Texas Ag Exemption
What is it and What You Should Know
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• “Ag Exemption”
  o Common term used to explain the Central Appraisal District’s (CAD) appraised value of the land
  o Is not an exemption
    ▪ Is a special use appraisal based on the productivity value of the land (not market value)

• Qualifying for Agricultural Use
  o Agricultural appraisals apply only to the land, roads, ponds, and fences used for agricultural production (Barns, storage tanks, etc. assessed at market value)
  o Active agricultural production must be currently taking place
  o Principle use of land must be agriculture (If more than one use, the primary use must be agriculture)
  o Agriculture must meet the degree of intensity generally accepted in the county
  o Land must have been devoted to a qualifying agricultural use for at least 5 of the land 7 years (Inside the city limits is 5 out of the last 5 years)
  o Owner must file a timely and valid application with the appraisal district

• Degree of Intensity
  o Some CADs require a minimum acreage; some CADs only look at intensity
  o 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)

The members of Texas A&M AgriLife Extension Service will provide equal opportunities in programs and activities, education, and employment to all persons regardless of race, color, sex, religion, national origin, age, disability, genetic information, veteran status, sexual orientation or gender identity.
• **Rollback Tax**
  o 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
  o 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**
  o **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 |

  o **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 |

  o **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 |

  o **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 |

  o **Real Estate Center (Texas A&M University)**
    ▪ Nation’s largest publicly funded organization devoted to real estate research
    ▪ [https://www.recenter.tamu.edu/](https://www.recenter.tamu.edu/)
    
    | Phone: (979) 845-2031 |