

## **Agricultural FAQ**

**Disclaimer:** The FAQ's are intended to help answer some of the most common questions. Please note that the Tom Green County Appraisal District (TGCAD) cannot advise on how to qualify for the Agricultural valuation or what should be done/implemented on/with the property. The FAQs are intended to be used as a general guide and in conjunction with the [Ag Manual](#). More information and forms can be found at the [Comptroller's Website](#). Also, TGCAD shouldn't answer "what if" scenarios, hypothetical, or property specific recommendations regarding the property. Due to the multitude of unique scenarios, the information below does not cover all situations relating to Agricultural valuation. For wildlife purposes, additional resources can be found at the [Texas Parks and Wildlife website](#), and the [Comptroller's Wildlife Manual](#).

### **What is primary use?**

Land must be devoted principally to an agricultural use. If the land is used for more than one purpose, the most important or primary use must be agriculture. For example, pleasure gardening is not the principal use of residential land, nor is livestock grazing the principal use of residential tracts. Additionally, a property cannot have uses that are competitive with Agricultural use. For example, Agricultural land supporting horses for recreational use cannot be used in combination with livestock.

### **What does "devoted principally to agricultural use" mean?**

Devoted principally to Agricultural use means that if the land is used for other purposes, the most important or primary use must be agriculture. For example, pleasure gardening or keeping a few fruit trees for personal use is not the principal use for residential land.

### **What is current use?**

The land must be "currently devoted" to agricultural use and must be in agricultural use as of January 1<sup>st</sup> of the tax year. If agricultural use is not evident on January 1<sup>st</sup>, the Chief Appraiser will grant agricultural use only if the owner can show evidence that they intend to

put the land into agricultural use and that agricultural use will be the primary use of the land for the bulk of the calendar year covered by the application.

### **Degree of intensity**

Because Texas is so diverse, State laws and rules charge the Chief Appraiser with the development of local standards for qualified production use. These standards are referred to as 'degree of intensity' tests for productive enterprises in the local area. These standards can be in the form of minimum animal units or other relevant measures of productive inputs to qualify. The Chief Appraiser has a state mandated Agriculture Appraisal Advisory Board that provides advice about degrees of intensity for productive enterprises in the county. Combining their advice with other local resources, the Chief Appraiser then develops local standards. This test is intended to exclude land on which token agricultural uses occur to obtain tax relief. The minimum requirement for grazing stock in Tom Green County is one (1) animal unit. For example, one full size cow per 40 acres is acceptable. Please see the [Animal Unit Info Sheet](#) for additional information.

### **What is an animal unit?**

An Animal Unit (AU) is a standard for comparing diverse types of livestock. Generally, it equals 1,000 pounds of live weight. The minimum requirement for grazing stock is one (1) animal unit. Operations with larger properties need more animal units. The rule to receive ag use appraisal still hinges on production. One cow cannot produce on its own. Please see the [Animal Unit Info Sheet](#) for additional information.

### **What is the time period test?**

The land must have been used principally for an agricultural use for five of the seven years preceding the year in which an application is filed. Provided that agriculture was the principal use of the land in the preceding years, the land qualifies, even if the agricultural use did not meet the degree of intensity requirement for all or part of those preceding years. The burden of proof is the responsibility of the landowner.

### **How do I build history?**

While it is not mandatory to apply while you are building 5 years of history, the application should substantiate the timeline with evidence of use (images, receipts, etc.). A 6<sup>th</sup> year application must be made to potentially be approved.

If a year of application was missed, evidence will need to be provided to the appraisal district to prove continued use of the land. For example, if a property owner who is building history fails to apply in 2019, evidence can be sent to the district anytime during the year and the information will be attached to their account. Then, if the property owner files an application during 2020, the evidence can be reviewed to see if a year of history can be established and that year can count toward the five years of history.

If the property is denied for anything but history, then that year will not count toward the 5-year history requirement.

### **What documentation can be used as supporting evidence while building history?**

Examples of documents that can be used to potentially prove an agricultural history are income tax records (Schedule F – Farm and Ranch return), financial reports, lease agreements, sworn affidavits, receipts, statements from neighboring property owners, photographs, receipts for buying, selling, breeding of livestock, feed bills, vet bills, fertilizer, seeds, harvesting, purchases of farming equipment etc.

### **Agricultural appraisal applies only to land**

Only the acreage that is used in agricultural operations may qualify for agriculture use valuation. Improvements (such as buildings, barns, homes, silos, etc.) are appraised separately at their market value.

