

WISE COUNTY APPRAISAL DISTRICT

Development of Agricultural Land Class Values

WISE COUNTY. Wise County is in northwestern Texas, forty miles south of the Oklahoma border. Decatur, the county seat and largest town, is thirty-five miles northwest of Fort Worth on U.S. highways 81/287 and 380. The county, comprising 922 square miles, is divided from north to south between the Eastern Grand Prairie and the Western Cross Timbers regions of Texas. The topography of the eastern section consists of gently rolling hills with sandy loam top-soils and brick clay sub-soils. Central Wise County has a combination of flat and undulating terrain; its waxy, light-colored surface soil covers deep layers of red clay. The western section is primarily hilly, with alluvial loam and sandy top layers over clay and limestone sub-layers. Natural resources include stone, clay, gas, and oil. Vegetation ranges from natural and improved grasses to post and live oak, cottonwood, and mesquite trees. Approximately 40 percent of the total area is quality farmland, and 60 percent is forest and grazing land. The average elevation of Wise County is 800 feet above sea level, and two-thirds of the county is drained by the West Fork of the Trinity River. Two lakes, Lake Bridgeport and Eagle Mountain Lake, and numerous creeks and tributaries provide an abundant water supply and recreational facilities. The average annual rainfall is twenty-nine inches. Temperatures vary from an average low of 33° F in January to an average high of 96° F in July. The growing season lasts 248 days.

Acreage is distributed in Wise County as follows:

Native Pasture	(P2)	-	350,546
Improved Pasture	(P1)	-	77,293
Dry land crop	(T1)	-	29,169
Barren / Waste	(W1)	-	3,774
Orchards	(O1)	-	577
Wildlife Management	(W1)	-	3,346

All land used for agricultural use in Wise County is classified as 1-d-1.

NATIVE PASTURE – Wise County contains 350,546 acres of native pasture land. Cattle along with a small number of goats and sheep are the main products of native pasture in Wise County. In addition we have some horse breeding operations in portions of Wise County. Some feeder cattle are pastured on native grasses before being placed on small grain fields for winter grazing.

Classification of native pasture in Wise County is based on how well the soil produces grazing for cattle, sheep, and goats. Soils differ in their capacity to produce native vegetation, and we group them into different types of soils. Using the Soil Conservation Service's Soil Survey Map we identified 4 dominant types of soil types as follows: a. Deep, loamy, and sandy; b. Deep, loamy, and clay; c. Shallow, loamy, and clayey; d.

Very shallow, loamy, and limestone. The types of soils are clearly defined by geographical boundaries that are distinguished by highways, water sheds, and outcroppings.

We collect cash leases of native pasture to determine grazing income. These leases range from \$5.00 to \$10.00 per acre, with the majority of the leases in the \$7.50 to \$8.50 range. Most of the lower priced leases were older agreements that had been in place for several years.

After reviewing the lease information we determined that the typical landowner incurs only expenses of property taxes and depreciation on fences. We calculated depreciation of fences by dividing the estimated cost of fences on a typical tract of land by the number of acres within the tract, then dividing the result by the expected life of the fence.

The property tax expense is based upon the agricultural productivity value. For each subclass of agricultural the actual expense for the year being calculated is used. An average of School District tax rates in Wise County is used for the ISD portion of the rates used to calculate the value.

The final net to land values for native pasture is developed by subtracting total expenses from gross income each year for a five year period. The annual net income estimate for each year of the five year period preceding the year before the year of the appraisal is used. The net income the land would have generated under an average owner of an ordinary operation in Wise County during each year of the five-year period is then calculated. The net income totals for each of the five-year period are averaged to determine an average net income for the period. The resulting average, or “net to land”, is the amount capitalized in the appraisal. The capitalization rate used in determining the appraised value of agricultural land is 10 per cent or the interest rate specified by the Farm Credit Bank of Texas on December 31 of the preceding year plus 2 1/2 percentage points, whichever is greater.

IMPROVED PASTURE – – Wise County contains 77,293 acres of improved pasture land. The dominant improved grass is Coastal Bermuda Grass. Most of the improved pasture land is used for both grazing and hay production.

We collect cash leases of improved pasture to determine income. These leases range from \$10.00 to \$15.00 per acre, with the majority of the leases in the \$12.00 to \$14.000 range. Some of the improved pasture leases are in combination with larger tracts that may include native, improved, and wasteland.

Using the Soil Conservation Service’s Soil Survey Map we find most improved pasture located in 2 of the 4 dominant types of soil types as follows: a. Deep, loamy, and sandy; b. Deep, loamy, and clay. These soil types are located through out a large portion of Wise County.

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The property tax expense is based upon the agricultural productivity value. For each subclass of agricultural the actual expense for the year being calculated is used. An average of School District tax rates in Wise County is used for the ISD portion of the rates used to calculate the value.

