



2018

AGRICULTURE USE

(OPEN-SPACE)

VALUATION

HUNT COUNTY APPRAISAL DISTRICT

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AGRICULTURE LAND

The following pages are the guidelines, qualifications and calculation of value for agriculture land in Hunt County Appraisal District. The guidelines are within the requirements for mass appraisal purposes, and are supported by Section 183 of the Internal Revenue Service Regulations.

LAND PRODUCTIVITY VALUATION

Two amendments to the Texas Constitution permit agricultural and open-space land to be taxed generally on its agricultural-use, or productivity value. This means that taxes would be assessed against the productive value of the land instead of the selling price of the land in the open space market.

The legal basis for special land appraisal is found in the Texas constitution in Article VIII, Sections 1-d and 1-d-1. The two types of land and valuation are commonly called “ag-use” or “1-d” and “open-space” or “1-d-1”. The corresponding provisions of the Texas Property Tax Code are Sections 23.41 through 23.46, Agricultural Land, and Sections 23.51 through 23.57, Open-Space Land.

The purpose of the two provisions is similar. Under both provisions, the land must be in agricultural use and valued in the same manner. However, there are differences in the qualifications that must be met in order to receive the productivity valuation.

1. Ag-use, 1-d, qualifications include:

** The land must be owned by a natural person. Partnerships, corporations or organizations may not qualify.

** The land must have been in agricultural use for three (3) years prior to claiming this valuation.

** The owner must apply for the designation each year and file a sworn statement about use of the land.

** The agricultural business must be the land owner’s primary occupation and source of income.

2. Open-Space, 1-d-1, qualifications include:

** The land must be currently devoted principally to agricultural use to the degree of intensity generally accepted in the area.

** The land must have been devoted to a qualifying agricultural use for five (5) of the preceding seven (7) years. If the property is located within

the corporate limits of a city or town, it must be the five (5) preceding consecutive years. *When building a 'history', the land would qualify for the agricultural use valuation on the 6th year.*

** Land within the boundaries of a city or town must have been devoted to a qualifying agricultural use for the preceding five years.

** Agricultural business need not be the principal business of the owner.

** Once an application for 1-d-1 is filed and approved, a landowner is not required to file again as long as the land qualifies unless the chief appraiser requests another application to confirm qualifications.

These provisions are effective only if applications are filed with the appraisal district office in a timely manner. Applications should be filed between January 1 and April 30.

Information and data used to establish values shall be obtained from:

- Surveys from land owners (*see example of 'land survey questionnaire'*)
- Texas Agricultural Extension Services
- Natural Resources Conservation Service of the United States
- and other recognized agricultural services

In order to calculate agricultural productivity valuation; income information, expense information, and the capitalization rate must be obtained. After gathering and analyzing all income data, determine a typical; mode, lease rate for each category of land for each year, and calculate the typical expenses that need to be figured. Once the expenses are arrived at, enter the expenses into each year and each category of the agricultural worksheet. The expenses are then subtracted from the lease rates to arrive at a net to land. The net to land for the five-year period is then averaged and divided by the capitalization rate to arrive at a productivity value for each category of property.

EVIDENCE OF AGRICULTURAL USE

In order for your property to qualify as 1-d-1 open space land and be granted a special agricultural use appraisal, the land must currently be devoted principally to agricultural use to the degree of intensity accepted in this area and have been devoted principally to agricultural use for at least five of the preceding seven years. A new owner is required to file an application for ag-use appraisal and provide evidence of ag-use. Property owners of land that has previously been approved for ag-use may be asked by the Chief Appraiser to re-file an application and provide evidence if the ag-use is in question.

When filing an application, please provide as much evidence as possible. The following are some types of documentation that will be helpful in proving your case:

- Notarized affidavit from previous owner or any other person having knowledge of the history of the property
- Receipts showing the purchase of livestock, feed, fencing material, farm and ranch equipment, etc.
- Pictures of the property
- Income tax returns, schedule F
- Lease agreements
- Any other pertinent information documenting ag-use on the property

Please keep in mind that the more information you can provide, the better the chances of being approved for the ag-use appraisal.

ROLLBACK TAX

The possibility for a “rollback tax” exists under either form of special land valuation. This liability for additional tax is created under 1-d valuation by either sale of the land or a change in use of the land. It extends back to the three years prior to the year in which the change or sale occurs.

Under 1-d-1, a rollback is triggered by a change in use to a non-agricultural purpose that would not qualify for productivity valuation. Taxes are rolled back or recaptured for the five years preceding the year of the change.

The additional tax is measured by the difference between taxes paid under productivity valuation provisions and the taxes which would have been paid if the land had been put on the tax roll at market value.

DEFINITIONS OF KEY WORDS OR PHRASES

- A. Prudent - capable of making important management decisions; shrewd in the management of practical affairs. Specifically, the law states that the land must be utilized as would an ordinary and prudent manager.
- B. Substantial - ample to satisfy; considerable in quantity. Specifically, the law states that agricultural land must be an identifiable and a substantial tract of land. This means that the tract must be of adequate size to be economically feasible to farm or ranch.
- C. Typical - exhibiting the essential characteristics of a group. Specifically, the law states that Ag Land will be utilized as would a typically (or ordinary) manager. Statistically, a typically prudent manager is the median farmer or rancher.
- D. Agricultural use to the degree of intensity generally accepted in the area - farming or ranching to the extent that the typically prudent manager in the area of the taxing unit would farm or ranch on an identifiable and substantial tract of land when the tract is devoted principally to agricultural use. A better understanding of this definition can be gained by identifying the key elements of the definition and explaining each as follows:
1. Degree of intensity generally accepted in the area shall mean that the farming and ranching practices (cropping patterns, planting rates, fertilization methods, harvesting and marketing techniques, etc.) are those of a typically prudent farm or ranch manager.
 2. Typically prudent farm or ranch managers are ordinary farmers in terms of acres farmed as well as management ability. Given that all other factors remain constant, the number of acres farmed determines the farmers' capital structure. Typically prudent or ranch managers located in the Hunt County Appraisal District are assumed to have similar equipment of similar value and utility.
 3. Simply stated a substantial tract is a tract of land large enough to be farmed by itself in a typically prudent management.
 4. Area is interpreted to be that land inside the jurisdiction boundaries of the Hunt County Appraisal District.
 5. Principally means the more important use in comparison with other uses to which the land is put.
- E. Cap Rate - capitalization rate used to calculate the productivity value of the land. This rate is the greater of: 10 percent; or the interest rate of the Farm Credit Bank as of December 31st of the previous year plus 2.5 percent.
- F. Net to Land - average net income per acre.

