

Ag, Timber, Wildlife, & Beekeeping Special Use Valuation aka Ag/ Timber Exemptions

Frequently Asked Questions

What is Ag or Timber “exemption”?

Ag, Timber, Wildlife & Beekeeping special use valuation (commonly referred to as ag or timber “exemption”) is a valuation placed on a property based on its use and productivity. A property owner will still need to pay taxes on a property, but the taxable value of the land is typically reduced significantly.

What is required to apply for Ag, Timber, Wildlife, or Beekeeping Special Use Valuation?

Property must be currently devoted principally to agriculture, timber, or beekeeping use to the degree of intensity generally accepted in the area for **five** of the preceding seven years. A property must meet the minimum five out of seven-year rule and qualify for one year under ag or timber to make application and be considered for wildlife special use valuation.

What do I have to do with my land to receive agricultural designation?

The land must be used to produce crops or livestock for commercial use in an attempt to make a profit. Hobby farming, as described by the IRS, does not qualify. An owner may use the land for himself or he may lease the property to someone else.

How do I obtain an application?

There are a few ways to obtain an application for 1-d-1 special use valuation. You may download a blank form from the CAD website at www.walkercad.org, the Texas Comptroller of Public Accounts website at www.comptroller.texas.gov, or come by our office and get one printed. An application printed by our office for a specific property will have most of your basic property information filled out.

Who must turn in a management plan & how do I get one?

A management plan must be submitted in addition to an application for any property to be considered for timber or wildlife special use valuation. These forms may be written by a forester, a privately owned management company, or the property owner. Additionally, Texas Parks & Wildlife has form PWD 885-W7000 that can be found on their website for wildlife management plans. It has been our experience that property owners familiar with the management activities of their property have prepared plans that are comparable with a paid forester or management company.

What does a good timber management plan include?

A good management plan will include but is not limited to:

- Identify the property & give a brief description of the location,
- describe the management activities the property owner has been actively participating in
- Give estimates of dates when thinning or harvesting has occurred and/ or is expected.
- Active management practices for timber will include:
 - Periodic thinning
 - Controlling vines from the forest floor to the treetop – this is one of the primary ways fires will spread from the forest floor up.

- Creating/maintaining fire breaks or buffer areas – these allow for decreased chances of fires spreading from stand to stand
- Pesticide & insect control
- Creating/ maintaining boundary markers
- Periodic controlled burns
- Reseeding
- Continued road maintenance or established right-of-way
- Select Cutting or harvests
- The management plan should be signed by the preparer.
- In addition to having the management plan on file, the property owner should also be following the activities described in that plan.

What does a good wildlife management plan include?

A good management plan will include but is not limited to:

- Should identify the property and give a brief description of the location
- Provide management goals and targeted species for management
- Identify which of the seven management activities are occurring on the parcel. Please remember you must be performing three of the seven on an annual basis
- Describe how specifically are those management activities being performed.
 - We have seen property owners install rip-rap or bull rock to slow the effects of erosion
 - Pond construction or repair
 - Mitigation of wetlands in some areas of the county
 - Fire ant control & feral hog control qualifies as predator control. Fire ants are considered a predator as they can and will kill young, small or injured mammals
 - Providing supplemental food in the form of feeders or food plots

- In addition to having the management plan on file, the property owner should also be following the activities described in that plan.

What is the application deadline?

Applications will be accepted timely through April 30th of each year. Late applications can be accepted until the appraisal review board approves the appraisal records (generally around July 20th). Late applications will be assessed a penalty as required by the Texas Property Tax Code.

How will I know if my application has been granted?

Statutorily the CAD is only required to notify property owners if an application has been denied. This denial is required to be sent via certified mail. All applications must be processed by law within 90 days of being received by the CAD. We will answer questions on if an application has been granted after this 90-day period.

How often do I need to reapply for special use valuation?

Once the application is filed and approved under 1-d-1 requirements, the land continues to receive agricultural appraisal every year without a new application unless the ownership changes, the land's eligibility ends, or the chief appraiser requires a new application. If the chief appraiser has good cause to believe that land no longer is eligible for special appraisal, the chief appraiser may require a new application to confirm that the land currently is eligible by delivering to the property owner written notice that a new application is required along with the application form itself. It is policy of the Walker CAD's chief appraiser to request new applications due to an acreage change from a previous application. This includes any splits or merges performed on an account. Wildlife management special use valuation accounts are required to submit an annual report each year by April 30th.

Does an ag or timber special valuation transfer to a new owner?

A qualifying special use valuation will carry out through the remainder of the tax year. A new application must be submitted by April 30th of the year immediately after a property transfer to be considered for that year or any subsequent years.

What if I have a house on the land?

Texas Property Tax Code requires all improvements to be appraised at market value and separate from land qualifying for special use valuation. It is a general practice for the Walker CAD to exclude from special use valuation the house and surrounding yard as non-qualified land. A typical minimum acreage guideline is no less than one/quarter of an acre but had no maximum. In some circumstances, a homestead exemption may be applied to the land that does not qualify for special use valuation if all criteria for the exemption have been met.

What is the difference between native & improved pastures?