### **Activities that qualify for AG**

Agricultural use includes but is not limited to the following activities:

- Cultivating soil
- Producing crops for human food or animal feed
- Planting seed to produce fibers

- Floriculture, viticulture, and horticulture
- Raising or keeping livestock
- Raising or keeping exotic animals to produce human food or of fiber, leather, pelts, or other tangible products having a commercial value
- Planting cover crops or leaving land idle for the purpose of participating in a governmental program and raising or keeping bees for pollination or to produce human food or other tangible products having a commercial value

## **Bees**

A property between 5 and 20 acres can potentially qualify for the AG valuation. Please see the [Agriculture Policy and Guidelines](#) for additional information regarding acreage and the number of hives needed. Typically, trees and gardens are not considered competitive uses; however, most livestock scenarios are deemed a competitive use. For example: one horse on 20-acre parcel would be considered a competitive use, as the resources on the land are not being principally devoted to beekeeping. A homestead with five (5) acres does not meet the minimum acreage and therefore will not qualify. A property must have 5 acres other than the amount of land included with the homesite.

## **Orchards**

These operations are in the business of cultivating trees or grapevines that produce nuts or fruits (such as pecans, peaches, and grapes) which are sold commercially. Typically, these operations have a regular schedule of pruning, spraying, and cultivation as well as keeping the area around the trees or vines mowed or disked. A typical orchard or vineyard should be utilized to the degree of intensity to produce an acceptable amount for the operation to be used as an enterprise.

## **Sheep and Goats**

See the [Animal Unit Info Sheet](#) on the TGCAD website for the number of goats and acres needed.

Be aware that putting some goats on a property for underbrush control most likely will not be a qualifying use.

## **Horses**

TGCAD's policy on horse operations is limited to breeding operations. A breeding operation involves having brood mares and either a stud (stallion) on location or using artificial insemination for breeding the mares. Typical pastures are of the improved variety such as coastal Bermuda grass. Donkeys, mules, and burros are also included under horse operations and have the same guidelines. Acres of land where the horses are trained for racing does not qualify because it is not an agricultural use of land.

## **Exotics**

Exotic animal refers to grass-eating or plant-eating, single-hoofed or cloven-hoofed mammals that are not indigenous or native to Texas. Exotic animal operations raise the animals for production of meat or other commercially viable products such as leather, feathers, or byproducts used in cosmetics or for medicinal purposes. Some exotic animal operations produce breeding stock for other exotic operations. Verification of commercial use is required to qualify for agriculture use valuation with exotic animals. This type of operation, depending on the species of animal, usually has a "deer-proof" high fence.

## **Multiple qualifying uses**

Properties can have multiple types of qualifying uses. For example, you could have hay production and grazing production combined with an area set aside for row crops. For each type of use, you should consult the applicable category and its requirements.

## **Can I change from one AG use to another?**

Yes. Once a property has qualified, the property owner can switch from one qualifying use to another. The property owner will need to file a new application once the use type has changed. For example: a ten-acre property currently qualified for hay could potentially switch to beekeeping.

## **Leases**

If you are an owner who leases property to a producer for livestock, exotics, or a growing operation, you should provide a copy of your written lease agreement with your application for special use appraisal. The Comptroller's Manual for the Appraisal of Agriculture Land

says that lease information is not required to qualify for 1-D-1 appraisal. However, it does help to prove Agriculture Use.

Leases are an acceptable agricultural use for the owner of the property provided the lessee is using the land to the standards of agricultural use for TGCAD and the lessee has enough contiguous land (either owned or leased) to suffice the minimum standards of size.

### **I just purchased/inherited a parcel with AG on it what do I need to do?**

If you have recently purchased, acquired, or inherited land, typically you will be required to file an application in the following year. Also, a new application would be required if a property changed size or had new ownership in the prior year. Applications can be filed timely from Jan 1<sup>st</sup> through April 30<sup>th</sup>. If you would like to verify if your property currently has the AG valuation on it, please visit [www.tomgreencad.com](http://www.tomgreencad.com).

### **How many Acres do I need to qualify for AG?**

The Texas Tax Code does not define a minimum acreage for ag land, but it does require that the land be used “to the degree of intensity typical in the area.” The acreage requirements vary depending on the AG use and the typical acreage requirements can be found on the [TGCAD Website](#).

