the land can produce is capitalized into a value. This is determined through typical lease rates, less expenses, which is capitalized into a value using the state’s recommended cap rate. Please note: The market value of the property can go up or down and it will not affect the agricultural value or the tax amount. The agricultural value of “native pasture – average”, etc. is the same price per acre everywhere in the county but the taxes may vary due to the taxing entities.

AGRICULTURAL LAND USE CLASSIFICATIONS

RANCH LAND:

Improved Pasture – Land that is serving as a pasture for some type of livestock where the land has been improved and has perennial grasses (Bluestem, Kline, Bermuda, etc.).

Native Pasture – Land that is serving as a pasture for some type of livestock where the land is partially cleared of brush and trees and has native grasses.

Wooded Pasture – Land that is serving as a pasture for some type of livestock, but the land is so heavily timbered that the grass production is almost non-existent. This category could also include land with deep ravines where the grass production is non-existent. This must be an integral part of a grazing operation, using one or more of the land types listed.

FARM LAND:

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

Irrigated Cropland – Land planted in row or broadcast crops that are grown for sale or used for feed, that are watered on a regular basis.

OTHER ENDEAVORS / CATEGORIES:

Orchards / Vineyards – Land that has trees or grapevines planted for a specific purpose of producing fruit or nut crops or grapes for the production of wine. Bee qualification is also listed under Orchard category.

Minimal Use – Specialized category to cover very unique property where the land is of very little use. An example is the land on the river that changes size from year to year and has very minimal production. You will need to document anything listed under this category.

Wildlife Management Properties – convert from the qualified land category prior to wildlife management designation

Non-Ag Use – Land that is not being utilized in an agricultural endeavor (providing food or fiber). An example is the two acres used to support a house.

CLAY COUNTY APPRAISAL DISTRICT AGRICULTURAL
LAND PENALTY FOR LATE APPLICATION

APPLICATION:

Application must be made on an acceptable form after January 1 and by April 30th of the tax year. (If mailed, the postmark is considered to be the delivery date.)

Applications received after the deadline will be accepted until the appraisal roll is certified. If approved, late applications will be subject to a late penalty. The "late penalty" is figured by taking the difference between having the special valuation and not having the special valuation. The late penalty is 10% of the difference. This penalty can vary greatly from property to property since it is based on the market value.

PLEASE - - - BE ON TIME!

ONCE THE ROLL IS CERTIFIED, THE SPECIAL VALUATION CANNOT BE APPLIED.

ROLLBACK TAX

The possibility for a "rollback tax" exists under either form of special land valuation. This liability for additional tax is created under 1-d-1 valuation by either the sale of land or a change in the use of the land. It extends back three years prior to the year in which the change or sale 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 three (3) years preceding the year of 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.

FREQUENTLY ASKED QUESTIONS

Q: I'm growing timber on my property, where are those qualifications listed?

A: The timber use qualifications are intended for areas where there is good quality marketable timber (East Texas). The trees in Clay County are of a quality that is not conducive of timber operations. Additionally, the rainfall in Clay County is not desirable for a timber operation.

Q: The application says "open space" and that is what my land is "just open spaces". Where are the qualifications for that?

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, in order 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 lay out, but I can't find any information on that.

A: The land can lay out (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 laying out. *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 would 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 completely filled out will be denied.
- **Applications lacking supporting documents will be denied.**
- 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 un-divided interest percentages
- Anytime the chief appraiser requests a re-sign (some CAD's request it every year...every 2 years, ...every 3 years, ...every 5 years, etc.)

Note: The appraiser will be physically inspecting 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 a letter. Then you will have an opportunity to discuss the denial with the appraiser and if no agreement is reached you can file a protest.

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.

Asking the Appraisal District the minimum requirement to obtain ag valuation

- The property owner chose 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 (time wise) 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, etc. (These items can be accomplished later while the land is being utilized – thus meeting the active use qualification.)

Only utilizing part of the property

- FOR EXAMPLE: 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 in order to be approved for the special valuation.

Confusing “current use” with “I intend to”