



Farm and Ranch Survey

Instructional Guide

January 2022
Property Tax Assistance Division
Texas Comptroller of Public Accounts

Overview

Government Code Section 403.302 requires the Comptroller's office to study and determine the taxable value of property in each Texas school district and to certify those values to the Commissioner of Education.

The results of the School District Property Value Study (PVS) can affect a school district's state funding. The Commissioner of Education uses the School District PVS results to ensure equitable distribution of education funds, so school districts have roughly the same number of dollars to spend per student, regardless of the school district's property wealth. In very general terms, school districts with less taxable property value per student receive more state dollars for each pupil than school districts with more value per student.

The productivity value of agricultural land is an important part of the School District PVS. To estimate productivity value, the Property Tax Assistance Division (PTAD) uses the Farm and Ranch Survey to gather information from knowledgeable agricultural authorities in every Texas county.

Information reported through the survey does not directly affect local values determined by local appraisal districts or local property taxes determined by local taxing authorities. Rather, PTAD compiles and analyzes the survey responses to establish productivity values that it uses as part of the overall School District PVS.

General Information

The year at the top of the survey is the year PTAD mails the survey. The survey questions ask for data for the year **before** PTAD mails the survey. Tax Code Section 23.51(4) requires an appraiser to base the annual net estimate on the five-year period preceding the year before the appraisal year. PTAD thus uses the survey data received for the School District PVS administered in the year following the year at the top of the survey. For example, if the title is 2021 Texas Farm and Ranch Survey the requested data in the survey will be for 2020. All data from the survey will assist PTAD during the 2022 PVS.

This survey is accessible at: comptroller.texas.gov/taxes/property-tax/pvs/farm-ranch-survey.php.

The survey form is a PDF file that includes graphics, fillable form fields, scripts and functionality that work best with the free Adobe Reader. While other browsers and viewers may open the survey form, it may not function as intended unless you download and install the latest version of Adobe Reader.

You will not be able to save an electronic copy of your responses, so it may be helpful to preview the survey and collect your answers in advance. We also recommend that you print a copy of your completed survey for your records before submitting.

If you need assistance with this survey, contact Joe Holcomb or Sarah Wessels at 800-252-9121 (press 1 to access the directory and then enter 6-6945 or 3-3759, respectively).

If you have problems submitting this survey electronically, you can mail a printed version to:

ATTN: Property Tax Assistance Division
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, TX 78711-9939

PTAD will distribute a copy of this instructional guide with each Farm and Ranch Survey mailed to knowledgeable agricultural authorities, appraisal district chief appraisers and Agricultural Advisory Board Members to assist them in completing the annual survey.

Completing the Survey

This survey is sent to all counties in Texas. Because Texas is very diverse, some areas of the survey may not pertain to your specific county. For example, if your county does not have share leases as the typical lease type, leave this section blank. Complete only what is typical for your county.

Identification Information

While the survey does not require your name and phone number, you must include your county name and capacity. Your name and phone number are helpful if questions arise regarding your responses. If you do not complete the county name and/or capacity, you will receive an error and not be able to submit the survey until you provide the missing data.

Cash Leases - Income

Lease Arrangement

The Lease Agreement section includes questions related to ongoing agricultural activities. Responses should reflect the predominant lease agreements and typical activities for your county in recent years.

- **Irrigated and Dry Cropland:** You have the option to be either cash or share leased. Select the option that is predominant, or most typical in your county. If your county does not have irrigated or dry cropland acres, select **Not Typical** or leave blank.
- **Pastureland:** Select the most typical lease arrangement in your county. If none of these are typical, select other and explain what the typical lease arrangement is for pastureland. Depending on the county, pastureland leases can be based on many different types but the most common are price per acre, price per animal unit month or price per head. The choice between these relates to how the land is used for agriculture purposes.

Cash Lease Information

Responses received in the Cash Lease Information section help us determine the typical lease rates and landowner expenses. We request responses that are specific to the year noted. Tax Code Section 23.51(4) requires agricultural productivity values to be based on the county's typical lease arrangement. The responses here should represent leases to a prudent property owner and not include leases of an unusual nature. List the most typical value, not an average of the lease rates in your county.

