

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."