

SUBJECT: Authorizing the Legislature to define terms related to farm products

COMMITTEE: Ways & Means — committee substitute recommended

VOTE: 11 ayes — Meyer, Thierry, Button, Craddick, Gervin-Hawkins, Hefner, Muñoz, Noble, Raymond, Shine, Turner

0 nays

WITNESSES: For — (*Registered, but did not testify*: John Bender, Texas Corn Producers Association; Blake Roach, Texas Farm Bureau; Joe Morris, Texas Forestry Association; Ryan Skrobarczyk, Texas Nursery & Landscape Association)

Against — None

On — (*Registered, but did not testify*: Rick Parker, Comptroller of Public Accounts)

BACKGROUND: Some have suggested that certain assets used by farmers to begin farm production, such as weaned animals, seeds, fertilizer, and pesticides, should be exempt from taxation like other farm products, livestock, poultry, and implements of animal husbandry to incentivize these essential contributions to the state economy.

DIGEST: HJR 141 would amend the Texas Constitution to revise the provision exempting from all taxation farm products, livestock, and poultry in the hands of the producer. The amendment would authorize the Legislature to define "farm products" and "in the hands of the producer" and allow the Legislature to include livestock, poultry, timber, and supplies used or produced in a farming operation in the definition of "farm products."

The ballot proposal would be presented to voters at an election on November 7, 2023 and would read: "The constitutional amendment authorizing the Legislature to define certain terms for purposes of the exemption from ad valorem taxation of farm products in the hands of the

producer."

NOTES: According to the Legislative Budget Board, the constitutional amendment would have no cost to the state other than the cost of publication, which would be \$204,406.