- Provide the typical cash lease rate for irrigated cropland, dry cropland, improved pastureland, and native pastureland as per acre amounts. Do not provide the overall net to land value. For irrigated cropland, assume the landowner does not furnish the irrigation equipment.

We request the pastureland and cropland leases in per acre amounts because agricultural values are based on a per acre amount. If the typical lease arrangement in your county is not per acre, give your estimate of a comparable lease rate per acre.

- If irrigated cropland is cash leased in your county, provide the typical source of water for these acres. If your county does not have cash lease irrigated cropland, select **Not Applicable** or leave blank. Ground water is extracted from the ground via well while surface water is held and/or collected in a trough, tank, earthen pond or equivalent.
- Both irrigated cropland and dry cropland have the option to be fenced. These questions decide if it is typical to have a fencing expense for these two categories. Select the box if it is typical or not, or **Not Applicable** if neither apply and/or your county does not have irrigated or dry cropland.

Hunting Leases

Tax Code Section 23.51(4) prohibits considering leases on land qualified for open-space valuation based on wildlife management use when determining productivity values. Do not include these leases when answering the questions on hunting lease rates and expenses. The income received from hunting or recreational leases on qualified open-space land (other than wildlife management) will be included in net to land calculations.¹ Report hunting gross lease rate per acre for land that is typically leased for hunting.

- Only provide the typical expenses associated with the hunting leases from above in your county. These are expenses that the landowner pays to maintain the hunting lease. Do not include expenses typically paid by the lessee. Do not include expenses like property taxes and depreciation or any expenses attributable to both the agricultural and hunting leases as they should only be deducted once from total gross income. They should not be deducted twice. We list a few expenses in this section and include blanks for you to add any additional expenses that are not listed.
- The hunting lease license is the license obtained from Texas Parks and Wildlife. An individual landowner must acquire a license for private property leased for hunting. The lease license cost depends on the size of the property being leased for hunting. Submit a per acre lease license expense for the county as agricultural land is appraised on a per acre basis.

Cash Lease - Expenses

The survey requests information on typical expenses landowners incur that are associated with agricultural operations in Texas. The expense section requests information on a five-year rotating basis: brush control, fencing, irrigation wells, livestock water/well and management expense. Only one of those expenses will be included in the annual survey.

Brush Control (if included)

Productivity values must be determined based on the typical lease arrangement in the county. In responding to questions about brush control, only consider what the landowner pays under a cash lease.

- Only certain parts of the state need brush control. If this expense is not typical or does not apply to your county, select the appropriate box and move to the next section. If

¹ Tex. Tax Code §23.51(4)

brush control on native pastureland is typical, select **Yes, it is typical** and continue answering the questions in this section.

- Select who pays for brush control for the cash lease that is indicated in the previous section.
- If you selected the landowner or that the cost is shared with the tenant, indicate percentage of the expense the landowner pays.
- Select the single, most typical method of initial clearing of brush on native pastureland. Initial clearing is removing brush from an area that has not been cleared for 20 years or longer. While your county may use many different methods in both mechanical and chemical applications, we request the single, most typical method for your county. Do not choose one option under mechanical and one answer in chemical; select only one under mechanical or one under chemical.
- Provide the cost per acre of initial clearing based on the single choice from the previous question.
- Indicate the number of acres of native pastureland initially treated in a typical year. If you need more spaces for your answer, indicate the answer in the Your Comments section at the end of the survey.
- Indicate the typical method of maintenance used after land is cleared to maintain the benefits of the initial clearing. Select only one under either mechanical or chemical for the single, most typical method of maintenance treatment for brush.
- Indicate the cost per acre of the maintenance treatment based on the single choice in the previous question.
- Indicate how many acres of native pastureland in the county undergo brush control maintenance in a typical year after initial treatment. Respond in acres.
- Indicate whether the landowner typically pays for the total brush control expense. Select **yes** or **no**.

Fencing (if included)

The use of fencing varies by county due to the diverse Texas landscape. The intended use of fencing could be one or more of the following:

- contain and control livestock and wildlife;
- manage game animals;
- provide windbreaks; and/or
- control access to the property.

