

**CAMERON APPRAISAL
DISTRICT**

(1-D-1 OPEN- SPACE)

AGRICULTURAL USE

QUALIFYING

GUIDELINES

**SUBCHAPTER D
APPRAISAL OF AGRICULTURAL LAND**

Sec. 23.51. Definitions.

In this subchapter:

(1) "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. For the purposes of this subdivision, appurtenances to the land means private roads, dams, reservoirs, water wells, canals, ditches, terraces, and other reshaping of the soil, fences, and riparian water rights. Notwithstanding the other provisions of this subdivision, land that is currently devoted principally to wildlife management as defined by Subdivision (7)(B) or (C) to the degree of intensity generally accepted in the area qualifies for appraisal as qualified open-space land under this subchapter regardless of the manner in which the land was used in any preceding year.

(2) "Agricultural use" includes but is not limited to the following activities: cultivating the soil, producing crops for human food, animal feed, or planting seed or 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 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, provided the land is not used for residential purposes or a purpose inconsistent with agricultural use; and planting cover crops or leaving land idle in conjunction with normal crop or livestock rotation procedure. The term also includes the use of land to produce or harvest logs and posts for the use in constructing or repairing fences, pens, barns, or other agricultural improvements on adjacent qualified open-space land having the same owner and devoted to a different agricultural use. The term also includes the use of land for wildlife management. The term also includes the use of land to raise or keep bees for pollination or for the production of human food or other tangible products having a commercial value, provided that the land used is not less than 5 or more than 20 acres.

(3) "Category" means the value classification of land considering the agricultural use to which the land is principally devoted. The chief appraiser shall determine the categories into which land in the appraisal district is classified. In classifying land according to categories, the chief appraiser shall distinguish between irrigated cropland, dry cropland, improved pasture, native pasture, orchard, and waste. The chief appraiser may establish additional categories. The chief appraiser shall further divide each category according to soil type, soil capability, irrigation, general topography, geographical factors, and other factors that influence the productive capacity of the category. The chief appraiser shall obtain information from the Texas Agricultural Extension Service, the Natural Resources Conservation Service of the United States Department of Agriculture, and other recognized agricultural sources for the purposes of determining the categories of land existing in the appraisal district.

(4) "Net to land" means the average annual net income derived from the use of open-space land that would have been earned from the land during the five-year period preceding the year before the appraisal by an owner using ordinary prudence in the management of the land and the farm crops or livestock produced or supported on the land and, in addition, any income received from hunting or recreational leases. The chief appraiser shall calculate net to land by considering the income that would be due to the owner of the land under cash lease, share lease, or whatever lease arrangement is typical in that area for that category of land, and all expenses directly attributable to the agricultural use of the land by the owner shall be subtracted from this owner income and the results shall be used in income capitalization. In calculating net to land, a reasonable deduction shall be made for any depletion that occurs of underground water used in the agricultural operation. For land that qualifies under Subdivision (7) for appraisal under this subchapter, the chief appraiser may not consider in the calculation of net to land the income that would be due to the owner under a hunting or recreational lease of the land.

(5) "Income capitalization" means the process of dividing net to land by the capitalization rate to determine the appraised value.

(6) "Exotic animal" means a species of game not indigenous to this state, including axis deer, nilga antelope, red sheep, other cloven-hoofed ruminant mammals, or exotic fowl as defined by Section 142.001, Agriculture Code.

(7) "Wildlife management" means:

(A) actively using land that at the time the wildlife-management use began was appraised as qualified open-space land under this subchapter or as qualified timber land under Subchapter E 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:

- (i) habitat control;
- (ii) erosion control;
- (iii) predator control;
- (iv) providing supplemental supplies of water;
- (v) providing supplemental supplies of food;
- (vi) providing shelters; and
- (vii) making of census counts to determine population;

(B) actively using land to protect federally listed endangered species under a federal permit if the land is:

(i) included in a habitat preserve and is subject to a conservation easement created under Chapter 183, Natural Resources Code; or

(ii) part of a conservation development under a federally approved habitat conservation plan that restricts the use of the land to protect federally listed endangered species; or

(C) actively using land for a conservation or restoration project to provide compensation for natural resource damages pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. Section 2701 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), or Chapter 40, Natural Resources Code.