### **What if my property has AG and I purchase the parcel next to it that does not have AG?**

The history requirements (time-period test) will still need to be established for that parcel even though it is next to a qualifying parcel with the same ownership. Please note that the intensity, use and history requirements will all need to be met.

### **Effective acreage**

Tracts of land that do not meet the minimum acreage may qualify if used with a larger operation that meets or exceeds the qualifications. To be considered part of a larger operation, the primary operation must be within a reasonable distance of the smaller tract for a prudent operator to justify the travel and expense and be worked by the same operator. Documentation of lease, cuttings, planting, harvesting or other proof may be required for the tract that does not meet the minimum requirements. Beekeeping will need to be on a standalone basis.

**What if my neighbors and I work together?**

Primary use, intensity, history will have to be met. These parcels will typically have gates between them so that the livestock can move between parcels. Beekeeping will need to be on a standalone basis.

**What if my property is part of a family tract?**

If a small tract is used as part of a larger family operation, it may qualify. Written verification of participation in a larger family operation may be requested by the Appraisal District. These tracts must pass all eligibility requirements except size and be continuously used to support a larger farm or ranch in close proximity. All contiguous parcels can be considered on a stand-alone basis with consideration being given to common ownership.

**Do I have to own the animals to qualify?**

No. If your land is being primarily used for agricultural use, it can still qualify. You can lease your land to someone who will operate your land for agricultural use. It is your responsibility to see that the owner of the animals is using your land to the typical degree intensity required to keep the agricultural appraisal.

**Do I need to have a business?**

The law does not require that agriculture be the primary occupation and primary source of income of the landowner nor that the use of the land be an occupation or a business venture for profit.

**Livestock operations**

These are ventures that raise and keep cattle, sheep, or goats. Operations can be described as cow and calf operations, cattle stocker and feeder operations, sheep operations for meat or wool production, or goat operations for meat or mohair production.

### **If my land is inside the city will it qualify?**

If the land is located within the boundaries of a city or town, one of the following requirements must be met in addition to the normal requirements: (1) The city must not provide the land with general services comparable to those in other parts of the city having similar features and population and /or (2) must have been devoted principally to agricultural use continuously for the preceding five years.

### **Can I rest my land?**

Land may be idle for a reasonable period, general one (1) year, due to agricultural necessity and still be considered in agricultural production (Does not qualify for properties inside the city limits).

### **Drought**

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 of the land in the manner and to the degree of intensity at the end of the declared drought.

### **Why was AG taken off the property?**

Typically, a new application is required whenever a parcel is purchased, ownership changes and/or the parcel changes in size. The application is typically needed in the year following the purchase/ownership change/size change. If an application is not received, then the special valuation expires.



**Could I qualify for an AG appraisal if I lease my land for hunting?**

No. Hunting does not qualify the land and is not considered an agricultural activity.

**Can I hunt on my AG land or lease my land for hunting and keep my AG appraisal?**

If your land is primarily used for agricultural purposes to the degree of intensity required by this county for the majority of the year and hunting is a secondary use, not the primary use, then you can keep receiving this special appraisal.

**What is dry crop?**

Cropland operations include growing small grain crops, sorghum hay, improved grass hay, and row crop. Hay is baled twice a year.

**Why is some of my acreage out for homesite?**

We will generally take some acreage out for any homesite even if it is temporary like a hunting cabin or only used on an occasional basis.

**Are agricultural exemptions and agricultural appraisals the same thing?**

No, they are not the same thing. Application for agricultural valuation is only available through this office. Agricultural exemptions for machinery and equipment items that are used in the production of farm or ranch products or of timber, regardless of their primary design, are implements of husbandry and are exempt from ad valorem taxation.

**Texas agricultural sales tax exemption**

If you are in a qualified farm or ranch industry, certain items you purchase that are used in the production of agricultural and timber products are exempt from sales taxes. This is only available by application through the [Texas Comptroller of Public Accounts](#). Applying and receiving the agricultural appraisal in this office is different than receiving the Texas agricultural sales tax exemption. Our office does not issue a tax ID number for the use of buying products for agricultural purposes.

**Where do I get a farm tax ID#?**

Through the Texas Comptroller's office. You may apply online [here](#).

**What type of tax savings would I get if my property qualifies for AG?**

The tax savings that a property receives depends on the current market value of the property and the use type for the ag valuation. Native pastures areas can have a lower AG valuation than dry crop areas and generally both are lower than the market value that the taxes would normally be based on. Please review the [production values](#) for additional information.

