

QUALIFYING TIMBERLAND FOR PRODUCTIVITY APPRAISAL

ELIGIBILITY REQUIREMENTS FOR TIMBER PRODUCTIVITY APPRAISAL

The Texas Constitution permits timber productivity only if the property and its owner meet specific requirements defining timber use.

LAND WILL NOT QUALIFY SIMPLY BECAUSE IT HAS TIMBER STANDING ON IT. TIMBERLAND THAT IS USED PRINCIPALLY FOR AESTHETIC OR RECREATIONAL PURPOSES WILL NOT QUALIFY.

Section 23.72 of the Property Tax Code sets the standards for determining whether land qualifies:

The land must be currently and actively devoted to timber production.

The land must be used principally for timber production.

The land must be devoted to timber production to the degree of intensity generally accepted for the area.

The owner must have an intent to produce income.

The land must have been dedicated principally to agriculture or timber production for five of the preceding seven year.

The property owner must file a timely and valid application form.

To qualify for timber productivity appraisal, the landowner must meet each of these six eligibility requirements.

Note: Harvested timber in the owner's hands on January 1 --- is personal property and taxed separately from the land.

1. CURRENT AND ACTIVE DEVOTION TO TIMBER USE

In the absence of visible physical timber activities, the owner should be able to produce records showing timber management activity, a written forest management plan, timber cost-sharing programs for reforestation and timber stand improvement, letters or other documents showing efforts to sell the timber, or other documentation.

2. TIMBER PRODUCTION MUST BE THE LAND PRIMARY USE.

If the land is being used for more than one purpose, the principal use must be growing timber.

3. DEGREE OF INTENSITY

To qualify for productivity appraisal, timberland must be used to the degree of intensity generally accepted for prudent timber growers in the area. The degree of intensity test is intended to EXCLUDE from productivity appraisal land on which token timber activity occurs simply to get tax relief.

4. INTENT TO PRODUCE INCOME

The owner must use the land with an intent to produce income. This test excludes those owners who are trying to use productivity appraisal to avoid paying property taxes on the land's market value.

Some examples of evidence of intent to produce income are:

Receipt of revenues through sale of timber

Letters or documents showing the owner has attempted to sell the timber

A contract of sale

Receipts, canceled checks or other evidence of expenses or income related to timberland's use

Investments in improvements to enhance the value of existing timber

Attempts to salvage timber that has value, but that is damaged or dead

Using a consulting forester to help manage the land

Hiring someone to conduct a timber sale or seeking recommendations of a public forester before making a timber sale

5. HISTORICAL USE REQUIREMENT

As long as either timber or agriculture was the principal use in the preceding years, the land qualifies although that use may not have met the degree of intensity requirement in all or some of those years.

6. APPLICATION FOR TIMBER PRODUCTIVITY APPRAISAL

Property owners must fill application with the chief appraiser in the appraisal district where the land is located. The application must be postmarked or filed no later than midnight, April 30. For good cause and only on the property owner's request, the chief appraiser may extend the filing deadline in individual cases for not more than 60 days. The property owner must request an extension before the filing deadline.

Good cause is commonly something the applicant cannot control, illness or injury or an inability to transact normal business for a period that effectively prevents filing on time.

Travel out of town on business or vacation or simply forgetting about the filing deadline is not good cause.

A penalty for late application (a property owner who misses the deadline may file a late application until the appraisal review board approves records for that year) is subject to a penalty equal to 10% of the difference between the tax if imposed at market value and the tax imposed at the timber productivity value. A lien attaches to the property until the penalty is paid. If the penalty remains unpaid on February 1 of the following year, penalty and interest on the penalty amount accrue as if it were a delinquent tax.

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February 18, 2005

To: Property Owners with open space/timber productivity use.

The Bowie Central Appraisal District is updating its open space/timber exemption records. Please find enclosed a new exemption form, and the degree of intensity examples for Bowie County.

Each account you are now receiving an open space/timber exemption on must be re-applied for at this time. You will need to fill out the form(s) and return to this office in order to retain your exemption. At this time, the standards have changed for qualification, and some properties that have qualified in the past, may not be granted an exemption now.

To aid in determination, please enclose any documentation that will help the district get a clear picture of the land usage. Examples include, but are not limited to:

Copies of feed bills for the preceding year
Copies of leases and statement as to use by the lessee
Copies of a timber management plan

Please note that failure to fill out and return form(s) within 30 days of receipt of this letter may result in the loss of the exemption for tax year 2005.

If you have further questions, please call and ask to speak to the appraiser for your area.

Texarkana office - ext 209 for Liberty Eylau, Maud areas
Texarkana office - ext 210 for Pleasant Grove area
Texarkana office - ext 211 for Texarkana, Redlick, Leary areas
Texarkana office - ext 212 for Hooks area

New Boston office - ext 111 for DeKalb, Malta, Hubbard and north New Boston areas
New Boston office - ext 112 for Redwater, Simms, and south New Boston areas

Respectfully

Bowie Central Appraisal District
Appraisal Staff