



# **GUIDELINES & REQUIREMENTS FOR AGRICULTURAL APPRAISAL QUALIFICATION**

**Mills Central Appraisal District  
PO Box 565  
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Goldthwaite, TX 76844**

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## **GUIDELINES & REQUIREMENTS FOR AGRICULTURAL APPRAISAL QUALIFICATION**

### **INTRODUCTION**

The general policy of Mills Central Appraisal District is in accordance with the Texas Property Tax Manual for the Appraisal of Agricultural Land and the Texas Property Tax Code. All contiguous parcels under the same ownership will be considered as one piece of property. **A minimum of 10 acres is the recommended amount for consideration of Ag appraisal qualification in Mills County.**

The district policy is that in order to qualify for agricultural use valuation, the land must first meet the following criteria based on the degree of intensity of use:

- The land must be utilized to the **degree of intensity** generally accepted in Mills County. Degree of intensity is measured by local farming & ranching practices (stocking rates, planting rates, crop rotation, fertilization methods, harvesting and marketing techniques, etc.) which are those of a typically prudent farm or ranch manager. The land must be producing a product for human or animal consumption, or for commercial trade within the agricultural economy of the State of Texas, and being farmed or ranched to the extent typical for agricultural operations. This test is intended to **exclude land on which token agricultural use occurs in an effort to obtain tax relief.**
- Land must 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 Mills County. **A prudent manager conducts his farming or ranching operation in a business-like fashion, keeping books, and records.** Property owners may actually be their own farm or ranch manager/operator; however, they must prove they are following all the common production steps for their type of operation and putting in the typical amounts of labor, management, and investment. If the property owner has personal motives or engages in the agricultural activity for recreational purposes, his overall profit motives will be suspect.
- The land must be **“currently devoted principally”** to the agricultural use. Principally is defined as the most important use in comparison with other uses. Current devotion requires the land be in active agricultural use for the majority of the calendar year. The land must qualify on January 1. An applicant’s intent to have agricultural use does not qualify as agricultural use.
- Pursuant to Section 23.51(1) of the Texas Property Tax Code, land must have been devoted principally to agricultural use **for five of the preceding seven years.** Land within the boundaries of a city or town must have been devoted principally to agriculture use continuously for the preceding five years. This five-year history must be established before the special agricultural appraisal can be granted. The agricultural use history must be provided on the application **to the best of the current owner’s knowledge.** The applicant may need to contact the previous owner, neighbor, operator, etc. The previous owner’s agricultural application is a confidential document as per Section 23.45 of the Texas Property Tax Code. The new owner **must** supply the information on their application, not the appraisal district.

### **INFORMATION/EVIDENCE TO SUPPORT USE:**

Pursuant to the *Texas Property Tax Manual for the Appraisal of Agricultural Land* published by the Texas Comptroller of Public Accounts, to qualify land for agricultural appraisal, the **property owner must show** the Chief Appraiser the land meets the standard. The property owner **must apply** for the appraisal and the property owner **must give the Chief Appraiser all the information he needs** to determine the land qualifies. It may be necessary to provide substantial evidence of use, such as a written lease agreement between the owner and the lessee, receipts for feed, fertilizer, proof of harvest sales, profit/loss statements, income tax returns etc. The **burden of proof of use is the responsibility of the property owner**; they must show evidence they are following all the common production steps for their type of operations and putting in the typical amounts of labor, management, and investment. The property owner must also inform the Chief Appraiser of any changes in the status of the land.

Sections 23.51-23.57 of the Texas Property Tax Code directs the Texas State Comptroller of Public Accounts formerly known as the State Property Tax Board (SPTB) to develop Agricultural manuals for agricultural land. Section 23.52 also directs the development procedures for verifying that land qualifies for agricultural appraisal. The attached agricultural land qualification requirements are considered valid for mass appraisal purposes and can be applied uniformly throughout Mills County. These guidelines are supported by (1) Section 183 of IRS Regulation, (2) the Texas Property Tax Manual for Appraisal of Agricultural Land published by the Texas Comptroller of Public Accounts, (3) the Texas Property Tax Code, and (5) data collected from the local area. It should be noted these guidelines are to be used as a general guide for qualifying agricultural land. Exceptions to the general rule will be handled on a case-by-case basis as determined by the Chief Appraiser.

