
**BURNET CENTRAL APPRAISAL
DISTRICT
AG MANUAL**

Open Space Guidelines and Standards

1-d-1 OPEN SPACE GUIDELINES AND STANDARDS

OPEN SPACE GUIDELINES & STANDARDS

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INTRODUCTION

The Burnet Central Appraisal District (also referred to as Burnet CAD or the District) is responsible for the administration of special use valuation (also referred to as ag valuation or 1-d-1 use) found in the Texas Property Tax Code in Subchapter D, Sec. 23.51 through 23.60. The District has developed guidelines for qualifying property as open space for special use valuation. The District referred to the following resources for guidance in establishing its guidelines:

- Texas Property Tax Code
- Texas Comptroller
- Texas Parks & Wildlife
- Texas A & M AgriLife Extension - Burnet County
- Burnet CAD Agricultural Advisory Board

Agricultural Appraisal applies only to land. Only the acreage used in agricultural operation may qualify for agricultural use valuation. Land not qualifying for agricultural use is valued at market value. Improvements are appraised separately at their market value. Farm and ranch machinery and equipment (implements of husbandry) used for agricultural production are exempt from ad valorem taxes; however, you must apply for an Agricultural Registration Number through the Texas Comptroller at 1-800-252-5555. Burnet CAD does not provide this number.

DEFINITIONS

Agricultural Use - includes but is not limited to the following activities:

- Raising or keeping livestock
- Raising or keeping exotic animals for the production of human food or other products having a commercial value
- Wildlife Management
- Raising or keeping bees for pollination or for the production of human good or other commercial product
- Cultivating the soil
- Producing crops for human or animal feed
- Planting seed for the production of fiber
- Floriculture, Viticulture, Horticulture
- Planting cover crops
- Participating in a government program

Crop - cultivated plant that is grown as food or a cultivated plant to produce something for human use, an amount of grain or produce harvested at one time.

Animal Unit - One animal unit normally equates to 1000 pounds of animal. For example: 1 cow, 2-500 lb. calves, 5 sheep, 6 goats, 1 breeding horse.

Cultivate - to prepare and use land for crops.

Ecological Laboratory - allowing an accredited university or universities to perform multiple ecological impact studies on a property.

Exotic Animal - a species of game that is not indigenous to Texas.

Improved Pasture - fenced land planted with grasses that are not native to Burnet County but are suitable for grazing by livestock.

Livestock - domesticated farm and ranch animals regarded as an asset (not a pet), that derives its primary nourishment from vegetation, supplemented as necessary with commercial feed.

Native Pasture - fenced land covered with grasses that are native to Burnet County and that are suitable for grazing by livestock.

Open-space - land that is currently devoted principally to agricultural use to the degree of intensity generally accepted in the area and that has been devoted principally to agricultural use for 5 of the preceding 7 years.

Orchard - a piece of land planted with fruit or nut trees.

Pasture - fenced land covered with grass and other low plants suitable for grazing livestock.

Primary - of chief importance.

Principal 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 a principal use of residential land.

Typical - having distinctive qualities of a particular type of person or thing.

Vineyard - a plantation of grapevines, typically producing grapes used in wine making.

Wildlife - breeding, migrating or wintering population of an indigenous species that is specific to a certain ecological region.

STANDARDS

The District must be able to determine that the property meets certain standards in order to qualify under open-space valuation. All of the following criteria must be met for land to be qualified as open-space land:

- Historical Use
- Current Use
- Principal Use
- Degree of Intensity

HISTORICAL USE

The land must have been used principally for an agricultural use for five of the seven preceding years. As long as agriculture was the principal use of the land in the preceding years, the land may qualify even if historically the agricultural use did not meet the degree of intensity for all or part of those preceding years.

When historical use is in doubt, the following may be used to verify use:

- IRS Schedule F
- Sale or purchase of livestock receipts
- Expense receipts
- Sworn and notarized affidavits from neighbor or lessee
- Dated pictures

The livestock must be able to graze the land for the majority of the year in order for the land to qualify for open-space valuation.

If the property is located within the boundaries of a city, the land must have been devoted principally to agricultural use continuously for the preceding five years and once approved for open-space valuation it must be used continuously with no rest periods and it must stay in agricultural operation for 12 months out of the year.

CURRENT USE

The land must be in qualifying agricultural use as of January 1st of the year of application. An applicant's intent to have agricultural use does not qualify as agricultural use.

PRINCIPAL USE

The land must be devoted principally to agricultural use. There may be more than one use for the land, but the primary use must be for agriculture. Any secondary uses should not conflict with the primary use of the land.

