



TWA Fact Sheet

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Agriculture, Wildlife and Timber Property Tax Valuation

A Policy Statement of the Texas Wildlife Association

The Texas Wildlife Association believes that the ag, wildlife and timber property tax valuations are essential to maintaining open space and sustaining rural economies. The valuations are fair and valuable to all Texans because:

- **The ag, wildlife and timber property tax valuations apply only to the land; all improvements such as homes, barns, bed-and-breakfasts, and *improvements ad infinitum* are taxed at market value.** Rural landowners pay the same taxes on their homes and garages as urban and suburban Texans do. And when rural Texans spend money to upgrade their land by adding barns or other infrastructure, their tax bill goes up accordingly. ***For example, using the 2007 tax year: 100 acres of rangeland in Kendall County generally contributes about \$109 in property taxes. Build a \$100,000 house with garage/barn and a \$15,000 well and a \$15,000 septic system, and the taxes would increase to approximately \$2,275.***
- **The ag and, later, the wildlife and timber property tax valuations were put in place to help conserve agricultural lands and wildlife habitat.** These valuations are not simply tax breaks; they are conservation incentives.
- **The state's voters, in 1995, overwhelmingly approved expanding the ag valuation to include wildlife management through a constitutional amendment known as Proposition 11.** The measure passed by a 62 percent to 38 percent margin, indicating that Texans representing all demographic groups strongly support retaining open space land.
- **Agricultural, timber, and open space land is the face of Texas.** In addition, these lands provide intangible environmental benefits such as more water, cleaner water, carbon sequestration, improved riparian zones, oxygen, nature-related recreation areas, and wildlife habitat.
- **Even with the ag, wildlife and timber property tax valuations, Texas is losing agricultural land faster than any other state in the nation.** More than 150,000 acres – almost 235 square miles – per year are being converted from plows, cows, and trees to suburbs and sprawl.
- **If their land is taxed at market value rates, traditional landowners, particularly in high-value transition counties, will not be able to hold on to their property.** In the case one TWA member's ranch in Kendall County, the annual property tax bill could skyrocket from \$2,580 per year to a little more than \$21,500 per year.
- **Widespread land sales, prompted by the loss of ag, wildlife and timber property tax valuations, would cause rural land values to plummet and could trigger a financial situation similar to the current mortgage lending/financial crisis.** Why? Because the asset – in this case the land – could not support the loan's value. And, thanks to banking regulations dating back to the late 1980s, the loan will be classified by federal regulators as under-capitalized and subject to call even if it is current. If the institution issued enough land loans, it could go down the tubes.
- **More residents mean more public services and more local government spending.** According to studies conducted across the United States by the American Farmland Trust (AFT), the cost of providing public services exceeds the amount of tax revenue provided by residential taxpayers. Agricultural and open space land, even with lower property tax valuations, generates more tax money than it requires in public service costs. ***For example: In Bexar County, the AFT reported that for every dollar that agricultural and open space lands generated in taxes, the county spent only 18 cents to provide them with services. Residential development, on the other hand, required \$1.15 in services for every dollar it contributed from property taxes, sales taxes and other revenues.***

(More)

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- **Progressive leaders in rural counties and small towns embrace the ag, wildlife and timber property tax valuations because these people recognize open space and the recreational opportunities it provides are economic generators.** These people know that nature and cultural tourism are the economic generators that are keeping their rural way of life alive. They are seeing additional revenue from visitors seeking out the decidedly “un-urban” experiences of hunting, fishing, wildflower trails, bed and breakfasts, birding tours, small town antique shows, dude ranches, hay rides and u-pick-em orchards.
- **Responsible, private land stewards across the state of Texas don’t support cheaters.** If there are those individuals and corporations who are taking advantage of this important tax valuation – and jeopardizing it for everyone else – then they should be stopped. Local tax appraisers should be given the training and the support to ensure that any activities falling outside the parameters of legitimate agriculture and wildlife management practices are taxed at market value.
- **The biggest benefits of Proposition 11 are not readily evident to the population at large, but impossible to live without.** Proposition 11 helps keep open space land, which is an integral component of every well-functioning ecological process. Open space land is vital to oxygen production, carbon sequestration, nutrient cycling, soil stabilization, aquifer recharge, environmental flows, water capture and filtration, and wildlife habitat.

ABOUT US: *The Texas Wildlife Association is a non-profit organization established in 1985 to represent private land stewards, land managers, hunters and anglers from across the state of Texas. Our members care for and control almost 40 million acres of rangeland and wildlife habitat that are key components of Texas’ upstream watersheds. Because the majority of land in Texas is privately owned, the involvement of private land stewards is critical in establishing Texas’ long-term conservation policies.*

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