Native pasture is defined as those pastures that have native vegetation, with minimal improvements. Improved pasture is defined as those pastures, with native and improved vegetation, that have had improvements made to them including but not limited to fertilizer application, weed, and brush control (mechanical or chemical) or overseeding with winter grass.

What evidence do I need to provide to prove my five-year history?

Evidence in the form of receipts, photographs, lease contracts, and affidavits may be considered to prove a property's five out of seven-year history.

How much money will a special use valuation save me? Is it worth it?

20 acres of land at \$18,000 per acre would have a market value of \$360,000, on the northeast side of Walker County, which computes to approximately \$6,120 in tax dollars for the school, county, hospital district, and emergency district. If qualified for special use as improved pasture that same 20 acres then has a taxable value of \$2,080. Which would only generate approximately \$35 dollars in taxes for those same jurisdictions. Beekeeping would have a taxable value of \$8,320 or approximately \$142 in tax dollars. Most of our timber tables or prices per acre fall between those two previous figures. While these numbers sound like good savings, the property owner should be prepared to use that money saved on the maintenance of their property, herds, and or colonies.

Can I let my land remain idle to allow the grass to come back and not lose my ag value?

Land can be left idle for up to two years to allow for the reestablishment of grasses. It is best to let the appraisal district know what is being done so that it will not be denied ag designation.

How do I apply for an Ag or Timber Number?

An ag or timber number is a function of the Texas Comptrollers of Public Affairs office. These numbers provide exemptions for sales and use taxes on items such as feed, seed, fertilizer, and fencing supplies. You can fill out a paper application or visit their online portal at www.comptroller.texas.gov to apply online.

Thoroughbred horses are bred and raised on a 500-acre tract of land. The horses graze on 450 acres; 40 acres are used to raise grain to feed the horses; and a stable where the horses and supplies related to them are kept occupies five acres. Another five acres are set aside for training the horses to race and includes a running track. The land is primarily

used to breed and raise horses and is used to the degree of intensity typical for the area. May all or part of the land qualify for special use appraisal?

The 490 acres upon which the horses are bred and grazed and where feed for them is grown qualify. This land is used directly for raising, breeding, and supporting horses — all agricultural uses. The five acres of land holding the stables qualify because this area is used to support the raising of horses. The five acres of land where the horses are trained for racing do not qualify because it is not an agricultural use of land.

A small tract is used to board horses used by their owners for pleasure riding and show competition. The land has a riding ring, and the remaining land is available for pleasure riding. The property owner does not graze the horses on the land. May the land qualify for a special use appraisal?

None of the land qualifies for 1-d-1 appraisal. The use of this land is for recreational purposes, not agricultural or “farm or ranch” purposes.

A 70-acre fenced tract is, by deed, a single tract. For the past five years, the property owner cultivated a vegetable garden on three acres and small grains on 17 acres. The remaining 50 acres is used for fishing, swimming, and camping by family and friends. Does the tract qualify?

The 50 acres used for recreational and sporting purposes clearly cannot qualify because there is no current agricultural use. The chief appraiser should deny the application on the 50 acres. In order to determine whether the 20 acres used to grow vegetables and small grains qualifies, the chief appraiser should request information on the specific crops grown, the amounts harvested, and the agricultural and management practices employed. This information should enable the chief appraiser to determine whether the 20 acres are worked to the degree of intensity a prudent operator would work them with the intent to produce

income. The initial burden of proving the land's agricultural qualifications rests on the applicant.

What is a Ag Rollback?

An Ag Rollback Tax is an additional tax that is imposed when a property owner ceases to use the property for qualified agricultural purposes and changes the use to any other purpose excluding building a house for a personal homestead. The Rollback Tax recoups the tax the owner would have paid if his or her land had been taxed at market value for the years covered in the rollback (currently a three-year period per legislation).

Agriculture Advisory Board

The Agricultural Advisory Board's purpose is to advise the chief appraiser on the appraisal and use of agricultural and timber land. The chief appraiser is required to appoint, with the advice and consent of the board of directors, an agricultural advisory board composed of at least three members. Appraisal district employees, appraisal review board members, and members of the board of directors of the appraisal district are ineligible to serve on the agricultural advisory board. This advisory board assists in establishing minimum intensity levels for the county. These intensity levels set a rough standard for property use but are not all-inclusive. Properties and their applications are reviewed on a case-by-case merit with some tracts not meeting minimum acreage levels but having maximized stocking levels thus allowing for qualification.

For More Information you may visit:

<https://comptroller.texas.gov>

[home](#) » [taxes](#) » [property tax](#) » [ag timber](#)



Property Tax Assistance

AGRICULTURAL, TIMBERLAND AND WILDLIFE MANAGEMENT USE SPECIAL APPRAISAL

The Texas Constitution and Tax Code provide that certain kinds of farm and ranch land be appraised based on the land's capacity to produce agricultural products (productivity value) instead of at market value. Land owners can apply for special appraisal based on the property's productivity value. The land's ability to produce agricultural or timber products determines the productivity value, which is usually lower than market value. Land used to manage wildlife may also qualify for special use appraisal.

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