



Guidelines for Qualification and Appraisal of Agricultural & Wildlife Management Lands

Hamilton Central Appraisal District
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**MODIFIED AND ADOPTED BY HCAD BOD
SEPTEMBER 20 2024**

INTRODUCTION

In 1966 voters approved the first agricultural appraisal law for ad valorem (property) taxes in the State of Texas. This first law known as 1-D, intended to protect the family farm from being taxed out of existence as Texas became more urbanized and market prices of agricultural land steadily rose. Section 1-D is very restrictive as it applies only to land owned by families or individuals. Under 1-D agriculture must be the owner's primary occupation and primary source of income. As Texas became more urbanized the number of agricultural producers began to drop, a new section was added to the Texas Constitution by voters in 1978. The law was amended to allow a second, more liberal appraisal law known as 1-D-1. Section 1-D-1 substantially expanded eligibility for productivity appraisal by individuals as well as corporations; no longer requiring income and primary occupation to qualify. In 1995 Wildlife Management Use was added as a subsection of 1-D-1 which allows the management of native species, using state guidelines, as qualifications for productivity value.

The following is a set of guidelines to explain qualification for agricultural productivity valuation under 1-D-1 agricultural use for property under the jurisdiction of the Hamilton Central Appraisal District (HCAD). Due to the variability of types of agricultural operations only the most common for the county will be discussed in these guidelines. Unique or other operations will be considered on a case-by-case basis.

QUALIFICATION OF LAND

In order to qualify for agricultural use in Hamilton County land must meet the minimum acreage requirement typical for the county. The minimum acreage typical for Hamilton County is 10 acres. Any tract of land that is less than 10 acres will not qualify for 1-d-1 special use appraisal.

Land that qualified for 1-d-1 last year will continue to be eligible regardless of size UNLESS:

- it was part of a larger tract of land that was split the previous year
- a new residence was built leaving less than 10 acres in agricultural use
- land changed ownership on or before January 1 leaving less than 10 acres in use
- land ceases to be used for agricultural productivity

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

To qualify, the property owner must submit clear and convincing evidence to the chief appraiser proving that the land meets the intensity standard for the county as of January 1 of the year in

which they are applying. This may include receipts for feed bought, the sale of animals, crops or other agricultural activities. The property owner must inform the chief appraiser of any changes in the status of their land.

Casual uses such as home vegetable gardens, raising a steer, pig, goat or sheep for FFA and 4-H projects do not constitute agricultural use for property tax purposes.

Agricultural appraisal applies ONLY to the land. Improvements such as buildings, barns, homes, silos, etc., are appraised separately at their market value. Minerals like oil, gas and hard minerals are appraised separately at market value. Agricultural products like livestock, fruit, vegetables, grains, etc. in the hands of the producer are generally exempt from taxation due to other provisions of the Texas Constitution. Also, farm and ranch equipment designed and used primarily for agriculture (implements of husbandry) are exempt from taxes.

APPLICATION

A property owner must file an application for 1-D-1 (open space) agricultural use appraisal between January 1st and April 30th of the tax year in which applying. The January 1 owner is responsible for the filing of the application. The application must be filed with the Chief Appraiser of the appraisal district where the property is located. Property owners may obtain an application from the appraisal district. When property changes ownership an application will be mailed to the new owner. Extensions may be granted by the Chief Appraiser if the owner submits the request in writing showing good cause for the extension and the request is received by May 1st. Late application may be submitted after the April 30th deadline and up until the appraisal district's certification of the property appraisal roll (typically July 20th). Late applications that are approved will be assessed a 10% penalty for filing after the deadline of April 30th. **If a person fails to file a valid application before certification of the property appraisal rolls, the land is ineligible for an agriculture appraisal in that year.**

The schedule for new applications required by the Chief Appraiser is on a 5-year rotating basis.

TYPES OF AGRICULTURAL OPERATIONS

There are different types of agricultural operations acceptable within the boundaries of Hamilton County.

