

What Difference Does the 2/3 Vote Requirement Make in the Passage Rate of Local Tax and Bond Measures?

Article XIIC of the California State Constitution stipulates that all local taxes are either special taxes or general taxes. The Constitution requires that special taxes, those that are legally bound to be used for a specific designated purpose, achieve a voter approval margin of 2/3. General taxes, which may be used for any general purpose, require majority voter approval. All taxes proposed by special purpose agencies (special districts and schools) are by definition special taxes. All parcel taxes (non-ad-valorem taxes on parcels of property) require 2/3 voter approval. General Obligation bond measures, which may increase the ad-valorem property tax rate, require 2/3 vote. However, school bonds which meet certain conditions require only 55% voter approval.

Approval Requirements for Local Taxes

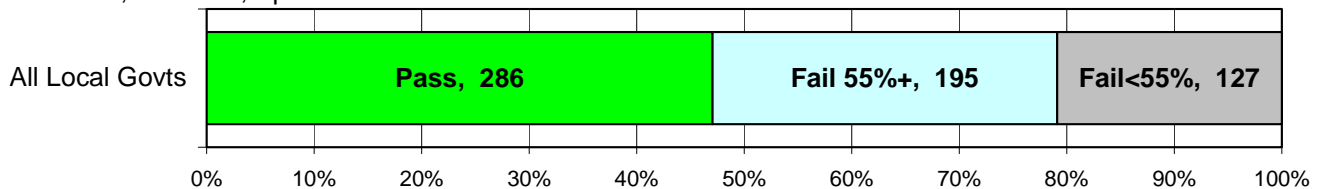
	City	County	Special District	School District	Approval Required
General Tax	✓	✓	-	-	majority
Special Tax	✓	✓	✓	-	2/3 supermajority
Parcel Tax	✓	✓	✓	✓	2/3 supermajority
G.O. Bond	✓	✓	✓	✓	2/3 supermajority
55% Vote Bond	-	-	-	✓	55%

✓ = May propose.

The types of taxes that may be proposed are further limited in law.

More than half of the more than 600 local special tax and bond measures proposed since 2002 and requiring 2/3 voter approval, failed. But more than half of those failures (3 out of 5) garnered more than 55% "yes" votes.

Local Special Tax & G.O. Bond Measures June2002-Nov2008 Cities, Counties, Special Districts and K-14 Schools*

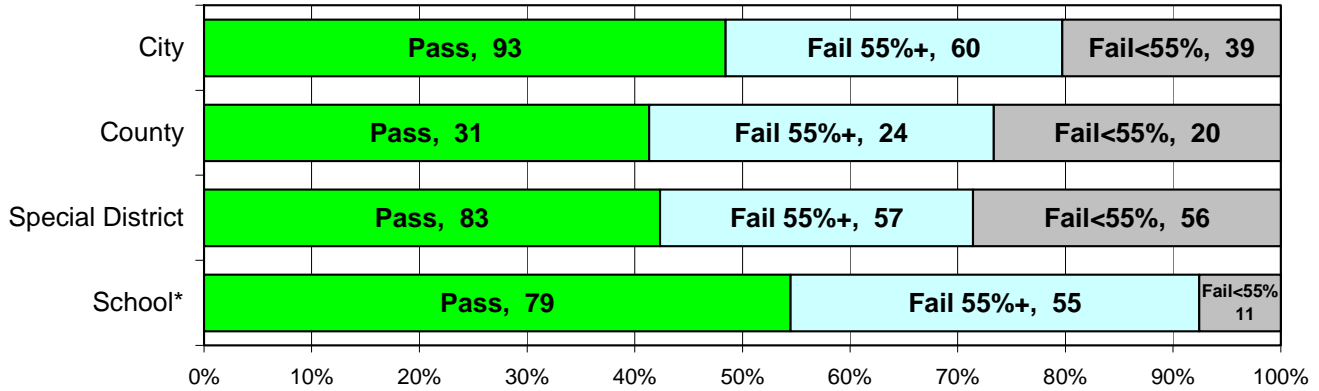


"Fail 55%+" = measure received over 55% yes votes but did not achieve the 2/3 approval needed to pass.
 "Fail<55%" = measure received less than 55% yes votes.

TYPE of LOCAL GOVERNMENT

Included among these measures were 145 city special taxes and bonds, 196 county measures and 72 special district measures, and 195 school parcel tax or 2/3 vote bond measures. Among the 66 failing school measures, 55 would presumably have passed with a 55% approval requirement rather than the 2/3.

