



OFFICE OF THE ATTORNEY GENERAL OF TEXAS
AUSTIN

GERALD C. MANN
ATTORNEY GENERAL

Honorable T. M. Trimble
First Assistant State Superintendent
Austin, Texas

Dear Mr. Trimble:

Opinion No. 9-5091
Re: Legality of assessing
taxes on rice stored
in warehouses in Alvin
Independent School Dis-
trict, Alvin, Texas.

With your letter of February 20, you enclose a letter from Mr. E. L. Long, Secretary of the Alvin Independent School District, addressed to State Superintendent L. A. Woods, and both letters are copied below as a basis of the facts upon which our opinion is predicated:

"I am attaching hereto a letter from Mr. E. L. Long, Secretary of the Alvin School Board, in which he requests me to secure an opinion from you on the problem presented therein.

"Your prompt consideration and opinion on this problem will be greatly appreciated."

"This section, has developed into the largest Rice Growing districts in the State. So far it has escaped taxation. It would be a very great help to this District, as well as others, if we can legally assess these growers. So that you may be able to understand the situation, I will explain as best I can.

"This crop is grown strictly for the market, not for home consumption, When harvested

and thrashed, it is put in a warehouse, either at Danbery, Liverpool, Alvin, or Pearland, and held until the Buyers make their rounds. Nearly all of the 1942 crop is being held in the Warehouse for better prices.

"We need this money for our School Budget, and I am quite sure there was more than \$700,000.00 worth of rice in the Alvin warehouse alone. May I ask that you get a ruling from the Attorney General, and if it is assessable, the Board can so instruct the Assessor. Thanking you, and with very best wishes, beg to Remain"

You ask for advice as to whether or not the Alvin Independent School District may legally assess for school purposes an ad valorem tax on rice stored in warehouses located therein. Section 19 of the State Constitution adopted in 1879 reads as follows:

"Farm products in the hands of the producer, and family supplies for home and farm use, are exempt from all taxation until otherwise directed by a two-thirds vote of all the members elect to both Houses of the Legislature. (Sec. 19, Art. 8, adopted election first Tuesday in September, 1879; proclamation October 14, 1879.)"

The Legislature has never by two-thirds vote of all members of both houses, imposed a tax on farm products in the hands of the producer. This provision of the Constitution is still in full force and effect.

You are, therefore, respectfully advised that rice, owned by the producers thereof, stored in warehouses in the Alvin Independent School District is still "in the hands of the producer," within the meaning of the above quoted section of the Constitution, and not subject to taxation.

This constitutional exemption from taxation would not apply to rice that has passed out of the hands of the producer by sale or otherwise, for it is exempt only in the hands of the producer.

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We trust this answers your question.

Yours very truly

March 17, 1943

ATTORNEY GENERAL OF TEXAS

Grover Cullen
FIRST ASSISTANT
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BY

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