

# GREGG APPRAISAL DISTRICT



GUIDELINES FOR  
AGRICULTURE AND TIMBER



# Gregg Appraisal District Guidelines for Productive Valuations

## Foreword

Special use productive valuations have commonly been known as "Ag exemptions". While the productive value does lower a person's taxable value; it is not a true "exemption". Instead, it is a value that is based on the ability of the land to produce marketable products.

The purpose of the special use valuation for land in agricultural, timber or wildlife production is intended to promote productive use of land in Texas. Originally developed as a means to preserve the family farm, this valuation concept has grown to include timber and wildlife management.

The special use valuation was never intended to be an entitlement for rural land ownership. This means that no rural land owner in Texas is entitled to a reduced taxable value based on rural land ownership or token agricultural, timber or wildlife enterprises. The reduced valuation is meant solely to foster viable income production from ag, timber or wildlife pursuits.

Per the Property Tax Code §23.51 *"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 or to production of timber or forest products for five of the preceding seven years or land that is used principally as an ecological laboratory by a public or private college or university. Qualified open-space land includes all appurtenances to the land.*

The District's primary responsibilities in this effort is to establish guidelines that fit Gregg County, develop valuations based upon realistic net income estimates from production enterprises and then to administer the application process for property owners to obtain this special use value.

This guide has been written as a tool to provide local property owners with detailed information regarding requirements and standards for qualified production operations.

## Qualifying your Property

### General points to consider when applying...

Agricultural or timber enterprises must be intended to be viable income producing operations and not something done strictly for pleasure or as a hobby. While it is commonly known that making a profit through these pursuits is often elusive, one of the purposes of this guide is to educate the public that token or hobby enterprises will not qualify.

You should be prepared to provide the District with evidence of production. This evidence will be used to determine the validity of the application and can include such things as:

- Leasing agreements
- Bills of Sale
- Invoices for seed, feed, fertilizer, etc.
- Invoices for equipment

### Property included in the productive appraisal...

Basically, land used in the production of a qualifying enterprise is included in the special use appraisal. This will cover land underneath structures that support the productive use of the property, i.e.: barns, silos or other farm outbuildings. These structures are valued separately at their market value. Also, any mineral interest related to the property is also valued separately at market value. Appurtenances to the land are not valued separately however and are considered a part of the productive valuation. Appurtenances to the land are things such as: roads, dams, water wells, terraces, irrigation canals, fences or water reservoirs to name a few.

### Consideration for Droughts...

From the state comptroller's website: *"Tax Code §23.522 provides that the eligibility of land for open space appraisal does not end because the land ceases to be devoted principally to agricultural use to the degree of intensity generally accepted in the area if: (1) a drought declared by the Governor creates an agricultural necessity to extend the normal time the land remains out of agricultural production; and (2) the owner intends to resume the use the land in the manner and to the degree of intensity at the end of the declared drought."*

## **Qualifying Tests...What you need to know**

There are three separate tests that must be passed in order for a property to qualify for productive value. These tests are required by law. All must be sufficiently passed in order to receive productive valuation.

The District realizes the difficulty of setting a "one size fits all" standard. Because of this, our appraisers are directed to apply these standards with a measure of common sense on a case by case basis. However, they are limited in the amount of discretion they are allowed to use. Any situation beyond their limits of authority must be referred to management prior to approval. This means that if an appraiser feels an operation should qualify on its merits, but does not meet a specific standard, they are required to submit the application for management approval. It is our hope that this method of reviewing your application balances the spirit of the law with the letter of the law.

## **Qualifying Tests... The intensity of use of your enterprise**

Level of intensity is provided for in the law and is specific to our area. One of the ways to measure level of intensity is by looking at the size of your operation. For livestock, the District has established standards for the minimum number of head AND minimum stocking rates in terms of acres per head. For non-livestock operations, standards for minimum acreages have been established. These minimums are based on the local area and are intended to be large enough to support a viable, for profit enterprise. Additionally, we also look at the intensity of management. This can be reviewed in terms of seeding or fertilizer application rates, frequency of certain management activities or the levels of capital invested in an operation. We realize there will be a range of effort in this regard so we are looking for what can be described as typical, prudent management efforts.

## **Qualifying Tests... The current use of the property**

As of January 1st, the use of the land must be **principally devoted** to a qualifying productive enterprise. It is important to understand that the principal use of the land must be in a qualified productive pursuit. Ag, timber or wildlife use cannot be the secondary or incidental use of the property. The law provides this principal devotion as a means to exclude properties primarily used to produce non-ag related income. The District will review the use of the property as it relates to this respect. If a property is primarily devoted to residential use or commercial income it most likely will not qualify.

## **Qualifying Tests... History of production**

State law also requires that the land you are qualifying have a history of production. Specifically, you must be able to prove the land has been principally devoted to an ag or timber qualifying use for five (5) of the preceding seven (7) years.

Keep in mind that the law is looking at the actual use of the land. It is not looking to see if it has been on the appraisal rolls under productive valuation.

New owners often have a difficult time understanding how to respond to the history test especially if they have no knowledge of the property's previous use. In those cases, the owner can try to obtain information from neighbors or other persons with personal knowledge of the property.

## **Timber Operations**

### **General information...**

A timberland appraisal is performed on qualified timber land that is managed for eventual harvest. Having a tract with trees does not automatically qualify you for this tax benefit any more than having an open field with grass would qualify you for hay production.

Instead, you must manage the tract with the intent to promote the growth and eventual harvest of timber products. Timber products can be sold for pole logs, chip, pulp or sawn lumber and can include pine or hardwood species of trees or a mix thereof.

Just like agricultural qualifications, a timber property must be primarily devoted to the production of timber or timber products. It cannot be a secondary consideration of the property or a means to pay lower taxes.

