

Quick Reference Guide to Qualifying Productive Lands

A CONDENSED GUIDE TO AG & TIMBER QUALIFICATIONS
CHEROKEE CAD

For a more comprehensive guide, please see our publication entitled:

2019 Guidelines for Productive Valuations

**Available on our website at www.cherokeecad.com or in our office at
107 E. 6th Street in Rusk, Texas.**

Cherokee County Appraisal District Timber Land Appraisal Guidelines

“Land qualifies for appraisal” ... if it is currently and actively devoted principally to production of timber or forest products to the degree of intensity generally accepted in the area with the intent to produce income and has been devoted principally to the production of timber or forest products for five (5) of the preceding seven (7) years.

To qualify land for timber productivity appraisal, landowners **must** meet each requirement to be eligible.

- ✓ The land must be currently and actively devoted to timber production.
- ✓ The land must be used principally for timber production.
- ✓ The land must be devoted to timber production to the degree of intensity generally accepted for the area.
- ✓ The owner must have the intent to produce income.
- ✓ The owner must have been dedicated principally to timber production for any five (5), of the preceding seven (7) years.
- ✓ The property owner must file a timely and valid application form to the Cherokee County Appraisal District.
- ✓ Evidence of production & management should be provided. This can be in the form of a written timber management plan or other types of documentation. Contact our office for details.

Current and Active Devotion to Timber Use

Currently devoted to timber means; that a qualifying timber use is evident as of January 1 of the tax year, according to the “Texas Property Tax Manual for the Appraisal of Timber Land”. If timber is not evident as of January 1, the Chief Appraiser may request if the owner can show that the land will be devoted to active timber production for the calendar year for which the owner is applying, by reason of evidence and active devotion.

The timber owner must intend to produce income from forest products. Whether the owner has intent to produce income is a fact question for the chief appraiser to decide.

Evidence of current active production to produce timber income can include but are not limited to:

- Timber activity records. – Some that indicate timber management activity are documents showing timber has been harvested, canceled checks for service, contracts of sale, and land leases.
- Timber Management Plans –
 - Current plan developed for the specific tract(s) being managed
 - Written plan signed by the individual who prepared it
 - Detail of specific timber plots and management activities with a management timeline
 - Producer must be ready to show compliance with their management plan in reapplication years
- Efforts to sell timber – The owner should possess letters or other documents showing efforts to sell the timber.
- Salvage activity – The owner should possess letters or other documentation showing efforts to sell salvage timber.
- Memberships in associations – The owner is a member of one or more of the following organizations, The Texas Forestry Association, a country or local timber growers association, or a country or local timberland owners association.

Timber Production Must be the Land’s Primary Use

Land that is currently and actively devoted to timber will not qualify for productivity appraisal unless timber production is the land’s primary use. If the owner uses the land for more than one purpose, the principal use must be growing timber. For example, an owner may use the land principally to grow timber and lease it for hunting or recreation. However, if hunting or recreational activities are the primary use of the land with timber as a secondary use, then the land would not qualify for timber productivity appraisal. Basically, other “non-timber” uses of the land should not interfere with the primary use of producing timber. If you believe your property qualifies for wildlife valuation, please refer to the guidelines for wildlife appraisal.

Degree of Intensity

To qualify for productivity appraisal, timberland must be managed to the degree of intensity generally accepted for prudent growers in the area. The degree of intensity test is intended to exclude from productivity appraisal land on which token timber activity occurs simply to get tax relief. Degrees of intensity are developed by the chief appraiser after consultation with the local ag advisory board and other area resources.

In most cases, property owners must prove that they are generally following the levels of intensity of prudent growers in the area and using typical amounts of labor, management, and investment.

It is important for the land owner to understand that while there are minimum standards, the District realizes that “one size does not fit all”. Because of this, the land owner is encouraged to contact the District if they feel their property should qualify even if it does not meet a minimum requirement. The District will handle such situations on a case by case basis.

Cherokee County Appraisal District Timber Land Guidelines – Typical Levels of Intensity

Pine -	<p>Pine (and other softwood) timberland includes all forested areas in which the trees are predominately green throughout the year and do not lose their leaves. Forested areas where pine and other softwoods make up more than two-thirds of the trees free to grow are in the category. These trees are called evergreens.</p> <ol style="list-style-type: none">1) A minimum of approximately twenty (20) acres is required.2) If timber is cut, it must be replanted within two years notwithstanding drought years.3) Natural regeneration of the harvested track requires at least 6 to 10 mature seed trees not less than 12”dbh with an herbicide program.
Mixed -	<p>Mixed timberland includes all forested acres where both evergreens and deciduous trees are growing and neither type is dominant.</p> <ol style="list-style-type: none">1) A minimum of approximately twenty (20) acres is required.2) If timber is cut, it must be replanted within two years notwithstanding drought years.
Hardwood -	<p>Hardwood timberland includes all forested acres with a predominance of deciduous trees. These trees lose their leaves at the end of a frost-free season. Stands where hardwoods are more than two-thirds of the trees are in this category.</p> <ol style="list-style-type: none">1) A minimum of approximately twenty (20) acres is required.2) If timber is cut, it must be replanted within two years notwithstanding drought years

Cherokee County Appraisal District Growing Operation Guidelines

“Land qualifies for appraisal” ... if it is currently and actively devoted principally to production of hay, crops, produce, orchard vineyard or similar products to the degree of intensity generally accepted in the area with the intent to produce income and has been devoted principally to the production of agricultural products for five (5) of the preceding seven (7) years.

To qualify land for productivity appraisal, landowners **must** meet each requirement to be eligible.