AGRICULTURAL LAND

QUALIFICATIONS GUIDELINES

The general policy of the Hunt County Appraisal District is in accordance with the State Property Tax Board's qualification guidelines for agricultural use. The District's policy is that in order to qualify for ag-use valuation the land must:

1. Be utilized to the degree of intensity generally accepted in the Hunt County Appraisal District. Degree of intensity is measured by local farming and ranching practices of a typically prudent manager. This specifically excludes land on which token agriculture or timber use occurs in an effort to obtain eligibility or where agriculture is simply a hobby. (See "Hobby Farm" Guidelines, page 10). Here, the applicant's management program and factors of production must be reviewed to see if he is typical.
2. Be managed in a typically prudent manner. Typically prudent may be measured by comparing the actual production of the subject property to the average yields of Hunt County.
3. Be a substantial tract of land. Substantial means an identifiable tract of land of adequate size to support a typically prudent operation. To set this land apart from a "Hobby" situation, a degree of intensity of at least 3 acres is required. This is a guideline only and any application for 1-d-1 land valuation below this acreage will be considered on a case by case basis. One such consideration would be if it was adjacent to or being used with agricultural property that is owned by the same person(s) or a family member. Land acquired next to or adjacent to the property owner's land must have a history of agricultural use to qualify or the owner must be able to prove the history requirement for that piece of land before the agricultural use valuation can be applied to it.
4. Be devoted principally to an agriculture use.

QUALIFYING AGRICULTURAL GUIDELINE 2018

Degree of Intensity in acreage

For purposes other than beekeeping, which has its own acreage requirements specified by law, a degree of intensity of 3 ACRES will be required to distinguish Qualifying Agriculture Tracts from Hobby operations. This is a guideline only and any application for agriculture valuation below 3 acres will be considered on a case by case basis. One such consideration would be an application for a tract of land used with other qualified agricultural property being owned by the same person(s) or family member.

Appraiser will do field inspection to verify usage and assure the land is being used to its degree of intensity.

ORCHARD:

PECAN – 25 TREES PER ACRE
 PEACH – 40 TREES PER ACRES
 (or any kind of fruit tree)

POULTRY:

1,000 PER ACRE

PASTURE:

| ANIMAL UNIT | ANIMAL UNIT EQUIVALENT* | TYPICAL HUNT COUNTY STOCKING RATES PER ANIMAL UNIT* | MINIMUM # OF HEAD PER 5 ACRES |
|---|-------------------------|---|-------------------------------|
| Cattle Adult Cows or Bulls | 1 | 5 acres | 1 |
| Yearlings – Dairy Cattle, Beef Cattle, Buffalo, or Beefalo (500 lbs. or more) | 0.5 | 5 acres | 2 |
| Equine | 1 | 5 acres | 1 |
| Sheep or Goats | 0.25 | 5 acres | 4 |
| Alpaca | 0.82 | 5 acres | 1 |
| Llama | 0.36 | 5 acres | 2 |
| Emu | 0.51 | 5 acres | 2 |
| Swine | 0.41 | 5 acres | 2 |
| *Information obtained from the Farm Service Agency of Hunt County | | | |

HAY:

CUT, BALED AND USED

GARDEN:

TRUCK FARM – GROWN FOR SALE OR TRADE

WILDLIFE:

MUST HAVE A WRITTEN PLAN. Once approved, an annual application **must** be filed yearly to maintain the wildlife use valuation. *Texas Parks & Wildlife has information & applications on their website.*

BEEKEEPING

QUALIFYING GUIDELINES FOR AGRICULTURAL USE

ACREAGE REQUIREMENTS STATED IN LAW

Minimum 5 Acres

Maximum 20 Acres

Degree of Intensity

5 to 12 acres requires a minimum of 6 Hives (Agricultural Code definition of Apiary)

13 to 20 acres requires a minimum of 1/2 Hive Per acre.

* Contiguous tracts of land less than 5 acres with differing ownership may qualify if:

1. Total contiguous acreage is at least 5 acres and no more than 20 acres.
2. A management plan is in place for the entire operation which includes:
 - a) planting and maintaining a sustainable food source on each tract of land
 - b) taking action to encourage bees to utilize each tract of land
 - c) regulations and restrictions on use of pesticides or other items harmful to bees
 - d) the total number of hives for the operation meets the degree of intensity standards with a minimum of one hive per tract of land
3. A lease agreement is in place between each land owner of contiguous property and the owner/operator of the bee operation.

