

# CALDWELL COUNTY APPRAISAL DISTRICT

## 1-D-1 OPEN SPACE AGRICULTURAL

### QUALIFICATION REQUIREMENTS



*Revised April 2024*

1. Agricultural appraisal applies to land only.
2. The Caldwell CAD will only accept one 1-D-1 Special Valuation application per appraisal year.
3. Land must be in use **currently**.
4. Land use must be an agricultural use.
5. The **principal** use of land must be agriculture.
6. The land must be used to the degree of intensity generally accepted in the area.
7. The land must have been devoted principally to agricultural use for **five of the preceding seven years**.
8. A property owner **must timely** file a valid application with the appraisal district.
9. Property owner must timely reapply if requested by the chief appraiser.
10. Property owner must notify the Appraisal District in writing if the land's eligibility or use-type changes before May 1<sup>st</sup>.
11. Property owner must notify the Appraisal District in writing before May 1<sup>st</sup> if they intend to let the land lay idle for the current year. Rest Request forms are available upon request.
12. **All properties that qualify for 1-d-1 Open Space Agricultural Appraisal are subject to a rollback tax.**

**Caldwell County Appraisal District**

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## **INTRODUCTION**

Promulgated by Caldwell Central Appraisal District (CCAD), the attached guidelines and definitions of open-space land are specific to Caldwell County, applicable to mass appraisal, and are to be applied uniformly throughout Caldwell County. These guidelines are intended to comply with the open-space special appraisal provisions of the Texas Constitution, the Texas Property Tax Code, and the Texas Comptroller's rules.

Article VIII, Section 1-d-1 of the Texas Constitution provides for land to be assessed for property tax purposes as qualified open-space land, based on its capacity to produce agricultural products, rather than on its market value. Productivity value is determined by capitalizing the average net income the land would have yielded under prudent management from production of agricultural products during the five years preceding the current year. Productivity value tends to be lower than market value, resulting in a tax savings to the property owner.

Special appraisal of land as open-space may be based on land use for agriculture, wildlife management, or ecological laboratory. Agriculture, consisting of qualified farming and ranching activities, is the most common use to qualify for open-space valuation in Caldwell County. Sections 23.41 through 23.80 of the Texas Property Tax Code detail the core requirements for qualification and appraisal of open-space land.

Contrary to popular belief, assessment based on open-space valuation due to agricultural or wildlife management use is not an exemption from property tax. The special valuation may significantly reduce the tax burden during the term in which the land's use qualifies for the special valuation, however, a change in its use invokes a tax penalty, or rollback, which recaptures the tax savings from the previous five (5) years. Section 23.55, Change of Use of Land, of the Texas Property Tax Code gives the taxpayer more information about the rollback process and impact to the taxpayer.

The Constitution allows special agriculture appraisal only if land and its owner meet specific requirements defining farm, ranch, ecological and wildlife use. Land doesn't qualify just because it is open, raw or land untouched by development. Token use of land such as home vegetable gardens and recreational use also do not qualify as agricultural use. Section

23.51 of the Texas Property Tax Code sets the minimum requirements for determining whether the land qualifies for agricultural appraisal.

## DEFINITIONS

Agricultural Operation -land operated by the producer with equipment, labor, management and production practices that are substantially separate from other operations. (USDA)

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

- Cultivating the soil
- Producing crops for human or animal feed
- Planting seed for production of fiber
- Raising or keeping livestock
- Raising or keeping exotic animals for the production of human food or other tangible products having commercial value
- Planting cover crops in conjunction with normal crop or livestock rotation
- Floriculture, viticulture, and horticulture
- Planting cover crops for the purpose of participating in government program
- Raise or keeping bees for pollination or production of human food
- Use of land for wildlife management

Animal Unit -used to represent the relationship of quantity of livestock and wildlife in terms of weight. An animal unit equals 1000 lbs of live weight.

Crop -cultivated plant that is grown as food, especially a grain, fruit, or vegetable; an amount of produce harvested at one time

Cultivate – to prepare and use (land) for crops

Equipment -the necessary items for a particular purpose

Exotic animal - means a species of game not indigenous to Texas.