NONQUALIFYING AGRICULTURAL ACTIVITIES

The following **do not** qualify land for agricultural appraisal:

- Harvesting native plants or wildlife
- Processing Plants or Animals
- Recreational Use - land used for recreational hunting, or to show, train, stable, race, care for or otherwise divert livestock from a farm or ranch purpose is not eligible as qualified open space land.
- Exotic game ranch devoted solely to hunting.
- Land located within an incorporated city or town must meet one of the following to be considered for agricultural value:
 1. City must not provide the land with general services comparable to those provided in other parts of the city.
 2. Land must have been devoted principally to agricultural use continuously for the preceding 5 years.

RESIDENTIAL USE

When land has a residential improvement such as a residence or manufactured home, the District will assign a portion of the land as residential use. The following are examples on how to determine the amount of land that will be classified as residential:

1. The District will use 1 acre as homesite unless the residence has been surveyed with land less than 1 acre, in which case the District may use the amount specified in the survey; or if the area is fenced, the amount of land within the fenced area may be used.
2. If the property owner files a homestead application specifying up to 20 acres as their homestead, then the District may use the amount specified on the application as the residential use area and this area will be taxed at market value with the improvement(s).

NON-USE

If the land does not have a use that can be identified as agricultural, residential, commercial or recreational, then the District will recognize it as not being in use. The property is just a vacant tract of land and will not be appraised for special use valuation.

DEGREE OF INTENSITY

The degree of intensity measures what land is capable of producing under typical management. The degree of intensity varies on the type of agricultural use. This test only applies to current use and not historical use over the preceding 5 out of 7 years. This test is intended to exclude land on which token agricultural uses occur in an effort to obtain tax relief. In order for land to qualify, the property must meet the minimum standards set forth for the specific agricultural use.

FENCING REQUIREMENTS

Adequate fencing to be able to contain livestock being raised should be in place at the time of the application. Grazing land must be completely enclosed with the type of fence typical for the animal type being contained.

Typical Fencing:

- Cattle - 5-7 strand barb wire
- Sheep/Goats - 9 strand barb wire OR mesh fence with 1-2 strands of barb wire on top
- Breeding Horses - Smooth rail fencing, pipe fencing, smooth board or smooth 5-7 strand wire
- Exotics - Net wire possibly with barb wire on top strand, or high game fence

DROUGHT CONDITIONS

If the majority of the year is declared as being in drought by the Governor's Office, then the District may take into consideration a property having a decrease in intensity and not a change of use as long as the owner of the land intends that the use of the land to the degree of intensity be resumed when the declared drought ceases.

RESTING PERIODS

The District requires a written notification that the property will be resting for a calendar year. The notification must be submitted no later than May 1st to be considered for that appraisal year. Excluding a drought declaration by the Governor's Office, a property may not be rested for more than 2 years during a 7-year period.

You must perform at least one of the following agricultural activities and show proof to qualify for a rest period:

1. Letting land sit idle due to participation in a government program - show proof of program.
2. Rotating livestock to another pasture because of over grazing.
3. Improvements to land that necessitate removal of livestock or a stop in crop production such as:
 - a. Fence repair
 - b. Erosion control
 - c. Brush control or clearing
 - d. Reseeding of native or improved grasses
 - e. Re-establishing or maintenance to a water source

Burnet CAD will only approve one calendar year of rest at a time.

PROCEDURES

Each year the District will notify new property owners via a Purchase Confirmation Letter or New Owner letter, that if they wish to be considered for agricultural use valuation an application must be submitted.

The District requires an application for the following reasons:

- The property had a change in ownership
- The property had a change in use
- The Chief Appraiser has determined the need for a new (updated) application

CHANGE IN OWNERSHIP NAME

The District will verify deed recordings that include land with a current agricultural use valuation have been updated in the appraisal records. A letter will be sent indicating a deed has been filed and a new application is required.

THE CHIEF APPRAISER HAS DETERMINED THE NEED FOR A NEW APPLICATION

The District will identify properties that need a new application, and these will be notified via certified mail. The reasons for this include, but are not limited to:

- Field inspection of the property determined there was no current agricultural use.
- The property owner filed an application with current use as idle.
- Change in type of use, for example: converting from grazing to wildlife management.