### **Timber management plans...**

The District requires current written timber management plans with all applications for timber appraisal. The plan may be written by the Forest Service or a timber consultant. If however you are a land owner with adequate experience in timber management, you may wish to write your own plan. If you do, be aware that the plan must include all commonly recognized elements of management. At a minimum, a timber management operation will include activities and plans for:

- Thinning harvest
- Underbrush controls
- Harvest at maturity
- Maintaining roads & boundaries

- Maintaining fire lanes
- Removal of dead or infected trees
- Preserving waterways
- Plans for post-harvest regeneration

## Review of timber land...

Agricultural properties typically have yearly evidence of production that can be seen in a field inspection. Timber on the other hand is a 15 to 25 year process and the District cannot wait that long to confirm a tract is truly a managed timber operation.

Therefore, the District will keep your plan on file and use it to review the activity of the tract over the years. We expect timber producers to follow their management plans as a sign of due diligence. However, we also realize that plans change. Because of this, we will be focusing on the spirit of the plan, and the spirit of your operation.

## Qualifying...

A minimum acreage size of 10 acres has been established for timber appraisal. Tracts smaller than 10 acres that are managed in common ownership with other tracts that are larger than 10 acres when combined may qualify.

The minimum size is a result of the focus on tracts "**principally devoted to the production of timber or timber products**". It is commonly held that there is a minimum effective size for a viable timber production operation. Certainly, money can be generated from the sale of timber from a small tract, but the fact that trees could be sold off of a small tract does not constitute a **viable timber operation**. Appraisal Districts are bound by State law to enforce the provision that timber land be **principally devoted to timber production**.

## Regeneration of timber land...

Following harvest, in order to remain in timber appraisal a tract must be engaged in a managed regeneration activity. This means that you must either leave sufficient mature seed-trees on the property to reproduce naturally, or you must set out seedlings. Seedlings and natural regeneration must adhere to the levels of intensity for our area.

## Tax Incentive for regeneration...

If you harvest an existing timber tract, there is a provision in the law to grant a 50 % discount for up to 10 years if you regenerate the tract in timber. To qualify for this, the timber tract must have been qualified on the appraisal roll under a timber appraisal and you must regenerate the

tract to the degree of intensity found in our area. That does not mean you can clear cut, walk away and let nature take its course.

To receive this you must submit a "Restricted Use Timber Land Appraisal" application. This can be found on the state comptroller's website. It is form 50-281.

The 50% discount is calculated by assessing half the normal appraised amount on your class of soil and type of timber. For example, if the productivity value for pine timber on class 3 soil is \$300 per acre, you would be assessed \$150 per acre that year. This scenario continues for 10 years after the date of harvest, not the date of the replant. After that period of time, you will be assessed at the full productivity appraised value per acre.

### Aesthetic Management Zones

For this program, an owner sets aside a band of trees or an area of trees in which harvesting is restricted. Aesthetic means "pleasing in appearance". So a band of trees alongside a highway or roadway can be set aside when they drive through the beautiful countryside. Additionally, an aesthetic zone can be set aside as part of an area deemed by the director of the Texas Forest Service for being unique in "natural beauty, topography or historical significance".

These zones by state agency rule must be at least 100' wide but no more than 200' wide containing trees that are at least 10 years or 35' tall.

### Streamside Management Zones

A streamside management zone is a 'best practices' management tool for timber producers. It restricts the harvest of timber that is set aside along a waterway to protect or preserve it. Prudent timber producers understand the dire ramifications of clear cutting a tract in a manner that destroys or damages streams, rivers, lakes or creeks.

This program encourages timber producers to practice best management by allowing a tax break on timber alongside these waterways that should not be cut. The zone is generally 50' on either side of the waterway bank. However, there can be instances in topography or soil stability where this distance can be different.

## Where to find help...

There are a number of resources available to timber producers. First, the District will be happy to assist you in planning or applying for timber production. For specific timber production help, the Texas Forest Service is available in our area along with a list of professional timber consultants. The following internet links may be of assistance:



Texas Forest Service: <http://txforestsERVICE.tamu.edu/main/default.aspx>

Consultant Foresters: <http://txforestsERVICE.tamu.edu/uploadedfiles/frd/referral.pdf>

Forest Service Vendors: <http://txforestsERVICE.tamu.edu/uploadedfiles/FRD/VendorList.pdf>

Natural Resources Conservation Service: [www.tx.nrcs.usda.gov](http://www.tx.nrcs.usda.gov)

Texas Parks & Wildlife: <http://www.tpwd.state.tx.us>

Texas Agrilife Extension Service: <http://agrILIFEextension.tamu.edu>

\*Mapping your Property: <http://tfsfrd.tamu.edu/MapVlvProperty/>

\*This resource is a useful tool when preparing maps of your property's boundaries and the areas of individual stands for attachment to your timber plan.

## **Wildlife Operations...**

Establishing a wildlife operation is not as simple as saying there are deer or migrating birds on your property. Qualifying for wildlife has stricter standards and annual reports that are not found in other qualifying production uses. Therefore, it is not something to be entered into lightly.

## **Minimum requirements...**

The District has established a minimum acreage size of 12.5 acres for wildlife operations. For wildlife parcels that are operating under the umbrella of a Wildlife Management Cooperative, all members are required to sign the application, the plan and the annual reports and maintain their property in accordance with the Cooperative agreement.

## **Previously assessed at special use value...**

One of the first hurdles to overcome is the requirement that your property must be appraised in the previous year as ag or timber land under Subchapter D or E on the appraisal rolls. A property that was not qualified and assessed on a special use production basis in the previous year cannot qualify for wildlife appraisal

## **Devotion of use...**

Next, per state law, the property must be actively devoted to the "propagation of sustained breeding, migrating or wintering population of indigenous wild animals for human use, including food, medicine or recreation". This means that all the efforts you undertake must complement, encourage and assist wild animals that are native to our area or that pass through our area naturally.

## **Primary use...**

By state law, the primary use of the property must be for wildlife. If the primary use of the property is for commercial or residential use, it will not qualify. If the primary use of the property is for ag or timber production, it will not qualify as wildlife use.

