



**Denton Central Appraisal District**  
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## **2021 Agriculture Valuation on Land used for Agriculture & Wildlife Conservation**

### **Introduction**

The Texas Constitution permits special agricultural appraisal only if the land meets specific requirements defined as agricultural use. Section 23.51 of the Property Tax Code sets the standards for determining whether land qualifies. The property owner must apply for the agricultural use appraisal. The property tax code provides applications for 1-d (Agricultural Appraisal), 1-d-1 (Open Space Agricultural Appraisal), 1-d-1 (Open Space Land, Timber Land) and 1-d-1 (Open Space Agricultural Valuation Wildlife Management). The applications are received in January through the end of April (April 30th is the deadline to file). Applications can be filed after the deadline up until the time the appraisal roll is approved by the Appraisal Review Board (ARB) and if approved is assessed a 10% late filing penalty for that year only. Currently DCAD does not have any applications filed under 1-d or 1-d-1 Timber Land.

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. Taxpayers may qualify for agricultural productivity valuation under two different laws. The newer law is called "open-space-valuation" or "1-d-1 appraisal" (after Article 8, Section 1-d-1 of the Texas Constitution). Both individual and corporate owners are eligible under this provision if the land is used for a qualified purpose. Nearly all land that receives productivity valuation is under this law. An older law -- known as "1-d", or "agricultural use" appraisal -- is available only to individual owners who derive the majority of their income from farming or ranching.

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## ***What Land Qualifies?***

**Property owners may qualify for agricultural appraisal if land meets the following criteria:**

- The land must be devoted principally to agricultural use. Agricultural use includes producing crops, livestock, poultry, fish, or cover crops. It can also include leaving the land idle for a government program or for normal crop or livestock rotation. Land used for raising certain exotic animals (including exotic birds) to produce human food or other items of commercial value qualifies.
- Agricultural land must be devoted to production at a level of intensity that is common for the prudent managers in the local area.
- The land must have been devoted to agricultural production for at least five of the past seven years. However, land within the city limits must have been devoted continuously for the preceding five years, unless the land did not receive substantially equal city services as other properties in the city.

**Horses** - Land used primarily to *raise* or keep horses qualifies for agricultural appraisal. Land used primarily to train, show, or race horses, to ride horses for recreation, or to keep or use horses in some other manner that is not strictly incidental to breeding or raising horses does not qualify. Similarly, land used as a stable, where horses are kept, fed, and cared for, is not being used primarily for an agricultural purpose, unless the stable is incidental to breeding and raising horses.

## **Beekeeping**

Any review of Texas bee law must begin with a review of Chapter 131 of the Texas Agriculture Code. Section 131.001 begins with defining terms to be used in the statute. For example, an "apiary" is a place where six or more colonies of bees or nuclei of bees are kept. That means most backyard beekeepers are not covered by many of the regulations in Chapter 131. However, several of the regulations apply to all beekeepers. "Beekeeper" is defined as a person who owns, leases, or manages one or more colonies of bees for pollination or the production of honey, beeswax, or other by-products, either for personal or commercial use. "Bees" means any stage of the common honeybee, *Apis mellifera* species. A "colony" is the hive and its equipment and appurtenances, including bees, comb, honey, pollen, and brood. Written by Donald Ray Burger, Attorney at Law

Section 23.51 (2) The term agricultural use also includes the use of land to raise or keep bees for pollination or for the production of human food or other tangible products having a commercial value, provided that the land used is not less than 5 acres or more than 20 acres.

...food or products must have commercial value, not commercial production. While human food and products must be produced, the law does not require that they be sold commercially.

1. The property must meet the same use requirements as for other agricultural production uses.
2. The property must have previously been in a qualifying agricultural use or
3. The owner/taxpayer must show a 5-year history of beekeeping or other agricultural use.

Beekeeping can be used to establish history with supporting documentation. Hives must be maintained and kept alive. Flowering plants must be planted to support hives **IF** the hives are in an area where there is limited vegetation that requires pollination.

**Degree of Intensity:** (first 5 acres, 6 hives, as per Section 131.001 Texas Agriculture Code's definition of an "Apiary"). Acreage Requirement: The State of Texas has set a minimum of 5 acres and a maximum of 20 acres to qualify beekeeping as an agricultural use. (Losing an acre to a homestead exemption must be accounted for in the acreage total. Eg: a six acre site with a one acre home site meets the minimum acreage requirement, a five acre site with a one acre home site does not.)

5 acres = 6 active hives

15 acres = 10 active hives

7.5 acres = 7 active hives

17.5 acres = 11 active hives

10 acres = 8 active hives

20 acres = 12 active hives

12.5 acres = 9 active hives

The hives must be active and located on the property at least 7 months of the year. January 1st through December 31st. Production value used for bees will be the same as the current land use category.

