

# **Liberty County Appraisal District**

## **Timberland Qualification Guidelines**

These guidelines are intended to set out both eligibility requirements and appraisal procedures. The manual for the appraisal of timberland, property tax division, Comptroller of Public Accounts, May 2004, supports these guidelines.

It should be noted that these guidelines are to be used as a general guide for qualifying for timberland appraisal. Exceptions to this guide will be handled on a case-by-case basis.

### **Qualifications Guidelines**

- A property owner must apply for timber appraisal before the deadline.
- The Texas Constitution permits timber productivity appraisal only if the property and its owner meet specific requirements defining timber use. Land will not qualify simply because it has timber standing on it.
- Timberland that is used principally for aesthetic or recreation purposes will not qualify.
- 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 in the area.
- The owner must have intent to produce income.
- The land must be devoted principally to agriculture or timber production for 5 of preceding 7 years.
- Timberland appraisal applies to only the land and not to improvements on the land or minerals.

### **Categories of Timberland**

- Pine
- Mixed
- Hardwood
- Special- management zones
- Regeneration
- Transition

### **Degree of Intensity**

To qualify for productivity appraisal, timberland must be used to the degree of intensity generally accepted for prudent timber 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.

### **Evidence of Timber Use**

- Timber activity records
- Forest management plan
- Timber cost sharing programs
- Efforts to sell timber
- Salvage activity
- Certified tree program
- Memberships in associations
- Assistance programs
- Consulting foresters

### **Application Denial**

If the chief appraiser denies in application, he must deliver notice of denial to the applicant. The notice must contain a brief explanation of procedures for protesting denial to the Appraisal Review Board. The owner has 30 days from the date on the denial letter to file a written protest. At a protest hearing the owner must provide supporting documentation.

### **Rollback Procedures**

A rollback tax will be imposed on 1-d-1 property when the owner changes the use of the land to something other than agricultural production. If only a portion of the land is changed to a non-agricultural use, then only the portion changed will receive the rollback.

The chief appraiser will send a written notice of the determination that a change of use has occurred. The owner has 30 days to file a protest on that determination. If the owner does not file a written protest of the determination or the Appraisal Review Board decides that a change of use has occurred, a tax bill will be sent that includes the amount of rollback tax and interest that is due. Simply selling the property does warrant a rollback on the land.

### **Change of Use for Rollback Tax**

- Physical change from agriculture to non-agriculture use.
- The physical act of subdividing property to sell as non-qualifying tracts of land, such as the cutting of roads or the installation of utilities.

- The placing of restrictions that limit the use to non-agricultural activities resulting from the free will of the owner.

### **Change of Use that do not cause Rollback Tax**

- The lowering of the intensity level below the qualified level by choice or agricultural necessity, but continued agriculture use.
- Property condemned or sold as right of way.
- Property sold to most government entities.
- Filing of a waiver from special valuation.
- Filing of the owner's homestead on part of the qualified property due to the building of a house.
- Property changed to a nonprofit cemetery association.
- Property sold to a religious organization that qualifies under Section 11.20(c) of Property Tax Code.
- Certain land used for economic development that is transferred from the state, a political subdivision, or a nonprofit corporation under the Development Corporation Act and for which the Texas Comptroller has determined certain economic benefits.

### **Rollback Taxes Due Date**

The rollback tax is due the date the tax bill is mailed. It becomes delinquent on the February 1 that is at least 20 days after the bill is mailed.

### **Rollbacks on Property Bought by Exempt Organizations**

Exemptions that apply to ordinary property taxes do not apply to rollbacks taxes. Even if the land might be exempt from ordinary taxes in the new owner's hands, the rollback taxes still become due if that owner takes the property out of agricultural use. When a political subdivision buys the land and changes the use, the rollback is triggered but the lien cannot be enforced. However the lien against the land continues and could be enforced against a later buyer.

