

BROWN COUNTY APPRAISAL DISTRICT
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AGRICULTURAL APPRAISAL – FAQ's

1) Are agricultural exemptions and agricultural appraisal the same thing? What is an agricultural exemption?

No, they are not the same thing. There seems to be some confusion regarding agricultural exemptions and agricultural special use appraisals, and these phrases seem to be used interchangeably when in fact, they are totally different.

Agricultural appraisals – Application for 1-d-1 (Open-Space Agricultural Use appraisal is only available through this office. If the property qualifies under Chapter 23, Subchapter D of the Property Tax Code, then your land will receive a special agricultural appraisal. Taxes are calculated on the agricultural value instead of the market value.

Ag exemptions – Property Tax Code Sec 11.161: Machinery and equipment items that are used in the production of farm or ranch products or of timber, regardless of their primary design, are considered to be implements of husbandry and are exempt from ad valorem taxation. There is no application. Farm structures such as buildings, silos, sheds, etc., are not exempt from taxation.

Texas agricultural sales tax exemption – If you are in a qualified farm or ranch industry, certain items you purchase that are used in the production of agricultural and timber products are exempt from sales taxes. This is only available by application through the Texas Comptroller of Public Accounts. Please refer to their [website: https://comptroller.texas.gov/taxes/ag-timber/](https://comptroller.texas.gov/taxes/ag-timber/)

Applying and receiving the agricultural appraisal in this office does not have anything to do with receiving the Texas agricultural sales tax exemption. Our office does not issue a tax id number for the use of buying products for agricultural purposes

2) How much land do I need to qualify?

The Brown County Appraisal District (BCAD) does not necessarily have minimum tract sizes to qualify, but rather minimum standards for what is typical for this county. For livestock, the land must be able to support a minimum of 3 animal units. For cropland, a minimum size field is 5 acres. Orchards and truck farms must be a minimum of 3 acres and usually in the business of producing crops which are sold commercially. This orchard or truck farm must be 35' X 35' square. For beekeeping/apiculture operations, the minimum is 5 acres without residence, and the maximum is 21 acres with residence.

3) What is an animal unit?

An animal unit (AU) is a standard for comparing diverse types of livestock. It equals 1,000 pounds of live weight.

1 cow or cow & calf pair = 1 AU

6 Spanish Goats (Nanny) = 1 AU

5 Domestic Sheep (Ewe) = 1 AU

4) How can I qualify my land for the agricultural appraisal?

The land must be used principally for agriculture for five out of the preceding seven years. If the land is located within the corporate limits of a city, then it must have been used principally for agriculture for the five preceding years. The property owner must file an Application for 1-d-1 (Open-Space) Agricultural Use Appraisal.

5) I received this agricultural application in the mail. Why? Do I have to complete this application?

If a property currently has an agricultural appraisal, the BCAD makes an effort to mail an application for a new agricultural appraisal application if the property owner acquired property that also has an agricultural appraisal; sold a portion of their property; and any other type of name change or ownership change. The BCAD is not required to mail the applications, but makes an effort to do so out of courtesy to the taxpayers. You may also receive the application because the appraiser needs to know how you qualify or notices a change in your farm and ranch practices. You may have gotten the application because the chief appraiser is requesting an update.

If you are still using the property for agricultural purposes, then you must complete the application and submit it to the BCAD on or before April 30 to continue to receive this special use appraisal. If it is not completed, the land will lose this special use appraisal and be assessed at market value. If the form is returned and approved after April 30 but before certification of the appraisal roll (sometime in July), then the property will receive a **penalty** equal to 10% of the tax savings resulting from the agricultural appraisal.

6) I have a garden and a few fruit trees behind my house and I sometimes sell my harvests at the Farmer's Market. Why won't you grant the agricultural appraisal on my tract?

According to the statute, land must be devoted principally to an agricultural use. If the land is used for more than one purpose, the most important or primary use must be agriculture to qualify. Pleasure gardening is NOT the principal use of residential land. The tract must also meet our minimum tract size standard of 3 acres and be used to the degree of intensity typical for this county.

7) I have horses. Can my land qualify?

Yes. BCAD's policy on horses: At least 3 head of breeding age mares are required to be considered a typical horse breeding operation and must meet the minimum stocking rate based on land type. Donkeys, mules and burros are also included under horse operations and have the same guidelines. Miniature or dwarf horses also fall under the same guidelines but do not follow the same animal unit base.

