

EASTLAND COUNTY APPRAISAL DISTRICT

AGRICULTURAL LAND QUALIFICATION GUIDELINES

December 8, 2021



This document was created with the assistance of the Eastland County Appraisal District Agricultural Advisory Board, a committee comprised of independent producers within the County.

TABLE OF CONTENTS

INTRODUCTION..... 1

APPLICATION REQUIREMENTS..... 1

PRINCIPLE USE 2

GUIDELINES FOR DETERMINATION OF DEGREE OF INTENSITY STANDARDS..... 4

 Dry Crop Land..... 4

 Forage or Grazing Lands for Livestock Production..... 5

 Improved Grass 5

 Native Pasture 6

 Hay 6

HORTICULTURE 7

 Orchards 7

VITICULTURE 8

 Vineyards..... 8

BEE KEEPING..... 8

PARTICIPATION IN GOVERNMENT PROGRAMS..... 8

WILDLIFE MANAGEMENT APPRAISAL GENERAL..... 9

ROLLBACK TAX 9

APPLICATION VERIFICATION 9

DEFINITIONS OF KEY WORDS/PHRASES..... 10

INTRODUCTION

It is the opinion of the Eastland County Appraisal District (ECAD) that the attached *Agricultural Land Qualification Guidelines* are valid for mass appraisal purposes and can be applied uniformly throughout ECAD. *The Manual for the Appraisal of Agricultural Land*, Property Tax Division, Comptroller of Public Accounts, May 2019, supports these guidelines.

The Texas Constitution permits qualified open-space land to be taxed generally at productivity value instead of market value. The legal basis for this type of special valuation called "Ag Use Open Space" or "1-d-1" is found in the Texas Constitution, Article VIII, Sections 1-d-1. The Texas Property Tax Code (TPTC), Sections 23.51-23.57 provide the core provisions for implementation.

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 by the Chief Appraiser. All contiguous parcels can be considered on a stand-alone basis with consideration being given to common ownership.

The general policy of ECAD is in accordance with the *Manual for the Appraisal of Agricultural Land*, qualification guidelines for agricultural use. In order to qualify for Ag Use or Open Space valuation, the following requirements must be met.

APPLICATION REQUIREMENTS

The application must meet the following requirements:

The land must have been devoted to a qualifying agricultural use for at least five (5) of the preceding seven (7) years. When history is in doubt, the following are examples of documents that may be provided for verification: IRS forms, sales receipts, expense receipts and/or sworn affidavits from persons (lessor or lessee) having knowledge of the subject property. Land under agricultural production must be specifically identified and products produced clearly stated. The land shall be described legally and physically. Physical description identifies the land in categories or classifications such as dry cropland or native pasture, as well as the number of acres in production. The productive capacity of the land must be described to allow for measurement of agricultural production intensity.

If the land is located within the boundaries of a city or town, the following requirement must be met in addition to the normal requirements: land must have been devoted principally to agricultural use continuously for the preceding five years.

Application must be made on an acceptable form after January 1 and before May 1 of the tax year. If May 1 falls on a weekend or holiday, the next working day is the deadline. The U.S.P.S. postmark is considered to be the delivery date. The Chief Appraiser may extend the deadline, for good cause, for not more than sixty (60) days, if the request is received *in writing* before the deadline (TPTC § 23.54 (d)).

A new application must be filed when there is a change of ownership. If a person fails to file a valid application on time, the land is **ineligible** for agricultural appraisal for that year. 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 the chief appraiser requests another application to confirm current qualification.

Applications received **after** the deadline will be accepted until the appraisal roll is certified. If approved, late applications will be subject to a penalty of ten (10) percent of the difference between the amount of tax imposed on the property at agricultural value (1-d-1) and the amount that would be imposed if the property were taxed at market value (TPTC § 23.541 (a & b)).

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 an on-site inspection for all new applications.** TPTC § 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, 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 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.

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, or raising a steer, pig, goat, or sheep for FFA and 4H projects do not constitute agricultural use for property tax purposes.

Land must be utilized to the “degree of intensity” generally accepted in Eastland County. Local farming and ranching practices of a typically prudent manager measure degree of intensity. Typically prudent may be measured by comparing the actual production of the subject property to the typical yields in Eastland County. **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 input 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. High intensity operations such as poultry or swine production may qualify on a small tract of land where otherwise it would not qualify (example: a 40-foot X 300-foot broiler house).

Intensity of agricultural production is the central issue or standard of agricultural use qualification. A typical prudent livestock operation to the degree of intensity generally accepted in this area, such as grazing cattle or livestock, is four (4) animal units year round. Year round means twelve (12) months. In order to give property owners the benefit of doubt, ECAD will use three (3) animal units per year. An animal unit equals 1,000 pounds for any domestic animal or a combination of animals.