## **Applying with a plan...**

You must apply for wildlife use to this District and the application must be accompanied by a written Wildlife Management Plan. The plan can be the Texas Parks and Wildlife Form PWD-885 or other written plan that includes all pertinent data contained in the PWD-885 publication. It must be completed and signed. If the plan is written and completed by the land owner, only the land owner signature is required. If the plan is prepared by a wildlife professional or consultant for a fee, the plan must be signed by the land owner and the paid consultant. You can compile the plan with assistance from the Texas Parks and Wildlife department or a wildlife professional. They can assist you in designing your operation and provide valuable information and suggestions to promote the wildlife use on your property.

## **Activities required...**

Texas statutes for wildlife require you to perform at least three (3) activities designed to encourage prudent wildlife management. You may perform more than three of the activities, but you cannot under the law do any less than three. The activities set out in the law are:

1. Habitat control;
2. Erosion control;
3. Predator control;
4. Providing supplemental supplies of water;
5. Providing supplemental supplies of food;
6. Providing shelters; and
7. Census counts to determine population;

There are currently no guidelines for qualifying particular wildlife enterprises. Each application will be reviewed on a case by case basis focusing on how effective the plan and location are to

fulfilling legislative intent of primary use. Plans or locations that will not effectively sustain propagation of wildlife are subject to being denied.

## **Be prepared for annual reporting...**

The District requires that wildlife operations submit an annual update to us by April 30th of each year. The update should be on the Texas Parks and Wildlife form PWD-888 which details the prior year's activities and show that the activities were in compliance with your written plan. If there are goals in the plan not accomplished, an explanation of why the goals were not met should be included along with a plan to remediate the issues. The District will also conduct an annual inspection to assure the operation is in compliance with the law.

## **Where to get help...**

The Texas Parks and Wildlife agency is available to provide assistance with your wildlife needs. Their website is <http://www.tpwd.state.tx.us>. Forms PWD-885 & PWD-888 can be found at [http://www.tpwd.state.tx.us/landwater/land/private/agricultural\\_land/](http://www.tpwd.state.tx.us/landwater/land/private/agricultural_land/) The Comptroller also has a wildlife publication online at: <http://www.window.state.tx.us/taxinfo/proptax/pdf/96-354.pdf>

## **Beekeeping...**

Minimum Acres 5 Ac

Maximum Acres 20 Ac

Beekeeping is acknowledged by the State of Texas as an agricultural use and shall qualify for agricultural use productivity valuation if used for pollination or for the production of human consumption or other tangible products having a commercial value. (Sec. 23.51 (2) Tax Code)

To qualify beekeeping appraisal, landowners must meet all requirements to be eligible. There must be at least 6 hives for the first 5 acres and one hive for every 2.5 additional acres up to 20 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.

To initially qualify you must show proof of history for agriculture use/beekeeping for any of the five preceding seven years. One way to show history is to ask for export, import or intrastate permits, which are required by the Texas Apiary Inspection Service to transport hives.

The District will consider these activities/items when reviewing this type of operation:

Adequate equipment

Required permits

Records of product sales

Husbandry management plans

## **The application...**

In order to receive a special use productive appraisal, you must complete the state approved application. This application is available free of charge from the District. If you need assistance in completing the form you can contact the District for help. There is no charge to apply.

You may have a copy of the application that was sent to you. If you do not, you can contact the District and we will mail you a copy or you can go online to our website at [www.gcad.org](http://www.gcad.org) to be directed to a form.

## **Who should apply...**

- New owners of property previously allowed productive appraisal who believe they qualify
- Owners (with a productivity appraisal) making **ANY** change to a deeded ownership name(s)
- Owners of qualified productive property upon request of the appraisal district
- Property owners who believe their property qualifies and who desire a special use appraisal

## **Deadline to apply...APRIL 30th!!!**

The deadline for applying is April 30th. If that date falls on a weekend or holiday the deadline is moved to the next business day. The District will accept applications after April 30th until the date of certification which is sometime in the month of July. However, there is a penalty assessed for late application. This penalty is 10% of the difference between property taxes based on market value and property taxes based on productive value.

## **Failing to make the deadline...**

Failure to apply before the certification of the appraisal roll will prevent you from receiving the special use valuation for that particular year. Therefore it is very important to meet the

deadlines. The certification of the appraisal roll is the final step for the District to certify value to each taxing authority. The date set by law is no later than July 25. However, that date can be earlier if the District completes its work. Additionally, the time to inspect and process your application will prevent you from applying on the absolute last day. This is why you do not want to wait to apply!

## **Processing the application...**

The District will review each application submitted. A field inspection to determine the validity of the production may be performed. The appraisers reviewing your application will use aerial photographs and on-site inspections combined with the application and any other supporting evidence to reach a decision. They will use the standards established by this guide to determine if a property qualifies.

## **Possible outcome...Request for Information**

One possible outcome of the application review is that the District may request additional information. Or, if the application is incomplete, we will request that you resubmit the application with the completed data.

## **Possible Outcome...Application Denied**

If the district determines that your property or your operation does not meet the qualification standards, it will deny your application. This denial can be all or in part. For example, the District may grant some of your acreage but deny a part of it.

If you are denied, you will receive a letter notifying you of the denial by certified mail. The information in the letter will advise you of your right to appeal the decision. You will have 30 days from the date of the letter to apply for a formal hearing with the Appraisal Review Board.

The Appraisal Review Board (ARB) is a panel of nine local property owners who hear appeal cases. They have the authority to order the District to make a change to the appraisal roll. If you feel your property has been denied in error, you can make your arguments to the ARB. The District will also present their arguments in the matter. The ARB will hear both sides, deliberate and make a decision during the open meeting in the presence of all parties.

# Penalty for Changing Ag/Timber Use - The Rollback

## General Information...

Since a productivity appraisal is a type of tax "break" meant to encourage production on Texas lands, there is a hefty penalty in the law to prevent or discourage abuse of the system. This penalty is called a Rollback Tax.