(8) “Endangered species,” “federal permit,” and “habitat preserve” have the meanings assigned by Section 83.011, Parks and Wildlife Code.

(Enacted by Acts 1979, 66th Leg., Ch. 841 (S.B. 621), § 1, effective January 1, 1982; am. Acts 1981, 67th Leg., 1st C.S., Ch. 13 (H.B. 30), § 67, effective January 1, 1982; am. Acts 1985, 69th Leg., Ch. 207 (H.B. 2045), § 1, effective September 1, 1985; am. Acts 1987, 70th Leg., Ch. 773 (H.B. 1440), § 1, effective January 1, 1988; am. Acts 1987, 70th Leg., Ch. 780 (H.B. 1867), §§ 1, 2, effective January 1, 1988; am. Acts 1989, 71st Leg., Ch. 796 (H.B. 432), § 19, effective January 1, 1990; am. Acts 1991, 72nd Leg., Ch. 560 (H.B. 1298), §§ 1—3, effective January 1, 1992; am. Acts 1993, 73rd Leg., Ch. 203 (H.B. 608), § 6, effective September 1, 1993; am. Acts 1995, 74th Leg., Ch. 911 (H.B. 1358), § 1, effective January 1, 1996; am. Acts 2003, 78th Leg., Ch. 775 (H.B. 3607), § 1, effective January 1, 2004; am. Acts 2005, 79th Leg., Ch. 817 (S.B. 760), § 1, effective January 1, 2006; am. Acts 2005, 79th Leg., Ch. 1126 (H.B. 2491), § 6, effective September 1, 2005; am. Acts 2007, 80th Leg., Ch. 454 (H.B. 604), § 1, effective January 1, 2008; am. Acts 2007, 80th Leg., Ch. 1112 (H.B. 3630), § 3, effective January 1, 2008; am. Acts 2009, 81st Leg., Ch. 495 (S.B. 801), § 1, effective January 1, 2010; am. Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), § 46.01, effective September 28, 2011.)

DEGREE OF INTENSITY:

Section 23.51 of the Texas Property Tax Code sets the standards for determining whether land qualifies for agricultural appraisal. That section states the “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... for five of the preceding seven years.” To qualify land for agricultural appraisal, the owner must show the chief appraiser that the land meets the section 23.51 standard. The owner must give the chief appraiser all the information he needs to determine whether the land qualifies.

Agricultural land must be devoted to production at a level of intensity that is typical in the local area. The chief appraiser, with input from an agricultural appraisal advisory board composed of local agricultural producers, determines the level or degree of intensity applicable to each type of agricultural use.

- Are there physical improvements on the land such as fences and barns to accommodate livestock?
- Do stocking levels justify the investment and match the lands carrying capacity?
- Does the owner or lessee have the necessary equipment for the operation?
- Are records and receipts maintained?
- The operator should be able to demonstrate what is being put into his agricultural enterprise- in time, labor, equipment, management and capital.

The degree of intensity test measures what the owner is putting into his agricultural enterprise in time, labor, equipment, management and capital then compares it with typical levels of “inputs” for the same enterprise generally found in the area. **This test is intended to exclude land on which token agricultural use occurs in an effort to obtain tax relief.**

The law does not state what degree of intensity qualifies a particular type of land. It is the responsibility of the Chief Appraiser to establish standards according to the local agricultural practices. The Appraisal District will use the following guidelines to determine if an operation meets the degree of intensity. This list of guides is not exhaustive and each operation will be considered on an individual basis.

QUALIFYING AGRICULTURAL GUIDELINES

MINIMUM ACRES: 3 ACRES- BUT MAY VARY DEPENDING ON CATEGORY USE.

ACREAGE REQUIREMENTS EXCLUDE LAND USED FOR HOMESITE. PROPERTIES LESS THAN 3 ACRES WILL GENERALLY NOT QUALIFY FOR THE SPECIAL – USE VALUATION. HOWEVER, CONSIDERATION WILL BE GIVEN TO TRACTS OF LAND LESS THAN 3 ACRES IF ANY OF THE FOLLOWING EXCEPTIONS IS MET:

- A tract of land less than 3 acres will be considered if it is contiguous with another parcel of land where the agricultural use and the operator of the parcels are the same.
- There is no type of physical barrier separating the parcels such as a home that is not owned by the owner/operator. A road or a fence may be acceptable depending on the construction and use.
- The type of operation and the degree of intensity in some of the categories listed below may vary in operations and will be considered on an individual basis.