8) I am using the property for agricultural purposes, but my house and barn are not receiving this ag appraisal. Why?

Agricultural appraisal applies only to land. It does not apply to the improvements. (i.e. houses and structures such as barns, sheds, silos, storages buildings, etc.) The land beneath the agricultural improvements does qualify for the special appraisal if it is used in connection with the agricultural operation. The land beneath homes or human habitats does not qualify for this special appraisal.

9) Do I have to own the animals to qualify?

No. As long as your land is being primarily used for agricultural use, it can still qualify. You can lease your land to someone who will operate your land for agricultural use. It is your responsibility to see that the owner of the animals is using your land to the degree intensity required to keep the agricultural appraisal.

10) I lease my land for hunting. Can I get an ag appraisal?

No. Hunting does not qualify the land and is not considered an agricultural activity.

11) Can I hunt on my ag land or lease my land for hunting and keep my ag appraisal?

As long as your land is primarily used for agricultural purposes to the degree of intensity required by this county for the majority of the year and hunting is a secondary use, not the primary use, then you can keep receiving this special appraisal.

12) I let wild deer graze my land; does my land qualify?

No. Permitting wild deer to eat natural vegetation is not an agricultural use.

13) I manage my land for whitetail deer (or other native wildlife); does my land qualify?

Maybe. Please see BCAD's policy on wildlife management. If you meet the criteria, you must complete a Wildlife Management application along with a new Application for 1-d-1 Agricultural Use when converting from traditional agriculture to wildlife management.

If you are a whitetail deer breeder, then you will need to provide a copy of your deer breeder's permit from the Texas Parks & Wildlife Association.

14) Which is cheaper, traditional ag use land or wildlife management land?

Neither. The values for both are calculated using the same agricultural land value tables and are based on ag land type.

15) I have axis deer and blackbucks, why can't I apply for wildlife management?

Wildlife management is for land devoted to managing indigenous wildlife. Having or raising exotics on your land does not meet the qualifications of wildlife management. Exotics are not considered for wildlife management. Under the right circumstances, they can be considered under the traditional 1-d-1 agricultural appraisal.

16) I own 50 acres. I have no animals. I plant 25 acres of crops. Can I have the ag appraisal?

Only the 25 acres of cropland qualifies. The other 25 acres must be used and principally devoted to an agricultural activity to qualify.

17) My land was not previously in agricultural use, but now I have qualifying animals (or cropland); can I have the ag appraisal now?

No. According to state law, the land must have been used for five years out of the past seven previous years for agricultural production (or the preceding five years if located in the corporate city limits). You need to fill out an ag application (Application for 1-d-1 Agricultural Use Appraisal) so that we know your intent to convert this land to agricultural use. We require you to fill out an application every year until this time period test is over and you start receiving the agricultural appraisal. This gives the appraiser time to inspect your property and visit with you regarding your agricultural activities and any changes to state law or local policy. You may have to prove that your land was used the previous 5 out of 7 years if the appraiser has not confirmed or verified the agricultural activity on your land. This can be done with receipts, affidavits, etc. Please visit the BCAD for more information.

18) What is an agricultural rollback tax?

When land no longer qualifies for ag use, the taxing unit assesses taxes for (up to) the preceding three years. The additional tax is the difference between the amount of tax imposed (the tax on the ag land) and the amount that would have been imposed if the land had been appraised at full market value, plus interest. Interest accrues from the date the taxes were due in each of the rollback years. The interest rate is 5% annually.

The ag rollback tax is usually triggered when all or part of your land no longer qualifies. For example, you change part of your land to a commercial or residential use or you subdivide (or develop) the land in parcels too small to justify the land to continue receiving the agricultural appraisal.

If you have a vacant tract of land receiving the agricultural appraisal and you continue the agricultural appraisal, you are allowed to build or place a home on the tract and no ag rollback tax will be triggered. If you acquire a tract of land that is currently receiving the agricultural appraisal and immediately start to build or place a home on the property before you qualify the land for agricultural use, then a rollback tax will be triggered on part of your land. If the qualifying ag land already has a home on the land and you build or place a second home on the land, then a rollback tax will be triggered on part of your land.

If you have any other questions, please feel free to call Brent Jackson at 325-643-5676 ext 107 or email at bjackson@brown-cad.org. Our office hours are 8-4:30 Monday through Friday.