## Change of Use...

If a property receives a special use appraisal and then later is converted from a qualified use to a non-qualified use, this penalty can be assessed. The process begins with an event known as a "Change of Use Determination". A Change of Use Determination is processed by the District when there is cause to believe that a property has been converted from ag/timber use to something else. Consider these typical examples:

- A tract has been in pasture and appraised as special use productive ag land. The land is converted to a commercial development.
- A tract has been appraised as timberland on the appraisal rolls and is converted to a residential subdivision.

Either of these situations, or similar situations, can prompt a Change of Use investigation. A determination of Change of Use will be sent by certified mail to the owner of record by the District. The owner has 30 days from the date of notice to respond. If the owner can prove no change has occurred, the determination will be reversed. If however the District is unconvinced, the owner can appeal to the ARB by making a protest application within 30 days of the determination notice.

## The Penalty...

The Rollback tax will capture the difference between what was paid at productive value, and what would have been paid at market value. This will cover a five (5) year period of time prior to the year the use was changed.

Interest will be applied to the difference at the statutory rate of 7% per annum. This can amount to very large tax imposition. Therefore, owners should be careful about applying for special use appraisals if there is a possibility of converting the property in the near future.

Additionally, owners who already have a special use appraisal should be cautious about changing the use of the property to a non-qualified use.

If you need assistance in analyzing how the rollback penalty might affect your property, contact the District for help.

Contact Information: Phone 903-238-8823 website [www.gcad.org](http://www.gcad.org)

Mark Cormier, RPA Senior Residential Appraiser ext: 236

Marc Morgan, RPA Field Appraiser ext: 237

Doug May, RPA Field Appraiser ext: 242

Carl Vick, RPA Field Appraiser ext: 250





# QUALIFICATIONS FOR AGRICULTURE AND TIMBER PRODUCTION IN GREGG COUNTY

**MUST HAVE QUALIFIED FOR AG/TIMBER FOR FIVE OF THE PRECEDING SEVEN YEARS  
( INSIDE THE CITY LIMITS- MUST HAVE QUALIFIED FOR AG/TIMBER FOR FIVE CONSECUTIVE YEARS )**

## GENERAL GUIDELINES FOR AGRICULTURE PRODUCTION

### Land Size:

Minimum of 5 acres designated to pasture / other agricultural land depending on your Ag Use and Degree of Intensity(pg3)

### Typical Animal Units:

1-Cow/Bull

5-Sheep/Goats

2- 500lb Calves

1.5- Horse (only if Broodmare operation)

### Information needed to qualify for special agriculture value:

#### Grazing Pasture – (Your livestock)

*Minimum of 3 receipts and/or bill in any combination*

- Copy of receipts for livestock purchased/sold
- Copy of feed/fertilizer bills
- Copy of vet Bills

#### Hay Production- (You cut and bale)

*Minimum of 3 receipts and/or bill in any combination*

- Copy of fertilizer bills
- Copy of receipts for diesel
- Copy of receipts for parts/supplies

#### Grazing Pasture – (Livestock owned by someone else)

A written lease agreement between the land owner and the owner of the livestock stating that the land owner is allowing the owner of the livestock to graze on the property. Both parties must sign and date the lease agreement.

#### Hay Production- (Someone else cuts/bales)

A written lease agreement between the land owner and person cutting/baling the hay. Both parties must sign and date the lease agreement.

### Truck Crop

Copy of crop receipts

Type of crops and number per acre

### Orchard/Vineyard

Copy of crop receipts

Type of crops and number per acre

Pecan/Fruit Trees – 15 trees per acre

Vineyard - 100 per acre

### Bee Keeping

#### Land Size:

Not less than 5 acres or more than 20 acres

5 Acres equals 6 Colonies, then every 2.5 acres after that add one more needed Colony so that 20 acres max will require 12 Colonies

### Wildlife Management

Gregg County Acreage requirements – 12.5 acres for rural acres minimum, 10 acres for subdivisions; and the land must have qualified for agriculture or timber for at least five of seven years and must be actively using land in 3 of following 7 ways to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human consumption, including food, medicine, or recreation.

- Habitat control
- Erosion control
- Predator control
- Providing supplemental supplies of water;
- Providing supplemental supplies of food;
- Providing shelter; and
- Making census counts to determine population

## GENERAL GUIDELINES FOR TIMBER PRODUCTION

### **Land Size:**

Minimum of 10 acres designated to timber

Timber production is to promote the marketing of timber and timber products and to generate an income to the degree of intensity that is typical for Gregg County.

YOU MUST SUBMIT A CURRENT WRITTEN TIMBER MANAGEMENT PLAN ALONG WITH THE TIMBER APPLICATION.

Requirements for the plan are:

- 1) Map or plat of site showing types of trees and number of acres per type.
- 2) Volume estimated by class of timber stands by class of trees
- 3) Past and Present management practices written in detail and dates of any timber harvested
- 4) A Long-term management plan written in detail.

*Application deadline without penalty is April 30th and late application deadline with a penalty is midnight the day before the appraisal roll is certified, which is usually mid July.*

FOR REFERENCE, SEE :

Texas Property Tax Code: CHAPTER 23 SUBCHAPTER C, D, AND E

**GREGG COUNTY APPRAISAL DISTRICT  
DEGREE OF INTENSITY STANDARDS**

**Improved Grass (RI1)**

Pasture Use or Hay Production

Standard Practices:

Hay usage: Tillage, fertilize, cut, bale, haul, feed, or market

Pasture use: Fertilize, weed control, fences maintained, stock water

Typical Stocking ratio: 4 acres per animal unit\*\*

**Open Native Pasture (RN1)**

Standard Practices

Weed control, fences maintained, stock water

Typical Stocking ratio: 6 acres per animal unit\*\*

**Brush Pasture (RB1)**

Standard Practices

Fences maintained, stock water

Typical Stocking ratio: 8 acres per animal unit\*\*

Levels of Intensity are listed in animal units. These animal units are based on consumption levels of different classes of livestock. GCAD requires a minimum of 4-animal units to qualify for the agriculture valuation. The land classification determines the how many acres will be needed to meet the required minimum animal units.