IRRIGATED CROP LAND:

LAND MUST BE CULTIVATED, IRRIGATED, FERTILIZED AND HARVESTED AND MUST MAINTAIN THE LAND IN A WORKMAN-LIKE MANNER AND FOLLOW PERTINENT FARMING PRACTICES TYPICALLY ACCEPTED IN THIS AREA.

NON-IRRIGATED CROP LAND: fertilized

LAND MUST BE CULTIVATED, IRRIGATED, FERTILIZED AND HARVESTED AND MUST MAINTAIN THE LAND IN A WORKMAN-LIKE MANNER AND FOLLOW PERTINENT FARMING PRACTICES TYPICALLY ACCEPTED IN THIS AREA.

ORCHARD:

80 TREES PER ACRE, FERTILIZED, CULTIVATED, INSECT AND WEED CONTROL, AND HARVESTED (minimum acreage on orchards will be determined on the degree of intensity of the farming operation. The operator should be able to demonstrate what is being put into his agricultural enterprise- in time, labor, equipment, management and capital.)

TRUCK FARM:

VEGETABLES, ORGANIC PRODUCTS ETC. MUST BE CULTIVATED, FERTILIZED AND HARVESTED. (Minimum acreage on truck farms will be determined on the degree of intensity of the farming operation. The operator should be able to demonstrate what is being put into his agricultural enterprise- in time, labor, equipment, management and capital.)

HAY (IRRIGATED LAND):

IRRIGATED, FERTILIZED, WEED CONTROL MUST BE EVIDENT, CLEAR OF ALL BRUSH, AND MUST BE CUT AND BALED AT LEAST 3 OR MORE TIMES PER YEAR.

HAY (NON-IRRIGATED LAND):

NATIVE GRASS: WEED CONTROL MUST BE EVIDENT, CLEAR OF ALL BRUSH AND MUST BE CUT AND BALED AT LEAST 2 OR MORE TIMES PER YEAR

ALL STOCKING RATES ARE BASED ON THE TYPICAL RANCH OPERATION FOR CAMERON COUNTY– TYPICALLY ANIMAL UNITS ARE SUPPORTED BY SUPPLEMENTAL FEEDING AND GRAZING FORAGE. THE TYPICAL SIZE OF A PRODUCTIVE PASTURE IS 10 ACRES.

IMPROVED PASTURE (LIVESTOCK): OUR CURRENT STANDARDS FOR PASTURING LIVESTOCK ARE GENERALLY AS FOLLOWS:

- FENCES MUST BE MAINTAINED IN A MANNER SUITABLE TO CONTAIN THE LIVESTOCK IN THE PASTURE.
- IMPROVED AND SOME NATIVE GRASS
- STOCK WATER MUST BE SUPPLIED
- WEED AND BRUSH CONTROL MUST BE EVIDENT (mechanical or chemical)
- FERTILIZED
- IRRIGATED WHEN WATER IS AVAILABLE
- PROPER MANAGEMENT OF LAND FOR LONG-RUN FORAGE
- SUPPLEMENTAL FEEDING DURING THE WINTER MONTHS

THE DEGREE OF INTENSITY TEST WILL BE MEASURED WITH THE FIELD INSPECTION, NUMBER OF ANIMAL UNITS PER ACRE AND THE OPERATOR’S TIME, LABOR, EQUIPMENT, MANAGEMENT AND CAPITAL. EACH INDIVIDUAL PROPERTY WILL BE COMPARED WITH TYPICAL LEVELS OF INPUTS FOR THE SAME OPERATION IN THE AREA.

ONE (1) ANIMAL UNIT FOR EVERY 2 ACRES IS REQUIRED – A MINIMUM OF 5 ANIMALS UNITS ON A PROPERTY OF 10 ACRES. THE PROPERTY MUST HAVE LIVESTOCK FOR THE MAJORITY PART OF THE YEAR. SEE THE ANIMAL UNIT CHART BELOW TO DETERMINE THE NUMBER OF ANIMALS EQUALS AN ANIMAL UNIT. (COWS, GOATS, SHEEP, HORSES, ETC.) SEE CHART BELOW.

