

BILL ANALYSIS

Senate Research Center
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S.J.R. 53
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Hydrogen is among the cleanest renewable energy sources. Texas currently has 13 hydrogen refineries, and is second only to California in production. However, the infrastructure needed to use hydrogen commercially is not currently in place. By creating incentives for manufacturers and consumers of carbon-free hydrogen, Texas may attract businesses interested in the production, storage, or retail of hydrogen.

S.J.R. 53 proposes a constitutional amendment, for the purpose of providing an incentive to use carbon-free hydrogen, to provide that general obligation bonds be issued, not to exceed \$250 million, and related bond enhancement agreements be made to provide loans to businesses that either expand the use of carbon-free hydrogen energy in this state, or that otherwise relates to the manufacture, storage, distribution, or sale of carbon-free hydrogen energy in this state.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-p, as follows:

Sec. 49-p. (a) Authorizes the legislature by general law to authorize the Texas Public Finance Authority or its successor to issue general obligation bonds of the State of Texas in an amount not to exceed \$250 million, and to enter into related bond enhancement agreements, to provide and guarantee loans to encourages the use of carbon-free hydrogen energy in this state. Authorizes the use of the proceeds from the sale of the bonds only to make and guarantee loans to business entities for projects that expand the use of carbon-free hydrogen energy in this state or that relates to the manufacturing, storage, distribution, or sale of carbon-free hydrogen in this state.

(b) Sets forth certain standards by which hydrogen is considered carbon-free.

(c) Provides that the bonds authorized under this section constitute a general obligation of the state. Provides that the first money coming into the treasury in each fiscal year not otherwise appropriated by this constitution is to be appropriated in an amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, including an amount sufficient to make payments under a related bond enhancement agreement, if said bonds remain outstanding and unpaid.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2007. Sets forth the required language for the ballot.