

**COLLIN COUNTY APPRAISAL DISTRICT  
AGRICULTURAL LAND QUALIFICATION GUIDELINES  
(NOVEMBER 2016)**

**INTRODUCTION**

It is the opinion of the Collin County Appraisal District (CCAD) that the attached Agriculture Land Qualification Guidelines are valid for mass appraisal purposes and can be applied uniformly throughout CCAD. The Manual for the Appraisal of Agricultural Land, Property Tax Assistance Division, Comptroller of Public Accounts, April 1990, supports these guidelines.

The Texas Constitution permits qualified open-space land to be taxed generally at productivity value instead of market value. The legal basis for this type of special valuation called "Ag Use Open Space" or 1-d-1. The Texas Property Tax Code (TPTC), Sections 23:51 thru 23.57 provide the core provisions for implementation.

It should be noted that these guidelines are to be used as a general guide for qualifying agricultural land. Exceptions to this guide will be handled on a case-by-case basis. All contiguous parcels can be considered on a stand alone basis with consideration being given to common ownership.

The general policy of the CCAD is in accordance with the Manual for the Appraisal of Agricultural Land, qualification guidelines for agricultural use. In order to qualify for Ag Use or Open Space valuation, the following requirements must be met.

**APPLICATION**

**REQUIREMENTS**

The application must meet the following requirements:

The land must have been devoted to a qualifying agricultural use for at least five (5) of the preceding seven (7) years. When history is in doubt, the following are examples of documents that may be provided for verification: IRS forms, sales receipts, expense receipts and/or sworn affidavits from persons (lessor or lessee) having knowledge of the subject property. Land under agricultural production must be specifically identified and products produced clearly stated. The land shall be described legally and physically. Physical description identifies the land in categories or classifications such as dry land cropland, native pasture, or improved pasture, as well as the number of acres in production. The productive capacity of the land must be described to allow for measurement of agricultural production intensity.

If the land is located within the boundaries of a city or town, one of the following requirements must be met in addition to the normal requirements: The city must not

provide the land with general services comparable to those in other parts of the city having similar features and population and /or must have been devoted principally to agricultural use continuously for the preceding five years.

Application must be made on an acceptable form after January 1 and before May 1 of the tax year. If May 1 falls on a weekend or holiday, the next working day is the deadline. The postmark is considered to be the delivery date. The Chief Appraiser may extend the deadline, for good cause, for not more than sixty (60) days, if the request is received in writing before the deadline (TPTC ~23.54 (d)). A new application must be filed when there is a change of ownership. If a person fails to file a valid application on time, the land is ineligible for agricultural appraisal for that year. Once an application for 1-d-1 is filed and approved, a landowner is not required to file again as long as the land qualifies, unless the chief appraiser requests another application to confirm current qualification.

Applications received after the deadline will be accepted until the appraisal roll is certified. If approved, late applications will be subject to a penalty of ten (10) percent of the difference between the amount of tax imposed if the property were taxed at market value (TPTC ~23.541 (a & b)).

### **PRINCIPLE USE**

For special valuation, qualified open-space land must be currently devoted principally to agricultural use. The principle use of the land must be agricultural and will be verified by on-site inspection. TPTC ~23.51 (2) defines the term “agriculture use” as including but not limited to the following activities.

- Cultivating the soil
- Producing crops for human food, animal feed, or planting seed or for the production of fibers.
- Floriculture: the cultivation and management of ornamental and flowering plants.
- Viticulture: the cultivation of grapes.
- Horticulture: the cultivation of fruits, vegetables, flowers, herbs or other plants.
- Raising or keeping livestock. “Livestock” means a domesticated animal that derives its primary nourishment from vegetation, supplemented as necessary with commercial feed. Livestock includes meat or dairy cattle, horses, goats, swine, poultry, and sheep. Wild animals are not livestock.
- Raising exotic game for commercial use. Exotic game means a cloven-hoofed ruminant mammal that is not native to Texas and is not “livestock”. Raising such game may qualify, but must meet the primary use test.
- Participation in a government program and normal crop rotation. Land left idle to participate in a government program is used for agriculture. Land left idle for crop rotation qualifies until it is left idle for longer than the crop rotation period typical for the crop in the area.