Husbandry -the care, cultivation, and breeding of crops and animals

Implements of Husbandry – Machinery and equipment items that are used in the production of farm or ranch products; regardless of their primary design

Improved Pasture- land planted with grasses that are not native to Caldwell County but suitable for grazing animals.

Livestock – are domesticated animals that derive its primary nourishment from vegetation, supplemented as necessary with commercial feed. Livestock includes meat or dairy cattle, horses, goats, swine, poultry, and sheep. Wild animals are not considered livestock. Miniature horses and miniature donkeys are not considered qualifying agricultural livestock.

Miniature Donkey-Miniature donkeys are not considered qualifying agricultural livestock. They are considered pets. Their height is up to 36 inches at the withers.

Miniature Horse-Miniature horses are not considered qualifying agricultural livestock. They are considered pets. Their height is usually less than 34 to 36 inches as measured at the last hairs of the mane, found at the withers.

Native Pasture –land covered with grasses native to Caldwell County suitable for grazing animals

Open-space -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.

Pasture -land covered with grass and other low plants suitable for grazing animals, especially cattle, goats, or sheep.

Primary -of chief importance

Principle -a fundamental quality or attribute determining the nature of something (Oxford dictionary)

Typical – having the distinctive qualities of a particular type of person or thing (Oxford dictionary)

Use -the action of using something or the state of being used for some purpose (Oxford dictionary)

Orchard -a piece of land planted with fruit trees

Vineyard – a plantation of grapevines, typically producing grapes used in wine making.

Waste Land – land not suitable for production or grazing animals.

## **GUIDELINES**

The CCAD is responsible for the administration of special valuation found in the Texas Property Tax Code in Subchapter D, Sec 23.51 through Sec. 23.60. The district has developed guidelines for qualifying property has open space for special valuation. The district referred to the following resources for guidance in establishing its guidelines:

Texas Property Tax Code

Texas Comptroller of Public Accounts

Texas Parks & Wildlife

Caldwell County Agricultural Advisory Board

Caldwell County Agricultural Extension Services

United States Department of Agricultural

Texas State & Soil Conservation Board

## a. Application

Application for open-space appraisal must be made on the appropriate form provided by the Appraisal District between January 1<sup>st</sup> and **no later** than April 30<sup>th</sup> of the tax year. If this falls on a weekend or holiday, the next work day is the deadline. The postmark is considered the delivery date. For good cause, the Chief Appraiser may extend the application deadline for up to 60 days if the request for extension of the deadline is received in writing before the deadline. (Texas Property Tax Code §23.54 (d))

After receiving the application, the chief appraiser will review the application and make a determination as to whether all qualifications have been met. You may be asked to provide additional information to support your application or scheduled for a field check and an appraiser may visit your property. The owner of the land must show the chief appraiser that the land meets the Property Tax Code §23.51 standard and must provide the chief appraiser all the information necessary to determine whether the land qualifies. The application **MUST** be signed by the owner or designated agent.

If the application is approved, you will be notified in writing by regular mail and also see the difference on your tax statement. If the application has been denied, you will be notified in writing by certified mail of the reason(s). You will then have the ability to file a protest no later than 30 days of the determination or appeal the denial to the Appraisal Review Board (ARB).

Applications received after the deadline will be accepted until the appraisal roll is certified. If approved, these applications will be subject to a penalty of 10 percent of the difference between the tax based on productivity value and the tax based on market value (Texas Property Tax Code §23.431) . Applications filed after the roll is certified will not be considered until the following tax year (Texas Property Tax Code §23.541 (e)).

Once an application for open-space valuation is filed and approved, a landowner is not required to file again, as long as the land qualifies. However, the chief appraiser may request another application, or questionnaire, periodically to confirm current qualification of land previously granted the special valuation if the information on file does not reflect observations from a field check, the length of time after the initial approval. A new application **must** be timely filed when the ownership changes (Texas Property Tax Code §23.54 (e)).

