

Fayette County Appraisal District

Agricultural Guidelines

May 4, 2011

**A SUPPLEMENT TO THE STATE OF TEXAS PROPERTY TAX MANUAL FOR THE
APPRAISAL OF AGRICULTURAL LAND AND WILDLIFE MANAGEMENT
ACTIVITIES AND PRACTICES**

FAYETTE COUNTY APPRAISAL DISTRICT AGRICULTURAL LAND GUIDELINES

The Fayette County Appraisal District has established 1-d-1 agricultural guidelines. It is the opinion of the Fayette County Appraisal District and the Agricultural Advisory Board that Agricultural Land Qualification Guidelines are valid for mass appraisal purposes and can be applied uniformly throughout Fayette County.

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.

DEFINITIONS OF KEY WORDS/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 substantial amount of land; when used separately they may not be.

TYPICAL – Exhibiting the essential characteristics of a group. Specifically, the law states that agricultural land will be utilized as would a typically (ordinary) 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 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 Fayette 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 inside the jurisdictional boundaries of the Fayette County Appraisal District.

5. Principally means the more important use comparison with other uses to which the land is put.

Intensity standards are derived from what is typical in the local area for the different agriculture operations. In order to help the Appraisal Districts define these standards, the State Legislature provided for an outside advisory board to be formed for this purpose, Fayette County Agricultural Advisory Board. In order to qualify, open-space land must meet or exceed the minimum standards of the Fayette County Appraisal District.

GENERAL 1-d-1 AGRICULTURAL EVALUATION (OPEN-SPACE)

The Texas Constitution permits special agricultural appraisal (open-space) 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 constitute a qualifying agriculture use.

The following guidelines have been developed by Fayette 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.
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 Fayette 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.

MINIMUM GUIDELINES FOR AGRICULTURAL USE 1-d-1 (OPEN-SPACE)

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

Small acreage with a residential or commercial structure is considered primarily residential or commercial in nature, with agricultural use secondary. Open-Space land **MUST** have agricultural use as its **PRIMARY USE** in order to qualify. Adding small acreage to existing residential or commercial tracts is considered an extension of the site and is not considered primarily agricultural.

Typically a small tract, less than **fifteen (15) acres**, is considered as agricultural land **ONLY** if it is vacant and run as part of a larger contiguous agricultural operation.

If a small vacant tract is used as part of a larger grazing operation, it may qualify. Written verification of participation in a larger operation **MUST** be filed with the Fayette County Appraisal District. This written documentation can be a written lease and/or a written affidavit statement from the property owner that a written agreement is in effect. If a statement is used, the location of property, parties involved and length of agreement must be stated.

Small vacant tract of land that is not contiguous with other parcels being held in common ownership or under lease, but is principally devoted to agricultural use for such use as product storage, equipment storage, or livestock feeding or handling may qualify. Generally such uses compliment agricultural usage as farming or ranching operations and achieves intensity of use typically accepted in the area. The tract is used to support a larger farm or ranch in a close proximity to the larger operation.

LIVESTOCK

Typically fifteen (15) acres of land is required to achieve minimum standard of production to qualify as agricultural use given prudent management. Must produce sufficient forage to sustain a minimum of five (5) animal units on a year round basis satisfying the intensity levels; Rotational grazing must be at least 180 days and the intensity 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 wool, mohair, or meat.

HORSES – This operation is directed to breeding operations. By-products are colt and fillies. This operation involves having brood mares. Usually includes special facilities and pasture is normally coastal.

Horses stabled, trained or used for recreational purposes do not qualify for agricultural use.

ANIMALS USED FOR “CUTTING” OR “ROPING” – Would not qualify, this type of cattle is used for recreational purposes.

LIVESTOCK MANAGEMENT PRACTICES

- Fences Maintained
- Stock Water
- Weed Control
- Fertilize
- Marketing

AGRICULTURAL LAND USE CLASSIFICATIONS

Native Pasture – Grazing land which grows grasses that are native to your region. This category may also include some acreage that is covered with trees and/or dense brush, and may afford a minimum amount of forage for livestock and may also be used by livestock as winter shelter.

Improved Pasture – Land planted with grass or grasses that are not native to your region. This land consists of grasses that are typically used for hay. Pasture is fertilized once or twice a year. Typically the grass is cut for hay at least twice a year. (i.e. Bermuda Hybrids including jigs, tifton, coastal and bahia, kline, giant bermuda and alicia)

Cropland – Land planted in row or broadcast crops. Crops grown for sale or crops to be used as livestock feed in your operation.

