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Gonzales County Appraisal

District

Agricultural Use Guidelines

Approved by the Agricultural Appraisal Advisory Board, September 2013

Approved by the Board of Directors, September 2013

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 market value of the land in the open 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 "agricultural 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 is valued in the same manner. However, there are differences in the qualifications that must be met in order to receive the productivity valuation.

- 1. Agricultural 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 years prior to claiming**

this valuation.

- The owner must apply for the designation each year, and file a sworn statement about the use of the land.
- The agricultural business must be the land owner's primary occupation and source of income.

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

- The land may be owned by an individual, corporation or partnership.
- 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 at least five of the past seven years.
- Agricultural business need not be the principle business of the owner.
- Once an application for l-d-l 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 current qualifications.

The possibility for a "rollback tax" exists under either form of special land valuation. Under l-d valuation, a rollback is created by a sale of the land or a change in the use of the land. It extends back to the three years prior to the year in which, the change or sale occurs.

Under l-d-l valuation, a rollback is created 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 proceeding the year of the change.

The additional tax is measured by the difference between the 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.

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. Applications received with a postmark date after April 30 but before the appraisal records are approved, are subject to a penalty for late filing. Applications received after the appraisal records are approved cannot be considered and must be filed again the next year.

GONZALES COUNTY APPRAISAL DISTRICT AGRICULTURAL LAND

Guidelines have been established by the Gonzales County Appraisal District for the implementation of these provisions. It is the opinion of the Gonzales County Appraisal District and the Agricultural Appraisal Advisory Board that Agricultural Land Qualification Guidelines are valid for mass appraisal purposes and can be applied uniformly throughout the Gonzales County Appraisal District.

It should be noted that these guidelines are to be used as a general guide for qualifying agricultural land. Exceptions to the general rule will be handled on a case by case basis.

DEFINITIONS OF KEY WORDS AND PHRASES

- **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 in the area of the taxing unit.
- **SUBSTANTIAL** - Ample to satisfy; considerable in quantity. Specifically, the law states that the agricultural land must be an identifiable and substantial tract of land. This means that the tract must be of adequate size to be economically feasible to farm or ranch. Thus, when two small tracts are used together, they may become a substantial amount of land; when used separately they may not be.
- **TYPICAL** - Exhibiting the essential characteristics of a group. Specifically, the law states that Ag land will be utilized as by a typically prudent manager. Statistically, a typically prudent manager is the median farmer or rancher.
- **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 the 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 that farmer's capital structure. Typical prudent farmers or ranch managers located in the Gonzales County 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 manner.
 4. Area is interpreted to be that inside the jurisdictional boundaries of the Gonzales County Appraisal District.
 5. Principally means the more important use compared with other uses to which the land is put.

GENERAL QUALIFICATIONS FOR OPEN-SPACE SPECIAL VALUATION

The Texas Constitution permits special agricultural appraisal only if land and its owner meet specific requirements defining farm and ranch use. Land will not qualify simply because it is rural and has some connection with agriculture. Casual uses such as home vegetable gardens, hobby farming and ranching, or incidental cutting and baling of hay do not really constitute a qualifying agricultural use.

The following guidelines have been developed by the Gonzales County Appraisal District based on what is typical to this area:

1. The land must be currently devoted principally to agricultural use, and the principal use of the land for 5 of the last 7 years must have been agricultural.
2. Agricultural use must be recognizable with the land, maintained in a manner that would indicate prudent management.
3. The land must be utilized to the degree of intensity that is generally accepted in the Gonzales County Appraisal District.
4. The land must be a substantial tract of land that is adequate to support a typically prudent operation and be of a usable management size for the activity involved.
5. The land must be producing an agricultural product intended for sale including but not limited to: livestock, crops for human or animal food, seed or fiber crops, etc.
6. The operator may be asked to provide documentation of management practices, expenses and sales, if necessary. (Feed, fertilizer, equipment invoices, sales receipts, labor expenses, etc).

