

2016 Washington County Appraisal District

1-D-1 Agricultural Use Guidelines

A SUPPLEMENT TO THE STATE OF TEXAS
PROPERTY TAX MANUAL FOR THE
APPRAISAL OF AGRICULTURAL LAND

These guidelines are general in nature and each tract is considered on its own merits and characteristics. The land must pass an on-site field review.

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For Additional
Information

Contact

Willy Dilworth
Washington County Appraisal District

Phone:
979-277-3740

Email:
wdilworth@brenhamk-12.net

Physical Address:

1301 Niebuhr St
Brenham, Tx.

WASHINGTON COUNTY APPRAISAL DISTRICT AGRICULTURAL LAND

The Washington County Appraisal District, with assistance from the Agricultural Committee, has established 1-d-1 agricultural guidelines in order to implement the requirements for open-space appraisal pursuant to Tex. Tax Code 23.51, et seq. We believe these Guidelines are valid for mass appraisal purposes and can be applied uniformly throughout Washington County.

These guidelines are supported by Section 183 of the Internal Revenue Service Regulations.

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/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 in the area of the taxing unit.

B. **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.

C. **TYPICAL** – exhibiting the essential characteristics of a group. Specifically, the law states that Ag land will be utilized as would a typically (ordinary) prudent manager. The type of use that is typical depends on the type of land, type of use, and common local usage for that land and use.

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 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 Washington County 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 land located within the boundaries of the Washington County Appraisal District.
5. Principally means the primary or more important use comparison with other uses to which the land is put.
6. The chief appraiser may create guidelines using some minimum size restrictions but only if they relate to the proper agricultural economy of the land. For example, a chief appraiser may determine that based on the type of land and soil prevalent within the appraisal district – it takes 5 acres of grazing land to support one animal unit. Persons having less than the minimum under continuous use probably could not qualify for special appraisal. This land should be reviewed carefully before agricultural use appraisal is granted.

ANIMAL UNITS

1 Cow = 1 A.U.
Cow & Calf = 1 A.U.
Horse = 1 A.U.
Bull = 1 1/2 A.U.
2 – 500 Pound Calves = 1 A.U.
2 Colts = 1 A.U.
6 Goats & Sheep = 1 A.U.
2 Miniature Horses = 1 A.U.
2 Miniature Donkeys = 1 A.U.

STOCKING BASED ON 12 MONTHS

Small tract minimum of 5 animal units

Larger tracts

Good Pasture -1 animal unit to 5 acres
Average Pasture – 1 animal unit to 8 acres
Fair Pasture – 1 animal unit to 12 acres
Poor- 1 animal unit to 15 acres

GENERAL 1-D-1 AGRICULTURAL EVALUATION WASHINGTON COUNTY APPRAISAL DISTRICT

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 agricultural. Casual uses such as home vegetable gardens, hobby farming and ranching, or incidental cutting and baling of hay do not really constitute a qualifying agriculture use.

The following guidelines have been developed by Washington 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 five (5) of the last seven (7) years must have been agricultural. If the land is located within the limits of an incorporated city or town, it must have been used continuously to agricultural use for the five (5) preceding years, unless the city or town is not providing the land with governmental and proprietary services similar to those provided to other similar properties.
2. Agricultural use of a property must be recognizable with the property 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 Washington County.
4. It must be a substantial tract of land that is adequate to support a typically prudent operation and be of a useable 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. Operator may be asked to provide documentation of management practices, expenses and sales, if necessary. For example – feed/fertilizer invoices, equipment invoices, sales receipts, labor expenses, IRS Schedule F.
7. Operator may be asked to show evidence that he is not engaged in a hobby according to the guidelines set out in Reference Section 183 of the I.R.S. Regulations.

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

WASHINGTON COUNTY APPRAISAL DISTRICT MINIMUM GUIDELINES FOR AG-USE 1-D-1

Only the acreage actually used agriculturally may qualify for ag-use 1-d-1.

Small acreage with a home built upon the tract is primarily residential in nature, with ag-use secondary. Open space land must have ag-use as its primary use in order to qualify for ag-use.

