



Grayson Central Appraisal District

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GUIDELINES & REQUIREMENTS FOR AGRICULTURAL FILING & APPRAISAL QUALIFICATIONS

The general policy of the Grayson Central Appraisal District is in accordance with the Texas State Comptroller's qualification guidelines for agricultural use. Only those operations that are truly agricultural in nature should be considered for agricultural productivity valuation. The District policy is that in order to qualify for agricultural use valuation, the land must first meet the following criteria based on the degree of intensity of use:

PLEASE READ CAREFULLY AS ANY MISSED ITEM(S) COULD CAUSE A DENIAL OF YOUR AGRICULTURAL SPECIAL VALUATION

GUIDELINES & REQUIREMENTS

The land must be utilized to the degree of intensity generally accepted in Grayson County. Degree of Intensity is measured by local farming & ranching practices (stocking rates, planting rates, crop rotation, fertilization methods, harvesting and marketing techniques, etc.) which are those of a typically prudent farm or ranch manager. The land must be producing a product for human or animal consumption, or for commercial trade within the agricultural economy of the State of Texas, and being farmed or ranched to the extent typical for agricultural operations. This test is intended to exclude land on which token agricultural use occurs in an effort to obtain tax relief.

Land must 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 Grayson County. A prudent manager conducts his farming or ranching operation in a business-like fashion, keeping books, and records, and operates as similar businesses are operated. He uses his management ability, to operate under natural conditions, and as a business venture for profit. Property owners may actually be their own farm or ranch manager/operator, however, they must prove that they are following all the common production steps for their type of operation and putting in the typical amounts of labor, management, and investment. If the taxpayer has personal motives or engages in the agricultural activity for recreational purposes, his overall profit motives will be suspect.

The land must be currently devoted principally to agricultural use. Principally is defined as the most important use in comparison with other uses. Current devotion requires that land be in active agricultural use for the bulk of the calendar year.

Pursuant to Section 23.51 (1) of the Texas Property Tax Code, land must have been devoted principally to agricultural use for five of the preceding seven years. Land within the boundaries of a city or town must have been devoted principally to agriculture use continuously for the preceding five years. This five-year use history must first be established before the special agricultural appraisal can be granted. The agricultural use history must be provided on the application to the best of the current owner's knowledge. The applicant may need to contact the previous owner, neighbor, operator, etc. The previous owner's agricultural application is a confidential document as per Section 23.45 of the Texas Property Tax Code. The new owner must supply the information on their application, not the appraisal district.

Per Section 23.54(e) if a person fails to file a valid application on time, the land is ineligible for agricultural appraisal for that year

If additional information is requested, the property owner has 30 days to supply the request. If the property owner does not respond to the request for information upon the 31st day the special appraisal is considered to be denied.

A property owner may appeal a denial to the appraisal review board at a formal hearing by filing a written protest within 30 days of the denial notice.

Agricultural valuation will be applied to the land only and appurtenances such as fencing, ponds, roads, etc. Land beneath farm buildings and other agricultural improvements does qualify. However, the agricultural appraisal cannot be applied to the improvement itself, farm equipment, etc.

If the agricultural appraisal is granted, you will not need to refile each year. However, if property is sold/purchased, it will be necessary for the new owner to make new application and qualify for the agricultural appraisal. Additionally, the Chief Appraiser may require any person allowed this special valuation to make new application to confirm that the land is currently eligible.

INFORMATION AND EVIDENCE TO SUPPORT AGRICULTURAL USE

Pursuant to the Texas Property Tax Manual for the Appraisal of Agricultural Land published by the Texas Comptroller of Public Accounts, to qualify land for agricultural appraisal, the property owner must show the chief appraiser that his land meets the standard. **To do so, the property owner must apply for the appraisal and the property owner must give the chief appraiser all the information he needs to determine whether the land qualifies. It may be necessary to provide substantial evidence of use, such as a written lease agreement between the owner and the operator, receipts for feed, fertilizer, proof of harvest sales, profit/loss statements, income tax returns, etc. The burden of proof of use is the responsibility of the property owner, they must show evidence that they are following all the common production steps for their type of operation and putting in the typical amounts of labor, management, and investment.** The property owner must also inform the chief appraiser of any changes in the status of the land.

Sections 23.51 –23.57 of the Texas Property Tax Code directs the Texas State Comptroller of Public Accounts formerly known as the State Property Tax Board (SPTB) to develop Agricultural Appraisal Manuals for agricultural land. Section 23.52 also directs the development procedures for verifying that land qualifies for agricultural appraisal. The attached agricultural land qualification requirements are considered valid for mass appraisal purposes and can be applied uniformly throughout Grayson County. These guidelines are supported by (1) Section 183 of the IRS Regulation, (2) The Texas Property Tax Manual for the Appraisal of Agricultural Land published by the Texas Comptroller of Public Accounts, (3) The Texas Property Tax Code, (4) by the opinions of the Grayson County Agricultural Advisory Board established pursuant to Section 6.12 of the Texas Property Tax Code, and (5) data collected from the local area. 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 as determined by the Chief Appraiser.