Base your responses on expenses of a landowner with a typical cash lease in your county. Responses provided in this section assist us in determining a per acre fence expense. We use the per acre calculation to determine the miles of perimeter and cross fencing the landowner pays. Skip this section if fencing is not typical in your county.

- While there may be many different fence types in your county, indicate the most typical type of fence posts and barbed wire or wire mesh. Fencing can vary greatly with the materials, intended use and design being considered.
- Report typical fencing cost by price per linear foot or price per mile.
- Indicate whether the tenant or landowner provides the labor for the fence construction. If the landowner pays a contractor to build the fence, select **contractor**.
- Provide the typical ranch size in acres for your county.
- Provide the typical pasture size in acres for your county.

- Assuming the typical ranch is square, indicate the number of sides of the fence for which an adjacent landowner will typically share in costs: one, two or three. The fourth side is typically a public road.
- Indicate the typical useful life for the standard fencing. This varies throughout the state due to many factors.
- Indicate if the landowner typically pays for the total fence expense. Select **yes** or **no**.

Irrigation Expense for Cropland (if included)

We use the responses in this section to help us determine a typical expense for an irrigation well in your county. These questions ask about the annual depreciation of the cost of the well and the annual maintenance of the well, which aid in the calculation of this expense. These questions ask about expenses associated with cropland only. If your county does not have cropland, leave this section blank.

Irrigation Well Depreciation Expense

- Because we use per acre amounts, indicate the number of acres a single well typically serves.
- Provide the cost to drill and complete a well in your county in dollars per foot. Do not include equipment expenses in this amount. Although a water well is an appurtenance, appraisers typically consider equipment such as pumps, windmills and other fixed attachments as personal property and typically value them separately at market value. Consequently, we do not include expenses for equipment in this calculation.
- Indicate the typical depth, in feet. The depth varies depend on the water quality and water table in your county. We use this information in the calculation of an irrigation well.
- Indicate the expected life of a well in years or the number of years before another well will need to be drilled. This can vary by county due to the water table into which the well is drilled.

Yearly Maintenance and Repairs of Existing Irrigation Well

- Provide the typical average annual cost of routine maintenance and major servicing of a well.
- Indicate whether the lessee or landowner typically pays the well maintenance and repair expenses. It is also possible that they share in this cost. Select the appropriate response.

Irrigation District

- If your county is subject to an irrigation district, include district's name and the tax rate or user charge in the first box. In the second box, indicate any other items that should be considered in estimating an irrigation expense.

Total Irrigation Expense

- Indicate if the landowner typically pays for the total irrigation expense associated with cropland. Select **yes** or **no**.

Livestock Water/Well (if included)

Typical livestock water sources may include:

- creeks and streams;
- wells equipped with windmills or electric pumps; and/or
- earthen ponds.

Responses to the questions in this section assist us in determining a typical livestock water/well expense for your county.

- Indicate whether surface water or ground water is the most typical source of water for livestock in your county. Answer the questions corresponding with your indicated water source.
- If surface water was chosen:
 - Indicate whether structures that gather and/or hold water for livestock are typical in your county. Structures would include troughs, tanks, earthen ponds or other.
 - If yes, indicate whether the structure a trough, tank, earthen pond or other. While the county may have all these structures, respond with the one choice that is most typical for your county.
 - If the most typical structure is an earthen pond, answer the following four questions to help determine the expense for an earthen pond for determining the final expense calculation.
 - How many acres are typically served by one pond?
 - What is the cost to construct the pond?
 - What is the expected life, in years, of the pond?
 - What is the landowner's annual maintenance cost to keep up with the pond, if any?
- If ground water was chosen:
 - Ground water requires a well to be able to use and retrieve the water. Respond to following questions for the well expense.
 - Indicate the number of acres a single well typically serves in your county.
 - Provide the cost to drill and complete a single well in your county. Do not include equipment costs. Although a water well is an appurtenance, appraisers typically consider equipment such as pumps, windmills and other fixed attachments as personal property and value them separately at market value. Consequently, we do not include expenses for equipment in this calculation.
 - Indicate the typical depth, in feet, of a well in your county.
 - Indicate the expected life of a well in your county. Provide the expected number of years before another well will need to be drilled to provide adequate usage.
 - Select the typical structure used to hold the water provided by the well. Select **trough, tank, earthen pond** or **other**.
 - If you selected earthen pond, answer the following four questions.
 - How many acres are typically served by one pond?
 - What is the cost to construct the pond?
 - What is the expected life, in years, of the pond?
 - What is the landowner's annual maintenance cost to keep up with the pond, if any?