Irrigated Cropland – Land that is cultivated on a regular basis and planted in an annual crop or crops that are watered on a systematic basis, usually from irrigation well, creek, river or pond

Orchards – Land having trees that are planted in rows for the specific purpose of producing fruit and/or nut crops.

Timberland – Land that is densely wooded with pine or hardwood trees that are cut and sold commercially and where a reseeding plan is in place.

HAY MEADOW

Typically ten (10) acres of land is required to achieve minimum standard of production to qualify as agricultural use given prudent management. Yield per acre 2,000 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.

Property cut one time to clear the grass/weeds will not qualify for agricultural use.

HAY MEADOW MANAGEMENT PRACTICES

- Fertilize
- Apply Herbicide
- Limited Grazing
- Cut/Bale
- Market or used for personal livestock feed

ANIMAL UNITS

1 Cow = 1 animal unit
Cow and calf = 1 animal unit
2 – 500 pound calves = 1 animal unit
Bull = 1 ½ animal unit
Horse = 1 animal unit
2 Colts = 1 animal unit
2 Miniature Horses = 1 animal unit
2 Miniature Donkeys = 1 animal unit
6 Goats and sheep = 1 animal unit

STOCKING BASED ON 12 MONTHS

Small tract minimum of 5 animal units

Larger tracts

Good Pasture – 1 animal unit to 3 acres
Average Pasture – 1 animal unit to 5 acres
Poor Pasture – 1 animal unit to 8 acres

CROPLAND

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

This operation involves the cultivation of the soil for annual planting of crops with the intent of harvest for sale or for feed. (ie. corn, wheat, oats, cotton, sorghums, etc.)

CROPLAND MANAGEMENT PRACTICES

- Shredding previous crop
- Apply herbicide
- Apply pesticide
- Fertilize
- Tillage
- Planting
- Harvest

ORCHARD/VINEYARD

Typically five (5) acres of land is required to achieve minimum standard of production to qualify as agricultural use given prudent management. Stand practices pecan 10 trees per acre, peaches 35 trees per acre and vineyard 100 plants per acre.

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

ORCHARD/VINEYARD MANAGEMENT PRACTICES

- Weed control
- Insect control
- Fertilizer
- Pruning
- Harvesting
- Supplemental Water

EXOTICS

Typically fifteen (15) acres of land is required to achieve minimum standard of production to qualify as agricultural use given prudent management. Must produce sufficient forage to sustain a minimum of 4 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.

EXOTIC MANAGEMENT PRACTICES

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

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, or 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.

In accordance with Texas Department of Parks and Wildlife regulations, the Fayette County Appraisal District has adopted the following minimum acreages for new tracts wanting to qualify for wildlife management use after January 1, 2002. A new tract is defined as a smaller tract split from a larger tract that previously qualified for agricultural use.

Wildlife management use – **16.670 acres**

Wildlife property associations – **11.000 acres**

Areas designated as habitat for candidate, threatened, or endangered species – **11.000 acres**

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 must be filed each year thereafter and a new Wildlife Management Plan submitted every three years. Both of these forms are available at the appraisal district office.

GROSS ANNUAL RECEIPTS OR INCOME FROM THE SALE OF AGRICULTURAL PRODUCTS

If the land is under agricultural use there should be sales of products. The owner may be required to provide the following data:

1. Internal Revenue Service Schedule F Tax Form
2. Statement by owner declaring products produced and gross income earned to land

Land left idle as part of a government agricultural or conservation program or land left idle for normal crop or livestock rotation can also qualify if under normal circumstances and given prudent management, production of agricultural products can achieve intensity of use typical for the area.

SUGGESTED MINIMUM REQUIREMENTS FOR 1-d-1 TIMBERLAND

1. A written Forest Management Plan prepared by a properly trained forester.
2. Records of improvements and Forest Management; Treatments as prescribed in the plan (cost records)
3. Commercial Timber Stocking (Pine or Cedar)
4. Documented Timber Harvest
 - a. As prescribed in Forest Management Plan
 - b. Approximately 7 to 10 year intervals
 - c. Exception for immature stands
5. On immature stands, must have 300 stems of commercial timber per acre that are overtopped, that is being released.
6. Must have soil site index of 65 or greater for pine trees.