Agricultural activities include:

- Grazing livestock
- Farming
- Orchards
- Vineyards
- Equine breeding
- Hoofed exotic breeding
- Wildlife management of native species
- Beekeeping

ORCHARD AND VINEYARDS

Orchards and vineyards are in the business of cultivating trees or grapevines that produce nuts and fruits, such as pecans, peaches and grapes which are sold commercially. Typically, these ventures have a regular schedule of pruning, spraying and cultivation as well as keeping the area around the trees groomed. Native Pecan trees require at least 14 trees per acre, improved pecan trees require at least 35 trees per acre, peach trees require at least 100 trees per acre. Table and Wine grapes require at least 450-600 vines per acre. A qualifying orchard or vineyard would include a minimum of 10 acres.

BEEES

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

Land must have a minimum of five (5) acres and a maximum of twenty (20) acres devoted to beekeeping to qualify as an agricultural use.

Hives must meet the degree of intensity and be active prior to application. Hives must be maintained and kept alive.

Intensity:

5 acres.....	6 active hives
7.5 acres.....	7 active hives
10 acres.....	8 active hives
12.5 acres.....	9 active hives
15 acres.....	10 active hives
17.5 acres.....	11 active hives
20 acres.....	12 active hives

Legitimate beekeepers will have their bees in locations that provide food for their bees, pollinate various agricultural crops, food crops, and manage their bees in manner to keep them healthy, surviving and producing for the long term.

INTENSITY STANDARD

The land must be used to the degree of intensity for the area. Drought and weather conditions always apply in determining degree of intensity. Typically, in Hamilton County one animal unit requires 20 acres of native range during years of normal rainfall.

STOCKING RATE

Stocking rates are measured in terms of animal units. An animal unit is equal to 1,000 pounds of live animal weight. The amount of land required to support one animal unit depends on the lands ability to sustain livestock.

ANIMAL UNIT EQUIVALENCY CHART

ANIMAL TYPES	ANIMAL UNITS
Cow or Cow/Calf Pair	1.00
Mature Bull	1.25
Weaned Calf	0.60
Steer (one year old)	0.70
Steer (two years old)	0.90
Brood Mare	1.25
5 Ewes	1.00
4 Rams or Buck Sheep	1.00
8 Lambs (weaned to one year)	1.00
6 Nanny goats or does	1.00
5 Billy goats or bucks	1.00
10 Kid goats (weaned to one year)	1.00
6 Mature mutton goats	1.00
Elk	0.60
5 Axis, Aoudad, Fallow or Mouflon	1.00
7 Sika Deer	1.00
2.5 Reed Deer	1.00
Eland	1.00
3 Emus	1.00
2 Ostriches	1.00
7 White Tailed Deer	1.00
10 Black Buck Antelope	1.00
3 Llamas	1.00

WILDLIFE MANAGEMENT

In 1995, article III, Section 1-D-1 of the Texas Constitution was amended to permit agricultural appraisal for land used to manage wildlife. H.B. 1358 implemented that amendment. In 2001, H.B. 3123 was passed requiring the Texas Parks and Wildlife Department to develop and the Texas Comptroller to adopt rules for the qualification of agricultural land in wildlife management use. These rules, "Guidelines for Qualification of Agricultural Land in Wildlife Management Uses", are available at <http://comptroller.texas.gov/taxinfo/proptax/pdf/96-354.pdf>. Wildlife management is a type of 1-D-1 agricultural use, and there are guidelines the landowner must follow in order to qualify.

Section 23.51(7) of the Texas Property Tax Code defines wildlife management as:

Actively using land that at the time the wildlife management use began was appraised as qualified open-space land under this subchapter..... in at least three of the following ways to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation:

- (A) Habitat control
- (B) Erosion control
- (C) Predator control
- (D) Providing supplemental supplies of water
- (E) Providing supplemental supplies of food
- (F) Providing shelters; and
- (G) Making of census counts to determine population

The land must be qualified for and appraised as 1-d-1 agricultural land in the tax year before the owner changes to wildlife management use. An owner who changes the use of his land from agricultural use to wildlife management use must submit a new 1-d-1 Agricultural Use Appraisal Application along with a Wildlife Management Plan to the Chief Appraiser. The plan must be completed on a Texas Parks and Wildlife (TPWD) form which is available at the Hamilton CAD office or on-line at the Texas Parks and Wildlife website. The plan must specify the wildlife species to be targeted and must give details of how the land owner will actively pursue at least three of the seven management activities. The land owner may choose to contact TPWD and contact the TPWD biologist assigned to Hamilton County for help in formulating a plan.

