### AGRICULTURAL VALUATION USING BEEKEEPING

### PROCESS DESCRIPTION



LES CROWDER - **EXPERT BEEKEEPER**, **STAFF BIOLOGIST**NATHALIE BIGGIE - **MASTER BEEKEEPER** 

# BEE MINDFUL, LLC

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# Using Bees as a Qualifying Activity for AG Valuations

Maybe you are looking to save potentially thousands of dollars on your property taxes each year by qualifying your 5+-20 acre land for an "Ag Exemption" (technically a 1-d-1 Open Space special land valuation) using beekeeping as a qualifying activity, as "ag exempt" land is typically appraised at only 2% to 10% of its actual market value on average\*... which can make building an Ag Exemption history to obtain 1-d-1 status on your land a worthy investment in the future considering the market in Texas is white-hot and property taxes are skyrocketing.

Maybe you want to have bees on your property for pollination purposes, but you're intimidated by the thought of setting up or managing and opening colonies that can contain up to 60,000 stinging insects by yourself.

Maybe you would like occasional or regular expert advice on how to best protect your investment and increase the chances that the bees on your property will thrive and live a healthy life, since honey bee colonies naturally have on average a yearly 40%-50% chance of failure (up to 80% in their first year), and those rates go even higher for inexperienced beekeepers.

Maybe you are looking for beekeeping training so you can become a proficient beekeeper yourself.

Whatever your reasons, Les Crowder (a trained biologist and beekeeping expert) and Nathalie B. (a Texas A&M Master Beekeeper and professional beekeeper/educator) have over 60 years of combined professional expertise in beekeeping and education, and thanks to our BaaS<sup>TM</sup> (Bees-as-a-Service) options, we can help you with anything from a thorough Apprenticeship, intro classes, beehives, bees, consulting and professional management services, whether you own the hives or we do. Browse our selection of options below and let us know which one(s) might work best for your needs, and/or setup an Apiary Consultation to assess your land and address all your questions

<u>Disclaimers</u>: While hiring a professional beekeeper to do the beekeeping for you or hold your hand as you learn greatly improves your colony chances of success, no one can guarantee your colonies will survive or thrive under their care, and Bee Mindful declines all responsibility in individual colony losses. We do however guarantee that, thanks to our combined 60 years of experience, we will care for the colonies with which we are entrusted as best and mindfully as possible based on local conditions, while providing expert advice as needed. All beekeeping is local and some areas naturally have better forage than others, which directly impacts the health of honey bee colonies.

We do not feed pollen supplements or treat hives with pesticides like most other beekeepers do, all our bees are local and not imported, and we manage all colonies naturally, sustainably and mindfully.



<sup>\*</sup> Bee Mindful, LLC makes no guarantees or promises on actual tax valuation as all properties are different. Numbers cited are based on past experience with many Ag Exemption customers, but remain only indicative.

## **Available Services**

### SPECIAL BaaS™ SERVICES

BaaS<sup>™</sup> APIARY CONSULTATION

BaaS™ ONBOARDING

BaaS™ AD-HOC VISITS

BaaS™ REGULAR MAINTENANCE

BaaS™ PRIVATE TEACHING FEES

### BaaS™ HIVE LEASES & MANAGEMENT SERVICES FOR AG EXEMPTIONS

### **EQUIPMENT, BEES AND EDUCATION**

HIVES (hardware)
COLONIES OF BEES
BEEKEEPING GROUP CLASSES
BEEKEEPING EDUCATION RESOURCES

#### **RESCUES & REMOVALS**

SWARM CAPTURE & REHOMING SERVICE CALL WATER METER REMOVAL & REHOMING BEES IN A TREE REMOVAL BEES IN BUILDINGS

### **ADOPT-A-RESCUED-HIVE PROGRAM**

For more details, contact us at (512) 699-0605, <u>BeeMindfulHoneyFarms@gmail.com</u>; or go to <u>Bee-Mindful.com</u>





# "AG EXEMPTION" INFO

### Can I really get an "Ag Exemption" by putting honey bees on my land?

YES: in Texas, if you own more than 5 acres of rural or residential land, you may apply for a special "Open Space" land valuation for your property for raising honey bees on your property and potentially save thousands on your property taxes each year!