The following is a list of the number of each class of livestock that typically constitutes one animal unit:

	(A)	(B)
	Typical Animal unit	GCAD Minimal Head requirement
Cow/Bull	1	4
Calves	2	8
Goat/Sheep	5	20
Broodmare/Jennies	2	4
Bees(colonies)	GCAD's degree of intensity is 6 colonies on the first 5 acres with 1 colony for every 2.5 acres up to 20 acres. This would give you a range of 6-12 colonies minimum requirement.	

**Acreage Requirement**

This section will serve as a guideline to the required number of acres to handle the required number of animal units

Typical Acres per animal unit ( C )

	4	6	8
Type of Pasture	Improved Grass (RI1)	Open Native Pasture (RN1)	Brush Pasture (RB1)
Cow/Bull	16	24	32
Calves	16	24	32
Goat/Sheep	16	24	32
Broodmare/Jennies	8	12	16





# Application for 1-d-1 (Open-Space) Agricultural Use Appraisal

Property Tax  
Form 50-129

Appraisal District's Name

Phone (area code and number)

Address, City, State, ZIP Code

## IMPORTANT INFORMATION FOR APPLICANTS

Article VIII, Section 1-d-1, Texas Constitution, and Chapter 23, Subchapter D, Texas Property Tax Code, provide for appraisal of open-space land.

Land qualifies for special appraisal (1-d-1 appraisal) if it has been (1) used for agriculture for five of the preceding seven years and is currently devoted principally to agricultural use as defined by statute, (2) used to protect federally listed endangered species under a federal permit, or (3) used for conservation or restitution projects under certain federal and state statutes. The land must also be used for agriculture to the degree of intensity generally accepted in the area. The value of the land is based on the annual net income from a typical lease arrangement that would have been earned from the land during the five-year period preceding the year before the date of appraisal by an owner using ordinary prudence in the management of the land and the farm crops and livestock produced or supported on the land, including income received from hunting or recreational leases.

On or after Jan. 1, 2008, an individual is not entitled to have land designated for agricultural use if the land secures a home equity loan described by Article XVI, Section 50(a)(6), Texas Constitution.

If you have questions on completing this application or on the information concerning additional taxes and penalties created by a change of use of the land, you may consult the State Comptroller's Manual for the Appraisal of Agricultural Land and your appraisal district staff. The manual may be found on the Comptroller's Web site at [comptroller.texas.gov/taxinfo/proptax](http://comptroller.texas.gov/taxinfo/proptax) under the section concerning appraisal manuals.

You must complete this application in full and file it with the chief appraiser before May 1 of the year you are applying for agricultural appraisal. To be accepted, this form must contain information necessary to determine the validity of the claim. If your application is approved, you do not need to file again in later years unless the chief appraiser requests a new application. The chief appraiser may disapprove the application and request additional information. The chief appraiser may deny the application and you may protest that determination to the county appraisal review board in a timely manner. If the chief appraiser requests additional information from an applicant, the information must be furnished within 30 days after the date of the request, or the application is denied. For good cause shown, the chief appraiser may extend the deadline for furnishing the information by written order for a single 15 day period.

You may file a late application up to midnight the day before the appraisal review board approves appraisal records for the year which usually occurs in July. If you file a late application and your application is approved, you must pay a penalty equal to 10 percent of the difference between the amount of tax imposed on the property and the amount that would be imposed if the property were taxed at market value.

## OTHER IMPORTANT INFORMATION

If the initial application form does not contain all the information needed to determine whether property qualifies, the chief appraiser may request additional information. The chief appraiser may request only additional information that is necessary to determine whether the land qualifies for 1-d-1 appraisal.

You must notify the chief appraiser in writing if you: stop using your property for agriculture (e.g., you voluntarily decide to stop farming); change the category of your use (e.g., you change from dry cropland to irrigated cropland); change the level of your use (e.g., you substantially increase or decrease the number of cattle you raise); change the nature of your use (e.g., you switch from growing corn to growing ornamental plants); enter, leave or change governmental programs (e.g., you put 100 acres in Conservation Reserve Program); or if you begin using your land for something other than agriculture (e.g., you build a shopping center on most of your land). You must deliver this notice no later than the April 30 following the change in use or eligibility.

## PENALTIES

If your land receives agricultural appraisal and you fail to notify the chief appraiser of a change in agricultural use, you may be required to pay a penalty. You will be required to pay a substantial additional tax plus interest (a "rollback" tax) if you stop using all or part of the property for agriculture.

### STEP 1: State the Year for Which You are Seeking Agricultural Use Appraisal

State the year for which you are seeking agricultural use appraisal

### STEP 2: Provide Name, Mailing Address and Date of Birth of Property Owner

Name of Property Owner

Mailing Address

City, State, ZIP Code

Phone (area code and number)

Birth Date (if owned by an individual)\*

\* Failure to provide date of birth does not affect your eligibility for special appraisal.

The Property Tax Assistance Division at the Texas Comptroller of Public Accounts provides property tax information and resources for taxpayers, local taxing entities, appraisal districts and appraisal review boards.

For more information, visit our website:  
[comptroller.texas.gov/taxinfo/proptax](http://comptroller.texas.gov/taxinfo/proptax)

50-129 • 08-15/13

**STEP 3: Describe the Property for Which you are Seeking Agricultural Use Appraisal**

Give legal description, abstract numbers, field numbers or plat numbers. You may attach last year's tax statement, notice of appraised value or other correspondence identifying the property, rather than completing this section.