GUIDELINES FOR AGRICULTURAL VALUATION USE TYPES

NATIVE PASTURE

Stock Water
Graze Livestock (A/U. depends on type of livestock)
Fences Maintained

IMPROVED PASTURE

Sod or Sow
Fertilize
Weed Control
Stock Water
Graze Livestock (A/U. depends on type of livestock)
Fences Maintained

HAY MEADOW

Sod or Sow
Fertilize
Weed Control
Baling

DRYLAND ROW CROP

Land Preparation
Planting
Fertilizing
Insect and Weed Control
Cultivation
Harvest

ORCHARDS

Number of trees per acre varies according to type
Fertilize
Cultivation
Water Available
Insect and Weed Control
Harvest

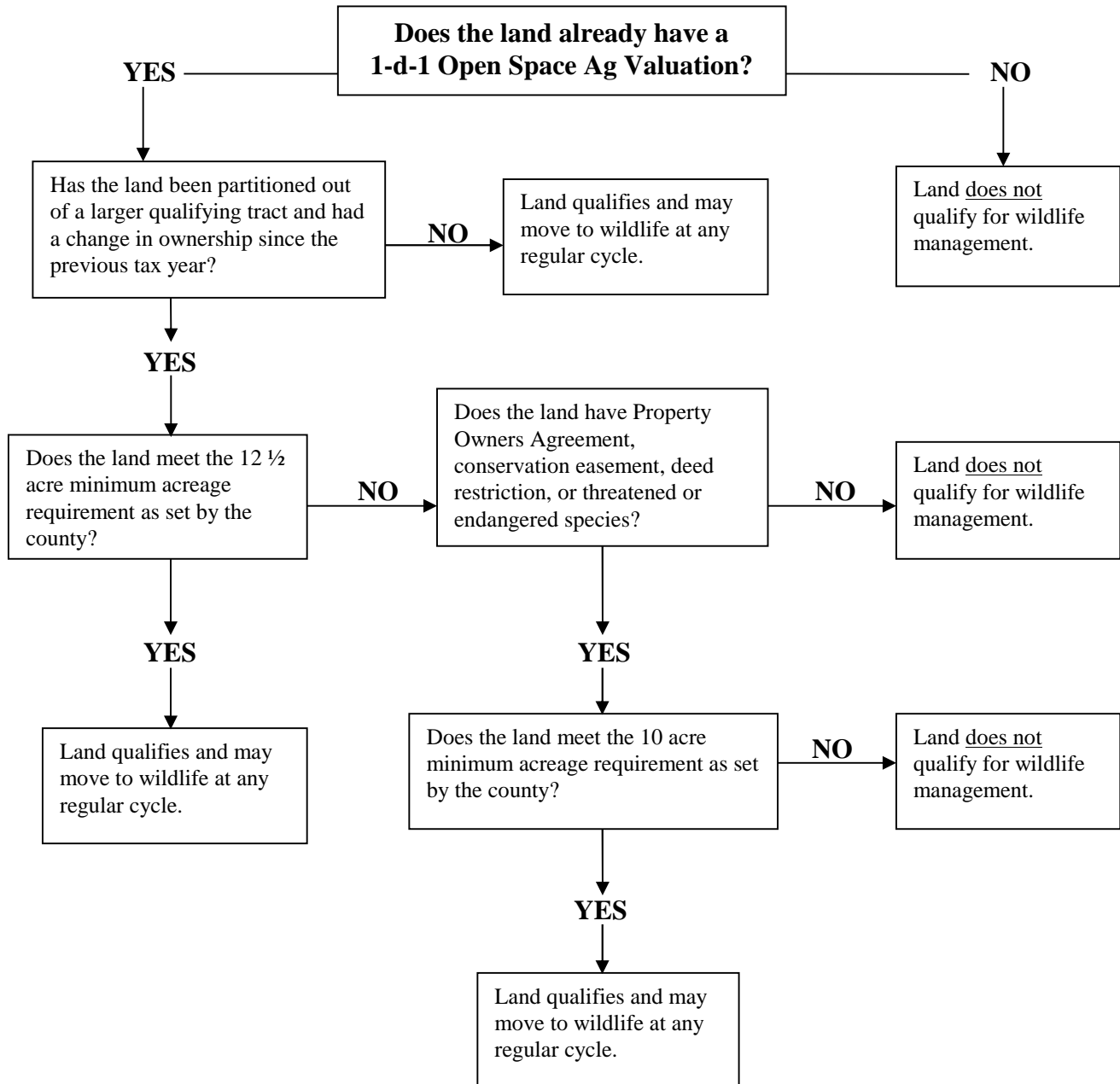
* A minimum of 3 acres is required, unless contiguous with additional qualified agricultural use property. This is a guideline only and any application for agriculture valuation below 3 acres will be considered on a case by case basis.

WILDLIFE MANAGEMENT USE REQUIREMENTS

1. The land must have been qualified and appraised as agricultural land during the year before the year the owner changes to the wildlife management use.
2. Land must be used to generate a sustaining breeding, migrating, or wintering population of indigenous wild animals.
3. The indigenous wildlife population must be produced for human use.
4. The land must be used for three or more of the following activities:
 - a. Habitat Control (Habitat Management)
 - b. Erosion Control
 - c. Predator Control (Predator Management)
 - d. Providing Supplemental Supplies of Water
 - e. Providing Supplemental Supplies of Food
 - f. Providing Shelter
 - g. Making Census Counts to Determine Population
5. Owner must file a written detailed Wildlife Management Plan along with the application & an "Application for 1-d-1 (Open Space) Agricultural Appraisal". **All steps in these applications must be filled out completely.** *(see flowchart)*
6. Once approved, a Wildlife Management Annual Report **must** be filed yearly to maintain the wildlife use valuation.

All properties that qualify for wildlife management will be inspected regularly and coded with a property group code of "WDLF". They are inspected at the time of application and then during the regular reappraisal cycle. Every year the owner is required to submit an annual report. The annual reports along with a cover letter will be mailed to each property owner between January 15th and January 30th of each year. This report will be to detail the actions that have been taken to implement the wildlife management plan during the year. When the annual reports have been received back from the property owner, they will be coded as "WDLF RECD". Biweekly, the appraisers will run a query to check to see if any annuals reports have been received. Each report will be reviewed by the appraiser to see if any further action is needed. If a physical inspection is not conducted, the property will be inspected through recent aerial photographs. If no annual report has been received by March 15th of each year, then a "second notice" letter will be sent to the property owners to remind them the April 30th deadline for having their reports filed.

