

Local Super-Majority Voting Rules and Results

Article XIII of the California State Constitution requires majority voter approval for locally imposed general taxes and a two-thirds supermajority requirement for special taxes. A special tax is a tax earmarked for a specific purpose (*City and County of San Francisco v. Farrell 1982*). Parcel taxes, non-value-based taxes on real property, require two-thirds supermajority voter approval.

With the exception of certain school bonds, two-thirds approval of voters is also required for general obligation bonds. The proceeds of these bonds must be used for the acquisition or improvement of real property. Voter approved rates levied for the debt service of these bonds may be in addition to the limit on ad valorem property taxes of one percent of full cash value of a property.

Proposition 39 (2000) reduced the voter approval requirement for certain school bonds to 55 percent. School districts, community college districts, or county offices of education may issue bonds "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities" upon approval by 55% of voters of a measure which:

1. lists the specific school facilities projects to be funded, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the list;
2. requires that the governing board conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed; and
3. requires that the governing board conduct an annual independent financial audit of the bond proceeds until all of the proceeds have been expended.

Section 15268 of the Education Code stipulates that a district may only issue bonds using the 55% voter approval procedure if, taking into account any increases in the tax base allowed under Proposition 13, the district projects that the tax rate needed to pay debt service on the bonds will not, exceed the applicable limit of \$60 per \$100,000 for unified school districts, \$30 per \$100,000 for elementary and high school districts.

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%

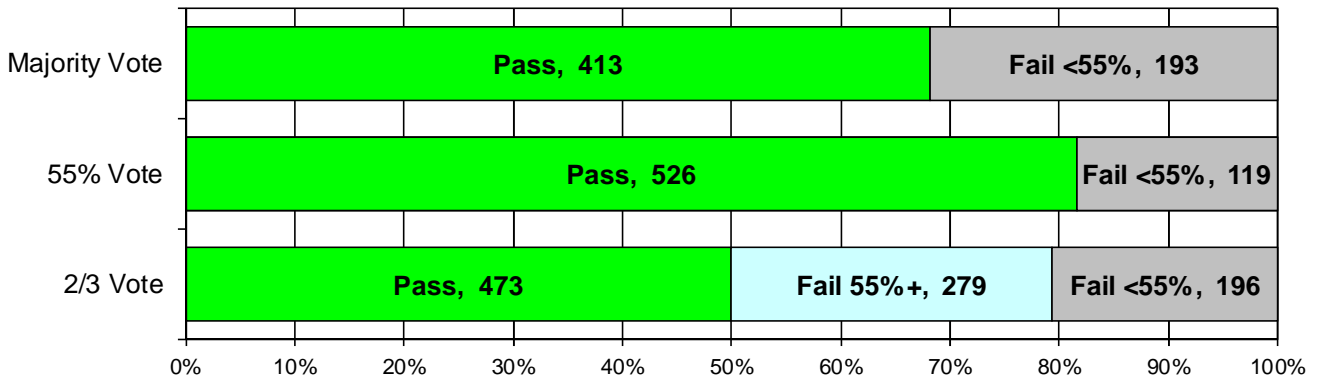
✓ = May propose.

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

Proposed Local Measures Since 2001 – and the 55% Threshold

Since 2001 and through the November 2012 election, over 2,200 local revenue measures have been placed before local voters concerning school, city, county or special district taxes or bonds. Despite their general purpose use, majority vote tax measures have been more likely to pass. Two out of three of these measures passed. But fifty-five percent school bonds have been the most successful with four out of five passing. In contrast, just half of two-thirds vote measures succeeded. It appears a 55% voter threshold for special taxes would have made a dramatic difference: nearly 80% of all two-thirds supermajority measures garnered more than 55% yes votes.

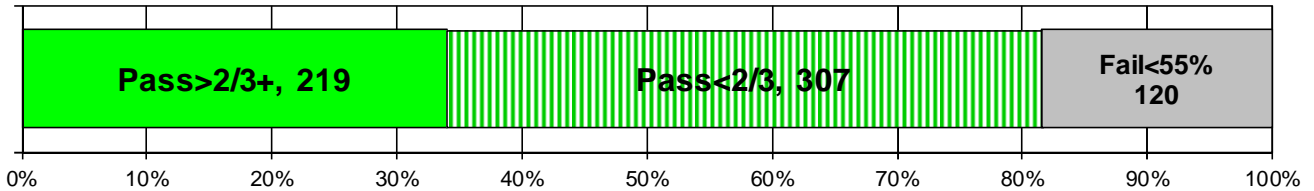
Local Revenue Measures Since 2001 through November 2012
Cities, Counties, Special Districts and K-14 Schools



"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. *-Michael Coleman CaliforniaCityFinance.com*

The 55% vote threshold appears to have made a dramatic difference in the success of school bonds. Fewer than half of the succeeding measures achieved the two-thirds approval level required of other bonds and special taxes.