These guidelines are used as a general guide. There may be circumstances in your agricultural operation which allow it to qualify based on its own merit. Exceptions to the general guide will be handled on a case by case basis.

MINIMUM GUIDELINES FOR 1-d-1 AGRICULTURAL USE

- 1. Only the acreage actually used agriculturally may qualify for 1-d-1.**
- 2. Small acreage with a home built upon the land is primarily residential in nature, with agricultural use secondary. Open-Space land must have agricultural use as its primary use in order to qualify for agricultural use valuation.**
- 3. Stocking ratios are based on 12 months of use. A minimum of 2 animal units per property is required for any livestock operation.**
- 4. Land may layout of agricultural production for normal rotation practices, loss of grass or water due to the lack of rain, and continue its agricultural qualification. However, if the land is out of production for longer than two years, the land may lose its agricultural qualification.**
- 5. A change of use or change of classification of the land must be reported to the Appraisal District. A change of use could be from cattle grazing to a RV park. A change of classification could be from crop to improved pasture.**

CATTLE

Definition of Animal Unit (a.u.)

1 weaned calf or yearling	0.6 animal unit
1 steer or heifer (1 to 2 years)	1.0 animal unit
1 mature cow, with or without un-weaned calf at their side	1.0 animal unit
1 bull (2 years and over)	1.3 animal unit

Two animal units or less than 10 acres in agricultural use - requires an onsite inspection by Appraisal District Staff.

Cow/Calf - This operation is in the business of raising cattle for sale to either processors or to other operators for breeding stock.

Feeder/Stocker- This operation is in the business of raising cattle for processors or to other operators for breeding stock.

Management Practices:

- 1) Fences Maintained
- 2) Stock Water
- 3) Weed Control
- 4) Fertilize
- 5) Marketing

Stocking Ratios:

Improved Pasture
Native Pasture

1 a.u. per 3-6 acres
1 a.u. per 7-20 acres

100 acre example
33 to 16 a.u.
14 to 5 a.u.

SHEEP

Definition of Animal Unit (a.u.):

5 weaned lambs to yearlings	0.6 animal unit
5 mutton or ewes (1 to 2 years)	1.0 animal unit
5 mature ewes, with or without un-weaned lambs by their side	1.0 animal unit
5 rams	1.3 animal unit

Two animal units or less than 10 acres in agricultural use - requires an on-site inspection by Appraisal District Staff.

Management Practices:

- 1) Fences Maintained
- 2) Stock Water
- 3) Market (wool, mohair, or meat)

Stocking Ratios:

		100 acre example
Improved Pasture	1 a.u. per 3-6 acres	165 to 80 ewes
Native Pasture	1 a.u. per 5-10 acres	100 to 50 ewes

GOATS

Definition of Animal Unit (a.u.):

6 weaned kids to yearlings	0.6 animal unit
6 mutton or does (1 to 2 years)	1.0 animal unit

6 mature does, with or without un-weaned kids by their side	1.0 animal unit
6 bucks or muttons over 2 years	1.3 animal unit

2 animal units or less than 10 acres in agricultural use - requires an on-site inspection by Appraisal District Staff.

Management Practices:

- 1) Fences Maintained
- 2) Stock Water
- 3) Market (wool, mohair and/or meat)

Stocking Ratios:

		100 acre example
Improved Pasture	1 a.u. per 3-6 acres	198 to 96 does
Native Pasture	1 a.u. per 5-10 acres	120 to 60 does

HORSES

Definition of Animal Unit (a.u.):

1 yearling	0.78 animal unit
1 horse over 2 years	1.00 animal unit
1 horse over 3 years	1.25 animal unit

2 animal units or less than 10 acres in agricultural use - requires an on-site inspection by Appraisal District Staff.