Appraisal District Account Number (if known)

Number of Acres for Which Application is Made

Please check the appropriate box for "Yes" or "No"

1. Has the ownership of the property changed since January 1 of last year or since the last application was submitted? .....  Yes  No  
 If yes, the new owner must complete all applicable questions, including Step 4 and Step 5, if the land is used to manage wildlife.
2. Last year, were you allowed 1-d-1 appraisal on this property by the chief appraiser of this appraisal district? .....  Yes  No  
 If no, you must complete all applicable questions, including Step 4 and Step 5, if the land is used to manage wildlife.  
 If yes, you need only complete those parts of Steps 4 and 5 that have changed since your earlier application or any information in Steps 4 and 5 requested by the chief appraiser.
3. Is this property located within the corporate limits of a city or town? .....  Yes  No

**STEP 4: Describe the Property's Use**

Agricultural use includes, but is not limited to, the following activities: (1) cultivating the soil; (2) producing crops for human food, animal feed, or planting seed or for the production of fibers; (3) floriculture, viticulture and horticulture; (4) raising or keeping livestock; (5) raising or keeping exotic animals or fowl for the production of human food or fiber, leather, pelts or other tangible products having a commercial value; (6) planting cover crops or leaving land idle for the purpose of participating in a governmental program provided the land is not used for residential purposes or a purpose inconsistent with agricultural use or leaving the land idle in conjunction with normal crop or livestock rotation procedures; (7) wildlife management; and (8) beekeeping.

Wildlife management is defined as actively using land that at the time the wildlife-management use began, was appraised as qualified open-space or timber land under Tax Code, Chapter 23, Subchapter D or E, to propagate a sustaining breeding, migrating or wintering population of indigenous wild animals for human use, including food, medicine, or recreation, in at least three of the following ways: (1) habitat control; (2) erosion control; (3) predator control; (4) providing supplemental supplies of water; (5) providing supplement supplies of food; (6) providing shelters; and (7) making census counts to determine population.

Wildlife management is also actively using land to protect federally listed endangered species under a federal permit if the land is included in a habitat preserve subject to a conservation easement created under Chapter 183 Natural Resources Code or part of a conservation development under a federally approved habitat conservation plan restricting the use of the land to protect federally listed endangered species or actively using land for a conservation or restoration project under certain federal and state statutes is wildlife management. These two types of wildlife management uses do not require showing a history of agricultural use but do require evidence identified in Step 4, Questions 4 and 5.

Agricultural land use categories include: (1) irrigated cropland, (2) dry cropland, (3) improved pastureland, (4) native pastureland, (5) orchard, (6) wasteland, (7) timber production, (8) wildlife management, and (9) other categories of land that are typical in your area.

# Application for 1-d-1 (Open-Space) Agricultural Use Appraisal



Please answer the following questions fully. You may list the agricultural use of your property according to the agricultural land categories listed in the preceding paragraph. You may divide the total acreage according to individual uses to which the land is principally devoted.

1. Describe the current and past agricultural uses of this property as described above, starting with the current year and working back 5 years or until you have shown 5 out of 7 years of agricultural use.

Year	Agricultural Use Category of Land (list all that apply)	Acres Principally Devoted to Agricultural Use
Current		
1		
2		
3		
4		
5		
6		
7		

2. (a) If you raise livestock, exotic animals, exotic fowl or manage wildlife on the property, list the livestock or exotics raised or the type of wildlife managed and the number of acres used for this activity. You may attach a list if the space is not sufficient.

Livestock/Exotics/Wildlife	Number of Acres

- (b) If you raise livestock or exotic animals, how many head (average per year) do you raise?

Livestock/Exotics	Number of Head

3. If you grow crops (including ornamental plants, flowers or grapevines), list the crops grown and the number of acres devoted to each crop. You may attach a list if the space is not sufficient.

Type of Crop	Number of Acres

4. If you have planted cover crops or your land is lying idle because you are participating in a governmental program, please list these programs and the number of acres devoted to each program. You may attach a list if the space is not sufficient.

Program Name	Number of Acres

5. Is this property now used for any non-agricultural activities? List all non-agricultural uses and the number of acres devoted to the use. You may attach a list if the space is not sufficient.

Non-Agricultural Use	Number of Acres

**STEP 5: Describe Wildlife Management Use**

Do not complete this step if you are not using the land to manage wildlife as permitted by law.

If you are using the land to manage wildlife, list at least three of the wildlife management practices listed in the description found in Step 4 above in which you manage wildlife.

- A. \_\_\_\_\_
- B. \_\_\_\_\_
- C. \_\_\_\_\_

Please indicate the property's agricultural land use category, as described in Step 4, for the tax year preceding the land's conversion to wildlife management use. An example is that the land was categorized as native pasture before conversion to wildlife management. It is necessary that the category of use prior to conversion be identified in response to this request.

Please attach a wildlife management plan completed on a form prescribed by the Texas Parks and Wildlife Department for the property described in Step 3. A form may be obtained at [tpwd.state.tx.us/landwater/land/private/agricultural\\_land/](http://tpwd.state.tx.us/landwater/land/private/agricultural_land/).

1. (a) Was the land subject to wildlife management a part of a larger tract of land qualified for 1-d-1 or timber land appraisal on January 1 of the previous year?  Yes  No

(b) Is the current ownership of the land subject to wildlife management different from the ownership on January 1 of the previous year?  Yes  No

2. Is any part of the land subject to wildlife management managed through a wildlife management property association?  Yes  No

If yes, please attach a written agreement obligating the owners in the association to perform wildlife management practices necessary to qualify wildlife management land for 1-d-1 appraisal.

3. Is any part of the land that is the subject of this application located in an area designated by the Texas Parks and Wildlife Department as a habitat for an endangered species, a threatened species, or a candidate species for listing by Texas Parks and Wildlife Department as threatened or endangered?  Yes  No

4. Is the land that is the subject of this application subject to a permit issued under Section 7 or 10(a) of the Federal Endangered Species Act?  Yes  No

If yes, is the land included in a habitat preserve and subject to a conservation easement created under Chapter 183, Texas Natural Resources Code or part of a conservation development under a federally approved habitat conservation plan?  Yes  No

If you answer yes to Questions 4(a) and (b), provide evidence of the permit and of the conservation easement or habitat conservation plan. Your application cannot be approved without this evidence.

