

By: Guillen

H.B. No. 3241

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the exemption of certain assets used for agricultural  
3 production from property taxes.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 11, Tax Code, is amended by adding  
6 section 11.162 to read as follows:

7 Sec. 11.162. FARM PRODUCTION INPUTS. (a) A producer is  
8 entitled to an exemption from taxation of any resources that the  
9 producer utilizes for the purpose of production.

10 (b) Farm production inputs in the hands of the producer are  
11 exempt.

12 (c) For purposes of this exemption, the following  
13 definitions apply:

14 (1) "Farm production inputs" include seeds, weaned  
15 animals, fertilizer, pesticides, feed, and any other resources that  
16 are necessary to produce crops, fruit, flowers, and other products  
17 of the soil, or farm products defined in section 11.16.

18 (2) "In the hands of the producer," means under the  
19 ownership of the person who is utilizing farm production inputs  
20 such as seeds, weaned animals, fertilizer, pesticides, feed, and  
21 any resources necessary to begin production, on January 1 of the tax  
22 year for the purpose of producing crops, fruits, flowers, and other  
23 products of the soil, or farm products defined by section 11.16.

24 SECTION 2. This Act takes effect September 1, 2023