Local Special Tax and G.O. Bond Measures June2002-Nov2008
 Cities, Counties, Special Districts and K-14 Schools



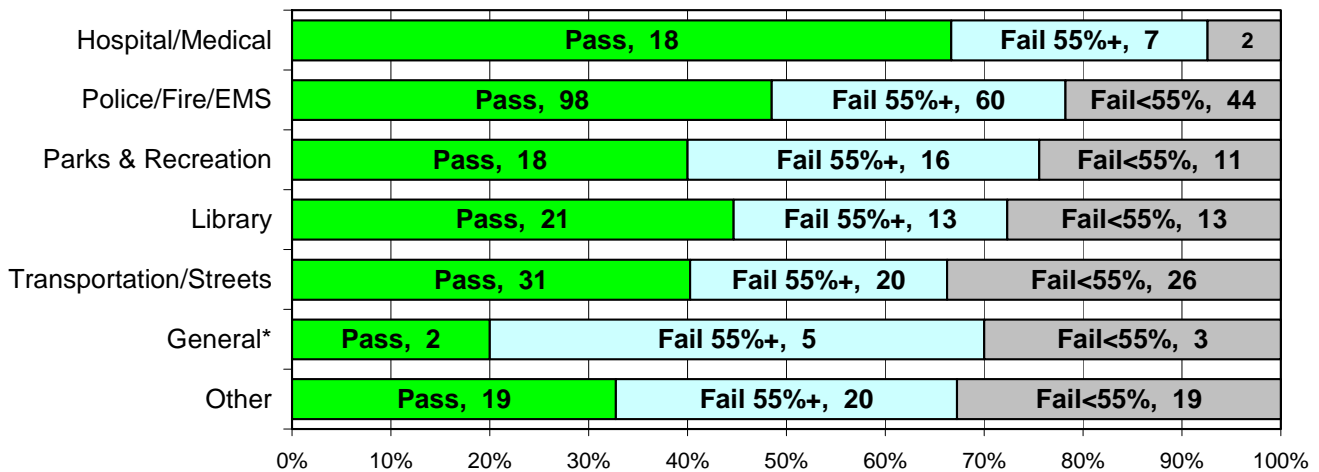
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PURPOSE

Among the 466 non-school special tax and bond measures, 202 were designated for police, fire or emergency medical services. These public safety measures tend to fare well at the ballot box. The only higher passage rate is among measures for hospital services. Yet, just over half of these police/fire/EMS measures failed. Among the 104 proposals that failed to garner the 2/3 approval needed, 60 received over 55% "yes" votes.

Thirty-one of 77 measures devoted to transportation, streets or roads purposes passed, but another 20 failed while receiving over 55% "yes" votes.

Local Special Tax & G.O. Bond Measures June2002-Nov2008
 Cities, Counties, and Special Districts



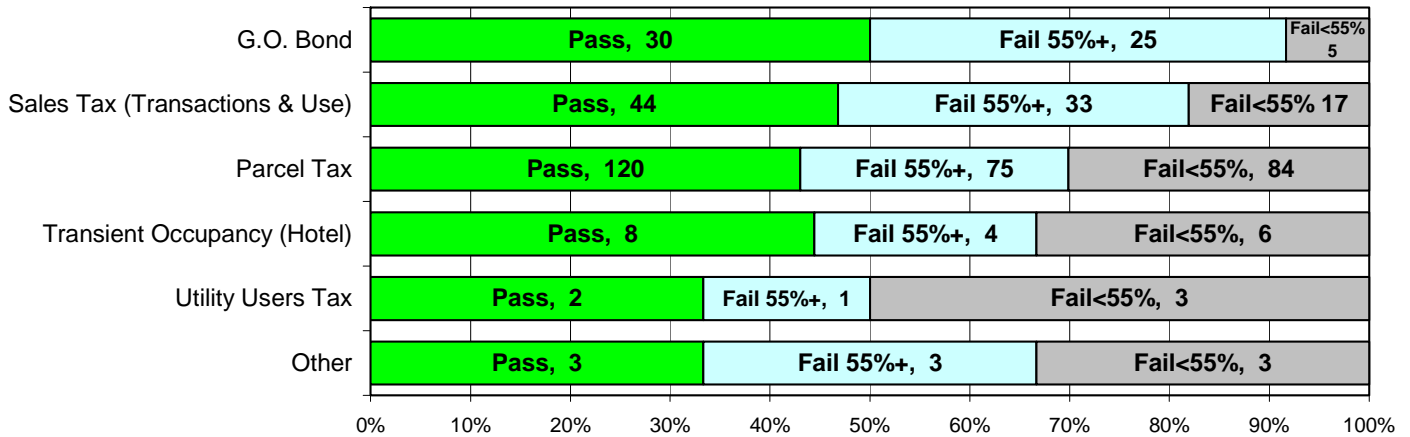
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*Parcel taxes or general obligation bonds require 2/3 vote regardless of purpose. These measures were general purpose parcel taxes or multi-purpose G.O. bonds.

TYPE of TAX or BOND

Among the 466 non-school measures, 279 (or 6 of 10) were parcel taxes. Less than half (120) of these passed, but nearly 70% garnered over 55% “yes” votes. G.O. Bond

**Local Special Tax & G.O. Bond Measures June2002-Nov2008
Cities, Counties, and Special Districts**



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 "Fail<55%" = measure received less than 55% yes votes.
 "Other" includes parking taxes, business license taxes, property transfer taxes and other special taxes.



For More Information:

- Local tax measures and election results: <http://www.californiacityfinance.com/#VOTES>
- Coleman, Michael, The California Municipal Revenue Sources Handbook, 2008 Edition. Sacramento: League of California Cities, 2008.