When property owners initially qualify for agricultural use appraisals they must show proof of history for agricultural use/beekeeping for any of the five out of seven preceding years if outside the city. A 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. <http://texasbeekeepers.org/ag-valuation/>

# Wildlife Management

Using land for wildlife management is an agricultural use, if such land was previously qualified open-space land and is actively used for wildlife management. Wildlife management land must be used in at least three of seven specific ways to propagate or maintain a population of indigenous wild animals for human use. [A Wildlife Management Plan](#) may also be obtained from The Texas Parks & Wildlife Department.

## Helpful Wildlife Links:

[TPWD: Agricultural Tax Appraisal Based on Wildlife Management](#)

[Guidelines for Qualification of Ag Land in Wildlife Management Use](#)

[TPWD: Tax Valuation for Wildlife Management FAQ](#)

[Wildlife Biologist and Technicians that can assist with Information](#)

## Change to Non-Agricultural Use

If your land qualified for agricultural appraisal and you change its use to a non-agricultural use, you may be responsible for a rollback tax for each of the previous three years in which your land received the agricultural valuation appraisal. The rollback tax is the difference between the taxes you paid on your land's agricultural value and the taxes you would have paid if the land had been taxed on its higher market value. Plus 5% interest is charged for each year from the date that the taxes would have been due.

The chief appraiser determines if a change to a non-agricultural use has been made and sends a notice of the change. If you disagree, you may file a protest with the ARB. You must file a protest within 30 days of the date the notice was mailed to you. The ARB decides your case. If you do not protest or if the ARB decides against you, you owe the rollback tax. The owner who changes the use of the land gets the bill for the rollback tax.

## ***How to File for Agricultural Appraisal***

1. Get an application form at the appraisal district office or [download application here](#).
2. Fill out the form completely and return it to the appraisal district office after January 1st, but no later than April 30th. Remember, making false statements on your application is a criminal offense.
3. If your property is valued by more than one appraisal district, you must file an application in each appraisal district office. If you do not, you could end up paying taxes on your property's full market value to one or more taxing units. This occurs when your property is located in a taxing unit that is also in a neighboring county. Contact the appraisal district if you aren't sure.
4. If you need more time to complete your application form, submit a written request to the chief appraiser before the April 30th deadline. The chief appraiser can grant up to 60 extra days if you have a good reason for needing extra time.
5. If you miss the April 30th deadline, you may file an application any time **before** the appraisal review board approves the appraisal records (usually about July 15th). However, in such a case, you will be charged a penalty for filing late. The penalty is 10 percent of the tax saving you obtained by getting agricultural appraisal on your land. Once the appraisal review board approves the records, you can not apply for agricultural appraisal for that current year.
6. If the chief appraiser asks you for more information, you have 30 days to reply. You may ask for more time but you must have a good reason. If you do not reply, the chief appraiser must deny your application.
7. If the chief appraiser denies or modifies your agricultural appraisal, he or she must inform you in writing within five days. This notice must explain how you can protest. Applications filed and approved under section 1-d-1 do not need to file again unless the ownership changes, the land's eligibility changes, or the chief appraiser requires a new application.
8. However, the chief appraiser may request a new application to verify that you still meet the qualifications. If you get a notice to reapply, be sure to do so. If you do not, you will lose your eligibility. If you become the owner of land that is already qualified, you must reapply in your name by April 30th if your land's eligibility changes. Failure to do so will result in a penalty charge.
9. The Agricultural appraisal is based on an estimate of the typical annual income during the five year period preceding the year before the appraisal. The agricultural appraisal may change annually based on this income and the capitalization rate.

## Degree of Intensity Standards for Denton County

The chief appraiser is required by law to develop "degree of intensity" standards for each type of agricultural production in a given county. These standards reflect the typical practices used during production of various kinds of crops or livestock. Yields for different soil types and conditions will vary. The Degree of Intensity Standards for each agriculture category is subject to change from year to year.

Classification	Specific Crop	Typical Yield Per Acre	Typical Practice and Yields
Dry Crops	Corn, Grain Sorghum, Oats, Soybeans, Wheat	Varies	Denton County yield per acre: Corn 64.5 bu/ac., Grain Sorghum 42 bu/ac., Oats 46 bu/ac., Soybeans 21 bu/ac., Wheat 22 bu/ac.
Hay Crops		Improved Hay: Non irrigated-3.16 tons acre; Native Grass: Non Irrigated 1.26 tons acre; Hay grazer: Non irrigated 1.66 tons acre.	Must control weeds, vines, and brush, except for native grass pastures or those also used to run cattle, must fertilize at least once each spring and cut and bale 2-3 times each year. One annual cutting required for native grasses and fields on which cattle are run outside the haying season.
Horticulture	Orchards	Varies	Must be a wholesale operation. 14-100 trees per acre, written production plan, weed control, water available for establishment, insect control, fertilize, prune trees, manage and harvest.
Horticulture	Greenhouses	Varies	Must be a wholesale operation.
Horticulture	Nursery	Varies	Must be a wholesale operation.
Horticulture	Truck Farm	Varies	Must be a wholesale operation.
Horticulture	Tree Nursery	Varies	Must be a wholesale operation.

