



COOKE COUNTY APPRAISAL DISTRICT AGRICULTURAL SPECIAL USE VALUATION BOOKLET



CONTENTS:

- Page 2 ----- Basic Agricultural Information
- Page 4 ----- Guideline Overview
- Page 6 ----- Detailed Qualification & Guidelines
- Page 13----- Classifications / soil type
- Page 14-----Deadlines & Late Penalty Calculations
- Page 15-----Calculating the Tax Savings
- Page 16----- Rollback Tax
- Page 17-----Frequently Asked Questions
- Page 19-----Common Mistakes



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.**”

There is no simple answer to, “*What do I have to do to get the agricultural special use valuation?*” It all depends on your operation and the following:

- 1) How much land do you have?
- 2) What is the agricultural product you are producing?
- 3) Are you utilizing all the available land to produce your product?
- 4) Is this being utilized to the degree of intensity generally accepted in our area? [Degree of intensity = time + labor + equipment + management + capital] * *This test is intended to exclude land on which token agricultural use occurs in an effort to obtain tax relief **
- 5) Is it being used as a typical prudent manager of this type operation would use it?
- 6) Is there a history of qualified land use for five of the last 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, www.cookecad.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.

OVERVIEW of Agricultural Guidelines

Property that is less than 10 acres in size will not typically qualify for the agricultural special use valuation. There may be some specific exceptions to these guidelines.

Other minimum requirements are based specifically on the agricultural activity.

RANCHING – acreage or animal unit minimums

This will be categorized as either improved pasture or native pasture and may include a portion of timber pasture.

CATTLE:

- **30 acre minimum** – for cow / calf raising operations
- **10 head minimum** – for feed lot type operations on smaller acreage
- Smaller scale operations are not feasible in terms of capital required (owned or hired).
- For ranches 30 acres or greater, there should be a **stocking rate of 5 to 10 acres per animal unit.**

SHEEP or GOATS:

- **10 acre minimum with stocking rate of 2-3 animal units per acre**
- Smaller scale operations are not feasible in terms of capital required (owned or hired).

HORSES:

- Raised and sold to the public (horse breeding facilities) qualify for Agricultural Use. Horses stabled, trained or used for recreational purposes DO NOT QUALIFY for Agricultural Use.
- Must have a **minimum of 5 animals or for 30 acres** or greater, there should be a **stocking rate of 5 to 10 acres per animal unit.**

Standard practices: fertilize annually (on improved pastures), weed and brush control, fences maintained, stock water, systematic marketing of animals and property management of land for long run forage.

FARMING – 15 acre minimum

HAY OR CROP LAND:

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

Wheat, Oats, Grain Sorghum, or Hay

The scale of operation is not feasible in terms of capital required for less than 15 acres (owned or hired). Yield depends on the size & type of bale.

Standard practices: shred previous crop, till, plant, fertilize, apply herbicide, control insects, maintained in a workman-like manner, and harvest.

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 not common in Cooke County. However, we do have some pecan & peach tree orchards. Orchards are designed, planted, harvested and the product 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: 14 – 100 trees per acre, written production plan, weed control, water available for establishment, insect control, fertilize, prune trees, manage, and harvest. The orchard must be a wholesale operation.

VITICULTURE – Vineyards for either wine or table grapes will typically include 600-700 vines per acre.

Participation in Government Programs where the land is set aside – verified through FSA (Farm Service Agency) office. CRP (Crop Rotation Program), Soil Conservation Plans, or other arrangements should be noted. It is the property owner’s responsibility to notify the CCAD and provide copies of such arrangements. Just having a plan on file does not qualify the land for special valuation. The owner must be actively following the 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.

Animal Units

1 Cow = 1 A.U.	Cow + Calf = 1 A.U.	Horse = 1 A.U.	Bull = 1.5 A.U.
2 Calves (500 lb. each) = 1 A.U.	1 Colts = A.U.	6 Goats & Sheep = 1 A.U.	2 Mini horses/ donkeys = 1 A.U.

Cooke County Appraisal District Agricultural Use Land Qualifications & Guidelines

INTRODUCTION:

Cooke County Appraisal District uses the following agricultural land qualification guidelines for mass appraisal purposes. These are applied uniformly throughout Cooke 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, Property Tax Assistance Division, Comptroller of Public Accounts, January 2017, supports these guidelines. A copy of which 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 filed and filed correctly.

REQUIREMENTS: 1-d-1

- The land may be owned by an individual, corporations, or partnership.
- 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.] *For your protection we recommend you either mail the application by certified mail, or include a self addressed envelope (CCAD will mail you a copy of page 1, stamped "received"). If hand delivered rather than mailed, please wait for a CCAD clerk to stamp the application received and request a copy for your records.*

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 were taxed at market value.

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. Applications should be filed between January 1st and April 30th. Applications received after the April 30th deadline and until the appraisal records are certified are subject to a 10% penalty for late filing. 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 could be denied

CCAD's web site has a power point explanation of the application form for your convenience.

QUALIFICATION GUIDELINES:

The general policy of the Cooke County Appraisal District is in accordance with the State Property Tax Board's 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 Cooke 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 Cooke 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. cropping patterns, planting rates, fertilization methods, harvesting and marketing techniques, etc.)
- **Typically prudent farm or ranch managers** are ordinary farmers in terms of amount 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 Cooke 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 Cooke 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 typically 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 for 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. Effective September 28, 2011.

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 one acre 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 non-agriculture. (Example: hay meadow on part of the property with treed 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.