NATIVE PASTURE (LIVESTOCK): OUR CURRENT STANDARDS FOR PASTURING LIVESTOCK ARE GENERALLY AS FOLLOWS:

- FENCES MUST BE MAINTAINED IN A MANNER SUITABLE TO CONTAIN THE LIVESTOCK IN THE PASTURE.
- STOCK WATER MUST BE SUPPLIED
- WEED AND BRUSH CONTROL MUST BE EVIDENT (mechanical or chemical)
- PROPER MANAGEMENT OF LAND FOR LONG-RUN FORAGE
- SUPPLEMENTAL FEEDING DURING THE WINTER MONTHS AND IN MANY CASES THROUGHOUT THE YEAR

ANIMAL UNIT RATIO WILL VARY BETWEEN SOIL TYPES & FORAGE. THE DEGREE OF INTENSITY TEST WILL BE MEASURED WITH THE FIELD INSPECTION, NUMBER OF ANIMAL UNITS PER ACRE AND THE OPERATOR’S TIME, LABOR, EQUIPMENT, MANAGEMENT AND CAPITAL. EACH INDIVIDUAL PROPERTY WILL BE COMPARED WITH TYPICAL LEVELS OF INPUTS FOR THE SAME OPERATION IN THE AREA.

CAMERON APPRAISAL DISTRICT HAS 3 DIFFERENT CATEGORIES FOR NATIVE PASTURE DUE TO THE DIVERSITY OF SOIL TYPES –

NP1 – 1 ANIMAL UNIT FOR EVERY 2 TO 4 ACRES (Soils have few limitations that restrict their use)

NP2 - 1 ANIMAL UNIT FOR EVERY 4 TO 6 ACRES (Soils have moderate limitations that restrict their use)

NP3 - 1 ANIMAL UNIT FOR EVERY 10 - 25 ACRES (Soils have severe to very severe limitations that restrict their use)

THE ANIMAL STOCKING RATES DO NOT MEAN THAT IF YOU HAVE 1 COW ON 2-4 ACRES YOU WILL QUALIFY FOR THE AG VALUATION – EVERY PROPERTY WILL BE SUBJECT TO THE DEGREE OF INTENSITY TEST AS STATED ON PAGE 4.

ANIMAL UNIT CHART

TYPES OF LIVESTOCK:	# OF HEAD	=	ANIMAL UNIT
Stocker Calf	1	=	0.5
Bull	1	=	1.0
Yearling (short yearling)	1	=	0.6
Long Yearling or 2 year old	1	=	1.0
Mature Cow	1	=	1.0
Two Year old Horse	1	=	1.0
Rams	1	=	1.0
Buck (goat or sheep)	1	=	1.0
Does (goat)	5	=	1.0
Ewes (sheep)	5	=	1.0

WILDLIFE: MUST BE A MINIMUM OF 25 ACRES TO QUALIFY FOR WILDLIFE DESIGNATION. (SEE WILDLIFE GUIDELINES BELOW)

MUST HAVE A WRITTEN PLAN- TEXAS PARKS & WILDLIFE HAVE FORMS ON THEIR WEBSITE. A DETAILED ANNUAL REPORT WITH IMPROVEMENTS AND DOCUMENTATION OF PROGRESSION FROM ONE YEAR TO THE NEXT MUST BE PROVIDED IF YOU ARE APPROVED FOR THIS CATEGORY.

CRITERIA FOR 1-D-1W (WILDLIFE MANAGEMENT USE) **APPRAISAL VALUATION**

WILDLIFE MANAGEMENT USE REQUIREMENTS

In 1995 Texas voters approved a proposition to allow landowners to use wildlife management as an agricultural use to receive agricultural valuation. The Comptroller of Public Accounts and the Texas Parks and Wildlife Department issued guidelines as required by law. House Bill 3123, effective January 1, 2002, required that Texas Parks and Wildlife Department develop rules, and that the Comptroller of Public Accounts adopt those rules.