When property owners initially qualify for agricultural appraisal they must show proof of history for agricultural use/beekeeping for any of all five out of seven preceding years. One way to do this is to ask for export or intra-state permits, which are required by the Texas Apiary Inspection Service to transport hives. feed. making of census counts to determine population. Additional information can be found through the Texas Parks and Wildlife Department.

ROLLBACK

The law imposes a rollback tax on 1-d-1 land when it is taken out of agricultural use. A property owner can trigger the rollback by ending agricultural operations or diverting the property to a non-agricultural use such as a commercial use or platting into a subdivision, etc. **The rollback tax equals the difference between the taxes the owner actually paid in the three years preceding the change in the use and the taxes the owner would have paid on the property's market value, plus interest at an annual rate of five percent. The tax is imposed on the date the cessation or change of use occurs.** Additional rollback information may be obtained from the Grayson Central Appraisal District.

GUIDELINES FOR QUALIFYING AGRICULTURAL LAND FOR WILDLIFE MANAGEMENT

WILDLIFE MANAGEMENT:

WILDLIFE MANAGEMENT USE: Land must qualify for and already been appraised as agricultural land or timberland during the year before the year the property owner requests a conversion to wildlife management use.

WILDLIFE MANAGEMENT *12.5 Acres Minimum*

Can only be applied to land which qualifies and is already receiving 1-d-1 Open Space Agricultural Valuation. Must provide a formal recommendation from a regulatory wildlife biologist (Wildlife Management Plan) and implement such recommendations.

The Texas Property Tax Code, Section 23.51(7) defines wildlife use as actively using land that at the time the wildlife management use began was appraised as qualified open-space land under this subchapter or as qualified timberland under Subchapter E in at least three of the following ways to propagate a sustaining breeding, migrating or wintering population of indigenous wild animals for human use, including food, medicine or recreation:

- habitat control
- erosion control
- predator control
- providing shelter
- providing supplemental supplies of water
- providing supplemental supplies of food
- making of census counts to determine population

Additional information can be found through the Texas Parks and Wildlife Department.

QUALIFYING AGRICULTURAL USES FOR AGRICULTURAL APPRAISAL

LIVESTOCK / STOCKING RATES:

(Based on the Degree of Intensity) Established January 1, 2005

BEEF: Cattle operation on Improved Pasture: 1 animal unit (1,000 lbs) per 3 acres of productive land mass. Cattle operation on Native Pasture: 1 animal unit (1,000 lbs) per 7-10 acres of productive land mass.

COW/CALF <i>10 Acres Minimum</i>	Raising beef for sale to either processors or other operators as breeding stock. These include purebred operations, as well as, commercial breeders who sell calves to the local livestock markets. Typical requirements include at least 5 cows of breeding age that are bred annually.
STOCK/FEEDER <i>10 Acres Minimum</i>	Raising beef for processors. This operation involves acquiring calves at a certain weight from cow/calf operators or the livestock auction and raising the calves until they reach slaughter weight. Both heifer and steer calves may be found in these types of operations.

SHEEP/GOAT: Sheep/Goat operation: 1 animal per acre of productive land mass, 10 animals minimum.

SHEEP <i>10 Acres Minimum</i>	Can provide two by-products, wool and meat. A commercial operation would not require any particular breed and may be in the business of meat production only. Purebred operations are normally primarily in the business of producing either wool, meat or animals to sell to other producers as breeding stock. A typical flock consists of at least 15 head of ewes and 1 ram.
GOATS <i>10 Acres Minimum</i>	Can provide three by-products, mohair, meat & dairy. Typical mohair production is limited to the Angora breed; all other breeds are involved in the production of meat (cabrito or young kid goat). Goats also may produce dairy by-products as a secondary use. A typical flock of goats consists of at least 25 head of does and one buck.

EQUINE: Horses operation on pasture: 1 animal unit (1,000 lbs) per 4-5 acres of productive land mass plus supplemental feed.