- Indicate if the landowner typically pays for the total livestock water/well expense. Select **yes** or **no**.

Management Expenses (if included)

Indicate the percentage of gross income spent to cover the time and the management expenses for an owner with land under the typical lease arrangements in your county. You selected these typical lease arrangements at the beginning of this survey under the Lease Arrangement section. Typical management expenses/activities may include finding a tenant, record keeping, property insurance, advertising, and other expenses necessary to secure and maintain a typical lease for agricultural uses.

- Indicate the percentage of gross income for these expenses for each land category. If unknown or not typical for a landowner to incur management expense, select the appropriate box.

Share Leases

Under a share lease, the landowner usually pays a share of production expenses and receives a prearranged share of the gross receipts rather than a fixed dollar amount. If your county is not typically share leased or does not have any cropland, skip to the last question of the survey, Your Comments.

Of the following crops, indicate the expenses landowners typically share in your county. If the expense is not shared by the landowner, leave the box blank.

This survey includes the main commercial crops in Texas that we include in our calculations. If a crop is not typical in your county, skip that crop. The expenses listed are not comprehensive. They are the expenses that PTAD has in its crop budgets. If there are additional expenses used in your county for a crop, list the expenses per crop in the comments box on the last page of the survey.

Irrigated cropland

- For these questions, assume the landowner does not furnish the irrigation equipment.
- Select the expense box if a landowner in your county typically shares in that expense for that crop. For example, if a landowner in a county typically shares in seed, fertilizer, harvesting, hauling for corn, only select the associated boxes for those expenses.
- Indicate the landowner's share (expressed as a percentage) of the income and expenses for each crop at the bottom of each column. The landowner usually pays a share of production expenses and receives a prearranged share of the gross receipts. These can vary by crop and location.

Dry Cropland

- Same as share lease irrigated cropland except that oats have now replaced rice in the crop row and irrigation fuel expense is no longer an option.
- For your county, select one pattern that is most typical for share lease dry cropland for cotton and sorghum. Select **N/A** if this does not apply to your county. The four planting patterns that are typical for cotton and sorghum include solid, 2x1, 2x2 or 4x1.

Grazed Cropland

- Grazing leases can provide income to certain share lease crops. This survey requests information for oat and wheat crops only. These are the crops most typical in Texas to be grazed. Select oats, wheat, both or neither to indicate which are typically grazed in your county. If this does not pertain to your county, select neither or leave blank.

Additional Comments

You may add comments, concerns, or feedback for us at the end of the survey. These can be comments or feedback regarding the survey instrument, questions about the survey questions or responses, or feedback about the process. You may also use this space to make us aware of anything that happened during the year in question.

Submitting the Survey

The survey may be submitted electronically through our website or by hard copy through the mail.

Electronic Submission

After completing the survey, it would be good practice to save a PDF and/or print a copy for reference.

To submit the survey electronically to PTAD, select **PRESS THIS BUTTON TO SUBMIT YOUR SURVEY** at the end of the survey. A new email should open on your screen that is addressed to PTAD.Farm.and.Ranch.Survey@cpa.texas.gov. The email will automatically:

- populate the subject line with Survey_CountyName;
- populate the body of the text with Farm and Ranch Survey for (County_Yr._Capacity) Name, and Date; and
- attach a .fdf file with the completed survey.

Selecting the button at the end of the survey does not submit the survey to PTAD. Rather, it opens the email to send the survey to PTAD. For us to receive the completed survey, the automatic email must be sent.

If an email does not open (automatically generate) after you select the button to end your survey, it could be because a default email program has not been selected on the computer being used to submit the survey. If this happens, email the PDF or a scanned copy of the completed survey to PTAD.Farm.and.Ranch.Survey@cpa.texas.gov.

