

IMPORTANT NOTICE

Attached is a copy of the qualification standards for 1-d-1 Valuation, commonly known as agricultural or wildlife valuation.

These local intensity standards (revised 11/30/04), along with applicable state laws and guidelines, are used to determine if a tract qualifies for this special valuation. **Please read these qualification standards carefully before submitting a 1-d-1 Application.**

Under these revised standards, **tracts 20 acres or less in size will generally not qualify for the valuation.** Tracts 20 ac or less with a residence may, however, qualify for a Homestead Exemption.

Please note that if you have recently purchased land that was previously qualified under less stringent guidelines, the tract may no longer qualify for the special valuation.

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Agricultural Intensity Standards

**Compiled with the assistance of the
2004 Agricultural Advisory Board for Bandera
County**

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Agricultural Intensity Standards

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INTRODUCTION

In 1966 voters approved the first agricultural appraisal law for ad valorem taxes in the State of Texas. This first law known as 1-d intended to protect the family farm from being taxed out of existence as Texas became more urbanized and market prices of agricultural land skyrocketed. Section 1-d is very restrictive as it applies only to land owned by families or individuals. Under 1-d, agriculture must also be the owner's primary occupation and primary source of income. As Texas became more urbanized and the number of agricultural producers began to drop, a new section was added to the law by voters in 1978. The constitution was amended to allow a second, more liberal agricultural appraisal law known as 1-d-1. Section 1-d-1 substantially expanded eligibility for productivity appraisal by individuals as well as corporations. Income and occupation do not apply under 1-d-1. In 1996 Wildlife Management was added as a subsection of 1-d-1 to include the management of native indigenous species as a qualification of productivity value. This Guideline will explain 1-d-1 agricultural appraisal, qualification and implementation. Due to the many different types of agricultural operations only the most common for the area will be covered in this guideline. Unique or "fad" agricultural operations will be considered on a case by case basis.

APPLICATION

A property owner must file an application for 1-d-1 Productivity Use between January 1 and April 30 of the tax year. Property owners may obtain an application form from the Appraisal District Office. If you require more time, you may file a written request with the chief appraiser for up to 60 days if you have a good reason for needing extra time. If you miss the April 30 deadline you may file an application before the appraisal review board approves the appraisal records, which is usually about July 20. In this case, the property owner will be charged a late penalty of 10% of the tax savings he obtained by getting agricultural appraisal for his land.

QUALIFICATION OF LAND

Agricultural appraisal applies only to the land and not to other property connected to the land. Improvements such as houses, barns, sheds, silos and other farm outbuildings must be appraised separately at market value. Fences are treated as appurtenances and are not appraised separately. Minerals such as oil, gas or any hard mineral such as coal must be appraised separately and at market value. Products of the agricultural operation such as apples, grain, hay, cattle, exotic animals, etc. in the hands of the producer are generally exempt from taxation because of other provisions of Texas law. Implements of husbandry or farm and ranch equipment designed and used primarily for agriculture are also exempt. Some man-made alterations of, or additions to, agricultural land are valued as a part of the land. These appurtenances to the land such as canals, water wells, roads, stock tanks, and other similar improvements to the land are included in the value of the land and are not separately appraised. A grazing operation may include leased land that is not owned by the operator. A landowner may receive 1-d-1 Productivity Use Value on their land if it is leased for grazing and is used as a part of a larger operation. The

proximity of the two tracts should be in line with what is typical for a producer that uses leased land in his operation. Grazing land should have fencing adequate for the type of animals being grazed on the land. There should be adequate working facilities such as pens, corrals, chutes and barns on the property or adjacent to the property. Some operators use portable working facilities and mention should be made of this in the application.

TESTS

In addition to having qualified land in order to receive a 1-d-1 Productivity Use Value, the agricultural operation must pass four separate tests. These tests are the herd size test, the current use test, the intensity of use test, and the time period test. These tests are explained below.