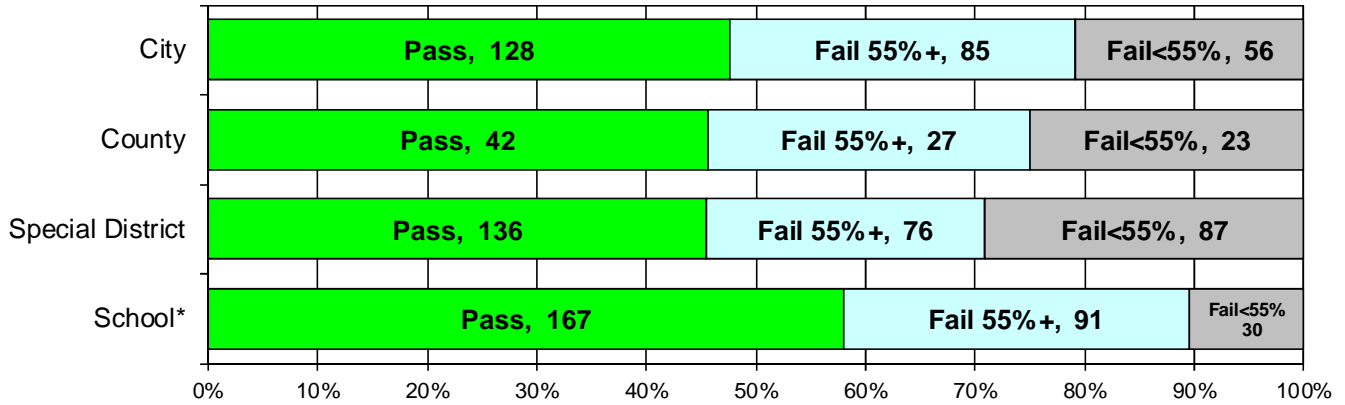
55% School Bond Measures* since 2001 through November 2012



*There were also 27 school bond measures that did not meet the Prop39 rules for 55% vote and required two-thirds approval.
"Pass>2/3+" = measure received over 2/3 yes votes.
"Pass<2/3" = measure received fewer than 2/3 yes votes but passed with more than 55%.
"Fail<55%" = measure received fewer than 55% yes votes.

Among these two-thirds vote special taxes and bonds, school measures tended to do better than others. Nearly 90% of two-thirds vote school measures received over 55% voter approval.

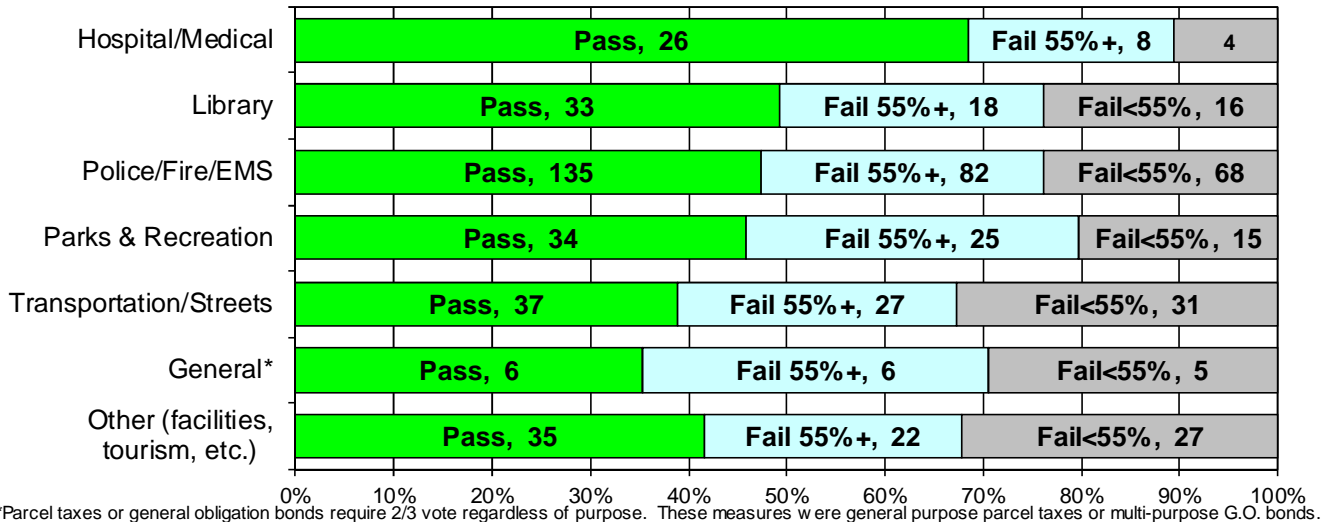
Local Special Tax and G.O. Bond Measures Since 2001 through November 2012
 Cities, Counties, Special Districts and K-14 Schools



*School measures included here include parcel taxes and 2/3 vote bonds. Excludes 55% vote bonds.
 "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.
 -Michael Coleman CaliforniaCityFinance.com

There appears to be some variation as to success rate among non-school special tax and bond measures depending on the purpose of the measure. Hospital/medical measures have been more successful than others.

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



*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.
 "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.
 -Michael Coleman CaliforniaCityFinance.com

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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.