Classification	Specific Crop	Typical Yield Per Acre	Typical Practice and Yields
Horticulture	Turf Grass	Varies	Must be a wholesale operation.
Viticulture	Vineyards	600-700 vines/ac	Must be a wholesale operation.
Beekeeping	Apiary	Not less than 5 or more than 20 acres, excluding homesite	6 colonies (hives) on the first 5 acres. For each additional 2.5 acres one additional hive is required. In this scenario the maximum acreage required would be a minimum of 12 hives. In this scenario the maximum acreage required would be a minimum of 12 hives.
Other	Exotic Animals		Species not indigenous to state. Must be in commercial production
Pasture Land	Improved		Standard practices: fertilize annually, weed and brush control, fences maintained, stock water, systematic marketing of animals, and property management for long run forage.
Pasture Land Other	Native		Standard Practices: weed and brush control, fences maintained, stock water, systematic marketing of animals, and property management for long run forage.
Pasture Land Other	Wildlife Management in the Cross Timbers and Prairies Ecological Region		Must sustain a breeding, migrating, or wintering population of indigenous wild animals and have qualified for open space AG USE the previous year to qualify land in current year, and meet state guidelines ( <b>Wildlife Management Plan is required.</b> )



## ***Definitions of Key Words or Phrases***

**Prudent** - capable of making important management decisions and shrewd in the management of practical affairs. Specifically, the law states that the land must be utilized, as would any ordinary and prudent manager in a similar type of agricultural endeavor.

**Principle Use** - if the land is used for more than one purpose, the most important or primary use must be agricultural. For example, pleasure gardening is not the principal use of residential land.

**Typical** - exhibiting the essential characteristics of a group. The law states that agricultural land will be utilized as a typically (ordinary) prudent manager would. 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 an identifiable and substantial tract of land when the tract is devoted principally to agricultural use. Identifying the key elements of the definition and explaining each as follows can gain a better understanding of this definition.

## ***FAQs***

### ***What land qualifies?***

Property owners may qualify for agricultural appraisal if land meets the following criteria: The land must be devoted principally to agricultural use at a level of intensity that is common for prudent managers in the local area. Agriculture must be the most important use and should be worked the majority of the year. The land must have been devoted to agricultural production for at least five of the past seven years in the county and continuously for the preceding five years in a city, unless the land did not receive substantially equal city services as other properties in the city such as water.

The burden of proof for agriculture qualifications lies with the property owner. Any documentation that assists will be considered, such as receipts showing breeding, purchases, sales, lease agreements, dated photos of hay production showing landmarks such as homes, barns, ponds, roads, etc.

***Is there a minimum acreage to qualify for agriculture? Is there a minimum number of animals per acre?***

The special-use valuation applies to non-homesite land which has a current primary usage of agriculture. While there is no minimum amount of acreage, the operation must meet standards of degree of intensity in the area, typically with animals or plants producing food or fiber. Production is an essential consideration of agriculture. Show animals (non-breeding) do not qualify.

***What if my land has no agriculture – how do I establish a history?***

Five years of active usage is required to establish agriculture on land not previously in agriculture. Once an agriculture product is on the land (animals, crops) then apply before the end of April that first year with documents supporting active agricultural usage (receipts of purchases, sales, harvesting, etc.) The owner is advised to apply the first year of active usage to ensure the property meets standards rather than wait until the end of the 5<sup>th</sup> year. The owner can then apply each year (with denial each year until the 5<sup>th</sup> year) or, after the initial application, wait until year 5 and then provide the remaining 4 years of receipts.

***When is the deadline to file?***

The deadline is April 30<sup>th</sup> every year. If the application is submitted after May 1<sup>st</sup> but before the tax roll is certified each year (typically mid July) approval may be granted for the current year with a one-year late penalty of 10%. Once certification takes place, the application process for the current year end.

***I received a request for a new application, though I have made no changes – why?***

Any deed change will automatically generate a new application, even though an owner is simply moving the property into a trust. Properties that are split or merged also generate new applications. Also, updated applications are requested periodically.

### ***How will I know the outcome of the application?***

The district provides letters of approval or denial. Property owners may appeal the denial if the appeal is filed within 30 days of the date on the letter.

### ***Is it possible to receive a partial approval/denial?***

Yes. If the owner is claiming hay production on 20 acres but only 10 acres is devoted to hay production, that portion of the land that supports hay production would be considered. Any application that does not exclude a homesite where one exists would automatically be denied for the homesite (which is typically an acre and has a separate landline in our records online at [www.dentoncad.com](http://www.dentoncad.com)).

