



Agricultural special use valuation

Cooke County Appraisal District

What qualifies for agricultural special use valuation?

- Section 23.51 of the Property Tax Code sets the standards of what qualifies.
- Land must be CURRENTLY (not intending to) be devoted principally to agricultural use to the degree of intensity generally accepted in the area.
- Intensity is determined by each county after consulting with an ag advisory board.
- Land must have been IN USE 5 out of the last 7 years.
- Agricultural use typically means the animals or plants your are growing are producing food or fiber.
- Horses qualify when the land use is devoted to a breeding operation. Having two horses for personal use does not qualify.
- For more information click on the following link:

<https://comptroller.texas.gov/taxes/property-tax/docs/>

The following slides will try to help explain the different sections of the agricultural use application.

This presentation will help you complete your application. If you do not already have an application go to the Cooke County Appraisal District website www.cookecad.org. Click on "AGRICULTURAL USE" then click on "1-D-1 AG USE APPLICATION". You can print the application or you can fill in the application online then print the completed form you can pick one up from the Cooke CAD office at: 201 N Dixon Gainesville, TX 76249



How to properly fill out an ag application

Application for 1-d-1 (Open-Space) Agricultural Use Appraisal

APPLICATION YEAR

Texas Constitution, Article VIII, Sec. 1-D-1
This Application must be filed with the CCAD between January 1st and April 30th of the year requesting special valuation.
If filed after April 30th a penalty will be added. The final deadline is the date the roll is certified. CCAD suggest filing by July 15th

Cooke County Appraisal District
201 North Dixon St.
Gainesville, TX 76240
Phone: (940) 665-7651
www.cookecad.org

STEP 1: Provide Name, Mailing Address and Date of Birth of Property Owner

Name of Property Owner _____

Mailing Address _____

City, State, ZIP Code _____

Birth Date (if owned by an individual?) _____ Phone Number _____ Email Address _____
(Failure to provide date of birth does not affect your eligibility for special appraisal.)

STEP 2: Describe the Property for Which you are Seeking Agricultural Use Appraisal

Total Acres Subject To This Application: _____

Please describe anything about your operation that should be considered in approving this application.

Property ID #	ABST. NBR. OF SUPPLY	NBR. OF ACRES IN TRACT	DO NOT WRITE IN SHADED AREA FOR OFFICE USE ONLY							
			ORCHARD	IRRIG CROP	DRY CROP	IMPROVED PASTURE	NATIVE PASTURE	WOODED PASTURE	NON-AG USE	

YOU MAY CONTINUE THIS LISTING ON A MULTI-ACCOUNT FORM AVAILABLE ON CCAD WEBSITE WWW.COOKECAD.ORG OR AT THE APPRAISAL DISTRICT OFFICE.

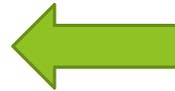
FOR OFFICE USE ONLY: _____ #OF ACRES _____

FOR OFFICE USE ONLY: _____ #OF ACRES _____
DISAPPROVED DATE: _____ REASON: _____

Do not fill in these two boxes



- Basic contact information. Make sure you provide a good phone number and email address. Please fill in your birth date.



- List the total number of acres for this application and any other pertinent information. If you are applying for a small amount of acres but your acres are used with a larger tract of land please state the information on the large tract.



- Use a separate line for each parcel. ***Do not use the shaded area.*** If you do not know the Property IDs and abst number reference to your appraisal notices, tax statement or search your name on our website.

AGRICULTURAL USE – includes, but is not limited to, the following activities: (1) cultivating the soil; (2) producing crops for human food, animal feed, or planting seed or for the production of fibers; (3) floriculture, viticulture and horticulture; (4) raising or keeping livestock; (5) raising or keeping exotic animals or fowl for the production of human food or fiber, leather, pelts or other tangible products having a commercial value; (6) planting cover crops or leaving land idle for the purpose of participating in a governmental program provided the land is not used for residential purposes or a purpose inconsistent with agricultural use or leaving the land idle in conjunction with normal crop or livestock rotation procedures; (7) wildlife management; and (8) beekeeping.

Wildlife management is defined as actively using land that at the time the wildlife-management use began, was appraised as qualified open-space or timber land under Tax Code, Chapter 23, Subchapter D or E, to propagate a sustaining breeding, migrating or wintering population of indigenous wild animals for human use, including food, medicine, or recreation, in at least three of the following ways: (1) habitat control; (2) erosion control; (3) predator control; (4) providing supplemental supplies of water; (5) providing supplement supplies of food; (6) providing shelters; and (7) making census counts to determine population.

