

2022



BASTROP CENTRAL APPRAISAL DISTRICT

TIMBERLAND LAND QUALIFICATION GUIDELINES



***** SUPPLEMENT TO THE TEXAS COMPTROLLER'S APPRAISAL OF TIMBERLAND MANUAL *****

212 Jackson Street, PO Box 578, Bastrop, TX 78602 Phone 512.303.1930
www.bastropcad.org Office Hours: Monday—Friday 7:30 a.m.—4:30 p.m

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Introduction

In 1978, voters approved a constitutional amendment, Article VIII, Section 1-d-1, permitting appraisal based on the productive capacity or “productivity value” of timberland. The constitutional amendment often referred to as “Section 1-d-1” took effect in 1979. That same year, the Texas Legislature codified the Property Tax Code. Tax Code Chapter 23, Appraisal Methods and Procedures, includes Subchapter E regarding the appraisal of timberland. Subchapter E implements Section 1-d-1 to permit qualified timberland to be appraised based on its productivity value.

The Tax Code assigns most timberland appraisal responsibilities to the chief appraiser; however, the Comptroller’s office is required to develop:

- ◆ A manual for appraising qualified timberland, with counsel of the Texas A&M Forest Service;
- ◆ Procedures for verifying that land qualifies for timber use appraisal and
- ◆ Application forms for distribution to appraisal districts.

It is the opinion of the Bastrop Central Appraisal District (BCAD) that the attached Timberland Guidelines are specific to Bastrop County, are valid for mass appraisal purposes, and are to be applied uniformly throughout Bastrop County. These guidelines are intended as a supplement to the Texas Comptroller’s “Manual for the Appraisal of Timberland”.

In these guidelines, timber refers to standing trees that are grown to produce commercial wood products, such as sawtimber, pulpwood, poles and chips. Timberland refers to forestland that can produce commercial wood crops.

Filing Information

Application:

A landowner seeking timber productivity appraisal must complete and file a valid application with the chief appraiser of the county where the land is located. To be valid, the application must contain the information necessary for the appraisal district to determine the validity of the claim.

The property owner must use the appraisal district's form. The appraisal district must use the Comptroller's model form or a form that substantially complies with it. The chief appraiser can require an applicant to supply additional information if the initial application does not contain all the information necessary to make a determination on an application.

Filing Deadline:

The deadline for filing applications is before May 1, meaning the application form must be postmarked April 30 or filed no later than midnight on April 30. The chief appraiser may extend the deadline at the property owner's request in writing, for good cause, but not for more than 60 days. If the timely request for extension is granted, a late application penalty should not be imposed.

Late Applications:

Applications received after the deadline will be accepted until midnight the day before the Appraisal Review Board approves the appraisal records however, there is a penalty for late application. An application filed after April 30th is subject to a penalty equal to 10% of the difference between the tax imposed at market value and the tax imposed at the agricultural productivity value. If the Chief Appraiser has extended the deadline for the property owner, then the penalty does not apply. The Bastrop Central Appraisal District will not accept an application after the Appraisal Review Board has approved the roll.

Failure to File the Application Form:

If a person does not file a valid application before the Appraisal Review Board approves the roll, the land is ineligible for an agricultural valuation for that year. New owners are not eligible for timberland productivity appraisal unless they apply.

Filing Information

One Time Application:

Once an application for open-space valuation is filed and approved, a landowner is not required to file again, as long as the land continues to qualify. However, the Chief Appraiser may request another application periodically to confirm current qualification of land previously granted the special valuation. A new application is also required if the ownership changes, the legal acreage changes, or the use of the land changes.

Notification of Changes:

The property owner must notify the Appraisal District in writing if the land's ownership, eligibility, or use -type changes. The property owner must also notify the Appraisal District in writing before April 30th if they intend to let the land lay idle for the current year.

Application Denial:

If the application is denied by the Chief Appraiser, you will be notified in writing by certified mail of the reason(s) along with a brief explanation of the procedures for protesting the denial to the Appraisal Review Board. The owner has 30 days from the date on the denial letter to file a written protest. When the owner comes to their protest hearing, they must bring all of the supporting documentation.

Eligibility Requirements

The Texas Constitution permits timber productivity appraisal only if the property and its owner meet specific requirements defining timber use. Land does not qualify simply because it has timber standing on it or if it is used principally for aesthetic or recreational purposes.

