

By: Guillen

H.B. No. 3241

A BILL TO BE ENTITLED

AN ACT

relating to the exemption of certain assets used for agricultural production from property taxes.

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

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

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

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

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

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

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

SECTION 2. This Act takes effect September 1, 2023