On December 11, 2008 Texas Administrative Code Rule 9.4003 was repealed and Rule 9.2001, 9.2002, 9.2003, 9.2004, and 9.2005 was adopted. These rules clarified the original intent of Texas Property Tax Code §23.51 (1) and (7), and §23.251. Texas Administrative Code 9.2001 defines the purpose of wildlife management as follows:

1. to encourage the preservation of open space for wildlife management and conservation of the state's natural heritage in all areas of the state;
2. to create definitive standards for tax appraisers to follow in determining the qualification of property for appraisal on the basis of wildlife management use;
3. to create a mechanism in addition to the traditional agricultural use to allow ranchers, farmers, and land managers to conserve open space;
4. to affirm local control of property taxation;
5. to preserve revenue neutrality for all concerned parties; and
6. To allow each property currently qualified in wildlife management use to continue being appraised as open space land.

Cameron Appraisal District has compiled criteria for agricultural appraisal valuation through wildlife management 1-d-1w appraisal valuation (hereafter referred to as wildlife management use) from state agency guidelines.

Several initial criteria must be met before a landowner can receive wildlife management use. The first requirement is that the land be qualified for agricultural appraisal under Chapter 23, Subchapter D, of the Texas Property Tax Code at the time the owner changes use to wildlife management. Qualified agricultural land is defined in section 23.51 (1) of the tax code as : “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 proceeding seven years.”

Requirements to qualify for wildlife management use are set forth in Texas Administrative Code Title 34, Part 1, Chapter 9, Subchapter G, Rule §9.2004. They are as follows:

(b) A tract of land qualifies for agricultural appraisal based on wildlife management use if:

- (1) The tract of land is appraised as qualified open space land under Tax Code, Chapter 23, and Subchapter D;
- (2) The landowner's primary use of the tract of land is wildlife management;
- (3) the tract of land is actively being managed to sustain a breeding, migrating, or wintering population of indigenous wildlife through implementation of a wildlife management plan that meets the requirements of §9.2003 of this title (relating to Wildlife Management Plan);
- (4) in each tax year for which the owner seeks to qualify the tract of land for agricultural appraisal based on wildlife management use, the landowner has selected at least three wildlife management practices and, using wildlife management activities, has implemented each of the selected practices to the degree of intensity that is consistent with the Guidelines for Qualification of Agricultural Land in Wildlife Management Use and the Comprehensive Wildlife Management Planning Guidelines for the Eco region in which the tract of land is located and for the specific indigenous wildlife species targeted for management;
- (5) The landowner manages indigenous wildlife for human use; and
- (6) The tract of land meets the specified wildlife use requirements set forth in §9.2005 of this title, if applicable.

In addition the land must be annually managed in at least three of the following as outlined in T.A.C. Title 34, Rule §9.2001:

(4) Wildlife management practices--the management categories listed in Tax Code, §23.51(7)(A)(i) - (vii), habitat control, erosion control, predator control, providing supplemental supplies of water, providing supplemental supplies of food, providing shelters, and making of census counts to determine population.

These practices are further discussed and in *Guidelines for Qualification of Agricultural Land in Wildlife Management Use* a publication of the Comptroller of Public Accounts. You may find this publication at the following web address: <http://comptroller.texas.gov/taxinfo/proptax/apmanuals.html>

To further qualify a tract of land must also meet minimum acreage requirements as outlined in T.A.C. Title 34, Rule §9.2005:

(c) If the number of acres in the tract of land is fewer than the number of acres in the tract of land on January 1 of the preceding tax year, the wildlife use requirement the tract of land must meet to qualify for agricultural appraisal based on wildlife management use shall be selected by the chief appraiser, with the advice and consent of the Appraisal District Board of Directors, from the wildlife use requirement ranges specified for the wildlife use appraisal region in which the tract of land is located as follows:

(8) Gulf Prairies and Marshes (Lower Coast) Region- at least 96% but not more than 98%

Cameron CAD has selected the 96% (25 acre minimum)

(d) The wildlife management use requirement that applies to a tract of land located in a wildlife management property association shall be selected by the chief appraiser, with the advice and consent of the Appraisal District Board of Directors, for the wildlife use appraisal region in which the tract of land is located as follows:

(8) Gulf Prairies and Marshes (Lower Coast) Region- at least 94% but not more than 95%

Cameron CAD has selected the 94% (17 acre minimum)

(e) If the tract of land is located in an area designated by Texas Parks and Wildlife Department as habitat for endangered species, a threatened species, or a candidate species for listing as threatened or endangered, the wildlife use requirement for a tract of land to qualify for agricultural appraisal based on wildlife management use shall be selected by the chief appraiser, with the advice and consent of the Appraisal District Board of Directors, from the wildlife use requirement ranges specified for the wildlife use appraisal region in which the tract of land is located as follows:

(8) Gulf Prairies and Marshes (Lower Coast) Region- at least 94% but not more than 95%.