That's because having honey bee colonies managed on your land 5-20 acres may qualify it for a 1-d-1 Open Space special land valuation (commonly called "Ag Exemption") under specific conditions, as listed under the Texas Tax Code Chapter 23, Subchapter D, Sect. 23.51 (1) and (2), as well as your County appraisal District's specific Land Valuation Rules (each local appraisal district can set their own standards and requirements for the beekeeping valuation within the context of the Texas Tax Code).

The Texas Constitution permits special agricultural appraisal if the land meets specific requirements defining farm and ranch use. This can be achieved by "using the land to raise or keep bees for pollination or for the production of human food or other tangible products having a commercial value."

In effect, your land will be valued at a much lower price because it is being used for agricultural related activities and the production of honey, propolis or wax.

This special land valuation has the potential to save you thousands of dollars in property taxes every year. The minimum number of hives to qualify is six (6) for the first 5 acres for most cou, with additional hives per additional qualifying acre (up to 20), which varies per county.

By the way: if you currently have an "Ag Exemption" on your land or have a history of a qualifying ag activity (e.g. livestock), but do not want to continue to manage that livestock or would prefer an activity that has less impact on your land, then you may switch to having honey bee colonies managed on it instead and still keep your special land valuation history.

### How can I get this special land valuation and save money on my taxes?

The first thing you need to know is that, as the landowner, you do NOT have to own the bees and hives yourself since it's the land that qualifies and not you personally: you may instead choose to go turn-key or lease the bees from a beekeeper who may:

- set up your apiary (complete with hives and bees),
- do all the management work for you
- help you keep the accurate and complete records that you will need to qualify
- even help you file the application for you with your appraisal District

In practice, to simplify the process, many people prefer to use beehive rental and/or consulting services rather than purchase and manage their own, which can be quite costly, risky and daunting for non-beekeepers.



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Others may want to own their own bees but transition gently into beekeeping by trying their hand at beekeeping with a mentor before making the commitment to own their own beehives, because a single healthy hive in mid-summer can have upward of 50,000 happy residents, and that can be intimidating at first.

Finally, some ambitious souls may take the plunge and buy their own equipment and bees, get training in beekeeping, set up their own apiary and manage their own colonies and harvest.

Whatever your choice, we can help with consulting services, bees and equipment, and training/education classes.

### What's the catch?

If you do not currently have an "Ag Exemption" on your land, then you will need to set up and **document 5 out of the last 7 years of continuing agricultural/beekeeping use** before you can obtain your new land valuation and see the reduction in taxes. So the earlier you start, the faster you can start saving on your taxes each year. Also, once you qualify, you will need to ensure you continue the qualifying activity (here, beekeeping) at least 5 out of the 7 previous years, or you may switch to wildlife management activities and status, and discontinue beekeeping activities.

Whatever your choice, we can help you by providing hives, bees, equipment, consulting services; and help you apply for this special land valuation - per above, so contact us: <a href="mailto:BeeMindfulHoneyFarms@gmail.com">BeeMindfulHoneyFarms@gmail.com</a> or 512-699-0605

### **Mandatory Requirements**

- A minimum of 5 acres and a maximum of 20 acres may qualify
- Homestead acreage must be excluded (typically 1 acre, at the discretion of your appraiser)
- Established history of 5 out of the last 7 years of land use
- Intensity Levels example:
  - minimum 6 colonies for 5 acres + one colony per additional 1.5 acres in Hays County (varies per county, we can help with most counties listed on the last page of this packet)
- Those bees have to be Honey Bees to qualify as having commercial value (not native bees)
- Form 50-129, "application for 1-d-1 (Open-Space) agricultural Use appraisal" needs to be filed before the May 1st deadline in Year 1 and then again in Year 6. Some county want you to file it every year.