If a drought in the County declared by the Governor declares creates an agricultural necessity to extend the normal time the land remains out of agricultural production, the land's eligibility does not end if the land ceases to be used for to the degree of intensity generally accepted in the area for that period of time. Typically, however, if land lays out of production for longer than one (1) year the land may lose its open-space qualification.

LIVESTOCK

Typically 15 acres of land is required to achieve minimum standard of production to qualify agricultural use given prudent management. Must produce sufficient forage to sustain a minimum of 5 animal units on a year round basis satisfying the intensity levels. Rotational grazing must be at least 180 days and the intensity is doubled.

COW/CALF - This operation is in the business of raising beef for sale to either processors or to other operators for breeding stock.

FEEDER/STOCK - This operation is in the business of raising beef for processors. Must be on feed for 150 days and the intensity would double.

SHEEP - GOATS - This operation is in the business of providing two products wool/mohair & meat.

HORSES - This operation consists of raising, grazing or breeding horses. Breeding operations will have brood mares. Usually includes special facilities; pasture is normally coastal.

Stabling, training or recreational use of horses is not considered agricultural use.

Livestock Management Practices

Fences Maintained	Weed Control
Stock Water	Marketing

HAY PRODUCTION

Typically 10 acres of land is required to achieve minimum standard of production to qualify agricultural use given prudent management. Yield per acre 2000 lbs (2 large round/50 square bales) per cutting. Minimum two cuttings per year. Less than 10 acres must meet the 10 acre intensity level.

This operation involves the cultivation of planted or maintained grasses.

Proof of baling receipts, proof of sales, and proof of ownership of cattle may be required.

Management Practices

Fertilize	Apply herbicide
Cut/bale	Limited grazing
Market or used for personal livestock feed.	

Cutting or mowing property to clear grass or weeds does not qualify as agricultural use.

CROPLAND

Typically 10 acres of land is required to achieve minimum standard of production to qualify agricultural use given prudent management.

This operation involves the cultivation of the soil for planting grain crops with the intent of harvest for sale or for feed.

Management practices

Shredding previous crop	Planting
Apply herbicide	Harvest
Tillage	Fertilize
Insect control	

ORCHARD/VINEYARD

Minimum 5 acres of land is required to achieve minimum standard of production to qualify for agricultural use given prudent management practices are followed. Stand practices are based on the Texas A&M AgriLife recommendations <http://aggie-horticulture.tamu.edu/>

This operation is in the business of cultivating & growing of trees or grapevines that produces crops of nuts & fruit.

Management practices

Weed control	Insect control
Fertilizer	Pruning
Supplemental water	Harvesting

EXOTICS

Typically 15 acres of land is required to achieve minimum standard of production to qualify agricultural use given prudent management. Must produce sufficient forage to sustain a minimum of 5 animal units on a year round basis satisfying the intensity levels.

This operation is in the business of raising breeds that are not native to Texas for supplying meat and/or leather for the specialty markets.

Management practices

Seven to eight foot perimeter fence Market for meat and or leather
Maintain harvesting schedule

BEE GUIDELINES

Acreage limits; Minimum 5 acres
Maximum: 20 acres

Minimum of 6 hives to 7 acres

7 hives at 7.01 to 9 acres

8 hives at 9.01 to 11 acres

9 hives at 11.01 to 13 acres

10 hives at 13.01 to 15 acres

11 hives at 15.01 to 17 acres

12 hives at 17.01 to 20 acres

Bees can be used to establish history

Hives must be maintained and kept alive

We will grant agricultural use on the total acreage,
not just the area where the hives sit

WILDLIFE MANAGEMENT

Land actively used for wildlife-management. Use 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 and recreation:

1. Habitat control
2. Erosion control
3. Predator control
4. Providing supplemental supplies of water
5. Providing supplemental supplies of food
6. Providing shelters
7. Making of census counts to determine population

The property must be actively qualified under 1-d or 1-d-1 before changing to Wildlife Management.

A 1-d-1 application, an activity location map, and a Wildlife Management Plan promulgated by the Texas Department of Parks and Wildlife, must accompany each application for wildlife management use. In addition, a Wildlife Management Annual Report may be required each year thereafter. Both of these forms are available at the appraisal district office.

EXCEPTIONS

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 must be filed with the appraisal district. These tracts must be used to support a larger farm or ranch in a close proximity to the larger operation.