

# Steps to Help Get an Agricultural Valuation (some call it an exemption) On Their Property by Raising Bees

## 1. Meet requirements of the law.

- a. Tax Code section 23.51(2) was amended to include in the definition of agricultural use “the use of land to raise or keep bees for pollination or for the production of human food or other tangible products having a commercial value, provided that the land used is not less than five or more than 20 acres.
- b. The second option states that the food or products must have commercial value, not commercial production. While human food and products must be produced, the law does not require that they be sold. Commercial production and sales of agricultural products, such as livestock or crops, is not required for land to qualify for open-space land appraisal under current law.
- c. The other option requires that the land be used for raising or keeping bees for pollination.

## 2. Homestead rules: typically 1 acre is held out and reduces acres available for valuation.

- a. If you own 5 acres and a homestead on the property you would need 1 more acre for a total of 6 acres to qualify for the lower end of 5 acres for ag valuation purposes.
- b. Always discuss these situations with the CAD as some counties may waive certain situations.

## 3. Meet requirements of the Central Appraisal District (CAD) of the county where property is located.

- a. Check web site of CAD for general requirements that beekeeper must meet. This is not available for all counties.
- b. Meet with CAD agricultural appraiser.
- c. Request written guidelines describing requirements of a beekeeper to qualify for an ag valuation. Be sure you understand all requirements. Such as but not limited to:
  - (1) Intensity levels: number of colonies required for acres owned.
  - (2) Types of colonies/hives: 10 frame, 8 frame, nucs, top bar, native bees, selling queens, etc. depending on goals you intend to pursue.
  - (3) Rules associated with maintaining colonies: kept alive, disease free, treatments needed.
  - (4) How long colonies are required to be on the property each year.
  - (5) Is property owner required to plant and maintain nectar producing vegetation?
  - (6) Be aware of distance colonies are from crops. May be a requirement if you are claiming bees are maintained “for pollination”.
  - (7) Ask if an annual report is required. If so, keep receipts, photos, diary, etc. throughout each year.
- d. Be aware there are sometimes unwritten requirements or things that are allowable if the situation is right and your property is in the right county. Situations such as but not limited to:
  - (1) Some counties allow raising species of native bees, such as Blue Orchard bees, etc.
  - (2) Some CADs will exempt small parcels (20 ac) out of a larger ownership holding.
  - (3) Be certain the CAD is exempting all your property not just the land directly under each hive. Requiring large number of hives, such as 50 or more. Not allowed by the Comptroller although some counties will try it.

4. Establish history requirements.

a. Law requires anyone pursuing ag valuation (even traditional ag) on newly purchased property or property without ag prior to establish a history of 5 years of performing the required work with the ag qualifier. In this case raising bees. You must have the required number of colonies and raise them providing everything they need and meeting the CAD's requirements for 5 years while paying the full ad valorem tax. During this period keep all receipts for bees, wooden ware, queens, safety equipment, and anything that supports the business. Take photos through the year/s of different work performed. You may also register your apiary with Texas Apiary Inspection Service (TAIS), <http://txbeeinspection.tamu.edu/> to help prove you in fact have and raise bees. This is **NOT** required by law unless you move your hives from one county to another or out of state. Although, it does help build your history by registering with TAIS.

b. You must fill out the Texas Form 50-129, application for 1-d-1 (open space) agricultural use appraisal and submit to your CAD. On the web at:

<http://www.window.state.tx.us/taxinfo/taxforms/50-129.pdf> . Some CADs ask that you apply with this form each year to help them keep track of your intended actions and it may also be used to help build your history. Talk with your appraiser.

5. If required by your CAD to only apply (form 50-129) once, it's best to do so in early January of the 6<sup>th</sup> year, which is the year you apply, are rated, approved, and receive the reduced tax for your ag valuation qualifier for raising bees. All CADs require filing NLT the end of April officially.

6. Ask the CAD if they want you to re-apply (form 50-129) each year. Most don't after you're approved the first time.

7. Rollback tax: If/when your land receives agricultural valuation (for bees or any other ag qualifier) and you later have a change in use of that property and fail to notify the chief appraiser of that change in agricultural use, you may be required to pay a penalty (could be 7% per year). You will be required to pay a substantial additional tax (the difference between full ad valorem tax and what you were currently paying for your agricultural valuation) if you stop using all or part of the property for agriculture. Taxes are recaptured for the five years preceding the year of change in use. Discuss with your CAD as different counties implement "rollback" in somewhat different manners.

8. Last but not least: always be friendly, easy to get along with, helpful, and never demanding when visiting with your CAD.

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