DETERMINING QUALIFICATION FOR WILDLIFE MANAGEMENT



2018 SPECIAL AG-USE VALUATION

Calculation of value:

Section 23.25, Property Tax Code, requires appraisal districts to use a capitalization rate applied to the average “net to land”.

For agricultural or open-space land, Tax Code Section 23.53 requires appraisal districts to use a cap rate that is the greater of 10% or the interest rate specified on the previous Dec. 31st by the Farm Credit Bank of Texas plus 2.5%. The bank’s interest rate on Dec. 31st, 2017, was 3.96%. With the 2.5% added, that rate became 6.46%. Since 10% is the greater rate, the 2018 cap rate is 10%.

The formula as prescribed by Section 23.53 is: past five years preceding the last year average net to land divided by cap rate.

IE: native pasture average net to land is \$5.85 per acre**

$5.85 / 10.00\% = \$59.00$ (rounded) per acre taxable value

**Information gathered from:

1. County Extension Agent Office
2. Farm Service Office
3. Agricultural Advisory Committee
4. Texas Comptroller of Public Accounts correspondence
5. Terms of Cash Lease Agreements furnished by Taxpayers
6. Agricultural Surveys received from Hunt County Taxpayers

2018 Values

| | <u>average net to land</u> | | <u>2018 cap rate</u> | | <u>value per acre</u> |
|----|----------------------------|---|----------------------|---|-----------------------|
| NP | 5.85 | / | 10.00% | = | \$ 59.00 * |
| IP | 9.82 | / | 10.00% | = | \$ 98.00 * |
| HM | 10.98 | / | 10.00% | = | \$110.00 * |
| CL | 17.96 | / | 10.00% | = | \$180.00 * |
| OR | 36.09 | / | 10.00% | = | \$361.00 * |
| BK | 36.09 | / | 10.00% | = | \$361.00 * |

NP = Native or Unimproved Pasture

IP = Improved Pasture

HM = Hay Meadow

CL = Cropland (Row Crops)

OR = Orchard and Tree Farms

BK = Beekeeping

* Based on Class 3 (soil type) for Hunt County

Soil Type Classification – Description Types

Land capability classification shows, in a general way, the suitability of soils for most kinds of field crops. Crops that require special management are excluded. The soils are grouped according to their limitations for field crops, the risk of damage if they are used for crops, and the way they respond to management. The criteria used in grouping the soils do not include major and generally expensive land-forming that would change slope, depth, or other characteristics of the soils, nor do they include possible but unlikely major reclamation projects. Capability classification is not a substitute for interpretations that show suitability and limitations of groups of soils for rangeland, for woodland, or for engineering purposes.

In the capability system, soils are generally grouped at three levels-capability class, subclass, and unit. Only class and subclass are included in this data set.

Capability classes, the broadest groups, are designated by the numbers 1 through 8. The numbers indicate progressively greater limitations and narrower choices for practical use. The classes are defined as follows:

Class 1 – soils have few limitations that restrict their use.

Class 2 – soils have moderate limitations that reduce the choice of plants or that require moderate conservation practices.

Class 3 – soils have severe limitations that reduce the choice of plants or that require special conservation practices, or both.

Class 4 – soils have very severe limitations that reduce the choice of plants or that require very careful management, or both.

Class 5 – soils are subject to little or no erosion but have other limitations, impractical to remove, that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.

Class 6 – soils have severe limitations that make them generally unsuitable for cultivation and that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.

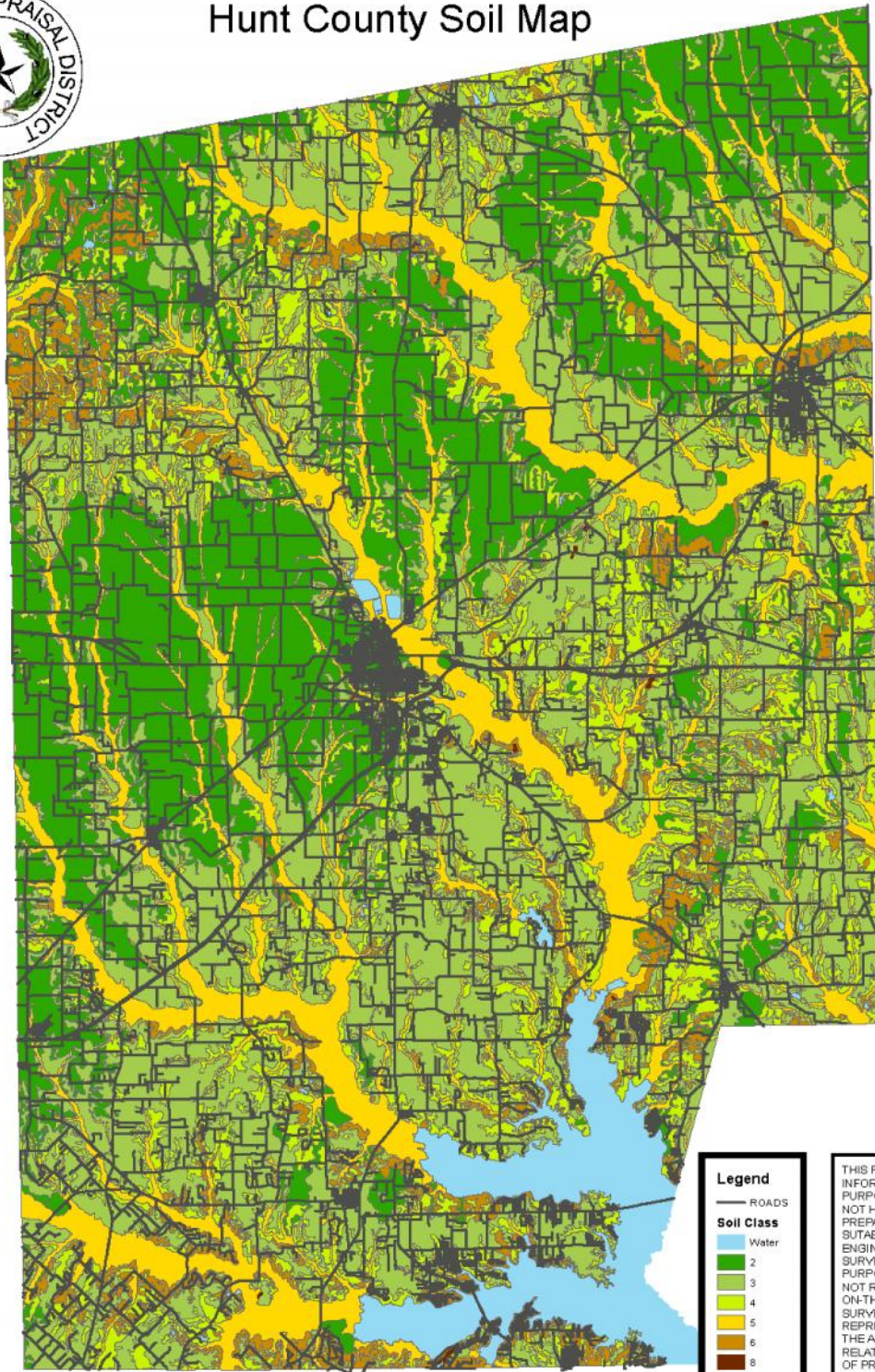
Class 7 – soils have very severe limitations that make them unsuitable for cultivation and that restrict their use mainly to grazing, forestland, or wildlife habitat.

