

# AGRICULTURAL APPRAISALS

## What is an Agricultural Appraisal?

An Agricultural Appraisal (or Exemption) is a valuation method that allows land used primarily for agricultural purposes to be taxed based on its agricultural value rather than its market value, which often results in lower property taxes and provides an incentive for maintaining land in agricultural use.



Landowners may apply for this special appraisal status based on their land's productivity value rather than on what the land would sell for on the open market. Landowners must use their land for agriculture and there is a rollback tax for taking agricultural land out of its productivity use.

### Property owners may qualify for an Agricultural Appraisal if their land meets the following criteria:

- The land must be devoted principally for agricultural use, including but not limited to producing crops, raising livestock, poultry, fish, or planting cover crops. It can also include leaving the land idle for a government program or for normal crop or livestock rotation. Additionally, land used for raising certain exotic animals or birds to produce food for human consumption or other items of commercial value qualifies for an ag exemption. Cutting wood for use in fences or using land for wildlife management, as long as the land was previously qualified open-space land or timberland and is actively used for wildlife management may also qualify.
- Agricultural 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 agricultural production for at least 5 of the past 7 years. However, land within an incorporated city or town must meet not only the criteria applicable to 1-d-1 land, but also must meet additional criteria.

### What if I change the land to Non-Agricultural use?

If land receiving an agricultural appraisal changes to non-agricultural use, the property owner who changes the use will owe a rollback tax. The rollback tax is due for each of the previous 3 years in which the land got the lower appraisal. The rollback tax is the difference between the taxes paid if the land had been taxed on its higher market value and the taxes that would have been paid if the land had been taxed on its higher market value. Owners with land qualifying under Subchapter C, or 1-d, will incur interest in addition to the rollback tax upon selling the property or discontinuing agricultural use.

**Please refer to the Comptroller's Manual for the Appraisal of Agricultural Land for specific information on the eligibility requirements and appraisal procedures for agricultural land. You can access the Manual and all applications for Agricultural Appraisals here:**

**<https://comptroller.texas.gov/taxes/property-tax/ag-timber/index.php>**

#### SOURCES:

- <https://comptroller.texas.gov/taxes/property-tax/ag-timber/index.php>
- [https://www.har.com/blog\\_121453\\_surprising-facts-about-the-agricultural-exemption-in-texas-insights-from-a-houston-realtor](https://www.har.com/blog_121453_surprising-facts-about-the-agricultural-exemption-in-texas-insights-from-a-houston-realtor)
- <https://www.appraisaldistrictguide.com/texas/exemption/agricultural.html>