- Raising or keeping Bees for pollination, or for the production of human food. The land for keeping Bees cannot be less than 5.0 acres or more than 20 acres. Effective September 28, 2011.

Small tracts of land that have been developed and/or marketed for residential use and are of inadequate size to support an economically feasible agricultural activity would not normally qualify for Special Valuation. Land will not qualify simply because it is rural or has some connection with agriculture. Neither will it qualify because it is open land that has no other possible use. The law does not guarantee a tax break for everyone who owns acreage. Casual uses such as home vegetable gardens, raising a steer, goat, sheep for FFA and 4H projects do not constitute agricultural use for property tax purposes.

Land must be utilized to the “degree of intensity” generally accepted in Collin County. Local farming and ranching practices of a typically prudent manager measure degree of intensity. Typically prudent may be measured by comparing the actual production of the subject property to the typical yields in Collin County. Once a property is in the special valuation program it must meet the intensity of use test every year. The degree of intensity test measures what the property owner/operator is contributing to the agricultural operation (time, labor, equipment, management, and capital), and compares it with typical levels of inputs for the same type of operation in the area. In addition, a property owner/operator must be able to verify purchases and sales of livestock and/or farm products by bill of sale, sales receipts or other documentation. High intensity operations such as poultry or swine production may qualify on a small tract of land where otherwise it would not qualify (example: a 40 x 300-foot broiler house).

Information acquired from Texas A&M University, Production Credit Association, Federal Land Bank, USDA, Farm Services Agency (FSA), and Texas Agricultural Statistics Service for Collin County have been used to arrive at the typical yields in Collin County.

Intensity of agricultural production is the central issue or standard of agricultural use qualification. A typical prudent livestock operation to the degree of intensity generally accepted in this area, such as grazing cattle or livestock, is three (3) animal units year round. Year round means twelve (12) months. In order to give property owners the benefit of doubt, CCAD will use three (2) animal units per year.

An animal unit equals 1,000 pounds of any domestic animal or a combination of animals with a forage dry matter (DM) requirement of 27 lbs/day. Examples of minimum animal counts would be: twelve (12) sheep, fourteen (14) goats, two (2) cows, four (4) 500 pound calves or two (2) brood mares and or a combination of the above. Exotic animals will require additional information to qualify.

The chief appraiser is required by law to develop “degree of intensity” standards for each type of agriculture production in a given county. These standards reflect the practices that are typical for producing various kinds of crops or livestock. Degree of intensity standards will vary from one type of agricultural operation to another. In most cases,

property owners must prove that they are following all the common production steps for their type of operation and contributing typical amounts of labor, management, and investment.

The chief appraiser’s decision on what constitutes an “area”, (i.e. soil type) will define “typical” agricultural intensity. The size of the area can vary depending on the commodity. For a common crop, the chief appraiser may be able to look to farming practices within the county. Less common crops may require the chief appraiser to consider a multi-county region to decide the typical agricultural inputs.

Small acreage that is not used as part of a larger operation and has a home built upon the tract is primarily residential in nature, with agricultural use secondary. Home sites will be considered a separate land segment on the appraisal roll. The CCAD standardizes a minimum of one acre for a home site on agricultural parcels.

Open-space land must have agricultural use as its primary use in order to qualify. In some instances the principle use could be two different activities; part agriculture and part non-agriculture. When part of a parcel is used for non agriculture purposes the parcel will be split into separate land segments.

Small tracts that are used in conjunction with a larger agricultural operation may be viewed in terms of the overall operation. The land may be owned or leased by the operator. Example: the broiler house within the boundary of a cattle grazing operation.

**GUIDELINES FOR DETERMINATION OF DEGREE OF INTENSITY STANDARDS**

These standards reflect the practices that are typical for producing various kinds of crops or livestock commonly raised in Collin County. **Degree of intensity standards are subject to change from year to year.**

**Dry Crop Land**

Typical crop rotation: corn, milo, wheat or oats. Standard practices: shred previous crop, till, plant, fertilize, apply herbicide, control insects, maintained in a workman-like manner, and harvest.