Wildlife management is also actively using land to protect federally listed endangered species under a federal permit if the land is included in a habitat preserve subject to a conservation easement created under Chapter 183 Natural Resources Code or part of a conservation development under a federally approved habitat conservation plan restricting the use of the land to protect federally listed endangered species or actively using land for a conservation or restoration project under certain federal and state statutes is wildlife management. **Wildlife management requires a separate application.**

Agricultural land use categories include: (1) irrigated cropland, (2) dry cropland, (3) improved pastureland, (4) native pastureland, (5) orchard, (6) wasteland, (7) timber production, (8) wildlife management, and (9) other categories of land that are typical in your area.

STEP 3: Describe the Property's Current Use

LIVESTOCK YES: NO:

TYPE OF CURRENT USE:

A. Cow/Calf B. Feeder calves C. Sheep D. Goats E. Hogs F. Horses

How many head of Domestic Livestock do you raise on this property? Give average head per year: _____

Is your pasture: (a) Improved (b) Native (c) Wooded

State number of acres: (a) Improved _____ (b) Native _____ (c) Wooded _____

Is the perimeter of the property listed on this application fenced? YES NO

CROPLAND: YES NO

CHECK TYPE OF CURRENT USE:

A. Wheat/Oats B. Milo C. Corn D. Native Hay E. Improved Hay F. Other

State the number of acres grown for each type that you checked: _____

In an average year what is your yield per acre OR average hay bales per acre? _____

If the land shown on this application is less than 15 (hay) or 20 acres (row crop) is it used in conjunction with a larger operation? YES NO

If "YES", state how many acres it is used with and the property ID or Owners' name: _____

I. NON-AGRICULTURAL USE YES NO

State the number of acres in a non-agricultural use: _____

The non-agricultural land is used as: (a) Homesite (b) Heavy Timber (c) Lying Idle



Information/definitions regarding agricultural and wildlife use



Note: If you check YES in any box, you must answer each question within that box. If you check NO, simply move on.



Make sure that you indicate the average head of livestock per year. If you have a cow/calf operation list the number of cows.



If you have cropland, state the number of acres in each category and the average yield per acre.



Complete this section if any of the property is NOT being used for ag use. Note: One acre is typically removed from ag use for each homesite.

2. HORSES YES NO

How many acres are devoted to Horses? _____

How many horses are on the property? _____ Is it a breeding operation, renting stall or for training? _____

3. BEES YES NO (For Bees you will need to complete a supplemental form. You can find the form at www.cookecad.org or call the appraisal district.)

How many acres are devoted to Bees? _____ How many hives are you operating? _____

4. WILDLIFE MANAGEMENT YES NO

(For Wildlife Management you will need to complete a separate form. You can find the form at www.cookecad.org or call the appraisal district)

How many acres are devoted to Wildlife Management? _____

5. GOVERNMENT PROGRAM YES NO

If in a government program state the number of acres: _____

If in a government program list the program(s) _____ (You must attach a copy of document(s))



Horses will qualify if you have a breeding operation.



If you are applying for special valuation based on bees or wildlife management please answer the question in this box. As stated in the box you will need to fill out additional forms which are located on our website and at our office.

STEP 4: Describe the Property's Historical Use

DESCRIBE HISTORICAL USE

Please check the appropriate box for "YES" or "NO"

- Has the ownership of the property changed since January 1 of last year or since the last application was submitted? YES NO
- Last year, were you allowed 1-d-1 ag appraisal on this property by the chief appraiser of this appraisal district? YES NO
 - If no, you must complete all applicable questions, including Step 3 and Step 4, if the land is used to manage wildlife.
- Is this property located within the corporate limits of a city or town? YES NO



In this box there are 3 questions. Number 2 seems to be the most asked about. 1-D-1 is the special use or as you know it agricultural use.

THE CHIEF APPRAISER REQUIRES THE HISTORY OF AGRICULTURAL USE BE COMPLETED

If you are a new owner and are not familiar with the history of use go back to the seller, realtor or perhaps a neighbor for this information

Please answer the following questions fully. You may list the agricultural uses of your property according to the agricultural land uses stated on page 2 of this application. You may divide the total acreage according to individual uses to which the land is principally devoted.