Cameron CAD has selected the 94% (17 acre minimum)

If an owner wishes to manage for a species and does not have sufficient land to do so, then the owner may enter into an association agreement with his neighbor(s), granted that they meet the guidelines as set forth in Rule §9.2001 of the T.A.C. They are as follows:

(7) Wildlife management property association--a group of landowners whose tracts of land:

(A) Are contiguous (the presence of public roads and bodies of water does not affect the contiguity of the tracts of land);

(B) Are subject to the wildlife use requirements set forth in §9.2005 of this title (relating to Wildlife Use Requirement);

(C) are appraised as qualified open space land under Tax Code, Chapter 23, Subchapter D; and

(D) Are subject to a written agreement that legally obligates the owner of each tract of land to perform the management practices and activities necessary for each tract of land to qualify under this subchapter for appraisal based on wildlife management use.

APPLICATION PROCESS

A wildlife management plan must be submitted to the Cameron Appraisal District by April 30th on the form provided by the Texas Parks and Wildlife per T.A.C. Rule §9.2003 as follows:

- (a) A wildlife management plan shall be completed on the form prescribed by Texas Parks and Wildlife Department (TPWD) for each tract of land for which qualification for agricultural appraisal is sought based on wildlife management use. A copy of this wildlife management plan form may be obtained by contacting Texas Parks and Wildlife Department, 4200 Smith School Road, Austin, Texas 78744-3291 or online through www.tpwd.state.tx.us. A chief appraiser may accept, but may not require, a wildlife management plan that is not on the form prescribed by TPWD if the wildlife management plan contains all of the information required by this section.
- (b) The wildlife management plan shall be provided to the appraisal district in which the tract of land is located.
- (c) The wildlife management plan must include:
 - (1) Ownership information, property description and current use;
 - (2) The landowner's goals and objectives for the tract of land;
 - (3) The specific indigenous wildlife species targeted for management; and
 - (4) The specific management practices and activities to be implemented in support of the specific indigenous wildlife species targeted for management.

For Wildlife Management Associations:

- (f) A wildlife property association may prepare a single wildlife management plan, provided all required information is included for each tract of land in the wildlife management property association and the plan is signed by each landowner or an agent of the landowner designated in the manner required by Tax Code, §1.111 and §9.3044 of this title (relating to Appointment of Agents for Property Tax).

Once the plan is received by the district it will be reviewed. The application is then approved or denied. In the event of a denial, a property owner will receive in writing that a property has been denied application and the reason for the denial; this will be sent via certified mail to the owner of record or their designee. If the application is approved an approval notice will be sent.

If your application is approved the Chief Appraiser will require you to provide an Annual Report showing how the Wildlife Management Plan has been implemented in each year. The report must be submitted on the form prescribed by Texas Parks & Wildlife Department (TPWD) available on their website www.tpwd.texas.gov. You will also be required to provide evidence of the management practices you have selected to do. For example, if you have chosen censuses counts as one of the three required practices you must provide detailed records showing dates, counts, how often the counts are conducted and method used to conduct the censuses counts (stand count, window counts from a vehicle, camera, line counts, etc.). Receipts showing expenses, pictures and any other information that may be useful in proving that you are using the property to the degree of intensity for the purpose of wildlife management for you targeted species.

A good management plan includes past and present land use practices, states the landowner's goals of management for the property, and describes specific activities and practices, which should benefit the targeted species and its/their habitat. The choice of management activities must be made within the context of the land's current physical and biological condition. We encourage owners to seek advice or assistance from the Texas Parks and Wildlife Biologist local to the area (do this early in the year, the closer the deadline the less time they will have).