Land that qualified for 1-D-1 last year will qualify for wildlife management as long as the tract is 20 acres or larger. Land that was part of a larger 1-D-1 tract the previous year does not qualify if it is less than 20 acres in size.

The Chief Appraiser will require property owner to file an annual report showing how the wildlife management plan has been implemented in the previous year. Annual reports will be mailed in January of each year and must be returned by April 30th. The annual report must be submitted with supporting documents for each activity and a map showing where each activity is taking place.

Special Valuation Appraisal

Open-Space (1-d-1) and Agricultural-Use (1-d)

Primary Purpose:

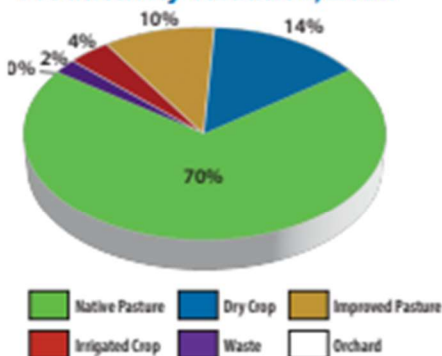
To help farmers and ranchers offset the increase in their land's market value by allowing qualified land to be taxed at its productivity value instead of the higher market value.

Statutory Authority:

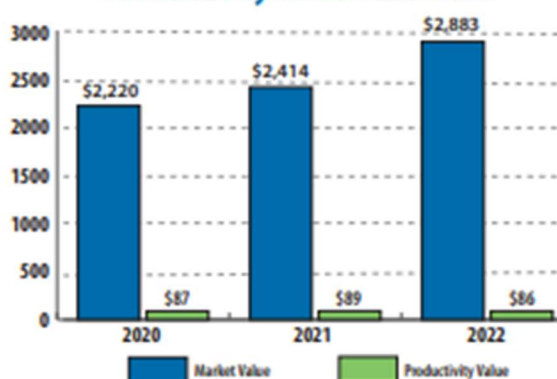
1-d: Tax Code sections 23.41 – 23.48

1-d-1: Tax Code sections 23.51 – 23.60

Total Acres in Productivity Valuation, 2022



Per Acre: Market Value vs. Productivity Value 2020-2022



Total Rollback Tax on 50 Acres

Tax Year	Tax Paid on Productivity Value*	Tax Paid on Market Value*	Difference
2022	\$83	\$2,791	\$2,708
2021	\$79	\$2,144	\$2,065
2020	\$77	\$1,970	\$1,893
Total	<i>*Based on county taxes only</i>		\$6,666

Removing agricultural use from land triggers a rollback tax. A rollback tax is the difference in the taxes paid at productivity value and those that would have been paid at market value.

Key Differences in 1-d and 1-d-1 Laws

Element	1-d	1-d-1
Year Approved	1966	1978
Reapplication	Property owner must apply annually.	Reapplication is required only when the property changes ownership (certain exceptions exist), eligibility to receive special appraisal ends or the chief appraiser requires a new application.
Property owner	Property owner must be an individual.	Individuals and corporations may both qualify.
Occupation and income	Agriculture must be the property owner's primary occupation and source of income. The property owner must show that agriculture is conducted for profit.	Has no occupation, income or profit requirements. Instead, it focuses on whether the land is used to the degree of intensity typical in the area for a particular agricultural enterprise.
Number of preceding years devoted principally to qualifying ag use or timber production	Three years immediately preceding qualification.	Five of the seven preceding years.
Rollback tax	Rollback tax and interest apply when the property is sold or agricultural use is removed. The rollback recaptures taxes for the three preceding years.	Rollback tax applies only when agricultural operations cease or the land changes use. The rollback recaptures taxes for the three preceding years.