HERD SIZE TEST

It has been determined that all operations pertaining to grazing of the land in the Bandera County Appraisal District **will have a typical herd size of at least three animal units. This means that the amount of acreage being utilized by the herd must be adequate to sustain at least three animal units.** This will be determined on an individual basis considering the productive capacity of the soils and pasture present, along with the management practices in place. Additional information can be found on page 10 of this guideline.

CURRENT USE TEST

The land must be in agricultural use as of January 1 of the tax year or be used for agricultural purposes for the bulk of the calendar year. This use must follow what is typical for the area for the type of agricultural operation taking place on the property. Agricultural use **must be the land's primary use and not a secondary use.**

INTENSITY OF USE TEST

The land must be used to the degree of intensity that is typical for that type of operation in the area. If the land is not used as other land is typically used, then this type of agricultural use is said to be **"token"** agricultural use. For instance; if a field is plowed and planted once every three years and the other farmers in the area typically plow and plant the same type of crop every year, then this use is token use. This land would not qualify under the intensity of use qualifier.

TIME PERIOD TEST

According to state law, the land must have been used for **five out of the past seven previous years for agricultural production.** As long as agriculture was the principal use in the preceding years, the land qualifies even if that use did not meet the degree of intensity requirement in all or some of those years. For example; If applying for 1-d-1 Productivity Use value for the 2005 tax year, the property must have been used for some

agricultural purpose for at least five years between 1998 and 2004. The level or intensity of use during this time period is not considered.

TYPES OF AGRICULTURAL OPERATIONS

There are several types of typical agricultural operations in the Bandera District. Some of these operations include one or more type of operation. Agricultural operations include grazing operations, farming operations which includes tilling the soil, orchard and vineyard operations, livestock breeding operations, exotic breeding and hunting operations and wildlife management operations. Each of these operations follow the same criteria for eligibility for 1-d-1 Productivity Use except for wildlife management. Wildlife management eligibility requirements will be covered under that section of this guideline. Many operations in the Bandera County Appraisal District have a combination of two or more of the listed operations. There may be variations of the types of agricultural operations listed or there may be “fad” agricultural operations added when that type of “fad” operation becomes a typical agricultural operation within the District.

COW AND CALF GRAZING OPERATIONS

This type of operation is commonly found in the District. The operators of cow and calf grazing operations are in the business of raising beef for sale to either processors or other operators as breeding stock. These include purebred operations as well as the commercial breeder who sells calves to the local livestock markets. Typical requirements in the District include at least 3 animal units which may include cows and bulls of breeding age that are bred annually. Some small operators may lease or borrow a bull to impregnate their cows rather than keeping a bull year round. One cow and calf pair or a mature breeding age cow is considered to be equivalent to one animal unit. Please refer to the Animal Unit Equivalency Chart on page 12 of this guideline for a complete list of animals.

STOCKER AND FEEDER CALF OPERATIONS

This operation is in the business of raising beef for processors or for the feedlot. This operation involves acquiring calves at a certain weight from cow and calf operators or the livestock auction. The calves are then raised until they grow large enough for the feedlot or for slaughter; or are sold as replacement breeding heifers. Both heifers and steer calves are found in these types of operations with steers being the most common sex when sold for slaughter or to a feedlot. One animal unit is equal to two calves. A typical operation in the District will include **a minimum of five stocker or feeder calves.**

SHEEP OPERATIONS

This operation is in the business of providing two products. These products are wool which is produced from the fleece of the animal and meat being either lamb or mutton. Sheep operations may be purebred or commercial in nature. A commercial operation would not require any particular breed and may be in the business of meat production only. Purebred operations are normally in the business of producing wool, meat or

animals to sell to other producers as breeding stock. A typical flock in the District will consist of **at least 15 head of ewes and at least one ram**. One animal unit of sheep is equal to five head of ewes or rams.

