

**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

41-3203

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3983 as passed by the Eighty-first Texas Legislature, Regular Session, because of the following objections:

I am vetoing House Bill No. 3983 because I have serious concerns about language in the bill that requires the comptroller to conduct a study of "circuit breaker" property tax programs used in other states.

"Circuit breaker" programs are designed to provide property tax relief to certain individuals based upon their income. The cost of this type of program is usually borne by the state, while the local governments still receive their full share of the property tax. In some states, renters are also eligible for rebates despite the fact that they do not directly pay the property tax.

These programs have several negative effects. One negative effect is that it breaks the link between what taxpayers pay and what they receive in local services. Under a "circuit breaker," some taxpayers will effectively pay no tax but receive the same services and amenities as other taxpayers who do not benefit from the program.

Such a program would also have a significant cost to the state, since the purpose of the program is to allow local governments to enjoy the political benefits of a tax break without having to carry the cost. This allows them to avoid tough decisions about the level of taxation that the community can bear and what services the voters want them to provide.

Finally, if such a program were to be adopted in Texas, it would make the distribution of the property tax burden less equitable by shifting it to middle-class property owners. This would make the property tax function more like a progressive income tax, in that the tax burden would slowly be pushed upwards until only the owners of the most valuable property paid any actual tax.

Texas property owners could use additional tax relief, and I have worked hard to ensure that they receive relief; however, any solution must be one that makes all property owners better off. This study would undermine all the efforts made to ensure that the property tax has a low rate, is broad-based and is equitable for all Texans.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I  
have signed my name officially  
and caused the Seal of the State to

SECRETARY OF STATE  
2 PM O'CLOCK

JUN 19 2009



be affixed hereto at Austin, this  
19th day of June, 2009.

*Rick Perry*  
RICK PERRY  
Governor of Texas

ATTESTED BY:

*Coby Shorter III*  
COBY SHORTER, III  
Deputy Secretary of State

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
7 PM O'CLOCK  
JUN 19 2009