Examples of 3 minimum animal counts would be:

- eighteen (18) sheep
- twenty-one (21) goats
- three (3) cows
- six (6) 500 pound calves
- three (3) brood mares
- twelve(12) 250 lb. swine
- or a combination of the above.

Exotic animals will require additional information to qualify.

The chief appraiser is required by law to develop "degree of intensity" standards for each type of agricultural 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. ECAD 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. When part of a parcel is used for nonagricultural purposes the parcel will be split into separate land segments. Small tracts that are used in conjunction with a larger agricultural operation may be viewed in terms of the overall operation. The land may be owned or leased by the operator. Example: the broiler house within the boundary of a cattle grazing operation.

GUIDELINES FOR DETERMINATION OF DEGREE OF INTENSITY STANDARDS

These standards reflect the practices that are typical for producing various kinds of crops or livestock commonly raised in Eastland County.

Dry Crop Land

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

Common Crops for Eastland County

- Forage Sorghum
- Peanuts
- Wheat
- Cotton
- Oats

Type of Pasture	Typical Acres Per Animal Unit (recommended)	Acreage Needed For Minimal Animal Unit
Improved	3-5	9-15

Native Pasture

Standard Practices:

- weed and brush control,
- fences maintained,
- stock water,
- systematic marketing of animals,
- and property management of land for long run forage.

Type of Pasture	Typical Acres Per Animal Unit (recommended)	Acreage Needed For Minimal Animal Unit
Native	10-15	30-45

Some isolated cases in Eastland County require in excess of 40 acres per animal unit. Water, or lack of, is a significant factor on the land's capability to carry livestock.

Hay

Standard Practices:

- tillage,
- fertilizing,
- cutting,
- baling,
- hauling,
- feeding or marketing.

In normal years, two to three (2-3) cuttings should be achieved. **The hay must be marketable.**

Type	Typical Annual Bales/ Acre	Typical Number of cuttings per year	Minimum To Qualify
Improved	80 square or 4 round	2-3	800 square or 40 round
Hay Grazer	80 square or 4 round	1-2	400 square or 20 round
Johnson Grass	80 square or 4 round	1	400 square or 20 round

Johnson grass hay fields are typically disked or chiseled lightly early in the spring to enhance growth and assist in weed control and should be fertilized. Some experts do not consider Johnson grass a typical hay crop; however, in Eastland County this seems to be normal.

HORTICULTURE

Orchards

Standard Practices:

- 14-100 trees per acre,
- written production plan,
- weed control,
- water available for establishment,
- insect control,
- fertilizer,
- prune trees,
- manage,
- and harvest.
- The orchard must be a wholesale operation.

Irrigated Orchard: typically five (5) acres of land is required to achieve a minimum standard of production to qualify for agricultural use given prudent management.

Dry land Orchard: typically ten (10) acres of land is required to achieve a minimum standard of production to qualify for agricultural use given prudent management.

Native Orchard: typically ten (10) acres of land is required to achieve a minimum standard of production to qualify for agricultural use given prudent management.

Type Of Tree	Trees Per Acre	Irrigated (5 Ac Min.)	Dry Land (10 Ac Min.)	Native (10 Ac Min.)
Native Pecan	14	70	140	140
Improved Pecan	35	175	350	350
Peach	100	500	1000	1000

VITICULTURE

Vineyards

Standard Practices:

Type Of Crop	Vines Per Acre
Grapes: Table	600-700
Grapes: Wine	600-700

This Degree of Intensity Standards is subject to change from year to year.

BEE KEEPING

Beekeeping is recognized as an agricultural use under the Property Tax Code and is therefore recognized as such in Eastland County. A minimum of 5 acres is required for a person to receive agricultural valuation for a beekeeping operation (maximum of 20 acres). On the land must be a minimum of five mainframe hives. The degree of intensity is defined as one mainframe hive per acre. To receive the agricultural designation, that degree of intensity must be maintained for the number of acres owned. (For example, 20 acres must have 20 hives). The hives may be transported temporarily to locations near orchards or fields where plants are pollinating, but must come back to the permanent site between relocations to other areas.

The hives must be maintained according to standard beekeeping practices and the bees must be alive. An inspection shall be conducted by the appraisal district at least annually to ensure compliance with these standards.

The value of the land devoted to beekeeping shall be designated at the same price per acre as Dryland Tillable.

PARTICIPATION IN GOVERNMENT PROGRAMS

- Set aside - Verified through FSA (Farm Service Agency) office by farm number.
- CRP - Verified through FSA office by farm number.
- Soil Conservation Plan - Review plan and ensure owner is participating. 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.