## **AGRICULTURAL LAND USE CATEGORIES:**

- **Irrigated Crop-** Cultivated and planted annual crops that are watered on a regular basis.
- **Dryland Crop-** Planted in row broadcast crops, not watered, that are grown for sale or used for feed for livestock.
- **Orchard-** Trees planted in orchard setting for the specific purpose of producing fruit and/or nut crops for commercial sale. An example of the degree of intensity accepted would be at least 14 producing, native trees per acre or 35 producing improved trees per acre.
- **Improved Pasture-** Perennial grasses, Bluestem, Kline, Bermuda, Johnson Grass, Crabgrass, Fescue, Dallisgrass, Bahia Grass, Ryegrass, Wheat, Oats, Rye, etc. that are seeded or sprigged and that is baled and/or grazed by domestic livestock.
- **Native Pasture-** Partially cleared of brush and trees with natural grasses growing on the land with no enhancements used for grazing of domestic livestock. Some examples of native grasses include, Meadow Dropseed, Annual Threeawn, Longspike Tridens, Little Bluestem, Switchgrass, Indian Grass, Big Bluestems, Sideoats Grama, Buffalograss, Texas Wintergrass, Paspalums, Panicums, & White Tridens.
- **Minimal Use-** Heavy brush and trees that restrict, but still allow the livestock grazing capacity of the land. Will not support any type of crop. Can only be applied in conjunction with other land class.
- **Wasteland- Extremely** poor quality due to erosion or soil type. Severely restricted in its ability to support domestic livestock. Must be an integral part of one or more of the land types listed above.  
**CRP (Conservation Reserve Program)-** is a program where the property owner has a long-term contract with the federal government. Additional information is available through the Agricultural Soil Conservation Service.  
**Wildlife Management-** Can only be applied to land which qualifies and is already receiving 1-d-1 Open Space Agricultural Valuation. The Texas Property Tax Code, Section 23.51(7) defines wildlife use as actively using land in at least three of the following ways to breed and sustain migrating, wintering population of indigenous wild animals: habitat control, erosion control, predator control, providing supplemental supplies of water, providing supplemental supplies of food, providing shelter, and making census counts to determine population. Additional information can be found through the Texas Parks and Wildlife Department.
- **Timber Production-**  
Timber that is harvested and milled on a commercial basis for the production of commercial products (i.e.: commercial lumber, paper products, etc.) does not include firewood or wood used for fencing.

**Cow and Calf Operation:** Raising beef to sell to either processors or other operators as breeding stock. These operations can be with either purebred or commercial stock. Some smaller operations may lease or borrow a bull to help with the breeding program rather than owning a bull themselves. Cattle operation on qualified land: 1 animal unit per 15 acres: Cow/Calf=1 unit.

**Stock/Feeder:** Raising beef for processors. This operation involves acquiring calves at a certain weight from cow/calf operators or the livestock auction and raising the calves until they reach slaughter weight. Both heifer and steer calves may be found in these types of operations.

**Sheep Operations:** For breeding purposes to produce wool and meat or to sell to other operators as breeding stock.

**Goat Operations:** These operators are in the business of producing meat, mohair, and/or milk. Some owners provide replacement stock to other owners for breeding. Typical mohair production is limited to the Angora breed; all other breeds are involved in the production of meat. Goats also produce dairy by-products as a secondary use.

**Beekeeping:** Beekeeping is an agricultural use and shall qualify for agricultural use productivity valuation if used for pollination or for the production of human food or other tangible products having a commercial value. (Section 23.51(2) Tax Code).

**Acreage Requirement:** The State of Texas has set a minimum of 5 acres and a maximum of 20 acres to qualify beekeeping as an agricultural use.

**Level of Intensity:** The minimum degree of intensity was established using input from the Texas Apiary Inspection Service.

