



Walker County Appraisal District Degree of Intensity for Beekeeping

Beekeeping is an agricultural use and shall qualify for agricultural use productivity valuation if used for pollination or for the production of human food or other tangible products having a commercial value. (Sec. 23.51(2) Tax Code)

Acreage Requirement: The State of Texas has set a minimum of 5 acres and a maximum of 20 acres to qualify beekeeping for agricultural use.

Our degree of intensity standard is set at a minimum of six colonies and 5 acres. The minimum degree of intensity was established using Section 131.001 Texas Agriculture Code's definition of an apiary, which is a place where six or more colonies of bees or nuclei of bees are kept. A colony is the hive and its equipment and appurtenances including bees, comb, honey, pollen, and brood.

For each additional 2.5 acres one additional hive is required. If additional acreage is less than 2.5 acres no additional hive is required. For example, if property owner has 14.6 acres of land used for beekeeping nine hives would be needed to qualify.

First 5 acres	6 hives
Additional 7.5 acres	3 hives
<u>Remaining 2.1 acres</u>	<u>0 hives</u>
Total Hives required	9 hives

When property owners initially qualify for an agricultural appraisal, they must show proof of the history of agricultural use/beekeeping for any five of the preceding seven years. One way to do this is to ask for export, import, or intra-state permits, which are required by the Texas Apiary Inspection Service to transport hives.

Under Open-Space productivity valuation, values are calculated using a modified income approach to determine the per-acre value. The challenge with determining a productivity value for beekeeping using the cash lease method is that typically beekeepers do not lease the land on which the hives are located. In most instances,

a property owner who has hives located on his land has an open-space valuation on their property.

Using the basic Income/Rate/Value (IRV) formula for developing an income approach to value, we developed a productivity value in beekeeping.

With the assistance of local beekeepers an estimated average of \$60 per hive of expenses per year. The following is Montgomery County Appraisal District's 2023 calculation and has been adopted by the Chief Appraiser for use in Walker County due to limited data available locally.

	Total Income/ Hive	Expense per Hive	Net Operating Income
2017	66lbs x \$2.11 = \$139.26	\$60.00	\$139.26 - \$60.00 = \$79.26
2018	56lbs x \$2.06 = \$115.36	\$60.00	\$115.36 - \$60.00 = \$55.36
2019	60lbs x \$2.30 = \$138.00	\$60.00	\$138.00 - \$60.00 = \$78.00
2020	57lbs x \$1.90 = \$108.30	\$60.00	\$108.30 - \$60.00 = \$48.30
2021	56lbs X \$2.30 = \$128.80	\$60.00	\$128.80 - \$60.00 = \$68.80
			5 Year Average NOI \$65.94

Productivity per hive: $\$65.94 / 10\% \text{ Cap Rate} = \659.44

Maximum requirement on 20 acres is 12 hives.
Therefore, $12 / 20 = .60$ hives per acre average

Productivity per acre $\$659.44 \times .6 = \395.66

Application Process

All applicants applying for special valuation for Beekeeping will be instructed by WCAD staff to obtain an application from the Comptroller's website and fill out state form 50-129. If the applicant does not have access to the internet or a method of obtaining an application, WCAD will print the application for the property

owner. Currently, Walker CAD has implemented a 3-year cycle for all beekeeping operations, requiring re-application every 3rd year.

References:

James & Chari Elam
Bluebonnet Beekeeping

Dennis Herbert
Wildlife Biologist Land Manager

Kenny Reed
Reed Honey Company
281-620-5626

Comments on HB 2049

(As shared by HCAD)

Land used to raise or keep bees for appraisal for ad valorem tax purposes as qualified open-space land.

According to the Harris County Beekeepers Association, there are approximately 60 beekeepers in Harris County, of which only 10 beekeepers (17%) will likely qualify for special appraisal. Most beekeepers put hives on other property owner's land not their own property. Any land the beekeepers own may be used for processing the honey and storing extra hives without bees. A honey house may be located on the beekeeper's land but he would not want any active hives close by because the bees would try to steal the honey. After visiting with several producers and industry professionals, they think the acreage requirement as it presently exists is an arbitrary requirement. It was suggested that the acreage requirement be a minimum of 2 acres with no maximum acreage requirement.

There are several large apiaries around Harris County with some having in excess of 125,000+ hives that will not qualify under the present law. They may have 5+ acres where the honey house sits with their surplus equipment, but since they have no active hives on the property they will not qualify.