

Texas Ag Exemption

What is it and What You Should Know

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- **“Ag Exemption”**
 - Common term used to explain the Central Appraisal District’s (CAD) appraised value of the land
 - Is not an exemption
 - Is a special use appraisal based on the productivity value of the land (not market value)
- **Qualifying for Agricultural Use**
 - Agricultural appraisals apply only to the land, roads, ponds, and fences used for agricultural production (Barns, storage tanks, etc. assessed at market value)
 - Active agricultural production must be currently taking place
 - Principle use of land must be agriculture (If more than one use, the primary use must be agriculture)
 - Agriculture must meet the degree of intensity generally accepted in the county
 - Land must have been devoted to a qualifying agricultural use for at least 5 of the last 7 years (Inside the city limits is 5 out of the last 5 years)
 - Owner must file a timely and valid application with the appraisal district
- **Degree of Intensity**
 - Some CADs require a minimum acreage; some CADs only look at intensity
 - Things CADs will be looking for:
 - Crops – Typical yields (can vary by year and within the county)
 - Horticulture – Most require a wholesale operation; may require a written production plan; may require minimum acreage
 - Hay – Standard production practices; typical yields (NE Texas – 2-3 cuttings/yr, producing 2-3 bales/acre weighing 1,000 lbs each)
 - Viticulture – Standard production practices; typical yields (NE Texas – 2-6 tons/acre)
 - Beekeeping – 5 acres min; 6 hives for 1st 5 acres; one additional hive for each additional 2.5 acres; 20 acres max
 - Wildlife – Must currently qualify for agricultural use; must file a wildlife plan; must meet 3 of the following: habitat control, predator control, provide supplemental water, provide supplemental food, provide shelters, make census counts
 - Texas Parks and Wildlife - https://tpwd.texas.gov/landwater/land/private/agricultural_land/
 - Horses – Most CADs require foal production
 - Livestock – Must be raised for sale/herd building; maintain fences, water facilities and grass; numbers similar to area (based on stocking rates, carrying capacity and animal units)
 - Collin County – 4-6 acres/animal unit (native grass); 3-5 acres/animal unit (improved grass)

- **Rollback Tax**

- A property that was taxed based on the agricultural productivity value that ceases to engage in agricultural activities is considered to have had a change in use
 - The rollback tax is triggered by a physical change in use
- The difference between what would have been paid in taxes if the land were appraised at market value and what was paid plus 7% interest per year for the last 5 years

- **Agricultural Support Agencies**

- Texas A&M AgriLife Extension Service
 - State funded agency with office in each county. Provides agricultural production expertise and education

Collin County (972) 548-4233	Johnson County (817) 556-6370
Dallas County (214) 904-3050	Kaufman County (972) 932-9069
Denton County (940) 349-2882	Rockwall County (972) 204-7660
Ellis County (972) 825-5175	

- Natural Resources Conservation Service (United States Department of Agriculture)
 - Information concerning productive capacity of soils, typical yields, carrying capacity, production practices, technical assistance, payments for conservation practices

Collin County (972) 542-0081	Ellis County (972) 937-2660
Dallas/Tarrant County (817) 467-3867	Johnson County (817) 645-7711
Denton County (940) 383-2691	Kaufman/Rockwall County (972) 552-5254

- Farm Service Agency (United States Department of Agriculture)
 - Types of crops produced, planting and production practices, crop yields, commodity prices, government program payments

Collin County (972) 542-0081	Johnson/Tarrant County (817) 645-5411
Denton County (940) 383-2691	Dallas/Kaufman/Rockwall County (817) 467-3867
Ellis County (972) 937-2660	

- Central Appraisal District
 - Appraises all property in the district; communicates the appraised value annually to each taxpayer and taxing jurisdiction

Collin County (469) 742-9200	Johnson County (817) 648-3000
Dallas County (214) 631-0910	Kaufman County (972) 932-6081
Denton County (940) 349-3800	Rockwall County (972) 771-2034
Ellis County (972) 937-3552	Tarrant County (817) 284-0024

- Real Estate Center (Texas A&M University)
 - Nation's largest publically funded organization devoted to real estate research
 - <https://www.recenter.tamu.edu/>

Phone: (979) 845-2031