CLASSIFICATION	CODE	CROP	MINIMUM	
			ACREAGE	COMMENTS
IRRIGATED CROPS	DA	RICE	50	3 YEAR CROP ROTATION
DRY CROPLAND	DB	SOYBEANS	50	
	DC	CORN/SORGHUM	50	
PASTURE	DE	NATIVE	15	FENCED WITH ACCESS TO WATER.MAINTAIN 1 ANIMAL UNIT PER 7AC. WITH A MINIMUM OF 5 ANIMAL UNITS.AN ANIMAL UNIT = 1 COW;1 BROOD MARE; 5 GOATS,SHEEP OR HOGS.
	DD	IMPROVED	10	SAME AS NATIVE EXCEPT 1 ANIMAL UNIT PER 3 ACRES.
	DD	HAY	10	FERTILIZE AND CUT TWICE PER YEAR WEATHER PERMITTING. 3 ROUNDS OR 50 SQUARE BALES PER ACRE.
HORTICULTURE	DF	TURF GRASS	30	ALL HORTICULTURE MUST BE WHOLESALE OPERATION.
	DL	PECAN ORCHARD	10	12 TREES PER ACRE WITH 50' SPACING. FERTILIZE 3 TIMES/YEAR
	DM	NURSERY	5	
	DT	CHRISTMAS TREES	5	400 TREES PER ACRE LESS THAN 10' TALL.SHAPED TWICE PER YEAR
	DB	TRUCK FARM	5	
OTHER AG	WL	WILDLIFE MGT.	50	MUST HAVE QUALIFIED FOR AG OR TIMBER THE YEAR PRIOR TO CONVERSION. WILDLIFE MANAGEMENT PLAN REQUIRED.
	DK	CATFISH/CRAWFISH	5	MAN MADE TANKS WITH PROOF OF STOCKING & SALES
TIMBER	DG	PINE	10	TIMBER MANAGEMENT PLAN SUGGESTED FOR ALL TIMBER TYPES.
	DH	MIXED	10	
	DJ	HARDWOOD	10	
TIMBER-SPECIAL	FZ	AMZ		10 YEAR TIMBER WITH A 50SQ.FT. BASAL AREA .MANAGEMENT PLAN
	FZ	CWHZ		MUST HAVE ENDANGER PLANT OR ANIMAL.MANAGEMENT PLAN.
	FZ	SMZ		INTERMITTENT OR PERENNIAL STREAM, RIVER, LAKE OR WETLAND. MAY BE 50'-200' DEPENDING ON SLOPE.MANAGEMENT PLAN.
	REG	REGENERATION		REPLANT WITHIN 2 YEARS.MANAGEMENT PLAN DETAILING REFORESTATION EFFORTS.APPRAISED AT 50% OF VALUE FOR 10 YRS.
	T	TRANSITION		CONVERSION FROM AG TO TIMBER.SAME AG CATEGORY FOR 15 YRS. MUST BE CLASSIFIED AG USE FOR 5 YEARS PRIOR TO CONVERSION.

## NOTES TO PRODUCTIVITY GUIDELINES

1. To qualify for AG use, land must be used for agricultural purposes to the degree of intensity typical in the area. This test is intended to exclude “hobby” farms or ranches and land on which token agricultural use occurs in an effort to obtain tax relief. In addition, to qualify for agricultural value the law requires agricultural use to be the **primary use**.
2. According to the property tax code, timberland must be managed with intent to produce income, while agricultural land does not have this requirement.
3. For a tract of land to qualify for productivity value, it must be substantial. Substantial is defined as a tract of land adequate in size to support a typically prudent operation. The AG Board and Chief Appraiser have established minimum acreage guidelines for all major AG and Timber categories.
4. Variance in degrees of intensity will be considered on a case by case basis for persons 65 or older who live on the property.
5. To qualify the property must have a history of AG or Timber use for five (5) of the last seven (7) years.
6. For qualification purposes, other land owned or leased may be combined to satisfy degree of intensity guidelines.
7. Horses raised and sold to the public qualifies for AG use. Horses stabled, trained or used for recreational purposes do not normally qualify the land for AG use.
8. These guidelines should be used as a general rule. There may be other circumstances or factors which merit consideration. These variances from the general rule will be handled on a case by case basis.
9. Property must be in use, under cultivation or animals on land by **MAY 1** of year of application to qualify for that year.
10. No determination to rollback AG or Timber property will be made unless an actual change of use occurs; not discontinued use.
11. Typical evidence of timber are as follows:
  - a. Documented record of timber sale activity.
  - b. Documented record of timber management plan.
  - c. Recipient of TR3, ACP, or SIP cost sharing funds for approved timber management activities.
  - d. Letters from buyers seeking to purchase timber.
  - e. Timber cruise estimates.
  - f. Attempt to salvage damaged or killed timber (if it has value).
  - g. Registration as a tree farm.
  - h. Member of a county forest landowners/timber growers association.

