



Nueces County Appraisal District
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Agricultural Advisory Committee Meeting
Friday, February 13, 2020 @ 9:00 AM

Meeting called to order by Mr. Willie Carrington.

Introduction of board members:

Mr. Jason P. Ott (present), Mr. Donald Havelka (present), Mr. Wayne Miller (present), Mr. Chris Yaklin (not present), Mr. Toby Robertson (not present), and Mr. Patrick Reynolds (Not present)

Introduction of staff:

Chief Appraiser Mr. Ronnie Canales (not present) & Assistant Chief Appraiser Mr. Don Causey (not present).
Mr. Michael Kirkham (Coordinator), Mrs. Frances Revilla (Appraiser), Mr. Heath Gonzales (Appraiser), Mr. Mike Landin (Appraiser), Mr. Britt Kruger (Appraiser), and Ms. Dalia Don Juan (Clerk).

Meeting begins with an over view of packet. Going over some description changes on guidelines and changes on intensity standards minimum acre requirements. Mr. Ott opens discussion on changing our page five description on cow/calf & stocker/feeder operations to keep separate.

Discussion of new vineyard operation possible in Robstown, and minimum requirements. After research of typical vineyard operations it was decided 100 vines per acre with minimum acres of 5 would be the minimum requirement. Board did have questions on location of new operation and how it may effect typical area crops.

Discussion was closed and board was made aware changes would be made to both guidelines and intensity standards per recommendations.

Next portion of meeting discussion 2020 cash lease survey and 2020 proposed values. Explanation of lease survey importance and that over 200 letter had been mailed but only about 20%- 25% of those letters came back with information. State does get more information than the appraisal office, allowing them to have possible more data.

Mrs. Revilla begins explaining the 2020 proposed values for each category.

Dry crop break down on years 2014 thru 2018. The \$5.00 fee was removed in 2017 & 2018 per verified lease information and previous board discussion. Overall proposed value after taxes and fees \$420.00/acre on DC1 (good), this is an increase from last year of \$2.00. 2019 dry crop productivity value increase did create some discussion with owners and farmers but after explaining our process they understood how value was arrived. Dry crop is divided into three types per soils. DC2 (fair) \$314.00/acre & DC3 (poor) \$210.00/acre.

Next category Improved pasture increasing in productivity value this year. Typical cash rent did change from years from \$10.00/acre to \$15.00/acre as discussed last year. Expenses in 2017 & 2018 increased per board suggestion from \$0.50/acre to \$1.50/acre mainly for fencing. Overall proposed value after taxes and expenses \$ 112.00/acre on Improved Pasture/Hay, an increase of \$12/acres from previous year. Reminder this information is based on cash lease information we receive from property owners.

Based on state lease information we should be at \$115.00/acre for Improved/ Hay pasture and \$520- \$550 per acre for our Dry crop land.

Final category is Native pasture which is set at 50% of improved pasture \$55.00/acre. We have received limited lease information on this category but it does support of proposed productivity value. Typical cash rent information is at \$5.00/acre, and we do show more hunting income being verified adding \$5.00/acre for years 2017 & 2018.

In closing meeting portion of cash rent survey's we again remind board that we get very little response from our property owners and farmers. It may be possible that the information we get is limited due to people my fill discloser may hurt them.

State requirement are getting more demanding state wide.

Review Texas county estimate information for crop land in 2019 and 2017 at \$65.50/acre. For pasture land the county rate was at \$11.50/acre for the 2017 tax year.

Review on how the 5 year net to land calculation is figured. Along with how the cap rate is set by the Texas comptroller.

Open discussion on proposed 2020 productivity values. Board explains how operating capital has decrease these last 10 years and how rents need to come down. Talk about legislature representative and how they are helping local farmers.

State laws continue to change yearly for appraisal district and collections as a whole, and how things could be worst. Communication is key let farmers and owners know we can help if they come talk to us.

Board wanted an estimate of taxes for 1,000 acres of crop land based on districts proposed \$420.00/acre to states value of \$550.00/acre.

Discussion about our proposed 2020 productivity values is closed.

Final topic in meeting legislature changes to property tax law that affect Ag appraisal.

- 1) Section 11.161 regarding implements of husbandry.
- 2) Section 23.42 (a1) regarding eligibility to use Ag and to secure home equity loan.
- 3) Section 23.55 regarding change of use rollback years changed from 5 years to 3 years and 7% to 5% interest.

Board discussion on rollback changes and how it's a good thing for anyone who changes the use, less out of pocket. Property owner is able to homestead up to 20 acres without rollback.

Question if building 5 year history for new Ag also change. Explained the only change was to rollback.

Question on farm improvement being taxed or exempt. All improvements are taxable.

Meeting is being closed by Mr. Carrington, with a reminder that they should be mailed the form for swearing in by attorney.

Meeting is adjourned @ 10:00am.