Class 8 – soils and miscellaneous areas have limitations that preclude commercial plant production and that restrict their use to recreational purposes, wildlife habitat, watershed, or esthetic purposes.

In Hunt County – ‘Class 3’ has been identified as the “base” soil type. Property with a soil type below ‘Class 3’ will have a positive adjustment and property with a soil type above ‘Class 3’ will have a negative adjustment.



Hunt County Soil Map



Legend

- ROADS

Soil Class

- Water
- 2
- 3
- 4
- 5
- 6
- 8

THIS PRODUCT IS FOR INFORMATIONAL PURPOSES AND MAY NOT HAVE BEEN PREPARED FOR OR BE SUITABLE FOR LEGAL, ENGINEERING, OR SURVEYING PURPOSES. IT DOES NOT REPRESENT AN ON-THE-GROUND SURVEY AND REPRESENTS ONLY THE APPROXIMATE RELATIVE LOCATION OF PROPERTY BOUNDARIES.

2018 HCAD – Ag Schedules – Based on Soil Class Type

| NATIVE PASTURE | |
|-----------------------|----------------|
| NP1 | \$60.18 |
| NP2 | \$59.59 |
| NP3* | \$59.00 |
| NP4 | \$58.41 |
| NP5 | \$57.82 |
| NP6 | \$57.23 |
| NP7 | \$56.64 |
| NP8 | \$56.05 |

| IMPROVED PASTURE | |
|-------------------------|----------------|
| IP1 | \$99.96 |
| IP2 | \$98.98 |
| IP3* | \$98.00 |
| IP4 | \$97.02 |
| IP5 | \$96.04 |
| IP6 | \$95.06 |
| IP7 | \$94.08 |
| IP8 | \$93.10 |

| HAY MEADOW | |
|-------------------|-----------------|
| HM1 | \$112.20 |
| HM2 | \$111.10 |
| HM3* | \$110.00 |
| HM4 | \$108.90 |
| HM5 | \$107.80 |
| HM6 | \$106.70 |
| HM7 | \$105.60 |
| HM8 | \$104.50 |

| DRYLAND/CROPLAND | |
|-------------------------|-----------------|
| CL1 | \$183.60 |
| CL2 | \$181.80 |
| CL3* | \$180.00 |
| CL4 | \$178.20 |
| CL5 | \$176.40 |
| CL6 | \$174.60 |
| CL7 | \$172.80 |
| CL8 | \$171.00 |

| ORCHARD | |
|----------------|-----------------|
| OR1 | \$368.22 |
| OR2 | \$364.61 |
| OR3* | \$361.00 |
| OR4 | \$357.39 |
| OR5 | \$353.78 |
| OR6 | \$350.17 |
| OR7 | \$346.56 |
| OR8 | \$342.95 |

| BEEKEEPING | |
|-------------------|-----------------|
| BK1 | \$368.22 |
| BK2 | \$364.61 |
| BK3* | \$361.00 |
| BK4 | \$357.39 |
| BK5 | \$353.78 |
| BK6 | \$350.17 |
| BK7 | \$346.56 |
| BK8 | \$342.95 |