Wheat, Oats, Grain Sorghum, or Hay: have a **minimum of 15 acres to qualify**. The scale of operation is not feasible in terms of capital required for less than 15 acres (owned or hired). Yield should be two bales per acre with a minimum of 15 bales produced.

Standard practices: shred previous crop, till, plant, fertilize, apply herbicide, control insects, maintained in a workman-like manner, and harvest.

RANCHING

The land will be either improved pasture or native pasture and may include a portion of timber pasture.

Cattle: have a minimum of **10 animal units** **OR 30 acres or greater** concurrent with a stocking rate of 5 to 10 acres per animal unit for ranches 30 acres or greater.

[10 animal units is for acreage less than 30 acres where the operator is buying feed as in a feed lot.] A smaller scale of operation is not feasible in terms of capital required (owned or hired) and transportation costs.

Sheep or Goats: have a minimum of **15 animal units on 10 acres** concurrent with a maximum stocking rate of 3 animal units per acre. A smaller scale of operation is not feasible in terms of capital required (owned or hired) and transportation costs.

Horses: raised and sold to the public (horse breeding facilities) qualify for Agricultural Use. Horses stabled, trained or used for recreational purposes DO NOT QUALIFY for Agricultural Use. Horses have a minimum of **5 animals or 30 acres** or greater concurrent with a stocking rate of 5 to 10 acres per animal unit. A smaller scale of operation is not feasible in terms of capital required (owned or hired) and transportation costs.

Standard practices: fertilize annually (on improved pasture), weed and brush control, fences maintained, stock water, systematic marketing of animals and property management of land for long run forage.

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 not common in Cooke County. However, we do have some pecan & peach tree orchards. Orchards are designed, planted, harvested and the product 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: 14 – 100 trees per acre, written production plan, weed control, water available for establishment, insect control, fertilize, prune trees, manage and harvest. The orchard must be a wholesale operation.

Viticulture – Vineyards for either wine or table grapes will typically include 600-700 vines per acre.

Participation in Government Programs where the land is set aside – verified through FSA (Farm Service Agency) office. CRP (Crop Rotation Program), Soil Conservation Plans, or other arrangements should be noted. It is the property owner's responsibility to notify the CCAD and provide copies of such arrangements. Just having a plan on file does not qualify the land for special valuation. The owner must be actively following the 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.

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

Soil Type – The major soil type for the specific property has been identified and will be sub-classified as “**Fair – Average** – or – **Good**” based on the range productivity for each of the uses listed below.

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 one acre used to support a house.

Cooke 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.] For your protection we recommend you either mail the application by certified mail or include a self-addressed envelope (CCAD will mail you a copy of page 1, stamped received.) If hand delivered rather than mailed, please wait for a CCAD clerk to stamp the application received and request a copy for your records.

CCAD has a PowerPoint explanation of the application form for your convenience.

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 of 10%.

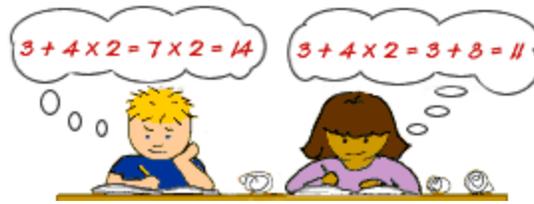
The "late penalty" is figured by taking the difference between having the special valuation and not having the special valuation. The late penalty is 10% of the difference. This penalty can vary greatly from property to property since it is based on the market value.

Below are five examples to show how great the late penalty variances can be:

1. 44 acres with a penalty of \$ 710
2. 128 acres with a penalty of \$ 1,566
3. 160 acres with a penalty of \$ 840
4. 1,384 acres with a penalty of \$ 6,127
5. 2,100 acres with a penalty of \$ 8,382

PLEASE - - - BE ON TIME!

Once the roll is certified, the special valuation cannot be applied.



Calculating the Tax Savings

Between Having the Special Valuation (Ag Use or Wildlife Mgmt.) And Paying based on the Market Value

INFORMATION NEEDED:

Number of Acres for that specific property

Market Value per Acre

Agricultural Use Value per Acre

Current Tax Rates

EXAMPLE:

50 Acres

\$6,000 per Acre

\$161 per Acre (for Dry Crop)

2.3000

Tax Estimate based on Market Value

of Acres

50

Times the Market Value per Acre

x 6,000 = 300,000

Times the Current Tax Rates

x 2.3000 = 690,000

Divided by 100

/ 100 = 6,900

Equals the Tax Estimate

\$6,900 in Taxes

Tax Estimate based on Agricultural Valuation Exemption

of Acres

50

Times the Agricultural Use Value per Acre

x 161 = 8,050

Times the Current Tax Rates

x 2.3000 = 18,515

Divided by 100

/ 100 = 185.15

Equals the Tax Estimate

\$185.15 in Taxes

Difference* is:

\$6,900 – \$ 185.15 or
\$6,714.85 Tax Savings

*The differences can vary greatly.



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 five 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 five (5) 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 Cooke County are of a quality that is not conducive of timber operations. Additionally, the rainfall in Cooke 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:

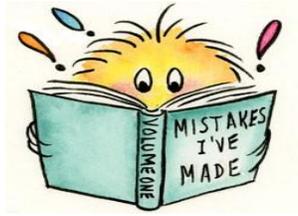
- Read the application
- Answer all the questions to the best of your ability.
- **Do not leave anything blank.**
- Applications not completely filled out will be sent back unapproved.
- Turn in your application in a timely manner (by April 30th).
- If there is anything specific the appraiser would need 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 un-divided interests 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 choose 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”