- ✓ The land must be currently and actively devoted to agricultural production.
- ✓ The land must be used principally for agricultural production.
- ✓ The land must be devoted to agricultural production to the degree of intensity generally accepted for the area.
- ✓ The owner must have the intent to produce income.
- ✓ The owner must have been dedicated principally to agricultural production for any five (5), of the preceding seven (7) years.
- ✓ The property owner must file a timely and valid application form to the Cherokee County Appraisal District.
- ✓ The District reserves the right to request a management plan and/or other evidence to verify agricultural production.

Current and Active Devotion to Agriculture Use

Currently devoted to agriculture means that a qualifying agriculture use is evident as of January 1, of the tax year. According to the “Texas Property Tax Manual for the Appraisal of Agriculture Land” (*Texas Comptroller of Public Accounts, April 1990, Page 9*) “The land must be devoted to the agriculture use”. The land must qualify on January 1 of the tax year, fallow years or droughts notwithstanding.

Agriculture Production Must be the Land's Primary Use

Land that is currently and actively devoted to agriculture production will not qualify for productivity appraisal unless agriculture production is the land's primary use. If the owner uses the land for more than one purpose, the principal use must be agriculture.

Degree of Intensity

To qualify for productivity appraisal, agricultural operations must be managed to the degree of intensity generally accepted for prudent growers in the area. The degree of intensity test is intended to exclude from productivity appraisal land on which token activity occurs simply to get tax relief. Degrees of intensity are developed by the chief appraiser after consultation with the local ag advisory board and other area resources.

In most cases, property owners must prove that they are generally following the levels of intensity of prudent growers in the area and using typical amounts of fertilizer, seeding rates, labor, management, and investment.

It is important for the land owner to understand that while there are minimum standards, the District realizes that "one size does not fit all". Because of this, the land owner is encouraged to contact the District if they feel their property should qualify even if it does not meet a minimum requirement. The District will handle such situations on a case by case basis.

Cherokee CAD Guidelines for Growing Operations

Type of Growing Operation	Minimum Acreage for Production	Minimum Production Rates	Remarks
Hay Production	7 Acres	5 Round Bales/Yr. 60-70 Square Bales/Yr.	Typical Fertilizer/Lime Applications. Production dependent upon rainfall
Turf Farms	10 Acres	--	Wholesale Turf Grass operations.
Row Crops	10 Acres	--	Row Crop Examples: watermelon, peas, corn, etc. Grown for commercial sale.
Produce Truck Farm	5 Acres	--	Produce grown for either wholesale or retail sale
Orchards (Fruit or Nut Trees)	5 Acres	15 Trees per Acre	Fruit or nut production for either wholesale or retail sale
Vineyards	5 Acres	100 Vines per Acre	Vineyards for commercial production of wine, raisins, table grapes or juice.

Cherokee County Appraisal District

Appraisal Guidelines for Livestock Operations

“Qualified Open Space Land” ... if it is currently and actively devoted principally to agriculture use to the degree of intensity generally accepted in the area with the intent to produce income and has been devoted principally to agriculture use for five (5) of the preceding seven (7) years.

To qualify land for agriculture appraisal, landowners **must** meet each requirement to be eligible.

- ✓ The land must be currently and actively devoted to agriculture production.
- ✓ The land must be principally devoted to agriculture production to the degree of intensity generally accepted for the area.
- ✓ The owner must have the intent to produce income.
- ✓ The owner must have been dedicated principally to agriculture production for any five (5), of the preceding seven (7) years.
- ✓ The property owner must file a timely and valid application form to the Cherokee County Appraisal District.
- ✓ The District reserves the right to request a management plan and/or other evidence to verify agricultural production.

Current and Active Devotion to Agriculture Use

Currently devoted to agriculture means that a qualifying agriculture use is evident as of January 1, of the tax year. According to the “Texas Property Tax Manual for the Appraisal of Agriculture Land” (*Texas Comptroller of Public Accounts, April 1990, Page 9*) “The land must be devoted to the agriculture use”. The land must qualify on January 1 of the tax year, a fallow year notwithstanding. Properties that primarily support show projects, pleasure or hobby animals will not qualify for productive valuation.

Agriculture Production Must be the Land’s Primary Use

Land that is currently and actively devoted to agriculture production will not qualify for productivity appraisal unless agriculture production is the land’s primary use. If the owner uses the land for more than one purpose, the principal use must be agriculture. For example, an owner may use the land principally for agriculture production and lease it for hunting. However, if hunting activities are the primary use of the land, and the agriculture production is used to create an environment for wildlife protection, then the land would not qualify for agriculture production productivity appraisal. Qualifications for wildlife appraisal can be found in the wildlife guidelines.

Number of Head in the Operation

The District has established levels of production that are typical for the East Texas area. These levels establish minimum standards for qualifying a property for productive valuation. These minimums require at least 3 Animal Units (A.U.) to qualify as a viable commercial operation. The number of head of livestock that equal an Animal Unit will vary by the type of animal.

Defining Pasture Quality for Livestock Grazing

<u>Good Quality Pasture</u>	<u>Average Quality Pasture</u>	<u>Poor Quality Pasture</u>
<p>Good quality pasture will be comprised of improved grasses (typically Coastal Bermuda) on Class 3 soils or better. Good quality pasture will be intensively managed with above average applications of lime or fertilizer and a well-developed grazing rotation.</p>	<p>Average quality pasture is comprised of native grasses (including Bahia) on Class 3 soils or better. Average quality pastures will receive average or below average applications of lime or fertilizer and moderate to average levels of management and grazing rotations. Grasses will be sufficient for grazing or hay production purposes.</p>	<p>Poor quality pasture will be comprised of one or more of the following characteristics:</p> <ol style="list-style-type: none"> 1. Over grazed Pastures 2. Class 4 soils or worse (rocky, hilly or otherwise barren) 3. Limited forage

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