### **Exception:**

Land owned in part or completely by non-resident aliens or foreign govt

### E.G. Intensity Requirements for HAYS COUNTY (varies by county):

Hays County's minimum degree of intensity standard is set at 5 acres with 6 colonies. For each additional 1.5 acres one additional hive is required.

ACRES	HIVES	ACRES	HIVES	ACRES	HIVES
5	6	11	10	17	14
6.5	7	12.5	11	18.5	15
8	8	14	12	20	16
9.5	9	15.5	13		





# PROCESS BASICS

Beekeeping is an agricultural-use and shall qualify for agricultural-use productivity valuation if used for pollination or for the production of human food or other tangible products having a commercial value (Sec 23.51(2) Texas Property Tax Code [TPTC]). The intent of the law is for more people to raise bees.

There are 3 main ways to obtain 1-d-1 Open Space Special Land Valuation (an "AG Valution") on residential land 5-20 acres using beekeeping as a qualifying activity, each increasing in cost and decreasing in complexity for you:

- Option 1 SELF-MANAGED = you buy bees and hives and become your own beekeeper, potentially hiring a beekeeping consultant as needed (requires beekeeping education and your own gear)
- Option 2 MAINTENANCE = buy bees and hives and have a beekeeper install and maintain them at all times (so you don't have to touch the bees)
- Option 3 TURN-KEY = lease bees and hives from a beekeeper who will install and maintain them on your land

All 3 options work for the county, as it's the land that qualifies, not the land owner - and we can help with all 3 options, as follows:

- For Option 1 and those who want to become beekeepers, we offer a wonderful apprenticeship program
  at <u>Bee-Mindful.com/apprenticeships</u>, as well as some basic courses (in-depth training is highly
  recommended as the learning curve is very steep and bee colonies are very susceptible to losses
  without adequate training).
- For Option 1 and 2, you may purchase your own hives (we highly highly recommend double top-bar hives over commercial Langstroth because they are much cheaper, easier, lighter and better for the bees and they can hold 2 separate colonies in one partitioned box) you may buy those from us or build them yourself with our free plans at <a href="Bee-Mindful.com/plans">Bee-Mindful.com/plans</a>. We only sell/source bees to our Option 2 / Maintenance customers at this time (meaning, without a Maintenance Service Agreement signed, we do not sell bees).
- For Option 3, we do everything but actually file for you, and you don't have to order anything we replace lost colonies and/or queens



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Recommendations for all 1-d-1 Open Space Land Valuation applicants:

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File for the 1-d-1 Open Space Agricultural Valuation with your Central Appraisal District (Hays CAD) using Form 50-129 "Application for 1-d-1 (Open-Space) Agricultural Use Appraisal" between January 01st and April 30th of the current year (we provide assistance to our customers and/or application How-To)

- Make sure to join any and all available documentation, such as possibly:
  - o Your Beekeeping Service agreement (lease or maintenance), if you have one
  - A TAIS Apiary Registration for your property (apply with TAIS using https://txbeeinspection.tamu.edu/files/2019/12/TAIS-registration-app-12\_2019-1.pdf -editable online - they typically return it within 24-48hrs - email to the contact listed on the form or Hannah Blackburn @ hannah.blackburn@tamu.edu Tel. (979)845-9713)
  - Any Beekeeping activity related invoice(s) you may have (including for planting, clearing, apiary setup, classes & training, apprenticeships, apiary or ad-hoc consultations, purchases of bees/hives, etc.)
  - A planting map if you have one, listing existing flowering plants and planned plantings (optional until final application in Year 6) - we provide examples and assistance to our customers

### NOTES:

- Expect your application to get rejected if you do not yet have 5 years of history, but it will serve as a notice of intent to the Central Appraisal District, and will make it that much easier to get your final application in year 6 approved.
- In some counties, like Hays, you do not need to file each year, so you may mark your calendar for your next (and hopefully final) filing in Year 6 (based on what year you claim you started preparing for the bees).