Number of Acres	Number of Hives
5	6
6.5	7
8	8
9.5	9
11	10
12.5	11
14	12
15.5	13
17	14
18.5	15
20	16

***To qualify for Beekeeping, owners must submit the ag (1-d-1) application along with the Beekeeping Questionnaire. They must also provide photos of the hives, purchase receipts, and a map of the parcel indicating the hive locations. All hives must be actively maintained and kept alive. Flowering plants must be planted to support hives if the hives are in areas where there is limited vegetation that requires pollination.***

**Production Value:** Value used for beekeeping will be the same as dry land.

**Horses, Donkeys & Llamas:** Equine operations are considered to be recreational rather than agricultural. It would not be considered agricultural for 1-d-1 valuation purposes unless it is a breeding operation. A breeding operation would involve having brood mares and it would require a stud on location, artificial insemination, or available stud services. Property must be fenced with a water source and must also provide proof of sale of offsprings. Land used primarily to train, show, race horses, to ride horse for recreation, or to keep or use horses in some other manner that is not strictly incidental to breeding or raising horses does not qualify. Land used as a stable where horses are kept, fed, and cared for, is not being used primarily for an agricultural purpose, unless the stable is incidental to breeding and raising horses. Donkeys, Llamas, mules, and burros are also included under horse operations and have the same guidelines. **At least 3 head of breeding age mares are required to be considered a typical horse breeding operation.** Breeding associations have suggested a **minimum number of acres for a typical breeder is in the fifteen-to-twenty-acre range in order to support a breeding operation.**

**Exotic Game:** Standard practices include high fences to control the herd, breeding and herd management, stock water, systematic marketing of animals, and land management for long run forage. You must be raising or keeping exotic animals for the production of tangible products having a commercial value. Exotic animal means a species of game not indigenous to the state, including axis deer, nilgai antelope, red sheep, and other cloven-hoofed ruminant mammals, or exotic fowl as defined by Section 142.001, Agricultural Code. Many game ranches also offer recreational hunting as a way of earning income and managing a herd of breeding stock as a secondary use. Because hunting is recreation, an exotic game ranch devoted solely to hunting could never qualify for agricultural appraisal. Documentation would include a copy of business plan showing physical improvements (such as high fences, herd size, restocking levels, harvesting schedule), a harvest report, and with breeding and herd management procedures that emphasizes commercially valuable product(s) such as meat or leather. Relevant questions include: Are there physical improvements such as high fences to control the herd? Are there stocking levels to justify the investment and ensure a reasonable future income? Is there a breeding and herd management procedure that emphasizes commercially valuable products (meat or leather) over recreational products (trophy heads)? Is there an active business plan showing herd size, harvesting schedules and 5 harvesting reports? Do state or federally approved inspectors supervise slaughter and dressing? Degree of intensity to be determined by type of exotic.

## GUIDELINES FOR DETERMINATION OF DEGREE OF INTENSITY STANDARDS

These standards reflect the practices that are typical for producing various kinds of crops or livestock commonly raised in Mills County. ALL operations should be raising animals, for wool, meat or sold as livestock and not strictly for show animals. This Degree of Intensity is subject to change from year to year. See each section for more details.

<b><u>CATTLE</u></b> Native/Imp Pasture	<ol style="list-style-type: none"> <li>1. Minimum of three (3) head of reproducing cows.</li> <li>2. Must be fenced with a water source.</li> <li>3. Provide proof of sale of offspring.</li> </ol>
<b><u>HORSES</u></b> Native/Imp Pasture	<ol style="list-style-type: none"> <li>1. Minimum of three (3) breeding mares.</li> <li>2. Must be fenced with a water source.</li> <li>3. Provide proof of sale of offspring</li> <li>4. Operations set up strictly for boarding, training, showing of horses do not support an agricultural purpose.</li> </ol>
<b><u>GOATS</u></b> Native/Imp Pasture	<ol style="list-style-type: none"> <li>1. Land can be partially wooded but must have enough grasses and other food sources to support a typical herd of (25) nanny goats &amp; (1) Ram.</li> <li>2. Must be fenced with a water source.</li> <li>3. Proof of sale of offspring.</li> </ol>
<b><u>SHEEP</u></b> Native/Imp Pasture	<ol style="list-style-type: none"> <li>1. Land can be partially wooded but must have enough grasses and other food sources to support a typical flock of (15) ewes and (1) Ram.</li> <li>2. Must be fenced with a water source.</li> <li>3. Proof of sale of offspring.</li> </ol>
<b><u>HAY FIELD</u></b>	<ol style="list-style-type: none"> <li>1. A minimum of approximately ten (10) acres is required.</li> <li>2. Typically, proof of (2) cuttings in years of normal rainfall and typically 40 square or 2 round bales per acre.</li> <li>3. Land should be fertilized at first of year and top dressed later as needed.</li> </ol>
<b><u>DRY OR IRRIGATED CROPS</u></b>	<ol style="list-style-type: none"> <li>1. Minimum of approximately 50 acres on stand-alone field.</li> <li>2. 3-year crop rotation.</li> </ol>
<b><u>ORCHARD/VINEYARDS</u></b>	<ol style="list-style-type: none"> <li>1. A minimum of approximately five (5)- ten (10) acres is required and 14 trees per acre.</li> </ol>
<b><u>EXOTIC ANIMALS</u></b>	<ol style="list-style-type: none"> <li>1. Must be raising or keeping species not indigenous to state for production of food or other tangible products with commercial value and meet primary use test. See Animal Unit chart for equivalents.</li> <li>2. Proof of sale.</li> </ol>
<b><u>BEEKEEPING</u></b>	<ol style="list-style-type: none"> <li>1. Land is not less than 5 acres or more than 20</li> <li>2. Bees for pollination or production of human food or other tangible products with commercial value.</li> </ol>