You will not receive a confirmation email with either method of electronic survey submission. If you want to verify that we received the survey, contact Joe Holcomb or Sarah Wessels at PTAD.AgandTimber@cpa.texas.gov. You can also reach them by calling 800-252-9121 extension 6-6945 or 3-3759, respectively.

Hard Copy Submission

If preferred, you can download and print the survey from the Comptroller's website: comptroller.texas.gov/taxes/property-tax/pvs/farm-ranch-survey.php.

The following also applies to the surveys that have been received through the mail. After filling out the paper version of the survey the survey can be scanned and emailed to PTAD.Farm.and.Ranch.Survey@cpa.texas.gov or mailed directly to:

ATTN: Property Tax Assistance Division
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, TX 78711-9939

You will not receive a confirmation email with either method of hard copy survey submission. If you want to verify that we received the survey, contact Joe Holcomb or Sarah Wessels at PTAD.AgandTimber@cpa.texas.gov. You can also reach them by calling 800-252-9121 extension 6-6945 or 3-3759, respectively.

Definitions

The definitions included here are for the purposes of the Farm and Ranch Survey and may not be referenced in a statutory authority.

Agricultural activities - Agricultural activities include but are not limited to:

- cultivating the soil;
- producing crops for human food, animal feed, or planting seed;
- production of fibers;
- floriculture, viticulture, and horticulture;
- raising or keeping livestock;
- raising or keeping exotic animals for the production of human food or of fiber, leather, pelts, or other tangible products having a commercial value;
- planting cover crops or leaving land idle for the purpose of participating in a governmental program, provided the land is not used for residential purposes or a purpose inconsistent with agricultural use;
- planting cover crops or leaving land idle in conjunction with normal crop or livestock rotation procedure;
- producing or harvesting logs and posts for the use in constructing or repairing fences, pens, barns, or other agricultural improvements on adjacent qualified open-space land having the same owner and devoted to a different agricultural use;
- wildlife management; and
- raising or keeping bees for pollination or to produce human food or other tangible products having a commercial value.

Animal unit month - The amount of forage to fulfill metabolic requirements by one animal unit for one month.²

Appurtenances - Generally, appurtenances are man-made alterations of, or additions to, agricultural land that are included in the value of the land and are not separately appraised. For purposes of special appraisal of 1-d-1 land, appurtenances are private roads, dams, reservoirs, water wells, canals, ditches, terraces and other similar reshaping of the soil (such as stock tanks); fences; riparian water rights; and decorative trees, windbreaks, fruit trees or nut trees.³

Cash Lease - an agreement between a landowner and tenant to lease for a fixed cash payment; usually in terms of dollars per acre for a period of one year. When the owner leases on a cash basis, he or she ordinarily has no labor or operating capital costs.

Category - The value classification of land considering the agricultural use to which the land is principally devoted.⁴

Cropland - A land cover/use category that includes areas used to produce adapted crops for harvest.⁵

Dry cropland - Land used to grow crops that are cultivated without irrigation or with a limited amount of precipitation.

² Appraisal Institute (U.S.) Rural Property Valuation (Chicago: Appraisal Institute, 2017), p.272.

³ Tex. Tax Code §23.51(1)

⁴ Tex. Tax Code §23.51(3)

⁵ United States Department of Agriculture, "Cropland Irrigation Water Source, 1992", https://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/soils/?cid=nrcs143_013949 (Last visited Dec. 8, 2021.)

Earthen Pond - Ponds that are constructed from the earth and collect rain/runoff water.

Fence - A constructed barrier to livestock, wildlife, or people.⁶

Ground water - Water that is percolating below the surface of the earth.⁷ Most ground water is held in aquifers. This water can be accessed by wells or may naturally discharge into streams or lakes.

Improved pastureland - Land that has been planted with domesticated native or exotic forage species that receives occasional renovation or treatments, which can include weed control, mowing, tillage, but is left to graze livestock or to grow certain grasses.

Initial clearing - Initial clearing is removing brush from area that has not been cleared for a period of 20 years or longer.

Irrigation - The artificial application of water to plants to sustain or enhance plant growth.⁸

Irrigated cropland - Land used to grow crops that is supplied with water. Water is supplied to crops by ditches, pipes, or other conduits.⁹

Native pastureland - Land that is dominated by native grasses, herbs, and shrubs. May include introduced exotic species but the majority of species are native.