The final net to land values for improved pasture is developed by subtracting total expenses from gross income each year for a five year period. The annual net income estimate for each year of the five year period preceding the year before the year of the appraisal is used. The net income the land would have generated under an average owner of an ordinary operation in Wise County during each year of the five-year period is then calculated. The net income totals for each of the five-year period are averaged to determine an average net income for the period. The resulting average, or "net to land", is the amount capitalized in the appraisal. The capitalization rate used in determining the appraised value of agricultural land is 10 per cent or the interest rate specified by the Farm Credit Bank of Texas on December 31 of the preceding year plus 2 1/2 percentage points, whichever is greater.

DRY CROPLAND - Wise County contains 29,169 acres of dry crop land. Most of the dry crop land is planted in wheat or truck farmed raising watermelons, cantaloupes, and other garden crops.

We collect cash leases of dry crop land to determine income. These leases range from \$12.00 to \$18.00 per acre, with the majority of the leases in the \$12.00 to \$14.000 range. Some of the dry crop land leases are in combination with larger tracts that may include native, improved, and wasteland.

Using the Soil Conservation Service's Soil Survey Map we find most dry crop land located in 2 of the 4 dominant types of soil types as follows: a. Deep, loamy, and sandy; b. Deep, loamy, and clay. These soil types are located through out a large portion of Wise County but are concentrated along the Big Sandy and Trinity River watersheds.

After reviewing the lease information we determined that the typical landowner incurs only expenses of property taxes and depreciation on fences. We calculated depreciation of fences by dividing the estimated cost of fences on a typical tract of land by the number of acres within the tract, then dividing the result by the expected life of the fence.

The property tax expense is based upon the agricultural productivity value. For each subclass of agricultural the actual expense for the year being calculated is used. An average of School District tax rates in Wise County is used for the ISD portion of the rates used to calculate the value.

The final net to land values for dry crop land is developed by subtracting total expenses from gross income each year for a five year period. The annual net income estimate for each year of the five year period preceding the year before the year of the appraisal is used. The net income the land would have generated under an average owner of an ordinary operation in Wise County during each year of the five-year period is then calculated. The net income totals for each of the five-year period are averaged to determine an average net income for the period. The resulting average, or “net to land”, is the amount capitalized in the appraisal. The capitalization rate used in determining the appraised value of agricultural land is 10 per cent or the interest rate specified by the Farm Credit Bank of Texas on December 31 of the preceding year plus 2 1/2 percentage points, whichever is greater.

ORCHARDS - Wise County contains 577 acres of orchards. Most of the orchards are planted in peaches or pecans.

We estimate cash leases of orchard land to determine income. These estimates range from \$18.00 to \$20.00 per acre. Most of our orchards are owner operated.

Using the Soil Conservation Service’s Soil Survey Map we find most orchard land located in 2 of the 4 dominant types of soil types as follows: a. Deep, loamy, and sandy; b. Deep, loamy, and clay. These soil types are located through out a large portion of Wise County.

After reviewing the lease information we determined that the typical landowner incurs only expenses of property taxes.

The property tax expense is based upon the agricultural productivity value. For each subclass of agricultural the actual expense for the year being calculated is used. An average of School District tax rates in Wise County is used for the ISD portion of the rates used to calculate the value.

The final net to land values for orchard land is developed by subtracting total expenses from gross income each year for a five year period. The annual net income estimate for each year of the five year period preceding the year before the year of the appraisal is used. The net income the land would have generated under an average owner of an ordinary operation in Wise County during each year of the five-year period is then calculated. The net income totals for each of the five-year period are averaged to determine an average net income for the period. The resulting average, or “net to land”, is the amount capitalized in the appraisal. The capitalization rate used in determining the appraised value of agricultural land is 10 per cent or the interest rate specified by the Farm Credit Bank of Texas on December 31 of the preceding year plus 2 1/2 percentage points, whichever is greater.

BARREN - Wise County contains 3,774 acres of orchards. Most of the barren land is found to be a part of a larger tract containing native pasture.

We estimate cash leases of barren land to determine income as they are generally included with a larger acreage tract including native and improved pastures. These estimates range from \$5.00 to \$6.00 per acre.

After reviewing the lease information we determined that the typical landowner incurs only expenses of property taxes and depreciation on fences. We calculated depreciation of fences by dividing the estimated cost of fences on a typical tract of land by the number of acres within the tract, then dividing the result by the expected life of the fence.

The property tax expense is based upon the agricultural productivity value. For each subclass of agricultural the actual expense for the year being calculated is used. An average of School District tax rates in Wise County is used for the ISD portion of the rates used to calculate the value.