If the chief appraiser requests an application from an existing agricultural property, it is imperative the landowner timely submit the application provided by CCAD. In addition, supporting documentation that confirms the correct land classification(s) for the property should be included. This will reduce the possibility of changing the amount of land allowed the special valuation or removal of the special valuation entirely from the property.

## **b. Principle Use**

To qualify for open-space valuation based on agricultural use, the principle use of the land must be agricultural. The land must be currently devoted PRINCIPALLY to agricultural use to the degree of intensity generally accepted in Caldwell County.

Small acreage that is not used as part of a larger operation with a home built upon the tract is primarily residential in nature, with agricultural use secondary. 1-D-1 Open-space land **MUST** have agricultural use as its PRIMARY use in order to qualify.

In addition, the land must have been principally devoted to a qualifying agricultural use for at least five (5) of the preceding seven (7) years. Agricultural use and activities include, but are not limited to: Cultivating the soil, producing crops for human food, animal feed, or planting seed for the production of fibers; floriculture, viticulture, and horticulture; raising or keeping livestock; raising or keeping exotic animals for the production of human food or fiber, leather, pelts, or other tangible products having a commercial value; and planting cover crops or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure. The term also includes the use of the land to raise and keep bees for pollination or for the production of human food or other tangible products having a commercial value, provided that the land is not less than 5 or more than 20 acres. Some agricultural related activities that do not qualify land for agricultural appraisal are:

- a. harvesting native plants
- b. hunting native wild animals such as deer or turkey
- c. processing activities that take place after the crop or animal has been harvested such as slaughter operations or cotton ginning.

## **b. Degree of Intensity**

The level of use must be to the degree that is typical in this area. The degree of intensity test measures whether the land is being farmed or ranched to the extent that is typical for similar operations in the area generally. The law does not state what degree of intensity qualifies a particular type of land. In a state as large as Texas, no statutory definition could cover all the possible agricultural uses. The chief appraiser is responsible for setting degree of intensity standards for the types of commodity production in the area, with the assistance of the agricultural advisory board, which is made up of three local farmers and ranchers. In addition, a property owner/operator must be able to verify purchases and sales of livestock and/or farm products by bill of sale, sales receipts or other documentation

Our current standards for pasturing livestock are generally these:

- a. adequate fences must be maintained
- b. stock water must be supplied
- c. there must be systematic marketing practices in place, that is, herd management procedures to get the animals to market
- d. there needs to be proper land management to provide long-term forage
- e. there must be enough animal units to match the carrying capacity of the land. We have determined varying stocking ratios depending on whether land cover is improved grass, open native pasture, primarily mesquite or mixed brush, or post oak land. Refer to the attached Degree of Intensity Standards for a complete listing.
- f. there must be enough animals to constitute a typical agricultural operation. Refer to the attached Degree of Intensity Standards for a complete listing.

**Once a property is receiving the special valuation it must meet the intensity of use test every year.**



**The following standards will be applied by Caldwell County Appraisal District:**

<b>OPERATION TYPE</b>	<b>MINIMUM NUMBERS</b>	<b>MINIMUM PRODUCTION PER YEAR</b>
Cow / Calf	4 Cows	3 Calves
Stocker Calves	8 Calves	
Breeding Horses	4 Mares	2 Foals
Goats	20 Nannies	20 Kids
Sheep	20 Ewes	20 Lambs
Axis	20 Does	20 Fawns
Hay	40 Square Bales, or 2 Round Bales per acre	480 Square Bales or 24 Round Bales

**DRY CROP LAND**

Typical crop rotation: cotton/corn, milo, or wheat.

Standard practices: Shred previous crop, till, plant, fertilize, apply herbicide, insect control, maintained in a workman-like manner, harvest

**IMPROVED GRASS**

Pasture Use or Hay Production

Standard Practices: Hay Use: Tillage, fertilize, cut, bale, haul, feed or market.

Pasture Use: Fertilize, weed control, fences maintained, stock water, systematic marketing of animals proper management of land for long-run forage.

**Typical animal stocking ratio: 3-7 acres per animal unit\***

**OPEN NATIVE PASTURE**

Standard Practices: Weed control, fences maintained, stock water, systematic marketing of animals, proper management of land for long-run forage.

