

By: Harris Davila

H.B. No. 4759

A BILL TO BE ENTITLED

AN ACT

relating to the treatment for ad valorem tax purposes of land and equipment used for hydroponic farming.

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

SECTION 1. Section 11.161, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) For purposes of Subsection (a), farm or ranch products may be produced by hydroponic farming.

SECTION 2. Section 23.42(d)(1), Tax Code, is amended to read as follows:

(1) "Agriculture" means the use of land to produce plant or animal products, including fish or poultry products, under natural conditions, including hydroponic farming, but does not include the processing of plant or animal products after harvesting or the production of timber or forest products.

SECTION 3. Section 23.51(2), Tax Code, is amended to read as follows:

(2) "Agricultural use" includes but is not limited to the following activities: cultivating the soil, producing crops for human food, animal feed, or planting seed or for the production of fibers; floriculture, viticulture, and horticulture; raising or keeping livestock; raising or keeping exotic animals for the production of human food or of fiber, leather, pelts, or other tangible products having a commercial value; planting cover crops

1 or leaving land idle for the purpose of participating in a  
2 governmental program, provided the land is not used for residential  
3 purposes or a purpose inconsistent with agricultural use; and  
4 planting cover crops or leaving land idle in conjunction with  
5 normal crop or livestock rotation procedure. The term also  
6 includes the use of land to produce or harvest logs and posts for  
7 the use in constructing or repairing fences, pens, barns, or other  
8 agricultural improvements on adjacent qualified open-space land  
9 having the same owner and devoted to a different agricultural use.  
10 The term also includes the use of land for wildlife management. The  
11 term also includes the use of land to raise or keep bees for  
12 pollination or for the production of human food or other tangible  
13 products having a commercial value, provided that the land used is  
14 not less than 5 or more than 20 acres. The term also includes the  
15 use of land for hydroponic farming.

16 SECTION 4. This Act applies only to ad valorem taxes imposed  
17 for an ad valorem tax year that begins on or after the effective  
18 date of this Act.

19 SECTION 5. This Act takes effect January 1, 2026.