Describe the current and past agricultural uses of this property as described above, starting with the current year and working back 5 years or until you have shown 5 out of 7 years of agricultural use. You will need to describe each years' use (DO NOT USE DITTO MARKS OR LINES WITH A DOWNWARD ARROW FROM THE FIRST LISTED USE)

YEARS	AGRICULTURAL USE* <small>SPECIFY: (ROW CROP, HAY, COWS, PIGS, GOATS, HORSESETC)</small>	ACRES	NON-AGRICULTURAL-USE <small>(Homesite, Rent House etc.)</small>	ACRES
2017				
2016				
2015				
2014				
2013				
2012				
2011				



You MUST complete the historical use of the property year by year. If you are a new owner go back to the seller and ask. If you are unable to do that talk with your new neighbors or the realtor who sold you the property. It's your responsibility to know and prove the history of use. DO NOT fill out one line and draw a line down the rest of the years.

CROP/PASTURE OR HUNTING LEASE INFORMATION

TO BE COMPLETED ONLY IF LAND IS USED OR LEASED BY ANOTHER INDIVIDUAL FOR AGRICULTURAL USE OR FOR HUNTING

Do you allow someone other than yourself to use this land? YES NO

Tenants/Lessee Name: _____ Tenants/Lessee Phone Home: _____
 Address: _____ Work: _____
 _____ Cell: _____

If the use is **CROP/PASTURE** and the lease is cash, what is your annual rent? _____

What are some of your other considerations? _____ (attach a copy of the lease if available)

If you allow **HUNTING** how do you charge for the hunting lease? Per Acre \$ _____ Per Gun \$ _____ Per Person \$ _____

How much do you receive annually? _____ Daily Fee \$ _____ Other \$ _____



If the land is used by or leased to another party who uses it for agricultural purposes please complete this section. Also, please attach a copy of the lease.

IMPORTANT INFORMATION FOR APPLICANTS

Article VIII, Section 1-d-1, Texas Constitution, and Chapter 23, Subchapter D, Texas Property Tax Code, provide for appraisal of open-space land. Land qualifies for special appraisal (1-d-1 appraisal) if it has been (1) used for agriculture for five of the preceding seven years and is currently devoted principally to agricultural use as defined by statute, (2) used to protect federally listed endangered species under a federal permit, or (3) used for conservation or restitution projects under certain federal and state statutes. The land must also be used for agriculture to the degree of intensity generally accepted in the area. The value of the land is based on the annual net income from a typical lease arrangement that would have been earned from the land during the five-year period preceding the year before the date of appraisal by an owner using ordinary prudence in the management of the land and the farm crops and livestock produced or supported on the land, including income received from hunting or recreational leases.



Please read this section carefully and make sure that you understand before signing. It is very important that you understand that once you receive ag use and then at some point change the use to a non-agricultural use you could find that a rollback tax is assessed for the previous 5 years. Also, the deadline to file the application is the last day of April. You can still file after that date but there is a 10% last filing penalty.

On or after Jan. 1, 2008, an individual is not entitled to have land designated for agricultural use if the land secures a home equity loan described by Article XVI, Section 50(a)(6), Texas Constitution.

If you have questions on completing this application or on the information concerning additional taxes and penalties created by a change of use of the land, you may consult the State Comptroller's Manual for the Appraisal of Agricultural Land and your appraisal district staff. The manual may be found on the Comptroller's Web site at comptroller.texas.gov/taxinfo/proptax under the section concerning appraisal manuals.

You must complete this application in full and file it with the chief appraiser before May 1 of the year you are applying for agricultural appraisal. To be accepted, this form must contain information necessary to determine the validity of the claim. If your application is approved, you do not need to file again in later years unless the chief appraiser requests a new application. The chief appraiser may disapprove the application and request additional information. The chief appraiser may deny the application and you may protest that determination to the county appraisal review board in a timely manner. If the chief appraiser requests additional information from an applicant, the information must be furnished within 30 days after the date of the request, or the application is denied. For good cause shown, the chief appraiser may extend the deadline for furnishing the information by written order for a single 15 day period.

You may file a late application up to midnight the day before the appraisal review board approves appraisal records for the year which usually occurs in July. If you file a late application and your application is approved, you must pay a penalty equal to 10 percent of the difference between the amount of tax imposed on the property and the amount that would be imposed if the property were taxed at market value.