USEFUL WEBLINKS:

<http://www.cameroncad.org> -- this address takes you to various special valuation forms and exemption forms that are available

www.tpwd.state.tx.us – Texas Parks and Wildlife

<http://www.window.state.tx.us/taxinfo/proptax/> -- Texas Comptrollers website

“HOBBY FARM” GUIDELINES
(REFERENCE SECTION 183 OF THE IRS REGULATIONS)

1. Manner in which the taxpayer carries on the activity. Does the taxpayer go about the activity in a business-like fashion keeping books and records, and does he operate as similar businesses are operated?
2. The expertise of the taxpayer and his advisors. Where the taxpayer has not expertise, does he seek it, and once found does he follow it?
3. The time and effort devoted to the farm. Are either the efforts of taxpayer or his qualified assistants consistent with the size of the investment and a profit motive?
4. Are the assets expected to appreciate in value? Lack of current income may be offset by the possibility of asset appreciation.
5. The taxpayer’s history of profits and losses with respect to the activity. A long uninterrupted history of losses will be harmful, but the presumption noted above will operate if the taxpayer has a profit in two years out of five (or seven).
6. If the taxpayer has been successful in other activities, that may be helpful.
7. If profits are generated, their size in relation to prior or later losses will be considered.
8. If the taxpayer has sufficient wealth to suffer losses, that may indicate a nonprofit motive.
9. If the taxpayer has personal motives or engages in the activity for recreational purposes, his overall profit motives will be a suspect.

AGRICULTURE LAND

The following pages are the guidelines, qualifications and calculation of value for agriculture land in Cameron Appraisal District. The guidelines are within the requirements for mass appraisal purposes, and are supported by Section 183 of the Internal Revenue Service Regulations.

LAND PRODUCTIVITY VALUATION

Two amendments to the Texas Constitution permit agricultural and open-space land to be taxed generally on its agricultural-use, or productivity value. This means that taxes would be assessed against the productive value of the land instead of the selling price of the land in the open space market.

The legal basis for special land appraisal is found in the Texas constitution in Article VIII, Sections 1-d and 1-d-1. The two types of land and valuation are commonly called “Ag-use” or “1-d” and “open-space” or “1-d-1”. The corresponding provisions of the Texas Property Tax Code are Sections 23.41 through 23.46, Agricultural Land, and Sections 23.51 through 23.57, Open-Space Land. The purpose of the two provisions is similar. Under both provisions, the land must be in agricultural use and valued in the same manner. However, there are differences in the qualifications that must be met in order to receive the productivity valuation.

1. Ag-use, 1-d, qualifications include:

- **The land must be owned by a natural person. Partnerships, corporations or organizations may not qualify.
- **The land must have been in agricultural use for three (3) years prior to claiming this valuation.
- **The owner must apply for the designation each year and file a sworn statement about use of the land.
- **The agricultural business must be the land owner’s primary occupation and source of income.

2. Open-Space, 1-d-1, qualifications include:

- **Minimum of 3 acres, unless contiguous with additional qualified agricultural use property.
- **The land must be currently devoted principally to agricultural use to the degree of intensity generally accepted in the area.
- **The land must have been devoted to a qualifying agricultural use for five (5) of the preceding seven (7) years.
When building a ‘history’, the land would qualify for the agricultural use valuation on the 6th year.
- **Land within the boundaries of a city or town must have been devoted to a qualifying agricultural use for the preceding five years.
- **Agricultural business need not be the principal business of the owner.
- **Once an application for 1-d-1 is filed and approved, a landowner is not required to file again as long as the land qualifies unless the chief appraiser requests another application to confirm qualifications.

These provisions are effective only if applications are filed with the appraisal district office in a timely manner. Applications should be filed between January 1 and April 30 with all the documentation the Chief Appraiser is requesting. Please see the acceptable evidence checklist below.

***EVIDENCE FOR PREVIOUS 5 YEARS WILL BE REQUIRED TO BE TURNED IN WHEN A NEW APPLICATION IS FILED**

In order for your property to qualify as 1-D-1 open-space land and be granted a special agricultural use appraisal a 1-D-1 application must be filed. The land must also be currently devoted principally to agricultural use to the degree of intensity accepted in the area and have been devoted principally to agricultural use for at least five of the preceding seven years or five of the previous years if within the corporate bounds of a city. The initial burden of proving the land's agricultural qualification rests on the applicant.

