

BILL ANALYSIS

Senate Research Center
84R3251 CJC-D

S.J.R. 50
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Finance
4/16/2015
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under Section 11.161 (Implements of Husbandry) of the Tax Code, machinery and equipment items that are used in the production of farm or ranch products or of timber are considered to be implements of husbandry and are exempted from ad valorem taxation.

Concerned stakeholders have noted that unfortunately structures that are primarily used for the storage of such machinery, such as barns, are not included under the implements of husbandry exemption under the Tax Code.

S.B. 1379, and its corresponding S.J.R. 50, provides that upon the ratification of the constitutional amendment, a structure that is primarily used to store implements of husbandry is exempt from ad valorem taxation.

S.J.R. 50 proposes a constitutional amendment authorizing the legislature to exempt from ad valorem taxation structures used to store certain implements of husbandry.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article VIII, Texas Constitution, by adding Section 19b, as follows:

Sec. 19b. Authorizes the legislature by general law to exempt from ad valorem taxation a structure used to store implements of husbandry that are used in the production of farm or ranch products. Authorizes the legislature by general law to provide additional eligibility requirements for the exemption.

SECTION 2. Requires the proposed constitutional amendment to be submitted to the voters at an election to be held November 3, 2015. Sets forth the required language of the ballot.