OTHER IMPORTANT INFORMATION

If the initial application form does not contain all the information needed to determine whether property qualifies, the chief appraiser may request additional information. The chief appraiser may request only additional information that is necessary to determine whether the land qualifies for 1-d-1 appraisal.



Note: You MUST notify the chief appraiser in writing if you change the use of the land. It is important to you should you change from cropland to pasture.

You must notify the chief appraiser in writing if you: stop using your property for agriculture (e.g., you voluntarily decide to stop farming); change the category of your use (e.g., you change from dry cropland to irrigated cropland); change the level of your use (e.g., you substantially increase or decrease the number of cattle you raise); change the nature of your use (e.g., you switch from growing corn to growing ornamental plants); enter, leave or change governmental programs (e.g., you put 100 acres in Conservation Reserve Program); or if you begin using your land for something other than agriculture (e.g., you build a shopping center on most of your land). You must deliver this notice no later than the April 30 following the change in use or eligibility.

PENALTIES

If your land receives agricultural appraisal and you fail to notify the chief appraiser of a change in agricultural use, you may be required to pay a penalty. You will be required to pay a substantial additional tax plus interest (a "rollback" tax) if you stop using all or part of the property for agriculture.

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Section 37.10.

X _____
SIGNATURE

_____ OWNER/AGENT

_____ PRINT NAME

_____/_____/_____
DATE



Sign, print name, and date after form is completely filled out. If the application is not signed it will be sent back to you.

Common Question

“What do I have to do to get the agricultural special use”

- **There is no simple answer! It all depends on your operation and the following:**
 1. **How much land do you have?**
 2. **What is the agricultural product you are producing?**
 3. **Are you utilizing all the available land to produce your product?**
 4. **Is this being utilized to the degree of intensity generally accepted in our area?**
(degree of intensity = time + labor + equipment + management + capital)
 5. **Is it being used as a typical prudent manager of this type operation would use it?**
 6. **Is there a history of qualified land use for five of the last seven years?**

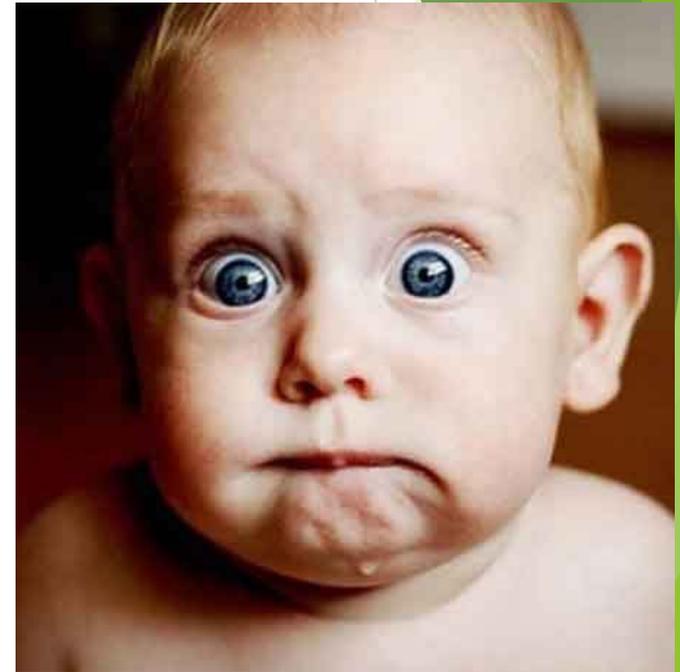
REMEMBER!

- In order to qualify for the agricultural special use valuation, the BURDEN OF PROOF IS ON THE PROPERTY OWNER.
- Attach or bring in all relevant documentation; including: vet bills, bill of sales, sales/maintenance receipts, photos proving agriculture use (photos should be date stamped and show a landmark on property), leases/contracts, schedule F addendum to tax return (if filed) and any other documentation that proves the property is being used for agricultural purposes.
- Agricultural use applications that are filled out completely and correctly, along with ALL relevant documentation, help appraisers make a determination if the properties can be approved in a timely manner.
- Agricultural applications that are not filled out completely or without supporting documentation WILL NOT BE APPROVED.