The final net to land values for barren land is developed by subtracting total expenses from gross income each year for a five year period. The annual net income estimate for each year of the five year period preceding the year before the year of the appraisal is used. The net income the land would have generated under an average owner of an ordinary operation in Wise County during each year of the five-year period is then calculated. The net income totals for each of the five-year period are averaged to determine an average net income for the period. The resulting average, or “net to land”, is the amount capitalized in the appraisal. The capitalization rate used in determining the appraised value of agricultural land is 10 per cent or the interest rate specified by the Farm Credit Bank of Texas on December 31 of the preceding year plus 2 1/2 percentage points, whichever is greater.

WILDLIFE – Wise County contains 3,346 acres of wildlife. Land used for wildlife in Wise County is scattered throughout the entire county. A high concentration of wildlife land is located surrounding and near the LBJ National Grasslands located in the North Central portion of Wise County.

Wildlife land is revenue neutral from its previous agricultural use, meaning that it will be taxed at the same rate as it was taxed previously. If the land was previously taxed as native pasture it will continue to be taxed at the same rate per acre as native pasture. If the land was previously taxed as improved pasture it will continue to be taxed at the same rate per acre as improved pasture and so on for all classes of agricultural land.

The first requirement for qualified wildlife management use is that must be previously qualified agricultural land under Chapter 23, Subchapter D, Tax Code (also called 1-d-1 or open space agricultural appraisal), at the time the owner changes use to wildlife management use.

The second requirement for qualified wildlife management use is that the land must be used to generate a sustaining breeding, migrating, or wintering population of indigenous wild animals. An *indigenous* animal is a native animal that originated in or naturally

migrates through an area and that is living naturally in that area – as opposed to an exotic animal or one that has been introduced to the area. In this context, an *indigenous* animal is one that is native to Texas. A group of animals need not permanently live on the land, provided they regularly migrate across the land or seasonally live there.

A *sustaining breeding* population is a group of indigenous wild animals that is large enough to live independently over several generations. The definition implies that the population will not die out.

A *migrating* population of indigenous wild animals is a group of animals moving between seasonal ranges. A wintering population of indigenous wild animals is a group of animals living on its winter range.

The indigenous wildlife population must be produced for human use. The human use may include food, medicine, or recreation. Land will not qualify unless the owner propagates the population of wild animals for a human purpose.

A recreational use may be either active or passive and may include any type of use for pleasure or sport. Bird watching, hiking, hunting, photography, and other non-passive recreational hobby-type activities are qualifying recreational uses.

At least three or more of the following are required: Under the law, the owner must perform at least three of seven listed wildlife management activities on the land.

Habitat Control (Habitat Management) - Habitat control or management means actively using the land to create or promote an environment that is beneficial to wildlife on the land.

Erosion Control - Any active practice that attempts to reduce or keep soil erosion to a minimum for the benefit of wildlife.

Predator Control - (Predator Management) This term means practices intended to manage the population of predators (if any) to benefit the owner's target wildlife population.

Providing Supplemental Supplies of Water - Owner actively providing water in addition to natural sources.

Providing Supplemental Supplies of Food - Owner supplies supplemental food by providing food or nutrition in addition to the level naturally produced on the land.

Providing Shelter - Actively creating or maintaining vegetation or artificial structures that provide shelter from the weather, nesting and breeding sites or "escape cover" from enemies.

Making Census Counts to Determine Population - Census counts are periodic surveys and inventories to determine the number, composition or other relevant

information about a wildlife population to measure if the current wildlife management practices are serving the targeted species.

Wildlife management must meet all the requirements to qualify for agricultural use, defined in Section 23.51 (i) Tax Code as follows: primary use, degree of intensity, and historical use requirement.

Minimum Acreage Requirements - Wise County has designated a ratio devoted to wildlife management use. The minimum acreage requirement for individual land owner is 14.30 acres (93%). If your property is a part of a wildlife association the minimum acreage requirement is 12.50 acres (92%). And if your property's target animal is candidate, threatened, or endangered the minimum acreage is 11.10 acres (91%).

Application Requirements - Wise County Appraisal District requirements are as follows:

1. A Texas Parks and Wildlife Department - 1-d-1 Open Space Agricultural Valuation Wildlife Management Plan completed.
2. A personal five- year management plan for you land. List activities to be completed by year.
3. An aerial photo of your land showing the areas of completed activities and planned activities.
4. Provide receipts for completed activities.
5. If you are a member of a Wildlife Management Property Association the Association or Agent may file a single report for all it's members , but all members must sign the report. The report must detail the management activities conducted on each individual tract in the association.

Annual Update - The Wise County Appraisal District requires you to file an annual update to your Wildlife Application. The annual update should be sent to the District no later than April 30th each year. The following items should be included:

1. List of management activities completed in the previous calendar year.
2. Aerial photo of your land showing the areas of completed activities in the previous calendar year.
3. Receipts from management activities completed in the previous calendar year.
4. List of management activities planned for the current year.
5. If you are a member of a Wildlife Management Property Association the Association or Agent may file a single report for all it's members, but all members must sign the report. The report must detail the management activities conducted on each individual tract in the association.

