

By: Averitt

S.J.R. No. 39

1 SENATE JOINT RESOLUTION

2 proposing a constitutional amendment authorizing the issuance of
3 general obligation bonds to provide and guarantee loans to
4 encourage advanced clean energy projects.

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

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

8 Sec. 49-q. (a) For purposes of this section:

9 (1) "Advanced clean energy project" means a project
10 for which an application for a permit to emit air contaminants is
11 received by the Texas Commission on Environmental Quality or its
12 successor after January 1, 2008, and before January 1, 2020, and
13 that:

14 (A) involves the use of coal, biomass, petroleum
15 coke, solid waste, or fuel cells using hydrogen derived from such
16 fuels, in the generation of electricity, or the creation of liquid
17 fuels outside of the existing fuel production infrastructure while
18 co-generating electricity;

19 (B) is capable of achieving on an annual basis a
20 99 percent reduction of sulfur dioxide emissions and a 95 percent
21 reductions of mercury emissions and an annual average emission rate
22 for nitrogen oxides of 0.05 pounds or less per million British
23 thermal units; and

24 (C) captures not less than 50 percent of any

1 carbon dioxide produced by the combustion of fuel and sequesters
2 that captured carbon dioxide by geologic storage or other means.

3 (2) "Geologic storage" means the underground storage
4 of carbon dioxide in a suitable geologic formation, including
5 storage that is accomplished in conjunction with an enhanced oil
6 recovery project.

7 (b) To provide and guarantee loans to encourage advanced
8 clean energy projects in this state, the legislature by general law
9 may authorize the Texas Public Finance Authority or its successor
10 to issue general obligation bonds of the State of Texas in an amount
11 not to exceed \$300 million and to enter into related credit
12 enhancement agreements. The proceeds from the sale of the bonds may
13 be used only to make and guarantee loans to business entities for
14 advanced clean energy projects in this state.

15 (c) The bonds authorized under this section constitute a
16 general obligation of the state. While any of the bonds or interest
17 on the bonds is outstanding and unpaid, there is appropriated out of
18 the first money coming into the treasury in each fiscal year not
19 otherwise appropriated by this constitution an amount sufficient to
20 pay the principal of and interest on the bonds that mature or become
21 due during the fiscal year, including an amount sufficient to make
22 payments under a related bond enhancement agreement.

23 SECTION 2. This proposed constitutional amendment shall be
24 submitted to the voters at an election to be held November 3, 2009.
25 The ballot shall be printed to permit voting for or against the
26 proposition: "The constitutional amendment authorizing the
27 issuance of general obligation bonds to provide and guarantee loans

1 to encourage advanced clean energy projects."