
Lampasas Central
Appraisal District
1D1 Agriculture Special Valuation

Lampasas CAD Ag Special Valuation Guidelines

Texas Comptroller Agricultural, Timberland, and Wildlife Management Manual

Lampasas Central Appraisal District 1D1 Agriculture Special Valuation

- **Introduction**
  - LCAD has established **Agricultural Land Use Guidelines and Standards** for consistent appraisal across the district
  - These guidelines are supported by the **Texas Comptroller's Manual for the Appraisal of Agricultural Land (Oct. 2024)**
  - Texas law allows qualified open-space land to be taxed based on **productivity value instead of market value**
  - Legal authority comes from:
    - **Texas Constitution (Art. XIII, Sec. 1-d-1)**
    - **Texas Property Tax Code (§23.51–23.60)**
  - Guidelines serve as a **general framework**; **unique situations are reviewed on a case-by-case basis**

History

In 1966 voters approved the first agricultural appraisal law for ad valorem (property) taxes in the State of Texas. This first law, known as 1-d, intended to protect the family farm from being taxed out of existence as Texas became more urbanized and market prices of agricultural land steadily rose.

Section 1-d is very restrictive as it applies only to land owned by families or individuals. Under 1-d, agriculture must be the owner's primary occupation and primary source of income. As Texas became more urbanized and the number of agricultural producers began to drop, a new section was added to **the Texas Constitution by voters in 1978**. The law was amended to allow a second, more liberal agricultural appraisal law known as **1-d-1**. Section 1-d-1 substantially expanded eligibility for productivity appraisal by individuals as well as corporations. Income and primary occupation do not apply under 1-d-1. In **1996 Wildlife Management** Use was added as a subsection of 1-d-1 which allows the management of native species, using state guidelines, as a qualification for productivity value.

Qualifications for Agricultural Use

- Owners wishing to receive special agriculture valuation on their land must show the Chief Appraiser that the land meets the standards for agriculture appraisal. These standards include:
  - Primary use
  - Current use
  - Intensity
  - Time period tests
- To show the land meets the qualifications the owner must apply and must give the Chief Appraiser all the information needed to determine whether the land qualifies.
- **The burden of proof is the responsibility of the landowner**.

1-d-1 Eligibility Requirements

Texas Property Tax Code 23.51(1)

Four 1-d-1 Eligibility Requirements

Land must meet all of the following:

- Applied to land and appurtenances only *(not improvements)*
- Currently and principally devoted to agricultural use
- Meets degree of intensity standards
- Meets required time period

Eligibility Requirement #1: Land and Appurtenances

Agricultural appraisal applies only to land and appurtenances.
It does not apply to:

- Improvements
- Minerals
- Agricultural products connected to the land

Example – Improvements

- Buildings and structures (barns, sheds, silos, and other outbuildings)
  - Appraised separately at market value
- The land beneath these structures still qualifies
  - Because it is used in connection with the agricultural operation

Current and Principal Agricultural Use
Texas Property Tax Code 23.51(1)

Agricultural Use Requirement (1-d-1 Appraisal)

- Land must be **primarily devoted to agricultural use** at a level of intensity typical for the area.
- If land has **multiple uses**, agriculture must be the **principal (primary) use**.
- Land used mainly for **recreational purposes** (e.g., pleasure horseback riding) **does not qualify**.
- Each application is **reviewed on a case-by-case basis** by the Appraisal District.

Degree of Intensity Test

Tex.Tax Code §23.51(1)
Tex.Tax Code §23.52(d)
Tex.Admin.Code §9.4001

Productivity Appraisal Requirements

Land must be **currently devoted primarily to agricultural use.**

Use must meet the **degree of intensity generally accepted in the area.**

The **degree of intensity** is evaluated:

In the **year of application**, and

Each year thereafter

The intensity requirement **does not apply to years prior to application**

Degree of Intensity Test

Measures whether land is **actively farmed or ranched** at a level typical for the area

Land must be used for **agricultural purposes at a typical local intensity**

Ensures operations are **legitimate and ongoing**, not minimal

Prevents **token agricultural use** intended solely to receive tax benefits

Setting Degree of Intensity Standards

The law **does not define a specific intensity level** for qualifying land

The **Chief Appraiser establishes standards** based on:

Local agricultural practices

Conditions within the area

Standards vary due to differences in:

Soil types

Climate

Types of crops and livestock

No single definition can apply statewide due to **Texas' diverse agricultural regions**

Setting Degree of Intensity Standards

Tex.Tax Code §23.51(1)
Tex.Tax Code §23.52(d) and 34 Tex.Admin.Code §9.4001

Degree of Intensity Standards

Evaluates the level of effort and resources an owner contributes to the agricultural operation, including:

Time

Labor

Equipment

Management

Capital

Compares these inputs to **typical levels** for similar operations in the area

The **Chief Appraiser establishes standards** by:

- Analyzing common agricultural commodities in the area
- Breaking down the **typical production steps**
- Determining the **normal level of inputs** for each step

Setting Degree of Intensity Standards

Tex.Tax Code §23.51(1)
Tex.Tax Code §23.52(d)
Tex.Admin.Code §9.4001

Examples of Degree of Intensity Considerations

- **Crop Production:**
  - Tilling soil
  - Planting
  - Applying herbicides
  - Harvesting
  - Each step requires specific labor and equipment
- **Livestock Production:**
  - Fencing and maintenance
  - Land management for forage
  - Proper number of animal units
  - Herd management for market
  - Supplemental feeding
  - Veterinary care and expenses

Setting Degree of Intensity Standards

Tex.Tax Code §23.51(1)
Tex.Tax Code §23.52(d)
Tex.Admin.Code §9.4001

Variations in Degree of Intensity

- Intensity standards vary by type of agricultural operation
- Property owners must show they are:
  - Following common production practices
  - Using typical levels of labor, management, and investment
- Operations are not disqualified just because they differ from others
- Example:
  - A labor-intensive farm may still qualify even if others are more capital-intensive
- Qualification is based on the overall level of effort, not any single factor

Defining an Area

Tex.Tax Code §23.51(1)
Tex.Tax Code §23.52(d) and 34
Tex.Admin.Code §9.4001

- The Chief Appraiser determines the “area” used to set typical intensity standards
- The size of the area may vary by:
  - Type of commodity
  - Examples:
    - Common crops → County-level practices
    - Rare crops → Multi-county region
- Non-typical practices should be reviewed carefully to:
  - Allow innovation and experimentation
  - Agricultural laws are not intended to discourage new or improved practices

Time Period Test

Time Period Requirement (5 of 7 Years)

Texas Property Tax Code §23.51–23.52

- Land must be used for **agriculture, timber, or forest production** for **5 of the 7 years** before applying
- The **degree of intensity test does NOT apply** to these prior years
  - Applies only in the **year of application and after**
- Property owners must show a **history of agricultural use**
  - Typically supported by **records or documentation**

Wildlife Management Qualification

Texas Property Tax Code §23.51, §23.52(d)

- Land must have previously qualified as:
  - **Open-space**
  - **Timberland**

  (Subchapters D or E)
- OR qualify under:
  - **Federal endangered species programs**
  - **State or federal conservation/restoration programs**
- May qualify **regardless of prior use history**

All **1-d-1 agricultural valuation applications** are evaluated **individually on a case-by-case basis**

Primary Use Test

- Land must be principally devoted to agricultural use
- If land has multiple uses, agriculture must be the primary use
- Non-agricultural uses may be allowed if:
  - They are secondary to agriculture
  - Example: Cattle grazing with hunting lease
- Examples of non-qualifying primary use:
  - Pleasure gardening
  - Residential use with incidental livestock
- The Chief Appraiser determines the primary use
- Land will not qualify if:
  - Agriculture is no longer the primary use
  - The tract is too small for a feasible agricultural operation

Current Use Test

Land must be in agricultural use as of January 1 of the tax year

If agricultural use is not evident on January 1, the owner must show:

Intent to begin agricultural use, and

Agriculture will be the **primary use for most of the year**

Determination is made by the Chief Appraiser based on provided evidence

Intensity of Use Test

Measures whether land is **farmed or ranched at typical levels** for the area the land must meet the **degree of intensity standards** set by:

- **Chief Appraiser**
- **Agriculture Advisory Board**
- Ensures agricultural use is **active and consistent with local practices**
- **Prevents token or minimal agricultural activity used only to gain tax benefits**

Exemption vs 1-d-1 Agriculture Special Valuation

Is agricultural appraisal a tax exemption?

- No. It is a **special valuation**, not an exemption

How is the valuation determined?

- Based on **5-year average net-to-land productivity**
- Uses a **capitalization (cap) rate**
- Reflects the land's **income-producing capability**

Does every property qualify?

- No. **Not all land types qualify**
- Applications are reviewed **case-by-case** by the CAD

Who sets intensity standards and productivity values?

- The **Chief Appraiser** has the authority
- Seeks input from:
  - **Agricultural Advisory Committee**
  - **Local agricultural agencies (USDA, AgriLife)**

Who does NOT have this authority?