**Common Crops for Collin County**

Type of Crop	Typical Yield
Grain Sorghum	66 bu/ac
Corn	52 bu/ac
Wheat	51.5 bu/ac
Oats	61 bu/ac

### Rare Crops for Collin County

Classification	Specific Crop	Yield Per Acre	Minimum Acreage	Comments
Horticulture	Green Houses	Varies	Varies	Must be a wholesale operation.
Horticulture	Nursery	Varies	5 Acres	Must be a wholesale operation.
Horticulture	Orchard	Varies	5 Acres	Must be a wholesale operation.
Horticulture	Truck Farm	Varies	5 Acres	Must be a wholesale operation.
Horticulture	Tree Nursery	Minimum 200 trees/ac	5 Acres	Must be a wholesale operation.
Horticulture	Turf Grass	Varies	5 Acres	Must be a wholesale operation.
Viticulture	Vineyards	Varies	3 Acres	Must be a wholesale operation.
Other	Exotic Animals	---	---	Species not indigenous to State. Must be in commercial production.

\*Typical yield information is a five (5) year average based on information from the Texas Agricultural Statistics Service for Collin County, provided to Texas A&M University, which is then provided to Texas Comptroller of Public Accounts, Property Tax Assistance Division.

### Forage or Grazing Lands for Livestock Production

#### Animal Units

CCAD requires a minimum of two (2) animal units run on pastureland for the majority of the year (180 days) to qualify for 1-d-1 agricultural appraisal. Normal livestock rotation is understood, but second locations need to be referenced on the application. An animal unit is any domestic animal or combination of animals with a forage dry matter (DM) requirement of 27 lbs/day. Another way to describe an animal unit is 1,000 pounds of animal weight. Examples of minimum animal counts would be:

12 sheep	2 animal units
14 goats	2 animal units
2 cows	2 animal units
4/500 lb calves	2 animal units
2 brood mares	2 animal units

### Improved Pasture

Standard practices: fertilize annually, weed and brush control, fences maintained, stock water, systematic marketing of animals and property management of land for long run forage.

### Native Pasture

Standard practices: weed and brush control, fences maintained, stock water, systematic marketing of animals, and property management for long run forage.

Water, or lack of, is a significant factor on land's ability to carry livestock.

Type of Pasture	Typical Acres Per Animal Unit (recommended)	Acreage Needed For Minimal Animal Units (recommended)
Improved	3-5	6-10
Native	4-6	8-12

### Hay

Standard Practices: tillage, fertilizing, cutting, baling, hauling, feeding or marketing. In normal years, two to three (2-3) cuttings should be achieved. Hay production should be approximately two to three thousand pounds per acre per cutting. The hay must be marketable.

Type	Typical Annual Bales/Cutting/Ac.	Typical Number of Cutting Per Year	Minimum To Qualify	Equivalent Weight
Improved Grasses	60 square 3 round	2-3	300 square 15 round	15,000 lbs.
Sudan/Hag Grazer	50 square 3 round	2-3	300 square 15 round	15,000 lbs.
Johnson Grass	40 square 2 round	2	200 square 10 round	10,000 lbs.

Johnson grass hay fields are typically disked or chiseled lightly early in the spring to enhance growth and assist in weed control and should be fertilized. Some experts do not consider Johnson grass a typical hay crop; however, in Collin County this seems to be normal.

### **Horticulture**

#### Orchards

Standard Practices: 14-100 trees per acre, written production plan, weed control, water available for establishment, insect control, fertilize, prune trees, manage and harvest. The orchard must be a wholesale operation.

Irrigated Orchard: typically five (5) acres of land is required to achieve a minimum standard of production to qualify for agricultural use given prudent management.

Dry land Orchard: typically ten (10) acres of land is required to achieve a minimum standard of production to qualify for agricultural use given prudent management.

Native Orchard: typically ten (10) acres of land is required to achieve a minimum standard of production to qualify for agricultural use given prudent management.

**Trees needed for minimal orchards**

Type of Tree	Trees per Acre	Irrigated (5 Ac. Min.)	Dry Land (10 Ac. Min)	Native (10 Ac. Min.)
Native Pecan	14	70	140	140
Improved Pecan	35	175	350	350
Peach	100	500	1000	1000

**Viticulture**

Vineyards

**Degree of intensity standards are subject to change from year to year.**

Standard Practices:

Type of Crop	Vines Per Acre
Grapes: Table	600-700
Grapes Wine	600-700

**Participation in Government Programs**

- Set aside – verified through FSA (Farm Service Agency) office by farm number.
- CRP – Verified through FSA office by farm number.
- Soil Conservation Plan – Review plan and ensure owner is participating. Just having a plan on file does not qualify the land for special valuation. The owner must be actively following the directions of the plan.

## Degree of Intensity for Beekeeping

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

**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.

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 an apiary, which is a place where six or more colonies of bees or nuclei of bees are kept. A colony is the hive and its equipment and appurtenances including bees, comb, honey, pollen and brood.

For each additional 2.5 acres one additional hive is required. If additional acreage is less than 2.5 acres, no additional hive is required. For example, if a property owner has 16.3 acres of land used for beekeeping a minimum of 10 hives would be needed to qualify.

First 5 acres	6 hives
Additional 10 acres	4 hives
<u>Remaining 1.3 acres</u>	<u>0 hives</u>
Total Hives required	10 hives

The Collin Central Appraisal District's degree of intensity is 6 hives on the first 5 acres with 1 hive per additional 2.5 acres up to 20 acres. This will give a range of 6-12 hives for a minimum requirement or an average of 0.6 hives per acre (12/20). The productivity value for beekeeping will be based upon the Dry Cropland productivity value. The hives must be maintained and kept alive. The Collin Central Appraisal District will approve the agricultural productivity appraisal on the total acreage, not just the area where the hives sit.

When property owners initially qualify for agricultural 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.



### Soil Types for Collin County

<b>Soil Sub-type</b>	<b>Soil Type</b>	<b>Soil Family</b>	<b>Soil Class</b>
<b>HoA</b> Houston Black Clay			
<b>HoB</b> Houston Black Clay	<b>HOBC</b>	<b>BLACK CLAY</b>	<b>CLASS 1</b>
<b>HoB2</b> Houston Black Clay			
<b>BcA</b> Burleson Clay			
<b>BcB</b> Burleson Clay	<b>BUC</b>	<b>CLAY</b>	<b>CLASS 1</b>
<b>BcB2</b> Burleson Clay			
<b>EID2</b> Ellis Clay	<b>ELC</b>	<b>CLAY</b>	<b>CLASS 2</b>
<b>FeE3</b> Ferris-Houston Clay	<b>FEHOC</b>	<b>CLAY</b>	<b>CLASS 2</b>
<b>HcC2</b> Houston Clay	<b>HOC</b>	<b>CLAY</b>	<b>CLASS 2</b>
<b>HcD2</b> Houston Clay			
<b>HuA</b> Hunt Clay	<b>HUC</b>	<b>CLAY</b>	<b>CLASS 1</b>
<b>HuB</b> Hunt Clay			
<b>LaC2</b> Lamar Clay			
<b>LaD2</b> Lamar Clay	<b>LAC</b>	<b>CLAY</b>	<b>CLASS 2</b>
<b>LaE3</b> Lamar Clay			
<b>Tf</b> Trinity Clay	<b>TRC</b>	<b>CLAY</b>	<b>CLASS 1</b>
<b>To</b> Trinity Clay			
<b>EnB</b> Engle Clay Loam	<b>ENCL</b>		<b>CLASS 2</b>
<b>EnC2</b> Engle Clay Loam			
<b>Ff</b> Frio Clay Loam	<b>FRCL</b>	<b>CLAY LOAM</b>	<b>CLASS 1</b>
<b>Fo</b> Frio Clay Loam			
<b>WcA</b> Wilson Clay Loam	<b>WICL</b>		<b>CLASS 2</b>
<b>Wcb</b> Wilson Clay Loam			
<b>SeC2</b> Stephen-Eddy Complex	<b>STEDC</b>	<b>COMPLEX</b>	<b>CLASS 2</b>
<b>Edb</b> Eddy Gravelly Clay Loam	<b>EDGCL</b>	<b>GRAVELLY</b>	<b>CLASS 2</b>
<b>EdD2</b> Eddy Gravelly Clay Loam		<b>CLAY LOAM</b>	
<b>AID2</b> Altoga Silty Clay	<b>ALSC</b>	<b>SILTY CLAY</b>	<b>CLASS 2</b>
<b>AIE3</b> Altoga Silty Clay			

<b>AuB</b> Austin Silty Clay			
<b>AuC2</b> Austin Silty Clay	<b>AUSC</b>	<b>SILTY CLAY</b>	<b>CLASS 1</b>
<b>AuD2</b> Austin Silty Clay			
<b>LeB</b> Lewisville Silty Clay	<b>LESC</b>	<b>SILTY CLAY</b>	<b>CLASS 1</b>
<b>LeC2</b> Lewisville Silty Clay			
<b>ScB</b> Stephen Silty Clay	<b>STSC</b>	<b>SILTY CLAY</b>	<b>CLASS 2</b>
<b>CrC2</b> Crocket Soils			
<b>CrD2</b> Crocket Soils	<b>CRS</b>		<b>CLASS 2</b>

Class 1 Soils are considered to be prime farm land based on information provided by the USDA Natural Resources Conservation Service.

Class 2 Soils are considered to be average farm land.

### **Prime Farmlands of Collin County**

Map Symbol	Soil Type	Soil Class
AuB	AUSC – Austin Silty clay	Class 1
BcA	BUC – Burleson Clay	Class 1
BcB	BUC – Burleson Clay	Class 1
Fo	FRCL – Frio Clay Loam	Class 1
HoA	HOBC – Houston Black Clay	Class 1
HoB	HOBC – Houston Black Clay	Class 1
HuA	HUC – Hunt Clay	Class 1
HuB	HUC – Hunt Clay	Class 1
LeB	LESC – Lewisville Silty Clay	Class 1
To	TRC – Trinity Clay	Class 1

Per Section 23.51(3) of the Texas Property Tax Code, the Collin CAD uses four main categories to classify agricultural land within the boundaries of the Collin CAD. These categories include: Dry Cropland, Improved Pasture, Native Pasture, and Wasteland. The Collin CAD has imported the USDA Soil Conservation map into its GIS mapping system. Utilizing the USDA soil map, the CAD can further identify the soil types within the CAD boundaries. These categories are further divided into include Class 1 and Class 2 soils of Cropland, Improved Pasture, and Native Pasture. Class 1 soils which have been identified as prime farmland by the USDA Natural Resource Conservation service are listed in the table above. The other soil types are identified as Class 2 soils.

## TEXAS WILDLIFE MANAGEMENT APPRAISAL

### GENERAL

The following guidelines are established for property owners interested in Wildlife Management of 1-d-1, Open Space Agricultural Appraisal. Wildlife management appraisal is an alternative agricultural appraisal for taxpayers with property used to propagate a sustaining, breeding, migrating, or wintering population of indigenous wild animals.

A Wildlife Management Plan shall be completed on a form supplied by the Texas Parks and Wildlife Department for each tract of land for which appraisal based on wildlife management use is sought. If the Wildlife Management Plan is for a Wildlife Management Association, the form must be signed by all of the parties involved with implementing the wildlife management plan. The form and regional management plans may be obtained by contacting the Texas Parks and Wildlife Department, 4200 Smith School Road, Austin, TX 78744-3291.

Every property that is receiving the wildlife management appraisal will be mailed a Wildlife Management Annual Report for the property owner to fill out. This report will be to detail the actions that have been taken to implement the wildlife management plan during the year. Each year these properties will be coded with an event code of "AGWAM" Ag Wildlife Annual Report mailed, and the accounts will be coded with an event code of "AGWAR" Ag Wildlife Annual Report received when the report is received back from the tax payer. The wildlife annual reports will be mailed around November 15 of each year. Once the applications have been received, they will be reviewed by the land appraiser to see if any further action is needed.

### COMPTROLLER RULE

The Texas Comptroller of Public Accounts has filed rule 9.2001 thru 9.2005 that became effective December 11, 2008. The new rules effective December 11, 2008 replaced rule 9.4003. The rules have been added to the Guidelines for Qualification of Agricultural Land in Wildlife Management use, Texas Comptroller of Public Accounts, Property Tax Assistance Division.

**Rule 9.2005(c):** "If the number of acres in the tract of land is fewer than the number of acres in the tract of land on January 1 of the preceding tax year, the wildlife use requirement the tract of land must meet to qualify for agricultural appraisal based on wildlife management use shall be selected by the chief appraiser, with the advice and consent of the Appraisal District Board of Directors, from the wildlife use requirement ranges specified for the wildlife use appraisal region in which the tract of land is located." Since Collin Central Appraisal District is located within the Backland Prairie region, a 94% ratio will be used. The Chief Appraiser's selection of this ratio was based on the recommendation from the Agricultural Advisory Board on November 19, 2009 and with the advice and consent of the Board of Directors on December 10, 2009.

**Rule 9.2005(d):** “The wildlife management use requirement that applies to a tract of land located in a wildlife management association shall be selected by the chief appraiser, with the advice and consent of the Appraisal District Board of Directors, from the wildlife use appraisal region in which the tract of land is located.” Since Collin Central Appraisal District is located within the Backland Prairie region, a 91% ratio will be used. The Chief Appraiser’s selection of this ratio was based on the recommendation from the Agricultural Advisory Board on November 19, 2009 and with the advice and consent of the Board of Directors on December 10, 2009.

**Rule 9.2005(e):** “If the tract of land is located in an area designated by Texas Parks and Wildlife Department as habitat for endangered species, a threatened species, or a candidate species for listing as threatened or endangered, the wildlife use requirement for a tract of land to qualify for agricultural appraisal based on wildlife management use shall be selected by the chief appraiser, with the advice and consent of the Appraisal District Board of Directors, from the wildlife use requirement ranges specified for the wildlife use appraisal region in which the tract of land is located.” Since Collin Central Appraisal District is located within the Backland Prairie region, a 91% ratio will be used. The Chief Appraiser’s selection of this ratio was based on the recommendation from the Agricultural Advisory Board on November 19, 2009 and with the advice and consent of the Board of Directors on December 10, 2009.

Several documents and forms are available on the Texas Parks and Wildlife website at <http://www.tpwd.state.tx.us/>.

A wildlife management plan may also be obtained from this website at [www.tpwd.state.tx.us/.../pwdforms/media/pwd\\_885\\_w7000\\_open\\_space\\_agric\\_valuation\\_wildlife\\_mgmt\\_plan.pdf](http://www.tpwd.state.tx.us/.../pwdforms/media/pwd_885_w7000_open_space_agric_valuation_wildlife_mgmt_plan.pdf).

### **PRIOR YEAR**

To qualify for agricultural appraisal under wildlife management use, land must have qualified and been appraised as agricultural land under 1-d-1 in the year prior to conversion.

### **CURRENT USE**

The second qualification for wildlife management use is the owner must use the land to propagate a sustaining, breeding, migrating or wintering population of indigenous wild animals. Under the law, a property owner must perform at least three (3) of seven (7) wildlife management activities on the land. The owner may qualify by performing more than three (3) of the listed activities, but may not engage in fewer than three (3). The seven (7) activities are:

- **Habitat Control (Habitat Management)** – A wild animal’s habitat is its surroundings as a whole, including plants, ground cover, shelter, and other animals on the land. Habitat control or habitat management means actively using the land to promote an environment that is beneficial to wildlife on the

land. Removing harmful parts of the environment when necessary to benefit wildlife is also habitat management.