Soil Type (Class 3) is the base for Hunt County

2018 AG NET TO LAND Calculations

| Property Type | Year | Rent | Mgmt Fee | Other Expense | R.E. Taxes | Net To Land | | | | |
|---------------|------|---------|----------|---------------|------------|--------------------|----------|---------|----------|--|
| NP3 | 2016 | \$9.95 | \$0.70 | \$1.20 | \$1.23 | \$6.82 | | | | |
| | 2015 | \$9.31 | \$0.65 | \$1.21 | \$1.34 | \$6.11 | | | | |
| | 2014 | \$9.30 | \$0.65 | \$1.21 | \$1.36 | \$6.08 | | 5 YR. | | |
| | 2013 | \$8.00 | \$0.56 | \$1.43 | \$1.38 | \$4.63 | | Avg. | | |
| | 2012 | \$9.03 | \$0.63 | \$1.43 | \$1.37 | \$5.60 | | Net | | |
| | | | | | | | \$29.24 | \$5.85 | | |
| | | | | | | Capitalized | \$58.50 | Say | \$59.00 | |
| IP3 | 2016 | \$14.00 | \$0.98 | \$1.20 | \$1.91 | \$9.91 | | | | |
| | 2015 | \$14.32 | \$1.00 | \$1.21 | \$1.88 | \$10.23 | | | | |
| | 2014 | \$15.10 | \$1.06 | \$1.21 | \$1.96 | \$10.87 | | 5 YR. | | |
| | 2013 | \$15.00 | \$1.05 | \$1.43 | \$2.01 | \$10.51 | | Avg. | | |
| | 2012 | \$11.82 | \$0.83 | \$1.43 | \$2.00 | \$7.56 | | Net | | |
| | | | | | | | \$49.08 | \$9.82 | | |
| | | | | | | Capitalized | \$98.20 | Say | \$98.00 | |
| HM3 | 2016 | \$14.00 | \$0.98 | \$0.00 | \$2.12 | \$10.90 | | | | |
| | 2015 | \$14.32 | \$1.00 | \$0.00 | \$2.06 | \$11.26 | | | | |
| | 2014 | \$15.10 | \$1.06 | \$0.00 | \$2.11 | \$11.93 | | 5 YR. | | |
| | 2013 | \$15.00 | \$1.05 | \$0.00 | \$2.09 | \$11.86 | | Avg. | | |
| | 2012 | \$11.82 | \$0.83 | \$0.00 | \$2.06 | \$8.93 | | Net | | |
| | | | | | | | \$54.88 | \$10.98 | | |
| | | | | | | Capitalized | \$109.80 | Say | \$110.00 | |
| CL3 | 2016 | \$24.09 | \$1.69 | \$0.00 | \$3.62 | \$18.78 | | | | |
| | 2015 | \$22.07 | \$1.54 | \$0.00 | \$3.44 | \$17.09 | | | | |
| | 2014 | \$22.60 | \$1.58 | \$0.00 | \$3.41 | \$17.61 | | 5 YR. | | |
| | 2013 | \$25.00 | \$1.75 | \$0.00 | \$3.30 | \$19.95 | | Avg. | | |
| | 2012 | \$21.13 | \$1.48 | \$0.00 | \$3.28 | \$16.37 | | Net | | |
| | | | | | | | \$89.80 | \$17.96 | | |
| | | | | | | Capitalized | \$179.60 | Say | \$180.00 | |
| OR3 | 2016 | \$56.75 | \$3.97 | \$8.78 | \$7.86 | \$36.14 | | | | |
| | 2015 | \$56.75 | \$3.97 | \$8.78 | \$7.97 | \$36.03 | | | | |
| | 2014 | \$56.75 | \$3.97 | \$8.78 | \$8.00 | \$36.00 | | 5 YR. | | |
| | 2013 | \$56.75 | \$3.97 | \$8.78 | \$7.87 | \$36.13 | | Avg. | | |
| | 2012 | \$56.75 | \$3.97 | \$8.78 | \$7.83 | \$36.17 | | Net | | |
| | | | | | | | \$180.47 | \$36.09 | | |
| | | | | | | Capitalized | \$360.90 | Say | \$361.00 | |
| BK3 | 2016 | \$56.75 | \$3.97 | \$8.78 | \$7.86 | \$36.14 | | | | |
| | 2015 | \$56.75 | \$3.97 | \$8.78 | \$7.97 | \$36.03 | | | | |
| | 2014 | \$56.75 | \$3.97 | \$8.78 | \$8.00 | \$36.00 | | 5 YR. | | |
| | 2013 | \$56.75 | \$3.97 | \$8.78 | \$7.87 | \$36.13 | | Avg. | | |
| | 2012 | \$56.75 | \$3.97 | \$8.78 | \$7.83 | \$36.17 | | Net | | |
| | | | | | | | \$180.47 | \$36.09 | | |
| | | | | | | Capitalized | \$360.90 | Say | \$361.00 | |

Agricultural Land Capitalization Rate used for 2017 10.00%

Management Fee is equal to 7.00% of Revenue

Hay Meadow uses Improved Pasture Income less the "Water Expense"

PRESENT AND PRECEDING YEARS CAP RATES

APPRAISAL CAPITALIZATION

| YEAR | RATE |
|------|--------|
| 2018 | 10.00% |
| 2017 | 10.00% |
| 2016 | 10.00% |
| 2015 | 10.00% |
| 2014 | 10.00% |
| 2013 | 10.00% |
| 2012 | 10.00% |
| 2011 | 10.00% |
| 2010 | 10.00% |
| 2009 | 10.00% |
| 2008 | 10.00% |
| 2007 | 10.13% |
| 2006 | 10.00% |
| 2005 | 10.00% |
| 2004 | 10.00% |
| 2003 | 10.00% |
| 2002 | 10.00% |
| 2001 | 10.85% |
| 2000 | 10.90% |
| 1999 | 10.00% |
| 1998 | 10.60% |
| 1997 | 10.35% |
| 1996 | 10.75% |
| 1995 | 10.75% |
| 1994 | 10.00% |
| 1993 | 11.00% |
| 1992 | 12.00% |
| 1991 | 12.45% |
| 1990 | 12.75% |
| 1989 | 12.45% |
| 1988 | 12.75% |