- i. Participant in forestry industry landowners assistance program.
- j. Member of the Texas Forestry Association.
- k. Participant in forestry extension activities.
- l. Painted boundary lines.
- m. Property management expense receipts.
- n. Timber management plan.

12. Typical evidence of AG use are as follows:

- a. Lease agreements
- b. Expense receipts or canceled checks.
- c. Product or livestock sales receipts.
- d. Pictures (i.e. hay bales)
- e. Member FSA or farm program.
- f. Member of livestock or farm associations.

13. Wildlife management is considered agricultural use under the law. The owner of land used for wildlife management must perform three (3) of the following seven (7) activities.

- a. *Habitat control (habitat management)* – means activity using land to create or promote environment that is beneficial to wildlife.
- b. *Erosion control* – means practices that attempt to reduce or control soil erosion.
- c. *Predator control* – means practices intended to manage population of predators to benefit target wildlife population.
- d. *Supplemental water supplies* – means owner actively provides food in addition to level produced naturally on land.
- e. *Supplemental food supplies* – means owner actively provides food in addition to level produced naturally on land.
- f. *Providing shelter* – means actively creating or maintaining vegetation or artificial structures that provide shelter from weather, escape cover from enemies, or nesting and breeding sites.
- g. *Census counts* – means periodic surveys to determine number and composition of target wildlife population and effectiveness of management program.

14. Restricted-Use Timberland includes:

- a. “**Aesthetic Management Zone**” – means timber land on which timber harvesting is restricted for aesthetic or conservation purposes, including:
  - (1) Maintaining standing timber adjacent to public rights-of-way, including highways and roads; and preserving an area in a forest, as defined by Sec. 152.003, natural resources code, that is designated by the director of the Texas Forest Service as special or unique because of the area’s natural beauty, topography or historical significance.
- b. “**Critical Wildlife Habitat Zone**” – means timber land on which the timber harvesting is restricted so as to provide at least three (3) of the following benefits for the protection of an animal or plant that is listed as endangered or threatened under the endangered species act of 1973 (16 U.S.C. Section 1531 ET

Seq.) And is subsequent amendments or as endangered under section n68.002, parks and wildlife code:

- (1) Habitat control
- (2) Erosion control
- (3) Predator control
- (4) Providing supplemental supplies of water
- (5) Providing supplemental supplies of food
- (6) Providing shelters; and
- (7) Making of census counts to determine population

- c. **“Streamside Management Zone”** – means timber land on which timber harvesting is restricted in accordance with a management plan to:
  - (1) Protect water quality; or
  - (2) Preserve a waterway, including a lake, river, stream or creek
- d. **“Harvested/Regenerated Forest Land”** – means timber harvested in a year in which the land was appraised as timber land and the land has been regenerated timber production to the degree of intensity generally accepted with the intent to produce income.

15. Applications for restricted use timber should include the following:

- a. Detailed map of tract.
- b. Management plan or other documents which support request.

These guidelines were developed by the appraisal district after consultation with the district’s agricultural advisory board, which consists of one (1) taxpayer on the FSA county committee.

The Agricultural Advisory Board and Chief Appraiser for the Liberty County Appraisal District, hereby adopt the general guidelines for open space valuation.

It is our consensus opinion that these guidelines be set forth as tools to the appraisal district for determining general qualifications for qualifying for Ag or Timber Valuation.

These guidelines are a general rule only. Each application should be considered on its own merit as there may be other circumstances in an operation which would allow a tract to be qualified. Therefore, final discretion should be left to the Chief Appraiser.

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Chief Appraiser

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