

By: Guillen

H.B. No. 255

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the definitions of certain terms for purposes of the
3 exemption from ad valorem taxation of farm products in the hands of
4 the producer.

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

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

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

10 (1) "Farm products" has the meaning assigned by
11 Section 9.102, Business & Commerce Code, except that the term
12 includes [~~include livestock,~~] poultry~~[,]~~ and timber, including
13 standing timber.

14 (2) "In the hands of the producer~~[,]~~" means:

15 (A) for farm products other than timber,
16 [~~livestock, poultry, and eggs, means~~] under the ownership of the
17 person who is using or financially providing for the physical
18 requirements of such farm products [~~livestock, poultry, and eggs~~]
19 on January 1 of the tax year; and

20 (B) ~~[,]~~ for timber, [~~means~~] standing timber or
21 timber that has been harvested and, on January 1 of the tax year, is
22 located on the real property on which it was produced and is under
23 the ownership of the person who owned the timber when it was
24 standing.

1 SECTION 2. This Act applies only to a tax year beginning on
2 or after January 1, 2026.

3 SECTION 3. This Act takes effect January 1, 2026, but only
4 if the constitutional amendment proposed by the 89th Legislature,
5 Regular Session, 2025, authorizing the legislature to define
6 certain terms for purposes of the exemption from ad valorem
7 taxation of farm products in the hands of the producer is approved
8 by the voters. If that amendment is not approved by the voters,
9 this Act has no effect.