- Board of Directors
- County or other governing bodies

Intensity Standards

Based on degree of intensity
Minimum acreage: 20 acres
Must meet regional intensity standards

Beef Cattle

- **1 animal unit per 20 acres**
- **Cow/Calf = 1 unit**
- **Cow/Calf Operations**
- Raise beef for:
  - Processors
  - Breeding stock
- Includes:
  - Purebred operations
  - Commercial breeders
- Sell calves at local livestock markets
- Requirement:
  - Typical requirements include up to 5 breeding-age cows
  - Must be bred annually

Stock/Feeder Operations

- Raise beef for processors
- Process:
  - Purchase calves (from cow/calf or auction)
  - Raise to slaughter weight

Intensity Standards
Based on degree of intensity
Minimum acreage: 20 acres
Must meet regional intensity standards
Sheep & Goat Units
6 sheep = 1 unit
6 goats = 1 unit

- **Sheep Operations**
- Products:
  - Wool
  - Meat
- Commercial:
  - No specific breed required
  - May be meat-only production
- Purebred:
  - Produce wool, meat, or breeding stock
- Typical flock:
  - **15 ewes + 1 ram**
- **Goat Operations**
- Products:
  - Mohair
  - Meat
  - Dairy
- Mohair:
  - Limited to **Angora breed**
- Other breeds:
  - Meat production (*cabrito*)
- Dairy:
  - Secondary use
- Typical flock:
  - **25 does + 1 buck**

Intensity Standards Based on degree of intensity One Unit = 1000 Animal pounds

Horse Operations

Units:

- Mare/Colt = 1 unit
- Stallion = 1 unit

Operation:

- Breeding with stallion or artificial insemination
- Requirement:
  - Minimum **3 breeding-age mares**

Donkeys

Units:

- Jenny/Foal = 1 unit
- Jack = 1 unit

By-products:

- Foals

Llamas

Units:

- Dam/Cria = 1 unit
- Gelding = 1 unit

By-products:

- Crias

Notes:

- Supplemental feeding required
- Must show evidence of agricultural use
- Pets/recreational use **does NOT qualify**

Intensity Standards Bees

Beekeeping Requirements

- Qualifies as agricultural use if:
  - Minimum **5 acres**
  - **6 hives required for the first 5 acres**
  - Add **1 hive for each additional 2.5 acres**
- Maximum acreage: **20 acres**
- Requirement:
  - Property owner must **prove a product is being produced**

Productivity Values

2025 PTAD Ratio 0.9976

%Taxes

Property Tax Assistance

2025 COUNTY PRODUCTIVITY VALUES REPORT

141/Lampasas

Productivity Comparison

Land Class	No.Acres	Reported Values $/Acre	Reported Value	PTAD Values $/Acre	PTAD Value
IRRIGATED CROP	0		0		0
DRY CROP	28,093	104.52	2,936,399	125.60	3,528,481
BARREN	0		0		0
ORCHARD	498	102.43	51,010	102.43	51,010
IMPROVED PASTURE	18,649	101.38	1,890,631	90.60	1,689,599
NATIVE PASTURE	331,969	86.66	28,768,272	85.40	28,350,153
QUARANTINED LAND	0		0		0
WILDLIFE MANAGEMENT	40,103		3,377,750		3,492,514
TIMBER AT PRODUCTIVITY	0		0		0
TIMBER AT 1978 MARKET	0		0		0
TRANSITION TO TIMBER	0		0		0
TIMBER AT RESTRICTED	0		0		0
OTHER	506	88.40	44,731	88.40	44,731
Category Totals:	419,818		$ 37,068,793		$ 37,156,488

Ratio: 0.9976

Wildlife Management

Previous Land Class	No.Acres	PTAD Value
DRY CROPLAND	1,530	192,168
IMPROVED PASTURE	1,768	160,181
NATIVE PASTURE	35,946	3,069,788
OTHER	859	62,780
Totals:	40,103	$ 3,484,917

Application
Tex.Tax Code §23.54

Agricultural Use Application

Property owner must file a **valid application** for special appraisal

Must be filed with the **Chief Appraiser** of the appraisal district

File in county where property is located

If property crosses county lines:

File in **each county's appraisal district**

Application Deadline

Must be filed **before May 1**

Applications available from:

LCAD office

LCAD website

Texas Comptroller of Public Accounts

Late Applications May be submitted after **April 30**

Accepted until appraisal rolls are approved by ARB

(Typically, by July 20)

Approved late applications:

Subject to **10% late penalty**

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Failure to File

If not filed before appraisal roll approval:

Property is **ineligible for ag appraisal that year**

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Property is **ineligible for ag appraisal that year**

Application
Tex.Tax Code §23.54

Continuation of Ag Appraisal (Sec. 23.55 / 23.54)

Once approved, appraisal continues unless:

Ownership changes

Eligibility changes

Chief Appraiser requests new application

Ownership Changes Include

Transfer to another party

Transfer into a trust

Add a party to ownership

Remove a party from ownership

Change in Eligibility or Use

Landowner must notify LCAD if:

Agricultural use ends

Category of use changes

Must:

Be **in writing**

Submitted by **May 1** after change

Failure to Notify

Failure to notify LCAD timely:

Results in a **tax penalty**

Types of Agricultural Operations

- *Livestock Operations*
- *Equine Operations*
- *Exotic Animal Operations*
- *Beekeeping Operation Minimum Acres 5 - Maximum 20 Acres HB 2049 Texas Property Tax Code D 23.51*
- *Cropland Operations*
- *Orchard and Vineyard Operations*
- *Wildlife Management Operations Minimum Acres 14.3 – Maximum 20 Acres*

Lampasas County Currently set at 20 Acres

Lampasas County is part of the Cross Timbers Ecological Region

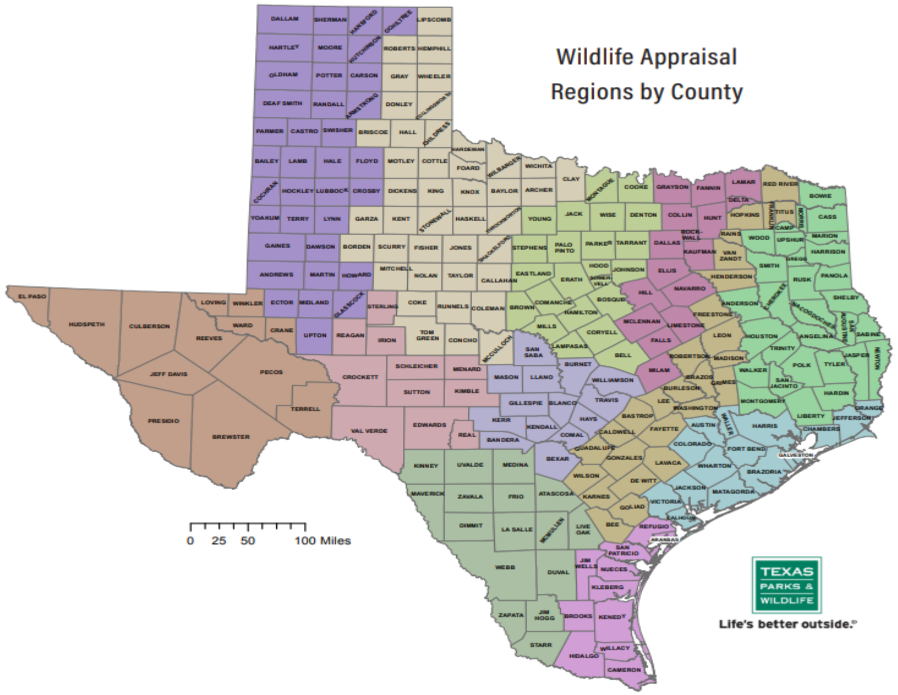
Title 34 Texas Administrative Code Sec. § 9.2005 (2009)

Texas Property Tax Code D 23.52(d)

Cross Timbers & Prairies Ecological Region

Title 34 Texas Administrative Code Sec. § 9.2005 (2009)

EXHIBIT 3



- Blackland Prairie
- Cross Timbers and Prairies
- Edwards Plateau (Eastern)
- Edwards Plateau (Western)
- Gulf Prairies and Marshes (Lower)
- Gulf Prairies and Marshes (Upper)
- High Plains
- Pineywoods
- Post Oak Savannah
- Rolling Plains
- South Texas Plains
- Trans Pecos

Wildlife Use Requirement Ranges for Appraisal Districts (when applicable*)

Appraisal Region	Standard Acreage		WMPA/ES Mgmt.	
	Min	Max	Min	Max
Blackland Prairie	12.5	16.7	10	11.1
Cross Timbers and Prairies	14.3	20	11.1	12.5
Edwards Plateau (Eastern)	14.3	20	11.1	12.5
Edwards Plateau (Western)	25	50	16.7	20
Gulf Prairies and Marshes (Lower Coast)	25	50	16.7	20
Gulf Prairies and Marshes (Upper Coast)	12.5	16.7	10	11.1
High Plains	25	50	16.7	25
Pineywoods	12.5	16.7	10	11.1
Post Oak Savannah	12.5	16.7	10	11.1
Rolling Plains	25	50	16.7	20
South Texas Plains	25	50	16.7	20
Trans Pecos	33.3	100	20	25

**If the number of acres in the tract of land is equal to or greater than the number of acres in the tract of land on January 1 of the preceding tax year, the tract of land is not subject to the wildlife use requirement.*
34 Tex. Admin. Code §9.2005 (2009)

Type	Market Value	Productivity Loss	Taxable	Acres
1d1 Ag	$2,875,815,819	-$2,842,133,115	$33,682,704	379,555
1d1 Ag WLM	$309,184,791	-$305,802,811	$3,381,980	40,142
	$3,185,000,610	-$3,147,935,926	$37,064,684	419,697

714 square miles 456,960 Acres in Lampasas County Ag 419,697 Acres in 1d1 Special Valuation