

By: Bailes

H.B. No. 3409

A BILL TO BE ENTITLED

AN ACT

relating to the treatment for ad valorem tax purposes of exotic animals raised or kept for agricultural use.

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

SECTION 1. Section 11.16(c), Tax Code, is amended to read as follows:

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

(1) "Exotic animal" has the meaning assigned by Section 23.51.

(2) "Farm products" include livestock, poultry, exotic animals, and timber.

(3) ~~(2)~~ "In the hands of the producer," for livestock, poultry, ~~and~~ eggs, and exotic animals, means under the ownership of the person who is financially providing for the physical requirements of such livestock, poultry, ~~and~~ eggs, and exotic animals on January 1 of the tax year and, for timber, means standing timber or timber that has been harvested and, on January 1 of the tax year, is located on the real property on which it was produced and is under the ownership of the person who owned the timber when it was standing.

SECTION 2. Section 23.51(2), Tax Code, is amended to read as follows:

(2) "Agricultural use" includes but is not limited to

1 the following activities: cultivating the soil, producing crops for
2 human food, animal feed, or planting seed or for the production of
3 fibers; floriculture, viticulture, and horticulture; raising or
4 keeping livestock; raising or keeping exotic animals [~~for the~~
5 ~~production of human food or of fiber, leather, pelts, or other~~
6 ~~tangible products having a commercial value~~]; planting cover crops
7 or leaving land idle for the purpose of participating in a
8 governmental program, provided the land is not used for residential
9 purposes or a purpose inconsistent with agricultural use; and
10 planting cover crops or leaving land idle in conjunction with
11 normal crop or livestock rotation procedure. The term also
12 includes the use of land to produce or harvest logs and posts for
13 the use in constructing or repairing fences, pens, barns, or other
14 agricultural improvements on adjacent qualified open-space land
15 having the same owner and devoted to a different agricultural use.
16 The term also includes the use of land for wildlife management. The
17 term also includes the use of land to raise or keep bees for
18 pollination or for the production of human food or other tangible
19 products having a commercial value, provided that the land used is
20 not less than 5 or more than 20 acres.

21 SECTION 3. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2023.