GOAT OPERATIONS

This operation is in the business of producing primarily three products being mohair, meat, and milk. Typical mohair production is usually limited to the Angora breed, although there has been some Cashmere goat breeding in the area which may be sheared for their hair. The Nubian and other similar breeds are milk producers. This milk is sold for human consumption or fed to orphan goats or sheep. Most other breeds are involved in the production of meat called cabrito which is the meat from a young kid goat. This breed of goat is usually referred to as Spanish Goats. The Boer Goat breed from South Africa has recently been introduced as a meat producer. This breed has been interbred with many of the Spanish as well as the Nubian goat herds in the area to increase the size of the animals. There are some producers that breed the pure Boer Goats for sale to other producers for breeding. **A typical flock of goats consists of at least 18 breeding age animals with at least one buck (sire) goat**. One animal unit is equal to six head of goats. Miniature goats also follow the same guidelines as regular goats but the animal unit basis is different from regular goats. See the Animal Unit Equivalency Chart on page 12 in this guideline.

HORSE OPERATIONS

This type of operation is limited to **breeding operations**. A breeding operation involves having brood mares and either a stud (stallion) on location or using artificial insemination for breeding the mares. This type of operation might include some training of colts or fillies. The operation may involve any number of breeds and is not limited to only Thoroughbred or Quarter Horse breeds. Typical pastures are of the improved variety such as Coastal Bermuda grass. A mature horse of breeding age is equivalent to 1.25 animal units. **At least 3 head of breeding age mares are required** to be considered a typical horse breeding operation in the District. Supplemental feeding is a given fact of a breeding horse operation. Donkeys, mules and burros are also included under horse operations and the same guidelines pertain to these animals.

EXOTIC ANIMAL OPERATIONS

This type of operation involves the raising of deer, antelope, emus, ostriches, and any other breed of animal that is not native to Texas. Some exotic animal operations supply meat for consumption or leather or plumage for clothing or industrial use. Some byproducts of exotic animals are used in cosmetics or for medicinal purposes. Some exotic animal operations supply animals for breeding purposes. Most typical of the exotic animal operations in the District are hunting operations. This type of operation, depending on the type of animals, may require a seven to eight foot fenced perimeter. An animal unit for this type of operation depends on the size of animal being raised. Many of the exotic deer species will follow the same per unit size as our native Whitetail deer.

A chart with many of the exotic animals typically found in the District is found on page 12 in this guideline.

CROPLAND OPERATIONS

The most common type of cropland operation in the District is small grain and sorghum hay. These two types of operations usually are a part of a grazing operation but not in all cases. Row crop farming is done on a very limited basis. The types of crops planted in row crop farming are usually milo and corn. Rarely other crops such as cotton may be planted; however, these types of crops are usually found further south. Cropland in the District requires supplemental fertilization and is usually a part of the typical operation. Much of the land that is not irrigated is grazed during part of the year, usually during the winter months. Small grain and sorghum hay operators will normally plant their fields on an annual basis and combine the grain or bale hay for at least one cutting. Landowners should follow practices that are typical for the area. The same qualifications for 1-d-1 Productivity apply to cropland operations. **A typical size field has a minimum of five acres.**

HAYLAND OPERATIONS

This is land used to grow perennial, improved grasses which are cut and baled for livestock consumption. The most common type of grasses include: Coastal Bermuda and Klein Grass. These grasses are usually baled in the spring and early summer if irrigation is not available. If the land is irrigated, it may be baled until early fall. Hayland in the District requires supplemental fertilization and is usually part of the typical operation. Landowners should follow practices that are typical for the area. The same qualifications for 1-d-1 Productivity apply to hayland operations. **A typical size hay field has a minimum of five acres.**

ORCHARD AND VINEYARD OPERATIONS

These operations are in the business of cultivating and growing of trees or grapevines that produce crops of nuts (usually pecans or walnuts), or fruits (usually apples, peaches, grapes, berries, etc.) which are sold commercially. A regular schedule of pruning and spraying and cultivation as well as keeping the ground under the trees and vines closely mowed and brush control in the orchard and vineyard is a typical practice for this type of operation. This operation can yield abundant harvests off small acreage. **The typical minimum size for this type of operation is three acres.**

