



Support HB 1900

Fair Property Taxes for Small Farmers

Although Texas law provides for “agricultural valuation” of land used primarily for raising food, many farmers across the state have experienced problems in qualifying for such valuation due to bias against sustainable farming methods, urban farms, and produce farmers. **HB 1900, sponsored by Senator Zaffirini, provides for fair, consistent application of agricultural valuation.**

HB 1900 was passed by the House on May 2, by a vote of 135 – 4.

The Tax Code provides that land shall be appraised as qualified agricultural land if it is “devoted principally to agricultural use to the degree of intensity generally accepted in the area.” Unfortunately, many county appraisal districts have applied the provision so as to exclude legitimate farms.

HB 1900 clarifies the Tax Code by:

1. Specifying that fruit and vegetable production qualify as “agricultural uses.” There have been multiple cases of county tax assessors asserting that growing vegetables isn’t agriculture, or applying guidelines developed for row crops instead of vegetable production so as to exclude them.
2. Directing tax appraisers to consider the type of production used, including organic and sustainable methods such as rotational grazing, in determining the degree of intensity of use necessary to qualify.
3. Directing the Comptroller, in consultation with Texas A&M Agrilife Extension, tax appraisal districts, and representatives of affected farmers, to develop guidelines to address under what conditions small acreages and diversified farms qualify for agricultural valuation.

An amendment on the House floor added specific factors to be considered for small acreages, including the financial investment of the producer in agricultural use of the land, the degree of active management for agricultural use, and the percentage of the land being used for agricultural uses. These factors will help limit who is eligible and protect against abuses.

The landowner will still have show that the land is devoted principally to agricultural use, and has been for at least five of the preceding seven years. The landowner will also remain subject to five years of rollback taxes if the property ceases to be used for agricultural purposes.

This proposal does **not** seek to increase the number of landowners who are entitled to open-space valuation; rather, it merely ensures that people who should already qualify for agricultural valuation under the Texas Constitution are not inappropriately excluded by local authorities.

HB 1900 is supported by the Farm and Ranch Freedom Alliance, Texas Certified Farmers Market Association, Texas Organic Farmers and Gardeners Association, Sustainable Food Center, Food Policy Council of San Antonio, Slow Food Austin, Farm and Food Coalition (East Texas Community Food Coalition), Farm-to-Consumer Legal Defense Fund, Weston A. Price Foundation, Homegrown Revival, and the Houston Food Policy Workgroup.

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