APPLICATIONS

The District uses the state approved Property Tax Form 50-129, Application for 1-d-1 (Open-Space) Agricultural Use Appraisal. The District requires any information necessary to support the claim of agricultural use to be submitted with the application. Any information submitted with the application will not be returned. Examples include:

- Current lease agreement
- Wildlife Management Plan if applying for Wildlife
- Five-year history of qualifying use, if property does not have agricultural value, to include:
 - Sales or purchase receipts for livestock
 - Expense receipts for each of the history years
 - IRS Schedule F for each of the history years
 - Sworn and notarized affidavits from neighbor or lessee for each history year

The District accepts applications until April 30th of each appraisal year as timely. Should the deadline fall on a weekend or holiday the application deadline will be the following business day. The District will accept a late application, filed after April 30th but before the approval of the appraisal records, usually mid-July. If a late application is approved it will be assessed a 10% late filing penalty.

As applications are received, the application and all attached documents will be date stamped. All applications will be forwarded to the Appraiser for the location of the property. The District may request additional documents, if necessary, in order to determine if the property qualifies.

All applications are initially checked for the following:

- The application identifies the property by property identification number.
- The application is filled out in its entirety
- The application is signed by the property owner or their authorized agent.
- All supporting documentation to support the claim of ag use is attached.

After the application's initial review, it will be prepared for field inspection.

LEASES

Leases are a contract by which one party conveys the use of their land or property to another for a specified time, usually in return for a period payment. An owner applying for agricultural use valuation using a lease agreement needs to include a current copy of the lease with the application. All lease agreements should include the property owner's name, property identification number, the number of acres leased, for what purpose, and the duration of the lease. Lease agreements also need to include the name, address and telephone number of the person or persons leasing the property. The lessee is typically the person who owns the livestock or produces the crop(s) on the lessor's land. If rent is paid by the lessee, please also include that amount. A valid lease agreement should be signed and dated by all parties.

AFTER APPROVAL

If the property is approved for traditional agricultural use such as grazing livestock, crop production or orchard and is leased, the District will mail a Farm & Ranch survey to update the lease income and expenses. This form should be filled out and returned in a timely manner.

If the property is approved for Wildlife Management use, the District will send a letter requesting a Wildlife Management Annual Report and supporting documents. Supporting documents will include, copies of any expense receipts or activity log, photos of activities being reported, and map showing the location of activities on the property. This report and supporting documents will be submitted to the District no later than March 1st for the prior year. Failure to submit the information will result in the agricultural use value being removed.

If the property is approved for exotics, a questionnaire will be sent each year requesting the following:

- Current herd size
- Restocking date & quantity of animals
- Harvest date and quantity of animals
- Losses

If the property is approved for Eco Lab use the District will request annual reports from the University(s) conducting the research with all relevant findings.

FIELD INSPECTIONS

The Appraisers will physically inspect the properties to determine the current and principal use. If the property cannot be clearly seen from the road and the use cannot be determined and the gate is locked, the owner will be notified by letter requesting immediate access to the property.

During the field inspection, the Appraiser will document any relevant information on the property such as soil, type and condition of fences, water source, type of crop, type and quantity of livestock or any other information necessary to make a determination of use.

CHANGE OF USE AND ROLLBACK PENALTY

Texas Property Tax Code - Sec 23.55 Change of Use of Land

The law imposes a rollback tax on 1-d-1 land when the owner stops using for agriculture. The rollback recaptures the taxes that would have been paid had the property been taxed at market value for each year covered by the rollback. The rollback is the difference between the taxes *actually* imposed in the three years preceding the change in use and the taxes that *would have* imposed on the properties market value.

The property owner can trigger the rollback by ending agricultural operations or diverting the property to a non-agricultural use. The rollback applies to the part of the property that changed use. A change of use is a physical change. Some examples include: A change from agricultural use to non-agricultural use, property is subdivided to sell as non-qualified tracts of land, placing restrictions on the property that limit the use to non-agricultural activities resulting from the free will of the owner.

Selling the property does not trigger the 1-d-1 rollback. A property owner may claim the land as part of his or her residence homestead without triggering a rollback. If the property owner does not apply for agricultural use a rollback is not triggered.

The Chief Appraiser determines if and when the change of use occurs, and must send the property owner written notice of the determination. The notice must explain the property owner's right to protest the determination. The property owner may protest the change-of-use decision by filing a protest with the Appraisal Review Board within 30 days after the notice is delivered.

TYPES OF AGRICULTURAL USE OPERATIONS

The historical use and principal use tests apply to all properties. The degree of intensity varies for each type of use.

The following are various types of typical agricultural operations in Burnet County.

- Livestock operation
- Hay production
- Orchard/Vineyard
- Beekeeping operation
- Exotic game operation
- Poultry egg production
- Ecological Laboratory study
- Wildlife Management

Other types of operations may exist, and will be reviewed on a case by case basis by the District.