WILDLIFE MANAGEMENT APPRAISAL GENERAL

The complete guidelines for property owners interested in Wildlife Management for 1-d-1, Open Space Agricultural Appraisal are available in the Wildlife Management packet.

Wildlife management appraisal is an alternative agricultural appraisal for taxpayers with property used to propagate a sustaining, breeding, migrating, or wintering population of indigenous wild animals.

A Wildlife Management Plan and an Annual Report shall be completed on a form supplied by the Texas Parks and Wildlife Department for each tract of land for which appraisal based on wildlife management use is sought. The form and regional management plans may be obtained by contacting the Texas Parks and Wildlife Department, 4200 Smith School Road, Austin, TX 78744-3291.

ROLLBACK TAX

Rules for a "rollback tax" exist under either form of special land valuation. Under 1-d-1, a rollback is triggered by a physical change in use. Reduced intensity of use would not trigger a rollback, but ceasing all agricultural activity would. Taxes are recaptured for the three years preceding the year of change. The rollback tax is imposed on the difference between the taxes imposed on the land for each of the three years preceding the year in which the change of use occurs and the tax based on the market value in each of those years, plus interest at an annual rate of five percent (5%) calculated from the dates on which the differences would have become due.

APPLICATION VERIFICATION

Eastland County Appraisal District staff performs routine verification of all land in the special valuation program. Non-compliance will be documented and action taken to remove non-qualifying land from the program. A rollback will be triggered if the requirement for rollback is met.

DEFINITIONS OF KEY WORDS/PHRASES

Prudent - capable of making important management decisions and 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 a similar type of agricultural endeavor

Principle Use - if the land is used for more than one purpose, the most important or primary use must be agricultural. For example, pleasure gardening is not the principal use of residential land

Cultivate - to prepare and use land for crops, raise or grow crops.

Typical - exhibiting the essential characteristics of a group. 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.

Animal unit - normally equates to 1,000 pounds of animal. Typically this is one (1) cow, two (2) 500 pound calves, six (6) sheep, seven (7) goats, or one (1) horse.

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 tract is devoted principally to agricultural use. Identifying the key elements of the definition and explaining each as follows can gain a better understanding of this definition:

- **Principally** means the more important use in comparison with other uses to which the land is used.

- **Degree of intensity generally accepted in the area** shall mean that the farming and ranching practices (cropping patterns, planting rates, fertilization methods, harvesting and marketing techniques, etc.) are those of a typically prudent manager. This is not strictly tied to numbers, but is tied to production. For example a few cows that are never bred and do not produce offspring would not be considered to meet the intensity test because of a lack of production and would not qualify the land. This test is intended to exclude land on which token agricultural use occurs in an effort to obtain tax relief. The degree of intensity test measures what the property owner/operator is contributing to the agricultural operation (in time, labor, equipment, management, and capital), and compares it with typical levels of inputs 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 or sale, sales receipts or other documentation.

- **Typically prudent farm or ranch managers** are ordinary farmers in terms of acres operated as well as management ability. Given that all other factors remain constant, the number of acres determines the capital structure. Typically prudent farm or ranch managers located in Eastland County are assumed to have similar equipment of similar value and utility.

- **Substantial tract** is a tract of land large enough to be utilized agriculturally by itself in a typically prudent manner. Texas Farm & Ranch Survey identified 50 acres as the typical ranch size and 25 acres as the typical pasture size.
- **Area** is interpreted to be that land inside the jurisdictional boundaries of the Eastland County Appraisal District.

Improved pasture (IP) - land planted or sprigged with grasses that are not native to Central Texas. These grasses are used to grow forage that is typically baled for later use by livestock. Also called introduced grasslands or hay land. Can be used to graze livestock, but pasture is not its primary purpose.

Native pasture (NP) - land that has native grasses to Eastland County and is used primarily for grazing livestock. Can be used to grow forage that is baled for later use by livestock, but pasture is its primary purpose.

Dry Crop Land (DC) -land that is cultivated and seeds are planted.

Wildlife Management - the land must be actively used to generate a sustaining, breeding, migrating or wintering population of indigenous wild animals and meet three of the seven major practices of Wildlife Management Uses:

1. Habitat Control
2. Erosion Control
3. Predator Control
4. Providing Supplemental Water
5. Providing Supplemental Food
6. Providing Shelters
7. Performing Census Counts

Roll Back - the term used to identify the recapture of taxes when land previously receiving special valuation ceases agricultural use or changes to a nonagricultural use.

Approved by the Eastland County Appraisal
District Board of Directors, December 12,
2013 and amended on December 8, 2021.