History of Agricultural Value

| Class | <u>NP</u> | <u>IP</u> | <u>HM</u> | <u>CL</u> | <u>OR</u> | <u>BK</u> |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Year | | | | | | |
| 2018 | \$59.00 | \$98.00 | \$110.00 | \$180.00 | \$361.00 | \$361.00 |
| 2017 | \$56.00 | \$94.00 | \$106.00 | \$175.00 | \$361.00 | \$361.00 |
| 2016 | \$57.00 | \$92.00 | \$103.00 | \$171.00 | \$362.00 | \$362.00 |
| 2015 | \$57.00 | \$88.00 | \$98.00 | \$167.00 | \$363.00 | \$363.00 |
| 2014 | \$61.00 | \$86.00 | \$94.00 | \$157.00 | \$364.00 | \$364.00 |
| 2013 | \$62.00 | \$89.00 | \$96.00 | \$155.00 | \$364.00 | \$364.00 |
| 2012 | \$64.00 | \$93.00 | \$97.00 | \$153.00 | \$365.00 | |
| 2011 | \$64.00 | \$93.00 | \$96.00 | \$153.00 | \$365.00 | |
| 2010 | \$64.00 | \$93.00 | \$96.00 | \$153.00 | \$365.00 | |
| 2009 | \$64.00 | \$93.00 | \$97.00 | \$153.00 | \$364.00 | |
| 2008 | \$64.00 | \$93.00 | \$97.00 | \$153.00 | \$365.00 | |
| 2007 | \$63.00 | \$92.00 | \$95.00 | \$151.00 | \$360.00 | |
| 2006 | \$63.00 | \$92.00 | \$96.00 | \$153.00 | \$364.00 | |
| 2005 | \$63.00 | \$92.00 | \$95.00 | \$152.00 | \$364.00 | |
| 2004 | \$64.00 | \$92.00 | \$95.00 | \$152.00 | \$364.00 | |
| 2003 | \$63.00 | \$92.00 | \$95.00 | \$152.00 | \$364.00 | |
| 2002 | \$64.00 | \$93.00 | \$96.00 | \$153.00 | \$366.00 | |
| 2001 | \$58.00 | \$85.00 | \$87.00 | \$140.00 | \$335.00 | |
| 2000 | \$58.00 | \$85.00 | \$87.00 | \$141.00 | \$336.00 | |
| 1999 | \$63.00 | \$92.00 | \$95.00 | \$149.00 | \$360.00 | |
| 1998 | \$60.00 | \$87.00 | \$90.00 | \$144.00 | \$343.00 | |
| 1997 | \$61.00 | \$89.00 | \$93.00 | \$148.00 | \$353.00 | |
| 1996 | \$60.00 | \$88.00 | \$91.00 | \$147.00 | \$348.00 | |

PROCEDURES FOR PROCESSING AGRICULTURAL / OPEN SPACE APPLICATIONS

The following procedures are to be followed in processing both agriculture 1-d and 1-d-1 applications:

- I. New Applications
 - A. Process applications received over the counter or received in mail.
 - B. Application Review
 - 1. Review for completeness and accuracy of required information. If incomplete, return for more information.
 - C. Field Inspection of Application
 - 1. Attach copy of plat of property to application if needed.
 - 2. Field inspect the property and make all pertinent notations relative to agricultural usage, date of inspection and initials.
 - D. Approve or Deny Application
 - 1. Approved Applications
 - a. Review details of field inspection.
 - b. Mark approved, initial and date.
 - c. Complete data entry. Including date of physical inspection and initials of appraiser.
 - d. File in application file.
 - 2. Denied Applications
 - a. Review details of field inspection; enter date of physical inspection and initials of appraiser.
 - b. Mark denied, initial and date.
 - c. Mail "Notice of Denial".
 - d. Complete data entry.
 - e. File in application.
 - E. Process information received from property owner on denied applications.
 - 1. Review information and proceed as necessary.
 - 2. Approve or deny application.
- II. Existing Applications
 - A. Field inspect and notate agricultural usage, date of inspection and initials.
 - B. Mail "Request for Information" letter if necessary to validate use.
 - C. Review information received and do one of the following:
 - 1. Enter date of physical inspection and initials of appraiser.
 - 2. Mail "Notice of Cancellation" and file for follow-up.
 - 3. Make decision based on information received.
 - 4. Make necessary data processing entry.
 - 5. If denied, mail notice of denial and attach copy to application.

*** Hunt CAD policy allows one application to be filed for contiguous tracts of land in which all property identification #'s are listed. Non-contiguous tracts that are seeking agricultural use valuation must have separate applications filed for each property.**



HUNT COUNTY APPRAISAL DISTRICT

P.O. BOX 1339 4801 KING STREET
GREENVILLE, TEXAS 75403-1339
(903) 454-3510 FAX (903) 454-4160
www.hunt-cad.org

<!MailingDate!>

EXAMPLE

<!PROPLM.NAME_ADDRESS!>

RE: <!PROPLM.PROP_ID!>, <!PROPLM.LEGAL_DESC!>

Dear Property Owner,

Your application for special agricultural use valuation on the above referenced property has been reviewed for the current tax year.

It is being **DISAPPROVED** at this time for the following reason(s) marked:

- STEP(S) _____ WAS LEFT BLANK OR IS INCOMPLETE
- INCORRECT / INCONSISTENT ACREAGE AMOUNT APPLIED FOR
- MORE DOCUMENTATION IS NEEDED TO VERIFY THE USAGE
- WRITTEN WILDLIFE MANAGEMENT PLAN MUST ACCOMPANY APPLICATION
- OTHER _____

Your original application is included with this letter. In order for our office to finish processing your special use application, you must complete the application in full and/or supply the additional information necessary (noted above) and return ALL documents within 30 days of the date of this letter.

Please contact our office at 903-454-3510 or in person at 4801 King Street with any questions regarding this matter.

Thank you,
Hunt County Appraisal District



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<!MailingDate!>

EXAMPLE

<!PROPLM.NAME_ADDRESS!>

RE: <!PROPLM.PROP_ID!>, <!PROPLM.LEGAL_DESC!>

Dear Property Owner,

Your application for special agricultural use valuation on the above referenced property has been reviewed for the current tax year.