# Animal Unit Equivalent Chart – Texas Domestic Livestock, Native Wildlife, and Exotic Wildlife

Kind of Animal	Body Weight Pounds	Daily Ave Intake % of BW	Annual Forage Intake Pounds	AU per Head	Head per AU (Rounded)
<b>Domestic Livestock</b>					
Beef Cattle (Cow) *	1000	2.6	9490	1	1
Horse	1100	3.0	12045	1.27	1
Domestic Sheep (Ewe)	130	3.5	1661	0.18	6
Spanish Goat (Nanny)	90	4.5	1478	0.16	6
Boer x Spanish Goat (Nanny)	125	4.0	1825	0.19	5
Angora Goat (Nanny)	70	4.5	1150	0.12	8
<b>Native Wildlife</b>					
White-tailed Deer	100	3.5	1278	0.13	7
Mule Deer	135	3.5	1725	0.18	6
Pronghorn Antelope	90	4.0	1314	0.14	7
<b>Exotic Wildlife</b>					
Axis Deer	150	3.5	1916	0.20	5
Sika Deer	145	3.5	1852	0.20	5
Fallow Deer	130	3.5	1661	0.18	6
Elk	800	3.0	8760	0.92	1
Red Deer	350	3.5	4471	0.47	2
Barasinga Deer	350	3.5	4471	0.47	2
Sambar Deer	400	3.5	5110	0.54	2
Pere David's Deer	400	3.5	5110	0.54	2
Sable Antelope	500	3.0	5475	0.58	2
Blackbuck Antelope	75	4.0	1095	0.12	9
Nilgai Antelope	350	3.5	4471	0.47	2
Scimitar-horned Oryx	400	3.5	5110	0.54	2
Gemsbok Oryx	400	3.5	5110	0.54	2
Arabian Oryx	150	3.5	1916	0.20	5
Addax	250	3.5	3194	0.34	3
Ibex x Boer Goat	125	4.5	1825	0.19	5
Impala	130	3.5	1661	0.18	6
Common Eland	1000	2.5	9125	0.96	1
Greater Kudu	450	3.5	5749	0.61	2
Sitatunga	200	3.5	2555	0.27	4
Thompson's Gazelle	85	4.0	1241	0.13	8
Mouflon/Barbado Sheep	120	3.5	1533	0.16	6
Aoudad Sheep	200	3.5	2555	0.27	4



This chart is based on the standard concept of an Animal Unit being one 1000-pound beef cow consuming an average of 2.6% of her body weight daily throughout her yearly production cycle. Actual daily consumption will vary considerably throughout the year.

Young of the year (calves, lambs, kids, fawns) are considered as part of the mother until weaning. After weaning, they are considered a separate animal and should be added.

\* Other sizes and classes of cattle are usually calculated as 0.1 AU per 100 pounds of body weight. (700-pound steer = 0.7 AU; 1200-pound cow = 1.2 AU; 1500-pound bull = 1.5 AU; etc.)

For wildlife species, the AU Equivalent is based on a normal population consisting of females, males, and yearling animals. If a specific herd has an unusually high proportion of females, the average weight will be lower and the AU Equivalent may need to be adjusted.