**Wildlife**

Is an alternative agricultural appraisal for taxpayers with property that is devoted to propagating, sustaining, and breeding of a migrating, or wintering population of indigenous wild animals through implementation of a Wildlife Management Plan.

**What is a wildlife management plan?**

In addition to the application, a Wildlife Management Plan shall be completed on a form supplied by the Texas Parks and Wildlife Department for each tract of land for which wildlife management use is sought.

If the Wildlife Management Plan is for A Wildlife Management Association, the form must be signed by all the parties involved with implementing the wildlife management plan.

**Requirements for wildlife**

To receive a Wildlife Management Appraisal the parcel must meet the following.

- Currently receiving AG Appraisal
- Primarily devoted to Wildlife Management
- Actively being managed to sustain a breeding, migrating, or wintering population of indigenous wildlife

- Each year for which the owner seeks to qualify the tract for wildlife management use, the landowner has selected at least 3 wildlife management practices to the degree of intensity required.
- Wildlife management practices include:
  - Habitat control
  - Erosion control
  - Predator control
  - Providing supplemental supplies of water
  - Providing supplemental supplies of food
  - Providing shelters; **and**
  - Making census counts to determine population

Additional information can be found on the [Texas Parks and Wildlife website](#).

### **Do I have to have AG before getting wildlife?**

Yes, the property must first qualify for AG. To qualify for agricultural appraisal under wildlife management use, land must have qualified and been appraised as agricultural land in the prior year.

### **Do I have to turn in an AG application with an annual wildlife report or 5-year plan?**

When submitting a 5-year plan, an AG application needs to be submitted with it. When submitting an annual report, an application is not needed.

### **I let wild deer graze my land; does my land qualify?**

No. Permitting wild deer to eat natural vegetation is not an agricultural use. Wild animals surviving on natural ground cover are not livestock.

### **I manage my land for whitetail deer (or other native wildlife); does my land qualify?**

Potentially. Please visit the [Texas Parks and Wildlife website](#) for more information on wildlife management. If you meet the criteria, you must complete a wildlife management plan along with a new AG application when converting from traditional agriculture to wildlife management.

### **Which is cheaper, traditional AG use land or wildlife management land?**

Neither. The values for both are calculated using the same agricultural land value tables and are based on AG land type.

### **I have axis deer and blackbucks, why can't I apply for wildlife management?**

Wildlife management is for land devoted to managing indigenous wildlife. Having or raising exotics on your land does not meet the qualifications of wildlife management.

### **Agriculture application**

**Disclaimer: Please retain proof that an application has being filed. It is the applicant's responsibility to be sure that the application has been received. The District will review each application submitted. 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. For fastest processing, please submit application prior to March, as the majority of the applications are submitted in March and April.**

### **I just purchased a property that has AG on it, what should I do?**

If the property you have recently purchased was designated for use as agricultural land and was previously receiving the AG-use valuation and if you would like to continue the use of the land, you would need to keep the property in some type of AG-use such as farming or ranching. The property must currently be in AG-use and the principal use must remain agricultural use when you apply for the AG-use valuation.

### **How do I fill out the AG application?**

Please visit the [How To Fill Out The AG Application](#) link.

### **Where do I get an application?**

Please visit the [Online Application](#) link.

### **What is the AG application deadline?**

Timely received applications deadlines are between January 1 and April 30.

Late applications can be received until we certify the appraisal roll (typically in mid-July), but a 10% penalty is added. Once the appraisal review board approves the appraisal roll, you cannot apply for agricultural appraisal for that year.

### **How does this 10% penalty work for filing a late application?**

For the portion of the account in AG, it is 10% of the Market Value taxes

### **I received this agricultural application in the mail. Why?**

There are a variety of reasons as to why an application was received including but not limited to the following:

You may receive the application because the appraiser needs to know how you qualify or notices a change in your farm and ranch practices. You may have gotten the application because the Chief Appraiser is requesting an update. If you are still using the property for agricultural purposes, then you must complete the application and submit it to the WCAD on or before April 30 to continue to receive this special use appraisal. If it is not completed, the land will lose this special use appraisal and be assessed at market value. If the form is returned and approved after April 30 but before certification of the appraisal roll (typically in mid-July), then the property will receive a penalty equal to 10% of the tax savings resulting from the agricultural appraisal.

A new application must be filed when there is a change of ownership. If a person fails to file a valid application on time, the land is ineligible for agricultural appraisal for that year.