HORSES/DONKEYS /MULES <i>10 Acres Minimum</i>	This operation involves having brood mares and either a stud (stallion) on location or using an artificial insemination service for breeding. At least 3 head of breeding age mares are required to be considered a typical horse breeding operation. Supplemental feeding is a given fact of a breeding horse operation. Breeding associations have suggested that a minimum amount of acres for a typical breeder is in the fifteen to twenty acre range in order to support a breeding operation. Horse breeding, raising and being sold to the public qualify for agricultural use. Horses stabled and/or used strictly for pets or recreational purposes do not qualify for agricultural use. When qualifying for agricultural land based on horse activity it will be necessary to provide evidence of use.
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BEEKEEPING: Beekeeping shall qualify for agricultural use productivity valuation if used for pollination, for the production of human food, or other tangible products that have a commercial value. (Sec. 23.51(2) Texas Property Tax Code)

ACREAGE REQUIREMENT	The State of Texas has set a minimum of 5 acres and a maximum of 20 acres to qualify beekeeping as an agricultural use.
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DEGREE OF INTENSITY

ACRES	HIVES
5.00	6
7.50	7
10.00	8
12.50	9
15.00	10
17.50	11
20.00	12

Our degree of intensity standard is set at a minimum of six colonies (hives) and 5 acres. The minimum degree of intensity was established using Section 131.001 Texas Agriculture Code's definition of an apiary, which is a place where six or more colonies of bees or nuclei of bees are kept. A colony is the hive and its equipment and appurtenances including bees, comb, honey, pollen, and brood. For each additional 2.5 acres one additional hive is required. is less than 2.5 acres, no additional hive is required. For example: if a property owner has 16.3 acres of land used for beekeeping a minimum of 10 hives would be needed to qualify. (first 5 acres six hives, additional 10 acres 4 hives, remaining 1.3 acres no hives). The productivity value for beekeeping will be based upon the dry cropland productivity value. The hives must be maintained and kept alive. The Grayson Central Appraisal District will approve the agricultural productivity appraisal on the total acreage, not just the area where the hives sit.

The Grayson Central Appraisal District degree of intensity is 6 hives on the first 5 acres with 1 hive per additional 2.5 acres up to 20 acres. This will give a range of 6-12 hives.

AGRICULTURAL LAND USE CATEGORIES	
IRRIGATED CROP	Cultivated and planted to annual crops that are watered on a regular basis.
DRYLAND CROP	Planted, in row broadcast crops, not watered, that are grown for sale or used for feed for livestock.
ORCHARD	Trees planted in an orchard setting for the specific purpose of producing fruit and/or nut crops for commercial sale. An example of the degree of intensity accepted would be at least 14 producing, native trees per acre or 35 producing, improved trees per acre.
IMPROVED PASTURE	Perennial grasses, Bluestem, Kline, Bermuda, Johnson Grass, Crabgrass, Fescue, Dallisgrass, Bahia Grass, Ryegrass, Wheat, Oats, Rye, etc. that are seeded or sprigged and that is baled and/or grazed by domestic livestock.
NATIVE PASTURE	Partially cleared of brush and trees with natural grasses growing on the land with no enhancements used for grazing of domestic livestock. Some examples of native grasses include, Meadow Dropseed, Annual Threelawn, Longspike Tridens, Little Bluestem, Switchgrass, Indian Grass, Big Bluestems, Sideoats Gama, Buffalograss, Texas Wintergrass, Paspalams, Panicums, & White Tridens.
MINIMAL USE	Heavy brush and trees that restrict, but still allow the livestock grazing capacity of the land. Will not support any type of crop. Can only be applied in conjunction with another land class.
WASTELAND	Extremely poor quality due to erosion or soil type. Severely restricted in its ability to support domestic livestock. Must be an integral part of one or more of the land types listed above.
(CRP) CONSERVATION RESERVE PROGRAM	Is a program where the property owner has a long term contract with the federal government. Addition information is available through the Agricultural Soil Conservation Service. ASCS
WILDLIFE MANAGEMENT	Can only be applied to land which qualifies and is already receiving 1-d-1 Open Space Agricultural Valuation. Must provide a formal recommendation from a regulatory wildlife biologist (Wildlife Management Plan) and implement such recommendations. The Texas Property Tax Code, Section 23.51(7) defines wildlife use as actively using land in at least three of the following ways to breed and sustain migrating, wintering population of indigenous wild animals: habitat control; erosion control, predator control, providing supplemental supplies of water, providing supplemental supplies of food, providing shelter and making of census counts to determine population. Additional information can be found through the Texas Parks and Wildlife Department.
TIMBER PRODUCTION	Timber that is actually harvested and milled on a commercial basis for the production of commercial products (i.e.: commercial lumber, paper products, etc.) Does not include firewood or wood used for fencing.



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This information is a brief explanation of the requirements/qualifications of obtaining the 1-d-1 (open-space) agricultural appraisal. Should you need further information, please feel free to contact our office, Monday – Friday, 8:00am to 4:00pm for additional information or clarification. Or you may access the website for the Texas State Comptroller at www.window.state.tx.us for information and or forms.