

## **BILL ANALYSIS**

H.B. 3241  
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Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, assets used for agricultural production cannot be claimed under tax exemptions from property taxes. The lack of a tax exemption from assets that aid agricultural production is a disservice to the agrarian families in Texas. H.B. 3241 seeks to acknowledge the importance of agrarian families by providing tax relief to families in the farming production industry. The bill grants an exemption from taxation on resources used by a producer for production, including farm production inputs such as seeds, weaned animals, fertilizer, pesticides, feed, and other resources that are necessary to produce crops, fruit, flowers, and other products of the soil, or livestock, poultry, and timber in the hands of the producer that are currently exempt.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 3241 amends the Tax Code to entitle an agricultural producer to an exemption from property taxes on any resources that the producer utilizes for the purpose of production, including farm production inputs in the hands of the producer. The bill defines the following terms for purposes of this exemption:

- "farm production inputs" includes 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 exempted farm products; and
- "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 exempted farm products.

### **EFFECTIVE DATE**

September 1, 2023.