### **Do I have to fill out an application every year?**

Once you receive agricultural appraisal, you do not have to apply again in subsequent years unless your qualifications change including ownership, size, land use changes, or if the Chief Appraiser requests a new application.

### **What if my property is in two counties?**

If the tract of land crosses county lines, then an application must be filed with the Appraisal District in each of the counties.

### **My land has always been in AG, do I still need to apply?**

Yes. A person claiming that their land is eligible for the agricultural appraisal must file a valid application with the Chief Appraiser. Agricultural valuation cannot be granted without a valid application from the current owner. Keep in mind, ownership changes include transferring land to another party, transferring land into a trust, adding a party to the ownership, or deleting a party from the ownership.

### **What if I am granted AG?**

You can visit [www.tomgreencad.com](http://www.tomgreencad.com) and use the property search feature to see if the Ag valuation has been applied to your account. Once you navigate to your account, under the Property Valuation information, you should see an amount in “Production Market” and an amount in the “Agricultural Loss” rows. Those fields would be blank if Ag Appraisal is not applied. You may also contact our office if you would like to request something in writing confirming agricultural appraisal has been granted.

### **What if I am 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 inform 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 several 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 decide during the open meeting in the presence of all parties.

If the ARB upholds the District’s decision, you have the right to appeal to District Court. But, by law, you must first have the ARB hearing before taking the step to appeal to the court.

Also, if ag appraisal is denied, the property owner can file again once the land meets the qualifications.

### **What is a rollback?**

An AG rollback tax is an additional tax that is imposed when a property owner **changes the use** of a property from Agricultural to any other use – excluding building a house for a personal homestead. The rollback tax recoups the tax the owner would have paid if his or her land had been taxed at market value for the years covered in the rollback. More information can be found in Section 23.55 of the Texas Property Tax Code.

### **What are some examples of potential changes of use?**

- 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 wildlife 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 and the owner can appeal to the ARB by making a protest application within 30 days of the determination notice.

### **Rollbacks and homesteaded properties.**

Section 23.55, Subsection (i) of the Texas Property Tax Code states, “The use of land does not change for purposes of Subsection (a) of this section solely because the owner of the land claims it as part of his residence homestead for purposes of Section 11.13 of this code.”

### **How is the rollback calculated?**

Section 23.55 of the Property Tax Code establishes the criteria for rollback/change of use and per this section of the property Tax Code, if your land qualified for agricultural appraisal and you change its use to a non-agricultural use, you may owe a rollback tax for each of the previous three years (the rollback will potentially be for five years if the change of use was before 9/1/2019) in which your land received the lower appraisal. The rollback

tax is the difference between the taxes you paid on your land's agricultural value and the taxes you would have paid if the land had been taxed on its higher market value. Additionally, 5% compounding interest (7% compounding interest if the change of use was before 9/1/2019) is charged for each year from the date that the taxes would have been due. Properties that change use on or after 6/15/2021 are subject to a three-year rollback with no interest.

### **Who is liable for the rollback tax?**

Typically, this is decided between the buyer and seller.

### **Will this parcel be rolled back on?**

TGCAD is unable to provide predeterminations regarding the potential of a future rollback on a property.

### **What is the rollback amount going to be on a property?**

If a rollback estimate is requested, the requestor can email [agriculture@tomgreencad.com](mailto:agriculture@tomgreencad.com). The requestor will need to provide the change of use date and the acreage amount. The change of use date will be the date dirt was or will be turned and the acreage will be the number of acres that are being or will be developed.

### **What are some examples of supporting documentation should I bring to an AG, special valuation and/or rollback tax protest?**

- Contracts or receipts for land maintenance services including, but not limited to: sprigging, cutting, baling, fertilizer, herbicide, fence and/or installation and repair, pond construction. Documents should indicate number of acres serviced, date of service, and product types where applicable
- Sales receipts (bills of sale) on livestock
- Expense receipts
- Production and breeding records
- Sworn affidavits
- Invoices for equipment purchases
- Registration papers for breeding operations
- Current contract with government program
- Picture evidence



- Documentation of activities performed regarding wildlife management
- Lease agreements indicating the usage of the property (i.e. type of crop, crop plant and harvest date, type and number of livestock, grazing timeframe, etc.).

**For any other questions that may not have been address, you may submit an email to the agriculture department at [agriculture@tomgreencad.com](mailto:agriculture@tomgreencad.com).**