

By: Chisum

H.J.R. No. 92

A JOINT RESOLUTION

1 proposing a constitutional amendment to exempt from ad valorem
2 taxation 25 percent of the assessed value of real and tangible
3 personal property used for the production, storage, distribution,
4 or wholesale or retail sale of carbon-free hydrogen.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article VIII, Texas Constitution, is amended by
7 adding Section 1-p to read as follows:

8 Sec. 1-p. (a) Twenty-five percent (25%) of the assessed
9 value of real and tangible personal property used for the
10 production, storage, distribution, or wholesale or retail sale of
11 carbon-free hydrogen is exempt from ad valorem taxation.

12 (b) For purposes of this section, hydrogen is considered to
13 be carbon-free if:

14 (1) any carbon resulting from the production of the
15 hydrogen is captured during production and:

16 (A) permanently geologically sequestered; or

17 (B) used in the production of other carbon-based
18 products at a rate that exceeds 90 percent of the input; and

19 (2) any carbon resulting from the generation of any
20 electricity used in the production of the hydrogen is captured and:

21 (A) permanently geologically sequestered; or

22 (B) used in the production of other carbon-based
23 products at a rate that exceeds 90 percent of the input.

24 (c) For purposes of Subsection (b), the generation of wind

1 power, solar power, hydroelectricity, geothermal electricity,
2 tidal electricity, or nuclear power is considered to result in no
3 carbon.

4 (d) This section does not exempt from ad valorem taxation
5 real or tangible personal property that is or was subject to a tax
6 abatement agreement executed before January 1, 2008.

7 (e) The legislature by general law may prescribe
8 procedures, including application requirements, for the
9 administration of exemptions under this section.

10 SECTION 2. The following temporary provision is added to
11 the Texas Constitution:

12 TEMPORARY PROVISION. (a) This temporary provision applies
13 to the constitutional amendment proposed by the 80th Legislature,
14 Regular Session, 2007, to exempt from ad valorem taxation 25
15 percent of the assessed value of real and tangible personal
16 property used for the production, storage, distribution, or
17 wholesale or retail sale of carbon-free hydrogen.

18 (b) Section 1-p, Article VIII, of this constitution takes
19 effect beginning with the tax year that begins January 1, 2008.

20 (c) This temporary provision expires January 1, 2009.

21 SECTION 3. This proposed constitutional amendment shall be
22 submitted to the voters at an election to be held November 6, 2007.
23 The ballot shall be printed to permit voting for or against the
24 proposition: "The constitutional amendment to stimulate economic
25 development and reduce greenhouse gases by exempting from ad
26 valorem taxation 25 percent of the assessed value of real and
27 personal property used for the production, storage, distribution,

1 or wholesale or retail sale of carbon-free hydrogen."