



Texas Local Food
and Farm Coalition



Support HB 97

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 illogical and inconsistent county practices.

HB 97, the Fair Taxes for Small Farmers bill, by Representatives Rodriguez and Murphy, provides for fair, consistent application of agricultural valuation. HB 97 was approved by the House by a vote of 140-2.

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 97 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 the Comptroller to convene stakeholder groups to develop guidelines to address under what conditions small acreages, different types of production methods, and diversified farms qualify for agricultural valuation. The bill includes specific factors to be considered for small acreages, including, but not limited to:
 - a. the financial investment of the producer in agricultural use of the land,
 - b. the degree of active management for agricultural use, and
 - c. the percentage of the land being used for agricultural uses.

These factors, and any additional factors identified by the Comptroller’s working groups, will help limit who is eligible and protect against abuses.

The landowner will still have to 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 97 is supported by the Texas Local Food and Farm Coalition, Texas Organic Farmers & Gardeners Association, Farm & Ranch Freedom Alliance, the Sustainable Food Center, Food Policy Council of San Antonio, GROW North Texas, Grow Local South Texas, and Waller County Farmers & Ranchers Cooperative.

For more information, contact Judith McGeary, Farm and Ranch Freedom Alliance, Judith@FarmAndRanchFreedom.org, 512-484-8821.

House Floor Amendment

On the floor, Representative Springer added an amendment to HB 97 that does the following:

- 1) Adds the Chair of the House Agriculture & Livestock Committee to the stakeholder group.
 - a) FARFA supports this provision.
- 2) Adds HB 639/ SB 135 to the bill, providing that “Eco-lab” properties qualify for open-space valuation when used for such purposes for five of the last seven years, making the timing requirements consistent with other open-space valuations.
 - a) FARFA is neutral on this provision.
- 3) Limits parcels that are 20 acres or less that have qualified for open-space valuation based on being used for bees or food production from later qualifying for wildlife valuation. Note that HB 97 as filed already prohibited parcels that qualified under the “small acreage” guidelines from being converted to wildlife.
 - a) FARFA recommends amending this new provision to do an interim study on the issue of wildlife valuation on small acreages.