

By: Chisum

H.J.R. No. 93

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the issuance of  
2 general obligation bonds to provide and guarantee loans to  
3 encourage the use of carbon-free hydrogen energy.

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

5 SECTION 1. Article III, Texas Constitution, is amended by  
6 adding Section 49-p to read as follows:

7 Sec. 49-p. (a) To provide and guarantee loans to encourage  
8 the use of carbon-free hydrogen energy in this state, the  
9 legislature by general law may authorize the Texas Public Finance  
10 Authority or its successor to issue general obligation bonds of the  
11 State of Texas in an amount not to exceed \$250 million and to enter  
12 into related bond enhancement agreements. The proceeds from the  
13 sale of the bonds may be used only to make and guarantee loans to  
14 business entities for projects that:

15 (1) expand the use of carbon-free hydrogen energy in  
16 this state; or

17 (2) relate to the manufacture, storage, distribution,  
18 or sale of carbon-free hydrogen energy in this state.

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

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

23 (A) permanently geologically sequestered; or

24 (B) used in the production of other carbon-based

1 products at a rate that exceeds 90 percent of the input; and

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

4 (A) permanently geologically sequestered; or

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

7 (c) The bonds authorized under this section constitute a  
8 general obligation of the state. While any of the bonds or interest  
9 on the bonds is outstanding and unpaid, there is appropriated out of  
10 the first money coming into the treasury in each fiscal year not  
11 otherwise appropriated by this constitution an amount sufficient to  
12 pay the principal of and interest on the bonds that mature or become  
13 due during the fiscal year, including an amount sufficient to make  
14 payments under a related bond enhancement agreement.

15 SECTION 2. This proposed constitutional amendment shall be  
16 submitted to the voters at an election to be held November 6, 2007.  
17 The ballot shall be printed to permit voting for or against the  
18 proposition: "The constitutional amendment authorizing the  
19 issuance of state general obligation bonds to stimulate economic  
20 development and reduce greenhouse gases by providing and  
21 guaranteeing loans to encourage the use of carbon-free hydrogen  
22 energy."