It is being **DENIED** at this time for the following reason(s) marked:

- STEP(S) _____ WAS LEFT BLANK OR IS INCOMPLETE
- INCORRECT / INCONSISTENT ACREAGE AMOUNT APPLIED FOR
- MORE DOCUMENTATION IS NEEDED TO VERIFY THE USAGE
- NOT ENOUGH ACREAGE IS INVOLVED TO QUALIFY FOR TYPICAL AGRICULTURAL USE
- HAS NOT BEEN IN AGRICULTURAL USE FIVE OF THE PRECEDING SEVEN YEARS
 - 1st year history 2nd year history 3rd year history 4th year history 5th year history
- NOT BEING USED FOR QUALIFYING AGRICULTURAL PURPOSES
- PHYSICAL INSPECTION REVEALED NO APPARENT AGRICULTURAL USE
- DEGREE OF INTENSITY – NOT BEING MET
- APPLICATION RECEIVED AFTER CERTIFICATION OF APPRAISAL ROLL
- TIMBER PRODUCTION IS NOT A QUALIFYING USE IN HUNT COUNTY
- OWNER REQUESTED AG-USE VALUATION BE REMOVED FOR CURRENT YEAR
- NOT CURRENT OWNER ON RECORD (OWNER ON RECORD MUST APPLY)
- WRITTEN WILDLIFE MANAGEMENT PLAN MUST ACCOMPANY APPLICATION

If you disagree with the denial of your application, you must file a formal protest with the appraisal district within 30 days of this letter. A “Notice of Protest” form can be found at www.hunt-cad.org/forms or call our office for assistance. Please provide all evidence supporting your claim along with your protest.

Thank you,
Hunt County Appraisal District



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<!MailingDate!>

<!PROPLM.NAME_ADDRESS!>

EXAMPLE

RE: Property ID # <!PROPLM.PROP_ID!>, <!PROPLM.LEGAL_DESC!>
EFFECTIVE ACRES: <!PROPLM.EFFECTIVE_ACRES!>

Dear Property Owner,

In an effort to produce accurate agricultural land schedules, Hunt County Appraisal District is sending you this questionnaire to gather income and expense information on your agricultural land.

Special valuation for agricultural land is a benefit provided to farmers and ranchers from the State of Texas that allows agricultural land to be assessed at a reduced value instead of market value. This value is determined from information obtained from cash leases throughout the county. It is very important that Hunt County Appraisal District maintain current information on leases and typical farming operations throughout the county.

Please send any information on agricultural leases you have whether you are the lessee or the lessor. If you have more than one lease, please list them all.

Appraisal Districts are audited by the State Comptroller's Office and, in order to defend our valuations, your information is needed. Please take a few moments to complete this survey and return it to our office. Any information you may provide will be extremely valuable in setting appraisal use values in Hunt County.

This information is not required for the land to qualify for agricultural use appraisal; however, your participation in this questionnaire is greatly appreciated.

Sincerely,

Hunt County Appraisal District

AGRICULTURAL LAND SURVEY QUESTIONNAIRE

DATE: _____

The Hunt County Appraisal District is conducting an agricultural use survey. In order to be fair and accurate, we are in need of income and expense information in the county. Your name is not required on the survey, but your name and contact information would be helpful should there be questions about your responses. Or you may attach a copy of your lease agreement to this survey. Your contact information and lease information will be kept strictly confidential. **Please keep in mind that this survey is attempting to find the typical or most common lease rates, expenses and practices.**

NAME: _____ OCCUPATION: _____

PHONE # : _____ DATE: _____

PROPERTY DESCRIPTION: _____

Please complete all sections that apply to your land. If it does not apply, please mark as "N/A"

Please fill in the typical grazing and hunting rates for 2016 and 2017

| | Number of Acres Owned and/or Operated | Cash Lease Rate per Acre <i>If applicable</i> | Hunting Lease Rate per Acre <i>If applicable</i> |
|---|---|---|--|
| Irrigated Cropland land routinely cultivated and planted in annual row crops | 2016 _____ 2017 _____ | 2016 _____ 2017 _____ | 2016 _____ 2017 _____ |
| Dry Cropland land routinely cultivated and planted in annual row crops | 2016 _____ 2017 _____ | 2016 _____ 2017 _____ | 2016 _____ 2017 _____ |
| Improved Pasture land that has been cleared and normally used for grazing livestock | 2016 _____ 2017 _____ | 2016 _____ 2017 _____ | 2016 _____ 2017 _____ |
| Native Pasture land in its natural state and normally used for grazing livestock | 2016 _____ 2017 _____ | 2016 _____ 2017 _____ | 2016 _____ 2017 _____ |

In a year, what percentage of the land do you treat and how much do you spend on brush control?

_____ % \$ _____ per acre

What percentage of brush control does the landowner pay? _____%

If you own cropland, is it fenced? YES NO

TYPE OF CROP: _____

What is the cost for fencing providing your own labor? \$_____per foot \$_____per mile

What is the cost for fencing when hiring a contractor? \$_____per foot \$_____per mile

Typical fence description: _____
Example: 5 strand – t-post on 10 foot centers – pipe corners

What is the typical useful life for standard fencing? _____ years

If fenced, who is responsible for the cost and maintenance of the fencing? _____

What is the cost for an average size water tank (earthen pond)? \$ _____

How many acres does the average tank serve? _____acres

Please feel free to share your comments or concerns relating to productivity values in the space provided.

Please Note: The information you provide on this questionnaire is not required in order for the land to qualify for agricultural appraisal.

Your cooperation is greatly appreciated. If you have any questions, please call 903-454-3510.

***** Please return the completed survey in the enclosed envelope by March 15th *****