Net to land - The net income the land would have generated by a prudent owner during each year of the five-year period averaged and capitalized in the appraisal.

Predominant - being most frequent or common.¹⁰

Share Lease - Landowner pays a share of production expenses and receives a prearranged share of the gross receipts rather than a fixed dollar amount.

Surface Water - Natural water that has not penetrated much below the surface of the ground.¹¹ This includes water that is in lakes, rivers, creeks, reservoirs, etc.

Tenant - A person who rents land from another person for a share of the crop or a share of the proceeds of the crop.¹²

Typical - combining or exhibiting the essential characteristics of a group.¹³

Typical lease arrangement - Most common lease type in the county, cash, or share.

Well - A hole drilled or bored into the earth providing access to water to aid in extracting ground water.¹⁴

⁶ United States Department of Agriculture, "Job Sheet: Fence Woven Wire", (January 2010), https://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/nrcs144p2_016391.pdf (Last visited Dec. 8, 2021.)

⁷ Tex. Water Code §36.001(5)

⁸ Congressional Research Service, *Irrigation in U.S. Agriculture: On-Farm Technologies and Best Management Practices* by Megan Stubbs (October 17, 2016) p. 1.

⁹ Appraisal Institute (U.S), *Rural Property Valuation* (Chicago: Appraisal Institute, 2017), p. 122.

¹⁰ predominant. 2021. In *Merriam-Webster.com*. Retrieved Dec. 8, 2021, from <https://www.merriam-webster.com/dictionary/predominant>

¹¹ surface water. 2021. In *Merriam-Webster.com*. Retrieved Dec. 8, 2021, from <https://www.merriam-webster.com/dictionary/surface%20water>

¹² Texas A&M AgriLife Extension, "Crop Insurance Terms and Definitions" <https://agrilifeextension.tamu.edu/library/marketing-risk-management/crop-insurance-terms-and-definitions/>

¹³ typical. 2021. In *Merriam-Webster.com*. Retrieved Dec. 8, 2021, from <https://www.merriam-webster.com/dictionary/typical>

¹⁴ United States Department of Agriculture, "Cropland Irrigation Water Source, 1992", https://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/soils/?cid=nrcs143_013949 (Last visited Dec. 8, 2021.)

Frequently Asked Questions

What is the purpose of the Farm and Ranch Survey?

The purpose of the survey is to aid PTAD in determining values of certain agricultural land classes in Texas. Local knowledgeable agricultural authorities inform PTAD of typical agricultural operation components in their county. PTAD uses these components in the net to land calculations in the School District PVS.

Is the Farm and Ranch Survey the only source of data used by PTAD?

No, the survey is not the only source of data used by PTAD. PTAD uses the survey in conjunction with other publicly available data from reliable sources.

How can I get the survey results?

We do not compile the survey responses in a single database. If you are interested in accessing the received surveys from a given county, you can submit an open records request to the Comptroller's office by email at ptad.openrecords@cpa.texas.gov or via the Comptroller's FYI Open Records tool at comptroller.texas.gov/about/policies/open-records/.

Will completing this survey affect my local values?

Completing this survey will not directly affect local values. PTAD uses the survey results to assist in developing agricultural values for the School District PVS. PTAD studies school district taxable values the year following the tax year in which the appraisal district sets local values. PTAD certifies the school district PVS values to the Commissioner of Education a full year after the appraisal district determined the values used for local taxes.

For example, for the 2020 School District PVS:

- The local appraisal district determines local values for the 2020 tax year and the chief appraiser certifies the local appraisal roll to the taxing units by **July 25, 2020**, and sends a copy of the certified roll to PTAD in August or September depending on the size of the appraisal district.
- PTAD uses data reported by the appraisal district for the 2020 tax year to complete the 2020 School District PVS.
- PTAD certifies 2020 school district values to the Commissioner of Education in **August 2021**, a year after the appraisal district certified local taxable values to the taxing units so they could prepare tax bills.

PTAD's study of school district values is backward-looking after local actions have occurred. The sole purpose of the School District PVS is to provide taxable values used in the school funding formula by the Commissioner of Education and the Texas Education Agency.