LIVESTOCK OPERATIONS

Properties must be involved in standard agricultural practices which include, but are not limited to: proper fencing, water, grazing management. The following is degree of intensity requirements:

Degree of intensity generally accepted for livestock grazing by Burnet Central Appraisal District is one animal unit for fifteen to thirty acres to be determined as follows:

To qualify for productivity appraisal for agricultural use, the land must be “currently devoted to agricultural use to the degree of intensity generally accepted in the area.” Livestock definition: Livestock is defined in Section 1.003, Texas Agricultural Code, as “cattle, horses, mules, asses, sheep, goats, llamas, alpacas, exotic livestock, including elk & elk hybrids, and hogs, unless otherwise defined.”

Horses and Donkeys: Land used primarily for “raising, breeding and/or grazing horses” and other activities that are for “farm or ranch purposes” are agricultural uses. Definition of Farm or Ranch: includes one or more tracts of land used, in whole or in part, in the production of crops, livestock or other agricultural products held for sale. Horse Breeding facilities, stud farms, horse training facilities that train horses that will be sold. The following activities **DO NOT** qualify: owning horses for pleasure riding, show or sport, horse boarding, training facilities that train horses used for sport, pleasure or show, riding stables, racing stables that are not horse breeders, racetracks, veterinary clinics, commercial arena operations, and “dude” ranches, lodges and hunting operations.

HAY PRODUCTION

The land must be involved in standard hay production practices which may include plowing, fertilizing, cutting, baling, hauling and brush control. The hay produced should be marketable. In a typical year, 1-2 cuttings may be achieved.

ORCHARD/VINEYARD OPERATIONS

Plants must be a non-native species, cover the whole tract, have irrigation system, be planted for harvest and the product sold commercially. These operations typically have a regular schedule of pruning, spraying and cultivation.

BEEKEEPING

Effective January 1, 2012, the Texas Legislature added another agricultural use for purposes of open space land appraisal. Tax Code Section 23.51 (2) was amended to include the definition of agricultural use “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 or more than 20 acres.”

When a property owner initially seeks qualification for agricultural use appraisal for beekeeping, they must show proof of history of agricultural use on the land for five (5) of the preceding seven (7) years. This means that if you have a 5-acre parcel with a homestead you will not meet the minimum of 5 acres used for a beekeeping operation. You must have a minimum of 5 acres plus additional acreage to account for your homestead improvement to qualify for this agricultural valuation.

5-10 acres	6 active hives
11-20 acres	8-12 active hives

When first applying, the District will require documentation showing the purchase of bees, queens and hives, what food sources are available, a map of the property showing the hive placement, and a basic marketing plan showing how the honey and related products will be used or sold.

In order to continue to qualify, the hives must be maintained and kept alive. The District will inspect all property approved for beekeeping at least once a year.

EXOTIC GAME

Must be raising or keeping exotic animals for the production of food or other commercially valuable products. Exotic animal means a species of game not indigenous to the state, including axis deer, nilga antelope, red sheep, and other cloven-hoofed ruminant mammals, or exotic fowl as defined by Section 142.001, Agricultural Code. Documentation would include a copy of business plan showing

physical improvements such as high fences, herd size, restocking levels, harvest report, harvesting schedule, breeding and herd management procedure that emphasizes commercially valuable product such as meat or leather and if state or federally approved inspectors supervise slaughter and dressing. Degree of intensity to be determined by type of exotic. Any exotic game ranch devoted solely to hunting animals could never qualify for agricultural appraisal. Annual reporting and an inspection will be required to document production.

POULTRY EGG PRODUCTION

Minimum requirements 200 chickens and 400sf of coop per acre.

ECOLOGICAL LABORATORIES

Contact the District for further information

WILDLIFE MANAGEMENT

To qualify under Wildlife Management the land must first be qualified for and appraised as 1-d-1 Open Space Use for the previous year. Burnet County falls within the Edwards Plateau.

If the number of acres in the tract of land is fewer than the number of acres in the tract of land on January 1st of the preceding year, the wildlife use requirement the tract of land must meet to qualify for agricultural appraisal in Burnet County is 14.3 acres.

If the tract of land is equal or greater60 in size than the size of the tract on January 1st the acreage size requirement does not apply. Texas Administrative code, Title 34, Part 1, Chapter 9, Subchapter G, Rule 9.2005.

Property may qualify for special appraisal for wildlife management if the land is being actively used 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:

- Habitat control
- Erosion control
- Predator control
- Providing supplemental supplies of water
- Providing supplemental supplies of food
- Providing shelters
- Making census counts to determine population

Property owner will complete and submit Property Tax Form 50-129, Application for 1-d-1 (Open-Space) Agricultural Use Appraisal, along with a Wildlife Management Plan, Texas Parks & Wildlife form PWD 885-W7000 (07/08) indicating which three of the above activities will be implemented on the property. This form is available on the District website.