**Typical animal stocking ratio: 7-12 acres per animal unit\***

**MIXED BRUSH PASTURE**

Standard Practices: Fences maintained, stock water, systematic marketing of animals, proper management of land for long-run forage.

**Typical animal stocking ratio: 16-25 acres per animal unit\***

\*Caldwell County requires a minimum number of animals run at any given time, on pasture land, to qualify for 1d-1 agricultural appraisal. Minimum animal counts: \*Animal Unit equals 1 cow; 1 bull; 2-500 lb calves; 5 sheep; 5 goats, 5 Axis. A horse equals 1.5 units

20 grown ewes or nannies    4 cows    4 brood mares    8 calves    5 jennies    20 Axis

1. Consideration will be given to parcels less than the minimum acreage per land type that are operational with contiguous parcels if **all** of the following requirements are met:
  - a) The agricultural use and operator of both parcels are the same.
  - b) There is no type of physical barrier such as a road or fence with no gate that separates the parcels.
  - c) In addition, all other CCAD degree of intensity requirements must also be met; and
  - d) Properties that qualify under this exception may be asked to reapply annually.

**Land Type Acreage Requirement:**

Acreage Requirement Formula: Minimum Animal Units (AU) multiplied by acres required to support 1 animal unit = Number of acres to support minimum animal units.

Properties with multi land types will be treated case by case.

<b>Land Type</b>	<b>Minimum Animal Units</b>	<b>Acres to Support 1 Animal Unit</b>	<b>Acres Needed to Meet Minimum Degree of Intensity</b>
<b>Improved Pasture</b>	4 AU	3 Acres	<b>12 Acres</b>
<b>Open Native Pasture</b>	4 AU	7 Acres	<b>28 Acres</b>
<b>Mixed Brush Pasture</b>	4 AU	16 Acres	<b>64 Acres</b>

## Caldwell County Appraisal District Degree of Intensity for Beekeeping

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)

***Acres Requirement:*** the State of Texas has set a minimum of 5 acres and a maximum of 20 acres to qualify beekeeping as an agricultural use.

Our degree of intensity standard is set at a minimum of six colonies and 5 acres. The minimum degree of intensity was established using Section 131.001 Texas Agriculture Code's definition of an apiary, which is a place where six or more colonies of bees or nuclei of bees are kept. A colony is the hive and its equipment and appurtenances including bees, comb, honey, pollen and brood.

Number of Acres	Number of Hives
5.00 to 6.49	6
6.50 to 7.99	7
8.00 to 9.49	8
9.50 to 10.99	9
11.00 to 12.49	10
12.50 to 13.99	11
14.00 to 15.49	12
15.50 to 16.99	13
17.00 to 18.49	14
18.50 to 20.00	15

When property owners initially qualify for agricultural appraisal they must show proof of history for agricultural use/beekeeping for any of the five preceding seven years. One way to do this is to ask for export, import or intra-state permits, which are required by the Texas Apiary Inspection Service to transport hives. Providing receipts of purchase of bees/materials for apiary, and receipts of honey sales is acceptable as well. **An aerial photo with an identified location of hives will be required with the application.** In order to continue to qualify the hives must be located on the property for 8 months of the year and all hives must be maintained and kept alive. Properties that qualify for bee management may be inspected 1-2 times per year to check for compliance.

## ORCHARD & VINEYARD OPERATIONS

These operations are in the business of cultivating trees, bushes or vines that produce nuts or fruits 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 mowed or disked. Drip irrigation and high fencing is typical for vineyards. Evidence of these practices should be apparent during an onsite inspection. The minimum acreage recommendation for an orchard or vineyard is 5 acres but only the area that is planted with trees, bushes or vines will qualify for agricultural valuation.

Pecan Trees	Minimum of 15 per acre
Olive Trees or Bushes	Minimum of 50 per acre
Peach Trees	Minimum of 70 per acre
Vines (grapes, berries, etc)	Minimum of 100 vines per acre
Plant Nurseries	Will be based on normal planting requirements per type of plant grown