AGRICULTURE EVIDENCE CHECKLIST

Below is a checklist of acceptable evidence that can be provided with the 1-D-1 (Open-Space) Agricultural Appraisal Application. **Please provide at least 3 or more different types of acceptable evidence from the list below for each of the five previous years.** Keep in mind that the more information you can provide, the better the chances of being approved for the agricultural-use appraisal.

Circle type of Ag-use: *Row Crop, Pasture (livestock), Pasture (hay), Orchard, Nursery, Shrimp Farm, Wildlife Management* (additional requirements must be met for Wildlife Management, Shrimp farm, Nursery)
Other (please explain) _____

Acceptable Evidence:

- Receipts for Expenses-** (seeds, fertilizer, irrigation, pesticides, herbicides, gin, contract labor, fencing repair, feed, vaccines, vet, Texas Animal Health Commission, livestock purchases, insurance, etc.)
- Income-** (produce sales, livestock sales, Hay sales, Schedule F, proof of payment received for cash or shared lease agreements, etc.)
- Contract/Lease -** (written contract/notarized affidavit with specifics on term of contract and payment agreement, etc.)
- Other-** (any other pertinent information documenting Ag-use on the property)

*****CAD cannot process the application without all the required documents. Any incomplete applications will be denied.**

If the initial application form does not contain all the information needed to determine whether property qualifies, the chief appraiser may deny your application. Information contained in income statements, income tax returns, land lease rates, and lease agreements is not necessary to determine whether the land qualifies. If the chief appraiser asks an owner for this type of information, the request should clearly state that the owner is not required to give the information to qualify for 1-d-1 appraisal. However all information is helpful to the Chief Appraiser to determine what is typical for Cameron County. If an Applicant is asked to provide additional information, it must be provided within 30 days after the date of the request or the application will be denied.

ROLLBACK TAX

The possibility for a “rollback tax” exists under either form of special land valuation. This liability for additional tax is created under 1-d valuation by either sale of the land or a change in use of the land. It extends back to the three years prior to the year in which the change or sale occurs.

Under 1-d-1, a rollback is triggered by a change in use to a non-agricultural purpose that would not qualify for productivity valuation. Taxes are rolled back or recaptured for the five years preceding the year of the change.

The additional tax is measured by the difference between taxes paid under productivity valuation provisions and the taxes which would have been paid if the land had been put on the tax roll at market value.

DEFINITIONS OF KEY WORDS OR PHRASES

- A. **Prudent** - capable of making important management decisions; shrewd in the management of practical affairs. Specifically, the law states that the land must be utilized as would an ordinary and prudent manager.
- B. **Substantial** - ample to satisfy; considerable in quantity. Specifically, the law states that agricultural land must be an identifiable and a substantial tract of land. This means that the tract must be of adequate size to be economically feasible to farm or ranch.
- C. **Typical** - exhibiting the essential characteristics of a group. Specifically, the law states that Ag Land will be utilized as would a typically (or ordinary) manager. Statistically, a typically prudent manager is the median farmer or rancher.
- D. **Agricultural use to the degree of intensity generally accepted in the area** – farming or ranching to the extent that the typically prudent manager in the area of the taxing unit would farm or ranch on an identifiable and substantial tract of land when the tract is devoted principally to agricultural use. A better understanding of this definition can be gained by identifying the key elements of the definition and explaining each as follows:
1. Degree of intensity generally accepted in the area shall mean that the farming And ranching practices (cropping patterns, planting rates, fertilization methods, Harvesting and marketing techniques, etc.) are those of a typically prudent farm or ranch manager.
 2. Typically prudent farm or ranch managers are ordinary farmers in terms of acres farmed as well as management ability. Given that all other factors remain constant, the number of acres farmed determines the farmers’ capital structure. Typically prudent or ranch managers located in the Cameron Appraisal District are assumed to have similar equipment of similar value and utility.
 3. Simply stated a substantial tract is a tract of land large enough to be farmed by itself in a typically prudent management.
 4. Area is interpreted to be that land inside the jurisdiction boundaries of the Cameron Appraisal District.
 5. Principally means the more important use in comparison with other uses to which the land is put.
- E. **Cap Rate** - capitalization rate used to calculate the productivity value of the land. This rate is the greater of: 10 percent; or the interest rate of the Farm Credit Bank as of December 31 of the previous year plus 2.5 percent.
- F. **Net to Land** - average net income per acre.

Determining Qualification for Wildlife Management