5. Is the land that is the subject of this application actively used for a conservation or restoration project providing compensation for natural resources damage under one or more of the following laws:

Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 et seq.)  Yes  No

Oil Pollution Act (33 U.S.C. Section 2701 et seq.)  Yes  No

Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.)  Yes  No

Chapter 40, Texas Natural Resources Code  Yes  No

If yes to any of the above, provide evidence of the conservation easement, deed restriction, or settlement agreement with the Texas Commission on Environmental Quality. Your application cannot be approved without this evidence.



**STEP 6: Conversion to Timber Production**

1. Did you convert the land subject to this application to timber production after September 1, 1997? .....  Yes  No

If yes, on what date did you convert to timber production? \_\_\_\_\_

2. Do you wish to have the land subject to this application continue to be appraised as 1-d-1 land? .....  Yes  No

If yes, complete Question 1 in Step 4 and all other questions in that step that describe the previous agricultural use of this land.

**STEP 7: Read, Sign, and Date**

By signing this application, you certify that the information provided in this application is true and correct to the best of your knowledge and belief.

**print  
here** ▶

\_\_\_\_\_

Print Name

\_\_\_\_\_

Title

**sign  
here** ▶

\_\_\_\_\_

Authorized Signature

\_\_\_\_\_

Date

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Section 37.10, Penal Code.



**GCAD Agricultural Use Questionnaire  
For  
1-D-1 (Open-Space) Agricultural Land**

**GREGG APPRAISAL DISTRICT**  
4367 W. LOOP 281  
LONGVIEW, TEXAS 75604  
903-238-8823

Tax Year: \_\_\_\_\_  
Account Number: \_\_\_\_\_

To assist us in timely verifying your eligibility for Agricultural Productivity Valuation, please complete and return this questionnaire along with your application by April 30<sup>th</sup>. If you have questions regarding this form please call our office at 903-238-8823 and ask for the Agricultural Department.

Owner's Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

1. If used for grazing, was the land fenced on January 1? Yes  No  Is land fenced now? Yes  No   
List the type of livestock grazed: Number of Cattle \_\_\_\_\_ Number of Goats/Sheep \_\_\_\_\_  
Number of Horses \_\_\_\_\_ Other (specify) \_\_\_\_\_

2. How many acres are: Improved Pasture \_\_\_\_\_ Native Pasture \_\_\_\_\_  
Type of Grass \_\_\_\_\_

Note: Wooded pastures without a sufficient forage base do not qualify as pasture land.

3. Is this land currently in a FSA program, or do you plan to participate in a FSA program during the next 12 months?  
Yes  No

4. If you produce one of the following, please provide the information requested:

Hay	# of Acres: _____	(Also, complete the Hay Supplement on the back of this form)
Corn	# of Acres: _____	Average yield per acre in bushels: _____
Wheat	# of Acres: _____	Average yield per acre in bushels: _____
Soybeans	# of Acres: _____	Average yield per acre in bushels: _____
Milo	# of Acres: _____	Average yield per acre in CWT: _____
Nursery	# of Acres: _____	Primary nursery stock grown: _____
Greenhouse	# of Acres: _____	# of Greenhouses per Acre: _____
Tree Nursery	# of Acres: _____	# of Trees per Acre: _____
Orchard	Specify Variety of Trees: _____	
	# of Acres: _____	# of Trees per Acre: _____
Truck Farm	# of Acres: _____	Primary Crop: _____
Honey Bees	# of Acres: _____	Production of Human Food or Pollination? (circle one)
Other (specify):	_____	

5. Is this property leased for hunting? Yes  No  If yes, Lease Price per Acre: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_ Phone #: \_\_\_\_\_

6. Do you lease this property for agricultural purposes? Yes  No   
If yes, please provide the following: Lease price per Acre: \_\_\_\_\_ Share/Split \_\_\_\_\_  
This property is Leased to: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_

7. If property was purchased in the last three years, what was the sale price? (optional): \$ \_\_\_\_\_

### Hay Production Supplement

8a. What is the predominant type of forage species on this property? \_\_\_\_\_

8b. How many times was hay cut and baled on this property last year? \_\_\_\_\_  
If only one cutting was made, please explain why: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8c. How many pounds of dry hay were produced on this property last year? \_\_\_\_\_ pounds  
How many bales?: \_\_\_\_\_ round bales \_\_\_\_\_ square bales

8d. Are weed & brush control practices carried out on this property? Yes  No   
If no, please explain why not: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8e. Does this property receive fertilization and/or liming? Yes  No  If yes, how often? \_\_\_\_\_  
If no, please explain why not: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any person who makes a false entry upon the foregoing record shall be subject to the penalties set forth in Section 37.10 of the Texas Penal Code.

I certify that the information given on this form or attached to this form is true and correct.

\_\_\_\_\_  
Owner's Signature

\_\_\_\_\_  
Date

GREGG APPRAISAL DISTRICT  
 4367 W. LOOP 281  
 LONGVIEW, TX 75604  
 (903) 238-8823  
 Fax (903) 238-8829

Granted: \_\_\_\_\_ Date: \_\_\_\_\_

Denied: \_\_\_\_\_ Date: \_\_\_\_\_

## Application for 1-d-1 (Open-Space) Timber Land Appraisal

**Step 1: Year for Which You are Seeking Timber Land Appraisal** \_\_\_\_\_

<b>Step 2: Owner's name and address</b>	Owner name: _____	
	Current mailing address (number and street), city, state, and ZIP Code: _____	Phone (area code and number): _____

### IMPORTANT INFORMATION FOR APPLICANTS

Article VIII, Section 1-d-1, Texas Constitution, and Chapter 23, Subchapter E, Texas Property Tax Code, provide for appraisal of open-space land devoted principally to producing timber and forest products based on its capacity to produce these products.