Tax Code Section 23.72(a) sets the standards for determining whether land qualifies:

“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 intent to produce income and has been devoted principally to production of timber or forest products or to the agricultural use that would qualify the land for appraisal ...for five of the preceding seven years.”

To qualify land for timber productivity appraisal, a property owner must show the chief appraiser that the land meets this standard. The property owner must timely submit an application for timber appraisal that includes all information necessary for the chief appraiser to determine if the land qualifies. The owner also must notify the chief appraiser if the land’s eligibility for productivity appraisal ends.

The land must meet the six eligibility requirements to qualify for timber productivity appraisal.

Six Timberland Eligibility Requirements
1. Applied to land and all appurtenances (not improvements)
2. Current and active devotion to timber use
3. Timber production must be primary use
4. Passed degree of intensity test
5. Intent to produce income
6. Passed historical use requirement

Each of these requirements are explained in detail in the State Comptroller’s Manual for the Appraisal of Timberland.

Consideration is given to all of the facts surrounding the property owner’s use of the land. All timberland eligibility requirements are examined. In the event it is determined the owner’s current and principal use of the land is for timberland purposes—and not recreational ones—special appraisal cannot be granted unless the use of the land also meets the required degree of intensity generally accepted in the area test, the intent is to produce income, and the time period test. Qualifying on one of the six requirements does not qualify the land for special value. All 6 eligibility requirements must be met , in addition to a successfully completed application process.

Timberland

The following suggestions and classifications for timber are intended to be used as general guidelines. Exceptions to the general rule will be handled on a case-by-case basis.

Land Classification:

TP3 - TIMBER PINE - Land where softwoods or evergreen trees comprise more than two-thirds of the stems that are free to grow.

TM3 - TIMBER MIXED - Land where neither hardwoods or softwoods comprise two-thirds or more of the stems that are free to grow.

Suggested Minimum Requirements:

1. A written Forest Management Plan prepared by a properly trained forester.
2. Records of Improvements and Forest Management Treatments as prescribed in the plan (Cost Records).
3. Commercial Timber Stocking (Pine or Cedar)
4. Documented Timber Harvest
 - a. As prescribed in Forest Management Plan
 - b. Approximately 7 to 10 year intervals
 - c. Exception for Immature Stands
5. On Immature Stands, must have 300 stems of commercial timber per acre that are not over-topped, that is being released.
6. Must have a soil site index of 67 or greater for pine trees.

Rollback Procedures

ROLLBACK PROCEDURE ON 1-d-1 LAND

The law imposes a rollback tax on 1-d-1 land when the owner stops using it for agriculture. This sanction is commonly called a rollback because it recaptures the taxes that would have been paid had the property been taxed at market value for each year covered by the rollback.

The property owner can trigger the rollback by ending agricultural operations or diverting the property to a non-agricultural use. Selling the property does not trigger the 1-d-1 rollback. If the property owner diverts only part of a property to a non-agricultural use, the rollback tax applies only to the changed portion.

The chief appraiser determines if and when the change of use occurs and must send the property owner written notice of the determination. If the property owner does not protest the determination or the appraisal review board decides the use has changed, the tax assessor calculates the amount of additional tax due, adds the appropriate amount of interest and issues a rollback tax bill.

WHAT QUALIFIES AS A CHANGE OF USE

A change of use is a physical change. The property owner must stop using the land for agricultural purposes. If the property owner continues to use the land for agriculture but does not maintain the degree of intensity typical for the acres, the land may lose its eligibility for 1-d-1 appraisal without incurring a rollback.

Additional information regarding rollback tax may be found in the Texas Comptroller's Manual for the Appraisal of Agricultural Land.

Resources

The following resources are available for reference.

Bastrop Central Appraisal District Web Site: www.bastropcad.org

Forms & Guidelines / Agricultural, Wildlife and Land / Guidelines
or

Organization / Agricultural Department / Ag Forms & Guidelines

- ◆ Bastrop CAD Timberland Use Guidelines
- ◆ Texas Comptroller - Appraisal of Timberland

Texas A&M Forest Services Site: www.tfsweb.tamu.edu

Manage Forests & Land / Landowner Assistance

- ◆ Bastrop CAD Timberland Use Guidelines
- ◆ Texas Comptroller - Appraisal of Timberland

Bastrop Central Appraisal District Agricultural Specialist

Marilyn Wilson

Telephone: 512-303-1930, ext 129

Email: marilyn@bastropcad.org