

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 you are growing are producing food or fiber.
- ▶ Horses qualify when the land is devoted to a breeding operation. Having two horses for personal use does not qualify.
- ▶ For more information there are other PDF's you may browse on our website, www.Cookecad.org . Information from the comptroller is this link, <https://comptroller.Texas.gov/taxes/property-tax/docs/> .



Common Question, “What do I have to do to get 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 it being used as a typical prudent manager of this of operation would use it?
 5. Is this being utilized to the degree of intensity generally accepted in our area?
(Degree of intensity = time + labor + equipment + management + capital)
 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, maintenance receipts, photos proving agricultural use (Photos should be date stamped and show a landmark on the 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 on 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 your agricultural use.
- ▶ You will be notified to reapply for agricultural use if your application is 10 years or older. This is being by school districts.
- ▶ If the property was not in ag use for 5 of the last 7 years, it will be denied. However, it is a good idea to continue to file the application 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.
- ▶ 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 exists 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 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 taxes.



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 received your agricultural use application, it can take up to several months before we get to review it.
- ▶ If the application is approved you will receive an approval letter. Your new valuation will also be reflected on your appraisal notice. You may also find your property by searching on the Cooke CAD website at www.cookecad.org
- ▶ If your application is denied, you will receive a certified 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 but not limited to: Improperly filled out application, insufficient documentation, not currently in use, does not have 5 out of 7 years of ag use history. If denied you can bring in sufficient documentation or pictures to show you are using the property for agricultural use, and if the appraiser agrees, the application can then be approved.
- ▶ Keep in mind, it is possible to have agricultural use approved for part of you 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 the 15 acres and denied for the other 5 as you cannot hay trees.

BEEKEEPING



- ▶ To apply for special appraisal due to beekeeping, please fill out our Agricultural Application along with the Supplemental Beekeeping Questionnaire.
- ▶ Property must have an 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.
- ▶ BEEKEEPING Update completely **Annually.**
- ▶ **Please read out Beekeeping Guidelines carefully. The document can be found on our website or in our office.**

ACRES	MINIMUM HIVES
5.00 – 7.49	6
7.50 – 9.99	7
10.00 – 12.49	8
12.50 – 14.99	9
15.00 – 17.4	10
17.50 – 19.99	11
20.00	12



Additional Resources

- ▶ [Http://www.cookecad.org/](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 the necessary documentation.