Management Practices:

- 1) Fences Maintained
- 2) Stock Water
- 3) Marketing
- 4) Breeding Records

Stocking Ratios:

		100 acre example
Improved Pasture	1 a.u. per 3-6 acres	33 to 16 horses
Native Pasture	1 a.u. per 5-10 acres	20 to 10 horses

EXOTICS

Definition of Animal Unit (a.u.):

5 Axis, Aoudad, Fallow, Mouflon,	1.00 animal unit
13 Blackbuck Antelope	1.00 animal unit
7 Sika Deer	1.00 animal unit
2.5 Red Deer, Elk	1.00 animal unit
1 Eland	1.00 animal unit
12 Emus	1.00 animal unit
3 Ostriches	1.00 animal unit
3 Llamas	1.00 animal unit

For free ranging animals, a minimum of 50 acres is required. For pen raised animals, a minimum of 5 acres is required.

This operation is in the business of raising breeds that are not native to Texas for the production of human food or of fiber, leather, pelts, or other tangible products having a commercial value.

Management Practices:

- 1) Seven to eight foot tall perimeter fencing
- 2) Market for products
- 3) Maintain harvesting schedule

Stocking Ratios:

		100 acre example
Free ranging animals	1 a.u. per 50 acres	10 Axis deer
Pen raised animals	1 a.u. per 5 acres	12 Emus in 5 acre pen

HAY

Less than 5 acres in agricultural use - requires an on-site inspection by Appraisal District staff. This operation involves the cultivation of planted or maintained grasses and cutting and baling in round or square bales. Proof of baling receipts, proof of sales, proof of ownership of cattle may be required.

Management Practices:

- 1) Fertilize
- 2) Apply herbicide
- 3) Cut and bale - Minimum of 2 cuttings per year
- 4) Market or used for personal livestock feed

CROPLAND

Less than 5 acres in agricultural use - requires an on-site inspection by Appraisal District staff. This operation involves the cultivation of the soil for planting grain crops with the intent of harvest for sale or for feed.

Management Practices:

- 1) Removal of previous crop
- 2) Planting
- 3) Application of herbicide
- 4) Harvesting
- 5) Tillage
- 6) Fertilizing
- 7) Insect control

ORCHARDS & VINEYARDS

Degree of Intensity:

Pecans	7 trees per acre (Minimum 35' apart)
Peaches	14 trees per acre
Vineyard	100 vines per acre

Less than 5 acres in Pecans; 3 acres in Peaches; 1 acre Vineyard in agricultural use - requires an on-site inspection by Appraisal District Staff. This operation is in the business of cultivating and growing trees or grapevines that produce crops of nuts or fruits.

Management Practices:

- 1) Weed Control
- 2) Insect Control
- 3) Fertilizer
- 4) Pruning
- 5) Supplemental Water
- 6) Harvesting

PROCLAMATION

WHEREAS, an election was held November 8, 2005, in Gonzales County, Texas under Section 143 of the Texas Agriculture Code for or against the following propositions:

Proposition 10 - Adoption of the stock law prohibiting cattle from running at large in the county."

Proposition 11 - Adoption of the stock law prohibiting horses, mules, jacks, jennets, donkeys, hogs, sheep, or goats from running at large in the county."

WHEREAS, the Commissioners Court of Gonzales County, Texas met in open session Monday, November 21, 2005 for the purpose of canvassing the results of the November 8, 2005 Constitutional Amendment Election: and

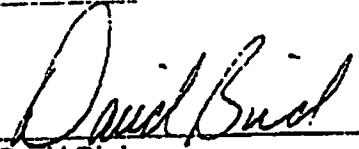
WHEREAS, ballots cast were as follows:


Proposition 10	FOR	1345
	AGAINST	460
Proposition 11	FOR	1387
	AGAINST	441

IT IS hereby declared that said election resulted in the adoption of said stock law by Gonzales County, Texas.

THEREFORE, it is ordered that thirty (30) days after adoption of this order as a proclamation it shall be unlawful to permit to run at large cattle, horses, mules, jacks, jennets, donkeys, hogs, sheep, or goats within the limits of Gonzales County, Texas.

DATED this 21st day of Nov, 2005.


David Bird
Gonzales County Judge

Attest:

Lee Riedel
Gonzales County Clerk