Chart developed by Steve Nelle and Stan Reinke, NRCS with input from literature and other specialists from TCE and TPWD.

## APPLICATION PROCESS

According to Section 23.54(a) of the Texas Property Tax Code, a person claiming that his land is eligible for agricultural appraisal must file a valid application with the Chief Appraiser. Additionally, under Section 37.10, Texas Penal Code, if you make a false statement on this application, you should receive a jail term of up to 1 year and a fine of up to \$2,000, or prison term of 2 to 10 years and a fine of up to \$5,000.

***Please keep in mind an agricultural application is an official government document and must be accurate and truthful.***

First time applicants must:

- Show proof of primarily agricultural use for five of the seven years preceding the application.
- The required degree of intensity must be met for the year of application and for every year thereafter for a property to qualify.
- If the subject tract is leased, a copy of the lease must accompany the application.

A new agricultural application must be filed when:

- The new owner does not use the land in materially the same way as the former owner used the land during the preceding tax year; and
- Is not overseen or conducted by the same individuals who oversaw or conducted that use
- Change of use (of part or all the property) to a different type of agriculture, (e.g. Irrigated cropland to dry cropland) (e.g. Native pasture to row crop)
- Upon the request of the Chief Appraiser

Land and number of acres under agricultural production **must** be specifically identified on the application and production use clearly stated. The land shall be described legally and physically. Physical description identifies the land in categories or classifications such as dry cropland, improved pasture, or native pasture, as well as the number of acres in production under each classification, to allow for measurement of agricultural production intensity.

- Property is not eligible if owned by a non-resident alien or by a foreign government, corporation, partnership, trust or other legal entity in which a non-resident alien or foreign government owns a majority interest.
- A property owner must apply for agricultural appraisal by **completing an application** for 1-d-1 (open space) agricultural appraisal **before the deadline of midnight, April 30<sup>th</sup>**.
- Late applications are accepted from May 1 until one day prior to the appraisal records being approved. (A penalty of 10% of the difference between the amount of tax imposed on the property and the amount that would be imposed if the property were taxed at market value will be assessed on late applications, should the land qualify for ag appraisal).
- The **Chief Appraiser must act on each application** by processing the application and granting the special appraisal or by notifying the property owner if he denies the application or needs additional information.
- Per Section 23.54(e) if a person **fails to file a valid application on time**, the land is ineligible for agricultural appraisal for that year.

- If additional information is requested, the property owner has 30 days to supply the request. **If the property owner does not respond to the request for information upon the 31<sup>st</sup> day the special appraisal is considered to be denied.**
- A property owner may **appeal a denial** to the appraisal review board at a formal hearing by filing a written protest within 30 days of the denial notice.
- Agricultural valuation will be applied to the land only and appurtenances such as fencing, ponds, roads, etc., improvements such as house, barns, sheds, silos and farm outbuildings must be appraised separately at market value.
- If the agricultural appraisal is granted, you will not need to refile each year. However, if property is sold or purchased, it will be necessary for the new owner to submit a new application and qualify for the agricultural appraisal. Additionally, the Chief Appraiser may require any person allowed this special valuation to submit a new application to verify the land is currently eligible.

#### **THE BURDEN OF PROOF IS THE RESPONSIBILITY OF THE LANDOWNER.**

#### **ROLLBACK:**

Per Property Tax Code Section 23.55, if a property had qualified for agricultural appraisal and its use changes to a non-agricultural use, the current owner will owe an additional “rollback” tax for each of the previous three years in which your land received the special appraisal. The rollback tax is a mandated sanction for taking the land out of agricultural production. The rollback tax is the difference between the taxes one has paid on one’s land’s agricultural value and the taxes one would have paid if the land had been taxed on its higher market value, plus a 5 percent flat interest is charged for each year from the date that the taxes would have been due. It is the Chief Appraiser’s responsibility to determine if and when a change of use has occurred and to send the owner written notice of the determination. If the owner does not protest the Chief Appraiser’s determination within 30 days of the date the notice is mailed, the Tax Assessor Collector will calculate the additional tax due, add the appropriate amount of interest, and send a rollback tax bill. Additional rollback information may be obtained from the Mills Central Appraisal District.

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