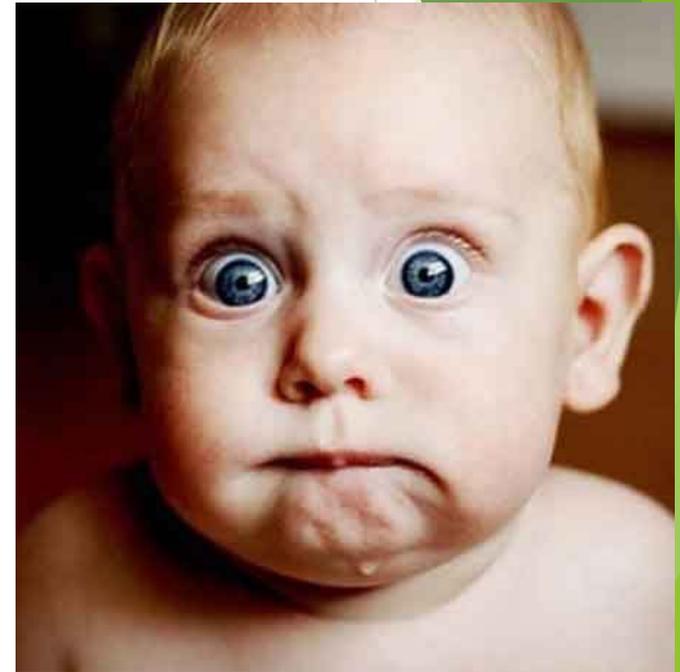
USE IT OR LOSE IT

- **Appraisers do periodic inspections and inventory property in Cooke County. If at any time the agricultural use is in question, you may be asked to resubmit a new application with current information regarding use. If you get a request to refile you MUST complete the application or possibly lose you agricultural use.**
- **You will be notified to reapply for agricultural use if your application is 10 years or older. This is being done by school district(s).**
- **If the property was not in ag use for 5 out of the last 7 years, it will be denied. However, it is a good idea to continue to file the application so that it is on record each year that it is in use so that when the history has been met it can be approved.**
- **If the property was recently purchased and had agricultural use valuation, it is the new owners responsibility to find out and provide the previous agricultural use history to the appraisal district. Note: Just because a property has been receiving agricultural special use valuation with the appraisal district does not mean that it was in use. It could only mean that we have not found that it was in non use as of yet.**



USE IT OR LOSE IT CONTINUED

- If the use of the property changes (intensity, category of use, nature of use, etc.), the property owner is **REQUIRED** to notify the Chief Appraiser **IN WRITING**.
- Per sec. 23.55 of the Texas Property Tax Code: If a property changes from agricultural use to a non-agricultural use, it will be subject to a rollback tax. A rollback is triggered when the ag use no longer exist either through development of the property or just deciding that you no longer want to work the land. The taxes imposed is the difference between the market value of the land and the ag value for the preceding 5 years.
- If only a portion of land use changes, then only that portion of land will be subject to a rollback of taxes.



A few common agriculture endeavors with minimal guidelines.

- Hay or crops: 15 acres or more
- Cattle 30 acres or more
- Feeder Cattle For tracts of land less than 30 acres in size, a minimum of 10 head.
- Sheep/ Goats 10 acres or more with approximately 3 head per acre

When do I have to file my ag application?

- The deadline to file an application for agricultural special use valuation is April 30th of the year you are applying for. However, you can still submit an application after April 30th but before the appraisal roll is certified but there is a 10% late filing penalty if approved for the first year. We suggest that you file the application no later than the first week of July.
- The “late penalty” is figured by taking the difference between having the special valuation and not having the special valuation. The late penalty is 10% of the difference.
- Once the appraisal roll is certified the special valuation cannot be applied for that year. You can reapply the following year.
- PLEASE FILE YOUR AGRICULTURAL USE APPLICATION ON TIME!

How will I know if I am approved or denied for ag special use valuation?

- After the appraisal district receives your agricultural use application, it can take up to several months before we get to review it.
- If the application is approved you will not receive a letter from the appraisal district. However, your new valuation will be reflected on your appraisal notice. . You can find your property by searching on the Cooke CAD website at www.cookecad.org
- If your application is denied, you will receive a letter in the mail indicating that your application has been denied with an explanation as to why. It can be denied for several reasons including : an improperly filled out application, insufficient documentation, not currently in use, does not have 5 out of 7 years ag use history. If denied you can bring in sufficient documentation or pictures to show you are using the property for agricultural use, and the appraiser agrees, the application can then be approved.
- Keep in mind, it is possible to have agricultural use approved for part of your property and denied for the remaining portion. For example: if you claim on your application that you bale hay, 5 acres wooded and 15 acres improved pasture, you may be approved on 15 acres and denied for the other 5.