TRUCK FARMING OPERATIONS

This type of operation is in the business of cultivation the soil for planting vegetables. This type of operation depends on a good source of water for irrigation purposes. It is typical for this type of operation to utilize some type of irrigation system. There are some type of crops such as okra that do well in dry land areas and may not require irrigation so each operation should be considered separately. Examples of crops grown in truck farming operations include tomatoes, squash, potatoes, peppers, carrots and many other varieties of vegetables. **A minimum size of three acres is considered typical for this type of operation.**

WILDLIFE MANAGEMENT OPERATIONS

Wildlife Management is the latest major change to occur in 1-d-1 Productivity value in recent history. In 1991 the first wildlife management law was passed which allowed productivity appraisal for land used to manage indigenous wildlife. Implementation of this law was limited because of unanswered questions which may have jeopardized the land owners 1-d-1 Productivity valuation in some instances. In 1995, Texas voters approved Proposition 11, which amended the original Wildlife Management law and allowed landowners to implement the law without fear of penalty. The Comptroller of Public Accounts has published a brochure called Guidelines for Qualification of Agricultural Land in Wildlife Management Use. The Texas Parks and Wildlife Department has published Comprehensive Wildlife Management Planning Guidelines for the Edwards Plateau and Cross Timbers & Prairies Ecological Regions. These guidelines will be used to determine qualification for Wildlife Management Use. A Wildlife Management Plan, preferably prepared by or with the assistance of a Wildlife Biologist is required and a Wildlife Management Plan form (PWD 885-W7000) is available. These publications and forms are available at the Appraisal District Office or at the following websites: www.tpwd.state.tx.us; and www.window.state.tx.us. **The minimum acreage to be considered for qualification is: 20 ac. for an individual parcel; and 12.5 ac. for a parcel within a wildlife management cooperative.**

GOVERNMENTAL PROGRAMS

Currently, the only governmental program that will qualify for 1-d-1 Productivity on its own is the C.R.P. ten year set aside program. This type of program is a federal program that allows producers to put cropland back into grassland. The land owner is paid to participate in this program. Other governmental programs such as brush or cedar control or crop subsidies are normal and prudent ranch maintenance and those programs alone with no other agricultural use are not considered a qualifying use.

Added in 2002 the Government funded riparian management programs.

1-d-1 ROLLBACK TAX PENALTY

The law imposes a “rollback” tax on 1-d-1 land when the owner stops using it for agriculture. This penalty is commonly called a rollback because it recaptures the taxes that would have been paid if the property had been taxed at market value and covers the five year period proceeding the year of the use change. For example:

Year	Tax Paid	Tax on Market Value	Difference
2004	\$50	\$1000	\$950
2003	\$50	\$1000	\$950
2002	\$48	\$975	\$927
2001	\$48	\$975	\$927
2000	\$45	\$950	<u>\$905</u>
Total Base Tax:			\$4659

In addition, the Tax Assessor must add seven percent annual interest on these amounts from the date they would have become due.

MINIMUM ACREAGE REQUIRED TO SUPPORT THREE ANIMAL UNITS

(Under optimum conditions*)

Land Type	Stocking Rate (Acres per Animal Unit)	Minimum Acreage to support 3 Animal Units
Improved Grasses (i.e. Coastal, Kleingrass)	3.33	10
Native Range - Good Soils	5.0	15
Native Range – Average Soils	8.0	24
Native Range – Poor Soils	13.33	40

*These stocking rates were developed from United States Department of Agriculture (USDA), Natural Resource Conservation Service (NRCS) data for excellent condition pasture and rainfall (see page 11). This Guideline is designed to illustrate the very minimum amount of acreage capable of sustaining three animal units as required in the Herd Size Test on page 5. These stocking ratios may be adjusted based on pasture condition, rainfall and management. All parcels will be considered on an individual basis.

Please note: The above are not recommended stocking rates! Consult with NRCS and Extension Service personnel for recommendations specific to your property.

