86R3331 SMT-D

By:  Button H.B. No. 2804

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of tangible personal property consisting of certain food products held by the owner of the property for sale at retail.

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

SECTION 1.  Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.37 to read as follows:

Sec. 11.37.  FOOD PRODUCTS HELD FOR SALE AT RETAIL. The owner of tangible personal property consisting of food products exempted from the sales and use tax under Section 151.314(a) is entitled to an exemption from ad valorem taxation of the appraised value of the property if the property is held by the owner for sale at retail.

SECTION 2.  This Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 3.  This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to exempt from ad valorem taxation tangible personal property consisting of food or food products held by the owner of the property for sale at retail is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.