

**COLORADO COUNTY CENTRAL APPRAISAL DISTRICT
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In the recent weeks, our office has been contacted by several individuals inquiring what they needed to do in order to maintain their agricultural use valuation (ag exemption) during the drought conditions. The Colorado County CAD has always had provisions for disasters such as drought, flooding or other types of natural disasters, but recently the Texas Legislature added Section 23.522 to the Texas Property Tax Code.

Section 23.522 of the Texas Property Tax Code states that the eligibility of open-space land does not end during temporary cessation of agricultural use during a drought. Your land can continue to qualify for open-space agricultural appraisal if the governor declares a drought and the land remains out of production for an extended period, as long as you intend to return the land to its pre-drought level of agricultural intensity. In most cases, the appraisal district will not remove the agricultural appraisal on any property that is currently receiving it. The absence of livestock or hay production will not trigger the removal. Depending on how long the drought lasts will determine what approach will be taken next year.

According to many long time residents of Colorado County, this dry spell is the worst since the 1950's. In addition to Colorado County, much of Texas is categorized as being under an "exceptional drought." Farmers and ranchers that are already suffering from a drought that has dried up hay crops burned up pastures and emptied ponds will not have to worry about losing their agricultural exemptions. Many ranchers have been hit extremely hard, with many having to reduce herd numbers because of the drought. They will not need to keep their livestock on the property to get ag value right now. It is not the intention of the Colorado County CAD of the State of Texas for ranchers to overgraze property to keep their ag exemptions. This will also apply to hay crops and farming operations. Colorado County Appraisal District will not remove an agricultural use valuation from any property owners who currently have that designation. Property with an ag exemption is based on its productivity value, which is considerably less than the market value.

The effects of the drought will be felt even after the rains begin. Some of the pastures that have been decimated will need some recovery time. There will be issues with ranchers who are selling cattle they would have normally kept along with concerns about the availability and cost of cattle in the future. When things recover, the appraisal will review requirements on a yearly basis.