Land qualifies for special appraisal (timber appraisal) if it is currently and actively devoted principally to production of timber or forest products and has been used to produce timber or forest products or for an agricultural use as defined in Chapter 23, Subchapters C and D, Texas Property Tax Code, for five of the preceding seven years. The land must also be used for timber production to the degree of intensity generally accepted in the area. The value of the land is based on the average net income that would have been earned over the preceding five years. The net income is based on the lands potential average annual growth, stumpage prices obtained from sources listed in Section 23.71(2), Texas Property Tax Code, and reasonable management costs.

If you have questions on completing this application or on the information concerning additional taxes and penalties created by a change of use of the land, you may consult the State Comptroller's Manual for the Appraisal of Timberland and your appraisal district staff. The manual may be found on the Comptroller's Web site at [www.window.state.tx.us/taxinfo/proptax](http://www.window.state.tx.us/taxinfo/proptax) under the section concerning appraisal manuals.

You must complete this application in full and file it with the chief appraiser before May 1 of the year you are applying for timber appraisal. To be accepted, this form must contain information necessary to determine the validity of the claim. If your application is approved, you do not need to file again in later years unless the chief appraiser requests a new application. The chief appraiser may disapprove the application and request additional information. The chief appraiser may deny the application and you may protest that determination to the county appraisal review board in a timely manner. If the chief appraiser requests additional information from an applicant, the information must be furnished within 30 days after the date of the request, or the application is denied. For good cause shown, the chief appraiser may extend the deadline for furnishing the information by written order for a single 15 day period.

You may file a late application up to midnight the day before the appraisal review board approves appraisal records for the year which usually occurs in July. If you file a late application and your application is approved, you must pay a penalty equal to 10 percent of the difference between the amount of tax imposed on the property and the amount that would be imposed if the property were taxed at market value.

### OTHER IMPORTANT INFORMATION

If the initial application form does not contain all the information needed to determine whether property qualifies, the chief appraiser may request additional information. The chief appraiser may request only additional information that is necessary to determine whether the land qualifies for timber appraisal.

You must notify the chief appraiser in writing if you: stop using your property for timber production (e.g., you voluntarily decide to stop actively managing the land to produce income); change the category of your use (e.g., you change from growing timber to grazing cattle); or if you begin using your land for something other than agriculture (e.g., you build a shopping center on most of your land). You must deliver this notice no later than the April 30 following the change in use or eligibility.

### PENALTIES

If your land receives timber appraisal and you fail to notify the chief appraiser of a change in use, you may be required to pay a penalty. You will be required to pay a substantial additional tax plus interest (a "rollback" tax) if you stop using all or part of the property for timber production or agriculture.

<b>Step 3: Describe the property</b>	Legal description of land: _____	
	Total acreage that is the subject of this application: _____	Account number: _____

Please check the appropriate box for "Yes" or "No"

1. Last year, were you allowed timber land appraisal on this property by the chief appraiser of this appraisal district?  Yes  No  
 If no, you must complete all applicable questions.

If yes, you need only complete those parts of Steps 4 that have changed since your earlier application or any information in Steps 4 requested by the chief appraiser.

2. Is this property located within the corporate limits of a city or town?  Yes  No

Please answer the following questions fully. You may list the agricultural use of your property according to the agricultural land categories listed in the paragraph below \*. You may divide the total acreage according to individual uses to which the land is principally devoted.

**Step 4: Describe the property's use**

1. Describe the current and past timber production or agricultural uses of this property as described above, starting with the current year and working back 5 years or until you have shown 5 out of 7 years of use.

Year	Category of Land	Acres	Year	Category of Land	Acres

\*While land must currently be devoted principally to the production of timber or forest products to qualify for timber appraisal, the requirement to show a history of use for five of the previous seven years can be satisfied by timber production or by agricultural use.

Agricultural use includes, but is not limited to, the following activities: (1) cultivating the soil; (2) producing crops for human food, animal feed, or planting seed or for the production of fibers; (3) floriculture, viticulture and horticulture; (4) raising or keeping livestock; (5) raising or keeping exotic animals or fowl for the production of human food or fiber, leather, pelts or other tangible products having a commercial value; (6) planting cover crops or leaving land idle for the purpose of participating in a governmental program provided the land is not used for residential purposes or a purpose inconsistent with agricultural use or leaving the land idle in conjunction with normal crop or livestock rotation procedures; (7) wildlife management; and (8) beekeeping.

Agricultural land use categories include: (1) irrigated cropland, (2) dry cropland, (3) improved pastureland, (4) native pastureland, (5) orchard, (6) wasteland, (7) timber production, (8) wildlife management, and (9) other categories of land that are typical in your area.

2. List the total number of acres of the property described in Step 2 in each of the following forest types:

**Pine forest** (Pine and other softwood trees make up at least 2/3rds of the free-to-grow trees.)      Number of acres \_\_\_\_\_

**Hardwood forest** (Hardwood trees are at least 2/3rds of the free-to-grow trees.)      Number of acres \_\_\_\_\_

**Mixed Hardwood forest** (Neither soft nor hardwood trees make up more than 2/3rds of the free-to-grow trees.)      Number of acres \_\_\_\_\_

3. Is this property now used for any non-agricultural activities? List all non-agricultural uses and the number of acres devoted to the use. You may attach a list if the space is not sufficient.

Non-Agriculture / Timber Use	Acres

**Step 5: Read, Sign, and Date**

By signing this application, you certify that the information provided in this application is true and correct to the best of your knowledge and belief.

**Authorized Signature:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

Gcaaf form 517 updated 01/13

**Office Use Only**

Denial Reason:     Current Use     History     Home Site     Degree of Intensity     Inside City Limits

Comments:

Effective Size Acres: