



**WILLIAMSON CENTRAL APPRAISAL DISTRICT**

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## **Introduction**

It is the opinion of the Williamson Central Appraisal District (WCAD) that the attached Agricultural Land Qualification Guidelines are valid for mass appraisal purposes and can be applied uniformly throughout the jurisdiction WCAD. The “Manual for the Appraisal of Agricultural Land”, Property Tax Division, Comptroller of Public Accounts, January 2017, supports these guidelines.

The Texas Constitution permits qualified open-space land to be taxed generally at a productivity value instead of market value. The legal basis for this type of special valuation called “Ag Use Open Space” or “1-d-1” is found in the Texas Constitution, Article VIII, Section 1-d-1. The Texas Tax Code (TPTC), Sections 23.51 – 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, under the same ownership, will be considered as one piece of property.

## **Qualification Standards**

### **Improvements**

Agricultural value applies only to the land and not to improvements (structures) on the land, minerals, or agricultural products.

The land beneath farm buildings and other agricultural improvements does qualify due to their use in connection with the agricultural process.

### **Products of Agricultural Operations**

Products in the hand of the producer are generally exempt from taxation. See Texas Property Tax Code, Section 11.16. Farm and ranch equipment designed and used primarily for agricultural/husbandry activities are also exempt. See Texas Property Tax Code, 11.161.

### **Appurtenances**

Appurtenances to the land (canals, water wells, roads, stock tanks, and other similar reshaping of the soil) are included in the value of the land and not appraised separately.

### **Qualifying Activities**

Cultivating the soil;

Production of crops for human consumption, animal feed, or production of fibers;

Cultivation of ornamentals and flowering plants;

Cultivation of grapes;

Cultivation of fruits, vegetables, flowers, herbs, and other plants;

Raising livestock such as meat or dairy cattle, horses, goats, swine, poultry, and sheep;

Raising exotic game for commercial use;

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. Examples would be axis, nilgai, antelope, red sheep, and other cloven hooved ruminant mammals not native to Texas. You need to maintain operations records as well as Production records. Operation records include such things as a copy of a business plan showing improvements such as high fences, herd size, and restocking levels. Production records include such things as a harvest report, harvesting schedule and herd management procedures that emphasize commercially valuable products such as meat or leather. If state or federally inspected procedures occur on-site here must be records of this as well. Degree of intensity to be determined by type of exotic. Any exotic game ranch devoted solely to hunting animals will not qualify for agricultural appraisal. Annual reporting and inspection may be required to document production.

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 left idle for longer than the typical period;

Wildlife management.

### **Non-Qualifying Activities**

Harvesting of native plants or wildlife;

Processing of plants and animals;

Processing constitutes any activities that take place after the crop or animal has been raised and harvested and any activity a non-producer carries out on agricultural products. Processing begins at the first level of trade beyond production. Processing begins when activities occur that enhance the value of primary agricultural products;

Personal consumption of crops or livestock produced by owner;

Land used to train, show, or racehorses, or to ride horses for recreation, or to keep or use horses in some manner that is not strictly incidental to breeding or raising horses;

Raising cattle, goats, or sheep for FFA and 4H projects;

Token agricultural use attempting to obtain tax relief.

## **Primary and Current Devotion to Agricultural Use**

### **Primary Use (Qualifying)**

The land must be devoted principally to an agricultural use. If more than one use occurs the most important or primary use must be agricultural.

### **Primary Uses (Non-Qualifying)**

Some examples of Non-Qualifying Primary uses are,

Pleasure and/or personal use gardening;

Exotic game primarily used for hunting;

Land used primarily to train, show, or racehorses, or to ride horses for recreation, or to keep or use horses in some manner that is not strictly incidental to breeding or raising horses.

Structures for equine activities including boarding stables/facilities, racetracks, commercial arenas, or any other commercial horse facility.

### **Current Devotion**

The land must be currently devoted to agricultural use and must stay in a qualifying use throughout the year. The land must be in an agricultural use for the majority of the year in order for the land to qualify for agricultural valuation. Agricultural valuation is a value based on the land's production capacity; therefore, the property needs to be producing either livestock, livestock offspring, crops, or honey. Simply maintaining livestock will not qualify the property. The agriculture valuation can be removed at any time due to non-compliance.

## **Residential Use**

If land has a residence on it then the District will assign a portion of it as residential use. Below are some examples of how the District will determine the amount of land being classified as residential. Land classified as residential will be valued at its market value and will not qualify as ag classification:

1. The District will assign at least 1 acre for residential purposes. This is based on the requirement for 1 acre to get a septic permit. This is also a common practice with districts across the state.
2. It is also possible for a tract to have more in a residential classification. This could be due to someone filing their homestead asking for more than 1 acre be classified as residential use. It could also possibly be due to there being more than 1 acre fenced out with the residence.

## **Non-Use**

It is also possible to have a tract use that is not classified as agricultural, such as residential, commercial, or recreational. The District will recognize these tracts as not being in use. These tracts will be looked at as vacant tracts and will not be appraised as ag value.

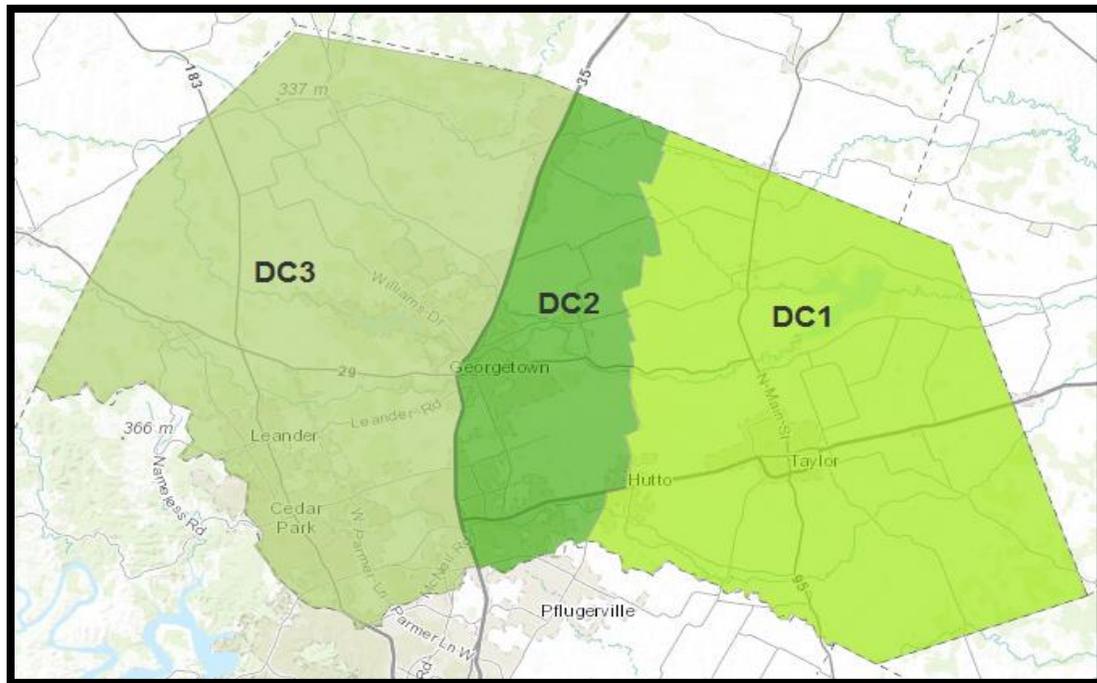
## **Productivity Valuation**

Agricultural appraisal of open-space land is based on the income approach to value. The primary factors considered in valuing the various agricultural endeavors are the typical lease arrangement (cash lease, share lease, or owner operator), predominant crop, acres planted, acres harvested, yield, government payments, secondary income, variable, and fixed expenses. These factors are analyzed for a 5-year period. This 5-year period is a rolling timeframe. Every year a new year is added, and the oldest year is removed. For example, if we are establishing 2023 production values, we analyze data from 2021-2017. In 2024, we will analyze data from 2022-2018. This rolling timeframe will cause the production values to go up or down depending on the data from those 5 years.

## Land Classifications

### **Cropland**

Cropland refers to land that is primarily used in producing crops for human food, animal feed, planting seed or the production of fibers. In Williamson County there is no irrigated cropland, therefore everything is considered Dry Cropland.



There are three Dry Cropland valuations:

**Dry Crop 1 (DC1)** — This area is located along the eastern portion of Williamson County; east of a boundary that runs generally north-south along FM 685, Jonah and Schwertner. This area is typically the highest producing soil types.

**Dry Crop 2 (DC2)** — This area is located east of IH-35 and west of the FM 685, Jonah and Schwertner line. This area is typically the medium grade soil types.

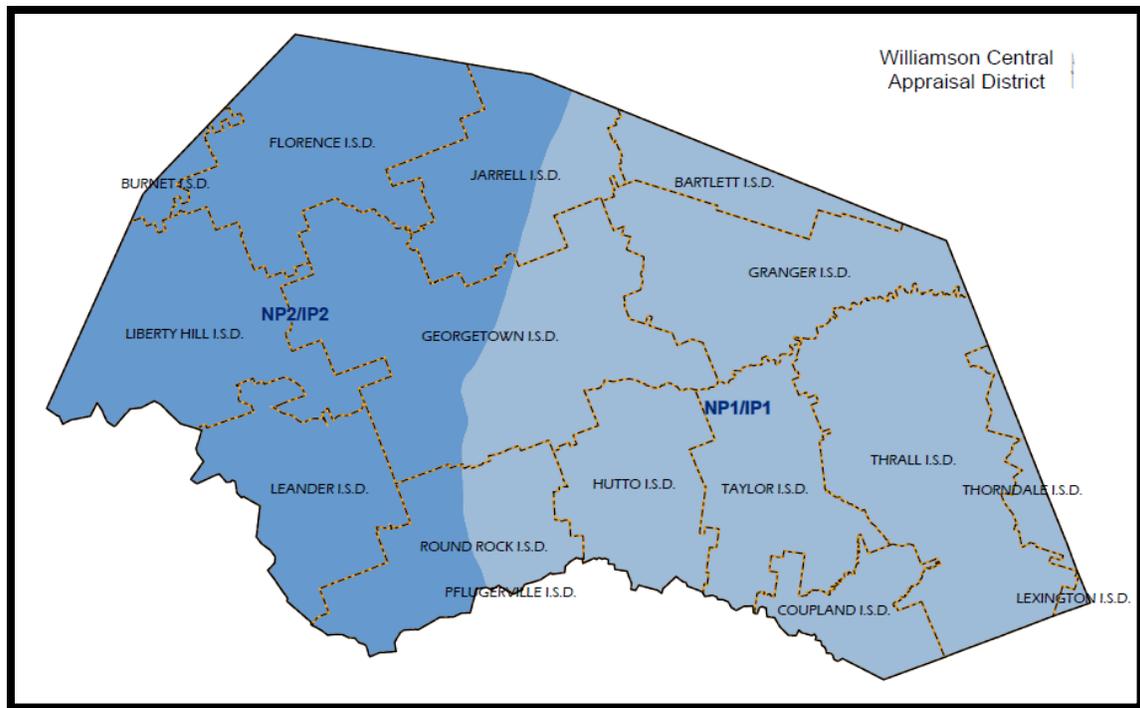
**Dry Crop 3 (DC3)** — This area is located west of IH-35. This area has the poorest soil types.

Hay production falls under the Cropland classification if the property engages in these standard practices: tillage, fertilizing, cutting, baling, hauling, feeding, or marketing. In normal years, 2-3 cuttings can be achieved. Hay production should be approximately 3,000 lbs. per acre. The hay must be a marketable product. The cutting and baling of unmanaged vegetation are not considered hay production.

Johnson grass hay fields are typically disked or chiseled lightly in the spring to enhance growth and assist in weed control and should be fertilized.

### Pastureland

The second classification is Pastureland – native and improved pasture. Once again soil types dictate the production levels of the pastureland. Native pasture is defined as those pastures that have native vegetation, with minimal improvements. Improved pasture is defined as those pastures, with native and improved vegetation, that have had improvements made to them including but not limited to fertilizer application, weed and brush control (mechanical or chemical) or over seeding with winter grass. There are four pastureland valuations in Williamson County:



**Native Pasture 1 (NP1)** – This is native pasture located on the eastern side of the county with IH-35 being the western boundary.

**Improved Pasture 1 (IP1)** – This is improved pasture located on the eastern side of the county with IH-35 being the western boundary.

**Native pasture 2 (NP2)** – This is native pasture located on the western side of the county with IH-35 being the eastern boundary.

**Improved pasture 2 (IP2)** – This is improved pasture located on the western side of the county with IH-35 being the eastern boundary.

## **Wasteland**

The third classification is Wasteland. This includes land that the typical operator would/could not use. The amount of wasteland allowed open space designation is normally restricted to less than 20% of the total tract of land. The land can consist of creeks, draws, or other areas that are not financially feasible to utilize. This can also apply to small tracts that have been split by roads, creeks, and rivers. This land must be an integral part of one or more of the other land classifications. ***You cannot have an account that is entirely wasteland.***

## **Degree of Intensity**

The degree of intensity test measures whether the land is being farmed or ranched to the extent that is typical for the area. This test is intended to exclude land on which token agriculture use occurs in an effort to obtain tax relief. Degrees of intensity are discussed in the paragraphs below.

## **Geographic Areas**

Degrees of intensity may vary from one geographic area to another. Terrain, soil type, and water levels are just a few of the conditions that could affect what constitutes a minimum level of intensity. Certain tracts within a defined area may demonstrate unique geographic or topographic characters that may increase or decrease the minimum level of intensity for that parcel. In Williamson County the USDA soils book was used to define these areas.

## **Livestock Intensity**

Levels of intensity for livestock are listed in animal units. These units are based on consumption levels of different classes of livestock. WCAD requires a minimum of 2-animal units to qualify for the agriculture valuation. The geographic area determines how many acres will be needed to meet the required minimum animal units. For an estimate of how many animals may be needed for your property, please click [here](#) to be directed to the animal estimator page.

### Acreage Requirements

This section will serve as a guideline to the required number of acres to handle the required number of animal units.

<b>Pastureland East of IH35 (IP1/NP1)</b>	<b>Typical acres per animal unit</b>	<b>Acres needed for minimum Animal units</b>
Improved Pasture 1	4 acres	8 acres
Native Pasture 1	5 acres	10 acres
<b>Pastureland West of IH35 (IP2/NP2)</b>	<b>Typical Acres Per Animal Unit</b>	<b>Acres Needed for Minimum Animal Units</b>
Improved Pasture 2	8 acres	16 acres
Native Pasture 2	9 acres	18 acres

### Drought Conditions

Under extreme conditions the Governor’s office can declare a drought declaration. Usually this occurs if the drought last for the majority of the year. If this declaration occurs the District will work with farmers and ranchers and intensity levels. The landowner is expected to go back to full intensity levels as soon as the drought is declared over.

### Resting Periods

The District requires a written notification that the property will be resting for a year. The notification must be submitted no later than May 1<sup>st</sup> to be considered for that appraisal year. The notification may be accepted after May 1<sup>st</sup> under mitigating circumstances. You must perform one of the following agricultural activities and show proof to qualify for a rest period:

1. Letting the land sit idle due to being in a government program. You must show proof of being in the program.
2. Rotating livestock to another pasture because of over grazing.
3. Improvements to the 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. Re-seeding of native or improved grasses
- e. Re-establishing or maintenance to a water source

**Williamson CAD will only approve a year of rest at a time.**

## **Beekeeping**

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

## **Acreage Requirement**

The State of Texas (set by HB 2049) has set a minimum of five (5) acres and a maximum of twenty (20) acres to qualify beekeeping as an agricultural use. The property owner must have 5 qualifiable acres after you remove any non-qualifiable areas such as a residence. Each owner must have qualifiable acres. Unlike regular agriculture several landowners may not use their land together to have enough qualifiable acres.

## **Intensity Requirement**

The minimum degree of intensity was established using Section 131.001 Texas Agriculture Code's definition of 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 two (2) acres, one additional hive is required. If additional acreage is less than two (2) acres, no additional hive is required. For example, if a property owner has fifteen acres of land used for beekeeping, eleven hives would be needed to qualify.

First 5 acres	6 hives
<u>Additional 10 acres</u>	<u>+5 hives</u>
Total Hives required	11 hives

## **History Requirement**

When property owners initially qualify for agricultural appraisal, they must show proof of history for agricultural use / beekeeping for any of the five preceding seven years. One way to do this is to provide export, import or intra-state permits, which are required by the Texas Apiary Inspection Service to transport hives. Also, historic financial records indicating active honey production and /or leases.

## **Orchards**

These operations are in the business of cultivating trees or grapevines that produce nuts or fruits (such as pecans, peaches, grapes, and apples) which are sold commercially. Typically, these operations have a regular schedule of pruning, spraying, and cultivation as well as keeping the area around the trees or vines mowed. A typical size orchard in Williamson co has a minimum of five acres. There are two types of orchards here in Williamson County. There are Native orchards and Improved orchards.

Native orchards typically are along creek and river bottoms. This is normally deep well-drained alluvial soils. They are reliant upon rain and ground water for water. Usually, these orchards are a secondary use for something else such as grazing. Trees should be continually evaluated for production. Always replace the weakest trees based on these evaluations. See the attached spacing guide.

Improved orchards typically do better in deep well-drained river bottoms, upland sands, and well-drained clay. A property owner can get a soils analysis from the Texas Agri-Life service or USDA to determine the soil type of the orchard. These orchards will have an irrigation system to service each tree in the orchard. Typically, the main use of these properties is the orchard. See the spacing guide on page 13.

## **Christmas Trees**

A minimum of at least 5 acres of trees is typically needed to meet local levels. Typically, you will need some type of irrigation system. The trees should be trimmed every year until they are harvested. This helps the trees to symmetrical at harvest time. Christmas trees are grown on a grid format like pecan trees. The typically pattern is 5x5 which equals 1,742 trees an acre or 6x6 which equals 1,210 trees an acre. They are valued under the Dry Crop method.

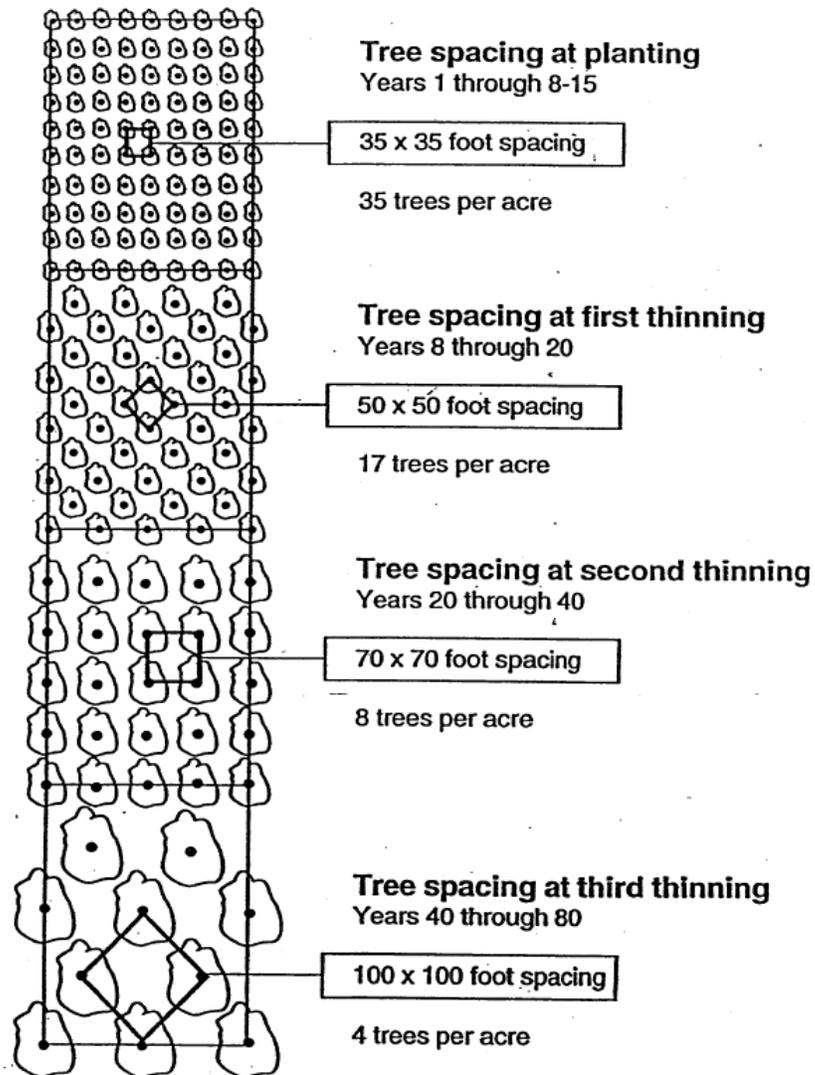


Figure 1. Pecan tree spacing for 80 years by removing trees as they crowd.

(Texas Agriculture Extension Service)

## **Wildlife Management Special Valuation**

### **General Description**

Wildlife Management is an alternative property valuation method for taxpayers whose property is 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 valuation based on wildlife management is desired. The forms and regional management plans may be obtained by contacting the Texas Parks and Wildlife Department (TPWD), 4200 Smith School Road, Austin TX 78744-3291. Information about wildlife management may also be obtained from the TPWD website. The land classifications for the wildlife follow the same classifications as the regular agricultural valuations. For example, native pasture that qualifies for wildlife valuation would be classified as wildlife native pasture. It would also have the same productivity value per acre as native pasture. The below links provide additional information regarding the Wildlife Management special valuation.

### **Program Overview**

Land must have been qualified and appraised as open-space agriculture land or as timber land in the year prior to conversion to wildlife management use. The primary use of the land must be managing wildlife. Must perform at least 3 of the following 7 management practices each year.

1. Habit Control
2. Erosion Control
3. Predator Control
4. Provide Supplemental Water
5. Provide Supplemental Food
6. Provide Shelter
7. Conduct Census Counts to Determine Population

The deadline to submit a wildlife plan with the 1-d-1 Open Space application and a wildlife annual report is April 30<sup>th</sup>.

### **Annual Report**

All accounts receiving the wildlife management valuation are required to submit an annual report upon request. These annual reports need to list at a minimum three of the management practices implemented in the prior year. It is extremely helpful to also include pictures from before and after of each activity performed as well as maps and censuses. The accounts in question will be flagged in the system and sent letters requesting annual reports and new applications if needed to verify continued agricultural use. For a complete list of wildlife management practices, refer to the previous subsection Wildlife Management: Program Overview.

## **Revenue Neutral**

Wildlife Management properties are considered revenue neutral. If the property was classified as native pasture at the time of conversion it will be classified as wildlife native pasture. For example: If the property qualified and was classified as dry crop at the time of conversion, it will be classified as wildlife dry crop.

## **Outside Assistance**

A property owner can prepare his or her own wildlife plan or annual report. Additionally, Texas Parks and Wildlife Dept has biologists that are available to help. There are also private biologists that work commercially to assist property owners.

## **Minimum Acreage**

A property receiving wildlife valuation must always meet minimum acreage standards to receive special valuation. If a tract of land is one size one year and changes size to a smaller size the next year, the new tract must meet minimum acreage requirements. Minimum acreage requirement falls into 2 categories in Williamson County: For an individual property owner, minimum acreage for wildlife is 12.5 acres and for a wildlife management association or a co-op, minimum acreage for wildlife is 16.6 acres for each individual tract in the group.

## **Time Period Test**

Land must have carried the agricultural valuation for it to meet the history requirement/ time test. Land located outside of an incorporated city limit must have qualified and received agricultural valuation for five (5) out of the last seven (7) years. Land located within an incorporated city limit must have qualified and received the agricultural valuation for five (5) out of the last five (5) years continuously. If it does not meet the appropriate time test it will not meet the history requirement/ time test. If a tract of land does not meet the appropriate time test it will be considered to not have a history of agricultural value on the property. If this occurs the owner must build an agricultural history on the property to qualify for the agricultural value. In order to build a history an owner must be engaged in an appropriate agricultural activity for a five (5) year period. The owner will file an agricultural application for every year for five (5) years. The property will be field checked, and a report will be filed for each year. The owner will file in the sixth (6) year and if the requirements have been met during the preceding five (5) years, then the property will be eligible to receive the agricultural valuation.

## **Historical Use**

It may be possible for an owner to shorten or avoid the history building process if certain criteria are met on the tract. These criteria must show that the primary use of the tract has been agricultural activities for the preceding years. When in doubt the following are examples of what could be used to possibly verify agricultural use:

1. IRS Schedule F;
2. Sale or purchase of livestock receipts;
3. Expense receipts;
4. Sworn and notarized affidavits from neighbors and lessee;
5. Dated pictures.

Livestock must be able to graze the land for the majority of the year for the land to qualify for open-space valuation.

### **Ineligibility**

Some land is automatically ineligible for qualification of the agricultural valuation.

#### **Land Located Within the Boundaries of a City or Town**

Land that is located within an incorporated city or town must meet one of the following to be considered for qualifications.

- a. The city must not provide the land with general services comparable to those provided in other parts of the city; or
- b. The land must have been devoted principally to agricultural use continuously for the preceding five (5) years.

#### **Land Which 1-D-1 Appraisal is Waived**

An owner may waive his right to 1-d-1 special valuation. A 1-d-1 waiver is effective for 25 years and applies to the land even if the ownership changes. See Texas Property Tax Code, Section 23.20.

### **Application**

A property owner must file a valid application form with the Chief Appraiser where the land is located. It is important to note that a new owner must file this application in order to maintain the agricultural valuation. **Submission of a blank or in-correctly filled out 1-D-1 application form will result in a denial of the application.** The agricultural valuation is granted to a specific

legal ownership and automatically terminates if there is any change in ownership. Therefore, if a piece of property changes owners a new application must be filed. The Appraisal District is not required to send a new application to the new owner; rather it is the new owner's responsibility to fill out a timely application and submit it to the District.

The District will require an application for the following reasons:

1. The property had a change in ownership;
2. The property had a change in use;
3. The Chief Appraiser has determined the need for a new (updated) application.

All applications are initially checked for the following:

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

### **Leases and Cooperative Agreements**

Leases are a current contract by which one party conveys the use of their land or property to another for a specified time, in return for payment. An owner applying for agricultural use valuation using a lease agreement needs to include a current copy of the lease along with additional documentation and 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 should also include the name, address, and telephone number of the person or persons leasing the property. Note: A lease presented as sole proof of agricultural activity will NOT be considered sufficient evidence unless accompanied by photos, receipts, etc.

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 the amount. A valid lease agreement should be signed and dated by all parties.

A cooperative agreement allows a landowner that doesn't own enough land for their productivity purposes to use adjoining land to qualify for agricultural use. All of the land in the cooperative agreement must be used for the same purpose and used as one unit of land. Cooperative agreements must be in writing and contain signatures of all landowners whose land is involved in the agreement.

## **Filing Deadline**

The deadline for application **is before May 1**. For good cause and only at the property owner's request, the Chief Appraiser may extend the filing deadline in individual cases for not more than 60 days without penalty. An extension must be requested before the May 1 deadline. The Property Tax Code does not define "good cause". However, it is commonly something the applicant can't control. Being sick or injured and not able to conduct business for a period that effectively prevents filing on time is usually good cause.

## **Late Applications**

The property owner may file a late application until the date the Appraisal Review Board approves the roll. Williamson Central Appraisal District will not accept an application after the Appraisal Review Board has approved the roll. However, there is a penalty for late application. An application filed after April 30<sup>th</sup> is subject to a penalty equal to 10% of the difference between the tax imposed at market value and the tax imposed at the agricultural productivity value. If the chief has extended the deadline for the property owner, then the penalty does not apply.

## **Failure to File the Application Form**

If a person does not file a valid application before the Appraisal Review Board approves the roll, the land is ineligible for an agricultural valuation for that year.

## **Notification of Changes**

### **Property Owner's Responsibility**

The property owner must notify the Chief Appraiser in writing if they stop using the property for agriculture; change the category of use; change the intensity level of use; change the nature of use; or you begin using the land for something other than agriculture. You must deliver this notice no later than April 30 following the change of use and eligibility or as soon as development starts.

## **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. The tax code provides an incentive in Section 23.54(h) to discourage such late notifications of a change in use. Section 2.54(h) states

that if a property owner does not notify WCAD of a change in use on an agricultural property before May 1 then a 10% penalty on the roll back amount will be applied.

### **Application Denial**

If the Chief Appraiser denies an application, he must deliver a notice of denial to the applicant. The notice must contain a brief explanation of the procedures for protesting the denial to the Appraisal Review Board. The owner has 30 days from the date on the denial letter to file a written protest. When the owner comes to their protest hearing they must bring all of their supporting documentation.

### **Application Verification**

Williamson Central Appraisal District staff performs routine site inspections of all property that are receiving the agricultural valuation. Any property, or portion of property, that is found to be not in compliance with the requirements for the valuation will be dealt with in the appropriate manner. This action could range from a request for a new application, removal of the agricultural value, or initiating a rollback depending on the circumstances.

### **Certified Mailing Requirements:**

- a. Section 23.54 requests for a new application
- b. Section 23.541 notification of late filing penalty letter
- c. Section 23.55 change of use determination letter
- d. Section 23.57 denial notice letter

### **Rollback Procedures**

A rollback tax will be imposed on 1-d-1 property when the owner changes the use of the land to something other than agricultural production. If only a portion of the land is changed to a non-agricultural use, then only the portion changed will receive the rollback. The Chief Appraiser will send a written notice of the determination that a change of use has occurred. If the owner does not agree they have 30 days to file a protest. If the owner does not file a written protest of the determination or the Appraisal Review Board decides that a change of use has occurred, a tax bill will be created to include the amount of tax and interest that is due. Questions on rollback tax due dates should be directed to the Williamson County Tax Office.

### **Change of Use Qualifications that Cause Rollbacks**

1. Physical change from agriculture to non-agriculture use.
2. The physical act of subdividing property to sell as non-qualifying tracts of land such as the cutting of roads or the installation of utilities.
3. The placing of restrictions that limit the use to non-agricultural activities resulting from the free will of the owner.

### **Change of Use Qualifications that do not Cause Rollbacks**

1. The lowering of the intensity level below the qualified level by choice or agricultural necessity, but continued agriculture use.
2. Property condemned or sold as right of way.
3. Filing of a waiver from special valuation.
4. Filing of a homestead on part of the qualified property due to the building of a house.
5. Certain exempt uses including homestead, cemetery, religious or charitable uses. See Texas Property Tax Code, Section 23.55 for a full list and requirements.

### **Rollback Taxes Due Date**

The rollback tax is due the date the tax bill is mailed. It becomes delinquent on February 1 that is at least 20 days after the bill is mailed. Texas Property Tax Code §23.46(c).

Please direct questions about tax bills to Williamson County Tax office located at 904 S Main Street, Georgetown TX 78626-5829. Phone: 512-943-1601.

### **Rollbacks on Property Bought by Exempt Organizations**

Exemptions that apply to ordinary property taxes may not apply to rollbacks taxes. Even if the land might be exempt from ordinary taxes in the new owner's hands, the rollback taxes still become due if that owner takes the property out of agricultural use. When a political subdivision buys the land and changes the use the rollback is triggered but the lien cannot be enforced. However, the lien against the land continues and could be enforced against a later buyer. See Texas Property Tax Code, Section 23.55, for the full text of the applicable statutes.

## **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 5 member serving staggered terms of 2 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.

## **Summary**

Agricultural Appraisal of 1-D-1 Open Space is not an entitlement. The land must be productive to the degree of intensity standards established for Williamson CAD to qualify. The Texas Constitution permits this special agricultural appraisal ONLY if the land meets specific requirements defining farm and ranch use. Land will not qualify simply because it is open and has no other use or is rural or has some connection with agriculture. Owners must comply with the application and reporting requirements set forth in statute and this policy to obtain and maintain this special appraisal. The absolute deadline to apply for agricultural appraisal is before the Appraisal Review Board (ARB) certifies the appraisal records. This date is usually in July. After the roll is certified by the ARB, agricultural applications cannot be processed or considered for that year according to the Texas Property Tax Code.

This information is a brief explanation of the requirements/qualifications of obtaining the 1-d-1 (open space) agricultural appraisal for property tax purposes in Williamson County. Should you need further information and/or forms, please feel free to access our website at [WCAD.org](http://WCAD.org). A property owner can also contact our office Monday — Friday 8:00 AM to 5:00 PM at (512) 930-3787 for additional information or clarification.

The information contained in this manual is meant to be a guide to the rules and requirements for obtaining and maintaining the Ag valuation on a piece of property in Williamson County. This manual is subject to revision at any time due to changes in the Texas Property Tax code and/or accepted agricultural practice.