BEEKEEPING



- ▶ To apply for special appraisal due to beekeeping, please fill out our Agricultural application along with the Supplemental Beekeeping Questionnaire
- ▶ Property must have a agricultural use history for 5 out of the past 7 years
- ▶ The Cooke County Appraisal District's degree of intensity for bees is 6 hives on the first 5 acres with 1 hive per additional 2.5 acres, up to 20 acres.
- ▶ The hives must be maintained and bees kept alive
- ▶ Hives must be located on the property at least 7 months out of the year.

ACRES	MINIMUM HIVES
5	6
7.5	7
10	8
12.5	9
15	10
17.5	11
20	12

**Cooke County Appraisal District
Beekeeping Guidelines**

Sec. 23.51(2) "Agricultural use" 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 or more than 20 acres.

Our degree of intensity standard is set at a minimum of six colonies (hives) and 5 acres. The minimum degree of intensity was established using Section 131.001 Texas Agriculture Code's definition on 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, honey, pollen, and brood.

The Cooke County Appraisal District's degree of intensity is 6 hives for the first 5 acres with one hive per additional 2.5 acres up to 20 acres.

ACRES	MINIMUM HIVES
5	6
7.5	7
10	8
12.5	9
15	10
17.5	11
20	12

The productivity value for beekeeping will be based upon the Orchard productivity value. The hives must be maintained and kept alive. Hives must be located on the property at least 7 months of the year, remain active, and be maintained. Hives should be situated up off the ground. Flowering plants should be planted to support hives if the hives are in areas where there is limited vegetation that requires pollination.

For property owners to initially qualify for beekeeping special use appraisal they, must show proof of history for agricultural use/beekeeping for any of the five out of seven preceding 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.

- Please read our beekeeping guidelines carefully.
- A copy of this document is available at the Cooke County Appraisal District and on our website.
- For more information about agriculture, please contact our office or click on the Information tab on our website and select the appropriate link.

SUPPLEMENTAL BEEKEEPING QUESTIONNAIRE

Property Owner Name: _____

Property ID #'s _____

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.

How many acres are you applying for? _____

When property owners initially qualify for agricultural appraisal they must show proof of history of agricultural use/beekeeping for any of the five out of seven preceding 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. When did you receive your bees? _____
Attach a copy of the apiary receipt from your purchase.

When did you obtain your equipment for the bees? _____

What type of bees are you raising? _____

How long have you been raising bees? _____

How many hives do you have on the property now? _____

Who will be managing the bee colony? _____

Is there a hired bee wrangler? If yes, who? _____

Describe any beekeeping education obtained: _____

CHECK THE PRODUCT(S) YOU EXPECT TO HARVEST:

- Honey – [Extracted, Comb, Chunk, Creamed or Whipped Honey]
- Beeswax
- Propolis
- Royal Jelly
- Pollen
- Bees themselves

Expected pound of production per hive is _____

How do you plan to market your products? _____

DESCRIBE ANY POLLINATION PLANS FOR YOUR PROPERTY:

I.e.: What plants are on your property now? Do you have clover?
Have you planted specific flowers for the bees?

PLEASE NOTE: The bees must be alive, active & producing to qualify & are subject to annual verification.

SIGNATURE: _____ DATE: _____

Printed Name: _____

- Please read carefully and fill out the questionnaire with as much detail as possible.
- A copy of this document and an agricultural use application can be found on our website by clicking on the “AGRICULTURAL USE” tab and scrolling to “Bees Application Supplement (File with 1-d-1 Application)” .
- Please include supporting documentation such as hive transportation permits, receipts, date stamped pictures and maps of the hives’ location.

Additional resources

- <http://www.cookecad.org/>
- <http://www.noble.org/>
- <http://www.cpa.state.tx.us/taxinfo/proptax/pdf/96-300.pdf>
- <http://cooke.agrilife.org/>
- <http://www.nctc.edu/Agriculture>
- <http://tpwd.texas.gov/>
- <http://www.elmforkbeekeepers.org>
- <http://www.texasbeekeepers.org>

Thank you for taking the time to view our agricultural use presentation!

- Agricultural special use valuation is an important tax break for farmers and ranchers in Texas. However, due to the number of applications that we receive, it is extremely important that property owners take the time necessary to properly fill out the application and provide all necessary documentation.