### ***How do I qualify?***

Complete the [50-129] 1-d-1 (Open-Space) Agricultural Use Appraisal application and return it before the April 30<sup>th</sup> deadline of the current year. The form is on our website [www.dentoncad.com](http://www.dentoncad.com), under Forms, Exemptions.

### ***Do I need to reapply annually?***

Once agriculture is approved, no subsequent applications need to be filed by the owner unless requested by the district or unless the owner makes changes in types of agriculture from the original application (crops to cattle, for instance). Exceptions include wildlife, and beekeeping, which has an annual reapplication so the owners can update us on their plans. The responsibility is on the owner to notify the district of any changes in agriculture, including cessation of agriculture.

### ***I'm interested in beekeeping – what do I need to know?***

Bees – Please see the link below. Applications for beekeeping apply to non-homesite land of 5-20 acres. In addition to the standard 1-d-1 application, an additional questionnaire should be completed and returned as well. Please see the link for further assistance.

[Beekeeping Guidelines](#)

***I'm considering wildlife as a form of agriculture – what do I need to know?***

Wildlife - Using land for wildlife management is an agricultural use, if such land was previously qualified open-space land and is actively used for wildlife management. If the size of the tract has not been reduced from the previous year and is currently appraised for agricultural use then the landowner may switch to wildlife management. If the size of the tract has been reduced, the minimum acreage is 14.5 acres. Please refer to page 2 of the Agricultural guidelines for further references and information.

[Agriculture Use Guidelines](#)

***I notice Timber is listed as an agriculture activity – what does that mean?***

Timber involves harvesting and milling forested property commercially. Primarily, timber tracts lie in East Texas. It does not include using wood for residential purposes such as fencing, firewood, etc.

***How do I know if land I'm considering buying has agriculture on it?***

Check our website [www.dentoncad.com](http://www.dentoncad.com). Search either by address or (with vacant land) by owner's name. Call up the account itself. Under values, look for the line: Agricultural Market Value. If the property has agriculture, a value will be listed on that line. As a reminder, property recently purchased – after January – will have agriculture removed with the new owner sent an application.

***Where else can I obtain more information?***

Please see our Agriculture Use Guidelines at [www.dentoncad.com](http://www.dentoncad.com) under Forms, Exemptions. Other links are also on the guideline.

***I'm a new owner on land that currently has agriculture special-use. I was told I have to hurry and transfer the agriculture exemption in my name to keep from losing it. Is that correct?***

Any purchase of land currently having an agriculture special-use valuation will remain in agriculture for the remainder of that tax year if the purchase is typically after February. The next January, the special-use is removed and value is placed at market value. An application is sent to the new owner to detail what that owner is doing with

the land in terms of agriculture. The owner has until April 30<sup>th</sup> to respond.

***What if I am a new owner but did not receive an agriculture application.***

While sending an application is a courtesy, not a requirement, the vast majority of property with agriculture in the prior year with new owners receives applications. If ownership changed twice in the previous year, then a second application will not be generated if the original application mailed was not returned is an example of an exception.

***Rollback – what is it, when will it apply and how much will it cost and are there exceptions.***

If land currently or previously in agriculture within the prior 3 years is developed (commercial development, multiple-residential development, etc.), then the land is rolled back 3 years or however many of those years it had agriculture. It represents the difference between the taxes paid in those years and the taxes that would have been paid at full market value, plus annual interest at 5%. The burden to notify the appraisal district of change of use falls on the taxpayer. The rollback debt follows the land until paid via a tax lien on the land. Once a rollback is triggered by the appraisal district, the owner has 30 days to appeal. A reason for appeal, for instance, might be to notify the CAD that ag cessation is temporary due to right-of-way construction by the state or county.

The CAD is not a taxing authority, so while the CAD notifies the owner and subsequently the tax office a rollback is due, it has no basis to develop rollback estimates. The Denton tax office will send a bill once a rollback is triggered, but it does not estimate rollbacks in advance, either. However, those needing an estimate can develop a ballpark number on any property through research online. Again, the rollback amounts to the difference between the taxes paid in those years and the taxes that would have been paid at full market value, plus annual interest at 5%. The market value is based on historical value, in other words the land value in each of those respective years, not the land value only of the year of the rollback. Some private enterprises develop rollback estimates as well for a fee. An online search for those services would need to be initiated by those interested.

An exception to rolling back land taken out of agriculture involves owners who build their home on part of their land but retain agriculture usage on the remaining tract. The tax code allows this exception to a rollback. For instance, if a 5-acre tract of vacant land actively in agriculture has a house built on an acre of it by the owner for his or her use, then no rollback will occur on that acre.