The Chief Appraiser must gather and consider all the relevant facts to determine if the land is primarily used to manage wildlife.

- Is the owner implementing an active, written, wildlife management plan that shows he or she is engaging in activities necessary to preserve a sustaining breeding population on the land? An owner's management plan is required and must be completed on TPWD form PWD 885-7000 (07/08) for each tract of land for which qualification is sought. A plan is clear evidence of the owner's use of the land primarily for wildlife management. A good plan will usually list wildlife management activities with the appropriate seasons and/or sequence of events.

Additional information can be found on the Texas Comptroller of Public Accounts website at: comptroller.texas.gov, Guidelines for Qualification of Agricultural Land in Wildlife Management Use. Texas Parks and wildlife website: https://tpwd.texas.gov/landwater/land/private/agricultural_land/.

Once a property is approved for Wildlife Management Use the District will require annual reports. The property owner will submit a Wildlife Management Annual Report using Texas Parks & Wildlife form PWD 888-W7000 (07/08), which is available from the District website. This form will be used to report activities completed in the year being requested. A minimum of three activities must be completed and documented annually. Attached as supporting documentation to the annual report will be receipts for expenses or a detailed dated activity log, photos of the activities being reported, and an aerial map showing the location of the activities being reported. Failure to submit the annual report will result in the removal of the agricultural value.

LAND TYPES

Each Appraisal District is responsible for creating a schedule of land types and agricultural values for their county. This is done by calculating cash leases submitted to the District by land owners and with the assistance of the Agricultural Advisory Board. Burnet County has the following land types:

- Native Pasture
- Improved Pasture
- Dry Crop Land
- Irrigated Crop Land
- Orchard

Native Pasture - Land primarily consisting of native grasses with little to no improved grass. There may be moderate rocks with shallow to deep soil. Property should be fenced for grazing.

Improved Pasture - Land primarily consisting of improved grass such as Bermuda, Klein, Rye, Hay Grazer, with little to no native grasses mixed in. There should be little to no rocks. The soil is deep and has limited invasive brush or tree growth. Slope should be level to moderate. Fenced for grazing.

Dry Crop Land - Land that is planted in a row or a broadcast crop, not irrigated. Typical crops would be wheat, oats, milo, sorghum. Fenced for grazing.

Irrigated Crop Land - same as dry crop land except it has an irrigation system.

Orchard - Land that is typically planted in rows with trees, bushes or vines that produce fruits or nuts that are not native to Texas and are sold commercially. Typical soil is deep and rich with little to no rocks. Slope is level to gently sloping. The majority of orchards and vineyards are irrigated.

AGRICULTURAL ADVISORY BOARD

Based on Texas Property Tax code Sec 6.12, the Chief Appraiser shall appoint, with the advice and consent of the Board of Directors, an Agricultural Advisory Board. This board will be comprised of five members serving staggered terms of two years. This board must be landowners of the District whose land qualifies for agricultural appraisal, and who have been residents of the district for at least 5 years. This board shall meet at least once a year, and an employee or officer of an appraisal district may not be appointed. The board members will not be compensated. This board shall advise the Chief Appraiser on the valuation and use of agricultural land within the district. The Agricultural Advisory Board will have no decision-making authority or responsibility, and will not become involved in matters dealing with individual properties and agricultural approvals.

CONTACT INFORMATION

Burnet Central Appraisal District (512) 756-8291, email: bcad@nctv.com

Burnet County Agrilife Extension Office - Kelly Tarla, County Extension Agent (512) 756-5463
email: Kelly.tarla@ag.tamu.edu

USDA - United States Department of Agriculture - Burnet Service Center (512) 756-4651
Cody VanZandt, Soil Conservationist
email: bubba.vanzandt@tx.usda.gov

Texas Parks & Wildlife - Erin Wehland, Wildlife Biologist (512) 461-9909
email: erin.wehland@tpwd.texas.gov

Comptroller:
www.comptroller.texas.gov

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AG FORM NUMBERS:

Ag application - Form 50-129 - Application for 1-d-1 (Open-Space) Agricultural Use Appraisal

Eco Lab - Form 50-166 - Application for 1-d-1 (Open-Space) Land Appraisal for Ecological Laboratories

Wildlife Management Plan - PWD 885-W7000 (07/08)

Wildlife Management Annual Report - PWD 888-W7000 (07/08)