- **Erosion Control** – Any active practice that attempts to reduce or keep soil erosion to a minimum for the benefit of wildlife is erosion control.
- **Predator Control (Predator Management)** – This term means practices intended to manage the population of predators to benefit the owner’s target wildlife population. Predator control is usually not necessary unless the number of predators is harmful to the desired wildlife population.
- **Providing Supplemental supplies of water** – Natural water exists in all wildlife environments. Supplemental water is provided when the owner actively provides water in addition to the natural sources.
- **Providing Supplemental Supplies of Food** – Most wildlife environments have some natural food. An owner supplies supplemental food by providing food and nutrition in addition to the level naturally produced on the land.
- **Providing shelter** – This term means actively creating or maintaining vegetation or artificial structures that provide shelter from the weather, nesting and breeding sites, or “escape cover” from enemies.
- **Making Census Counts to Determine Population** – Census counts are periodic surveys and inventories to measure the number, composition, or other relevant information about the wildlife’s population to determine if the current wildlife management practices are serving the targeted species.

### **Primary Use**

The law requires agriculture to be the primary use of the land. Wildlife management is an agricultural use under the law. The primary use requirement is particularly important for land used to manage wildlife. Land devoted to wildlife management can be used as a residence for the owner. But the land will not qualify if residential use, and not wildlife management, is the land’s primary use.

## **ROLLBACK TAX**

Rules for a “rollback tax” exist under either form of special land valuation. Under 1-d-1, a rollback is triggered by a physical change in use. Reduced intensity of use would not trigger a rollback, but ceasing all agriculture activity would. Taxes are recaptured for the five years preceding the year of change.

The rollback tax is imposed on the difference between the taxes imposed on the land for each of the five years preceding the year in which the change of use occurs and the tax based on the market value in each of those years, plus interest at an annual rate of seven percent (7%) calculated from the dates on which the differences would have become due.

## APPLICATION VERIFICATION

The Collin County Central Appraisal District (CCAD) staff performs routine verification of all land in the special valuation program. Non-compliance will be documented and action taken to remove non-qualifying land from the program. A rollback will be triggered if the requirement for rollback is met.

## DEFINITIONS OF KEY WORDS/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 and 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.

Cultivate – to prepare and use land for crops, raise or grow crops.

Typical – exhibiting the essential characteristics of a group. The law states that agricultural land will be utilized as would a typically (ordinary) prudent manager. Statistically, a typically prudent manager is the median farmer or rancher.

Animal unit – normally equates to 1,000 pounds of animal. Typically this is one (1) cow, two (2) five hundred pound calves, six (6) sheep, seven (7) goats, or one (1) horse.

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.

- Principally means the more important use in comparison with other uses to which the land is used.
- Degree of intensity generally accepted in the area shall mean that the farming and ranching practices (cropping patterns, planting rates, fertilization methods, harvesting and marketing techniques, etc.) are those of a typically prudent manager. This is not strictly tied to numbers, but is tied to production. For example a few cows that are never bred and do not produce offspring would not be considered to meet the intensity test because of a lack of production and would not qualify the land. This test is intended to exclude land on which token agricultural use occurs in an effort to obtain tax relief. The degree of intensity test measure what the property owner/operator is

contributing to the agricultural operation (in time, labor, equipment, management, and capital), and compares it with typical levels of inputs for the same type of operation in the area. In addition, a property owner/operator must be able to verify purchases and sales of livestock and/or farm products by bill of sale, sales receipts or other documentation.

- Typically prudent farm or ranch managers are ordinary farmers in terms of acres operated as well as management ability. Given that all other factors remain constant, the number of acres determines the capital structure. Typically prudent farm and ranch managers located in Collin County are assumed to have similar equipment of similar value and utility.
- Substantial tract is a tract of land large enough to be utilized agriculturally by itself in a typically prudent manner.
- Area is interpreted to be that land inside the jurisdictional boundary of Collin County.

Improved pasture (IP) – land planted or sprigged with grasses that are not native to Collin County. These grasses are used to grow forage that is typically baled for later use by livestock. Also called introduced grasslands or hay land.

Native pasture (NP) – land that has native grasses to Collin County and is used primarily for grazing livestock. Native pasture can be used to grow forage that is baled for later use by livestock.

Dry Cropland (DC) – land that is cultivated and seeds are planted.

Wildlife management – the land must be actively used to generate a sustaining, breeding, migrating or wintering population of indigenous wild animals.

Roll Back – the term used to identify the recapture of taxes when land previously receiving special valuation ceases agricultural use or changes to a non agriculture use.