Ecological Site Forage Production

Production in pounds per acre for Ecological Sites in Excellent Conditions
by Annual Rainfall Events

Map Symbol	Soil Name	Excellent Rainfall	Average Rainfall	Poor Rainfall
AN	ANHALT CLAY, 0 TO 2 PERCENT SLOPES	6000	4500	3000
BKX	BRACKETT ASSOCIATION, UNDULATING (KERRVILLE)	3500	2800	1500
BRX	BRACKETT-ROCK OUTCROP ASSOCIATION, HILLY (KERRVILLE-ROCK OUTCROP)	3000	2000	1200
DE	DENTON SILTY CLAY, 1 TO 3 PERCENT SLOPES (PRATLEY)	5000	3500	2500
DL	DENTON SILTY CLAY, 3 TO 5 PERCENT SLOPES (PRATLEY)	5000	3500	2500
DNX	DENTON ASSOCIATION, UNDULATING (PRATLEY)	5000	3500	2500
DS	DOSS CLAY, 1 TO 5 PERCENT SLOPES	4000	3000	1800
FR	FRIO SILTY CLAY, OCCASIONALLY FLOODED (OAKALLA)	6000	4500	3000
HO	HOUSTON BLACK CLAY (BRANYON)	7000	5500	3500
KA	KARNES FINE SANDY LOAM, OCCASIONALLY FLOODED, 1 TO 3 PERCENT SLOPES (BOERNE)	6000	4000	2500
KM	KRUM SILTY CLAY, 1 TO 3 PERCENT SLOPES	6500	6000	4000
KN	KRUM SILTY CLAY, 3 TO 5 PERCENT SLOPES	6500	6000	4000
KRX	KRUM-DENTON ASSOCIATION, GENTLY UNDULATING (KRUM-PRATLEY)	5938	5062	3438
ND	NUVALDE SILTY CLAY, 0 TO 1 PERCENT SLOPES	4500	3500	2000
NV	NUVALDE SILTY CLAY, 1 TO 3 PERCENT SLOPES	4500	3500	2000
OKX	ORIF-KARNES ASSOCIATION, FREQUENTLY FLOODED (ORIF-BOERNE)	4900	3600	2250
SPX	SPIRES ASSOCIATION, GENTLY UNDULATING	5500	4200	2500
TBX	TARRANT-BRACKETT ASSOCIATION, STEEP (ECKRANT-KERRVILLE)	2200	1600	933
TDX	TARRANT-DOSS ASSOCIATION, UNDULATING	3000	2200	1400
TRX	TARRANT-ROCK OUTCROP ASSOCIATION, UNDULATING (ECKRANT-ROCK OUTCROP)	3000	2500	1500
TSX	TARRANT-ROCK OUTCROP ASSOCIATION, STEEP (ECKRANT-ROCK OUTCROP)	1800	1400	800

ANIMAL UNIT EQUIVALENCY CHART

<u>ANIMAL TYPE</u>	<u>ANIMAL UNIT</u>
Cow or Cow & Calf	1.00 Animal Unit
Mature Bull	1.25 Animal Unit
Weaned Calf to one Year	.60 Animal Unit
Steer one Year Old	.70 Animal Unit
Steer two Year Old	.90 Animal Unit
Horse	1.25 Animal Unit
Donkey or Mule	1.25 Animal Unit
Burro	.75 Animal Unit
5 Ewes With or Without Lambs	1.00 Animal Unit
4 Rams or Buck Sheep	1.00 Animal Unit
8 Lambs Weaned to 1 Year	1.00 Animal Unit
6 Nanny Goats or Does With Kids	1.00 Animal Unit
5 Billy or Buck Goats	1.00 Animal Unit
10 Kid Goats Weaned to 1 Year	1.00 Animal Unit
6 Mature Mutton Goats	1.00 Animal Unit
5 Axis, Aoudad, Fallow, or Mouflon	1.00 Animal Unit
9 Blackbuck Antelope	1.00 Animal Unit
7 Sika Deer	1.00 Animal Unit
2.5 Red Deer	1.00 Animal Unit
1 Eland	1.00 Animal Unit
3 Emus	1.00 Animal Unit
2 Ostriches	1.00 Animal Unit
7 Whitetail Deer	1.00 Animal Unit