

























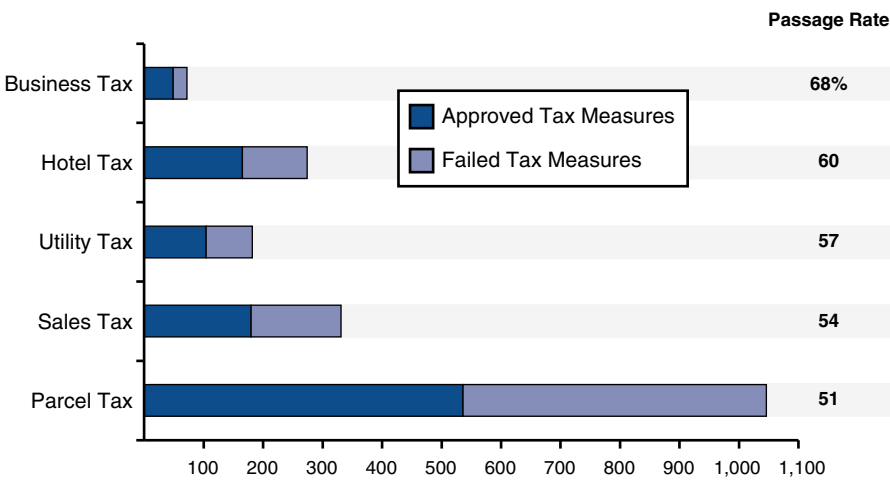




**Figure 9**

**Which Types of Local Taxes Have Higher Passage Rates?**

*Number of Proposed Local Taxes by Type, 1998 to 2012*



**Election Timing Affects Passage Rates**

*Tax and Bond Measures More Likely to Pass at Off-Cycle Elections.* As discussed previously, local governments have substantial autonomy in deciding when to present tax and bond measures to voters for approval. In examining city and county tax and bond elections during the period 2002-2011, we found placing a

cities and counties may impose these taxes). Over two-thirds of approved measures were parcel taxes and sales taxes (taxes that also may be imposed by special districts and/or schools).

**Taxes for Education Pass More Often Than Taxes for Other Purposes.** Education-related tax and bond measures passed significantly more often than measures dedicated for other purposes.

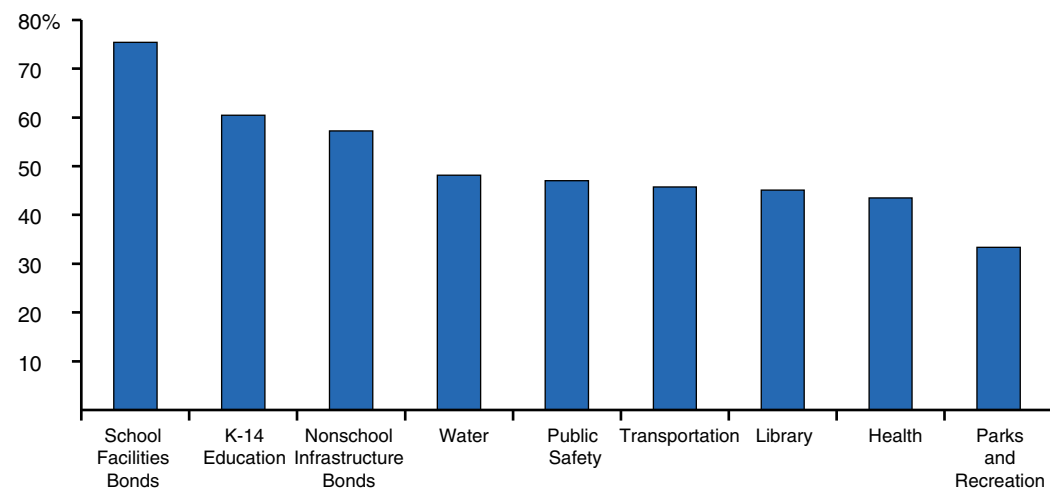
Figure 10 shows the passage rates of taxes dedicated to various purposes. Education-related measures also comprised a significant majority (75 percent) of approved measures.

measure on a statewide ballot significantly affected its passage rate. (This analysis is limited to cities and counties because voter registration data was not readily available for other local governments.) During this period, the passage rate of city and county tax and bond measures on a statewide ballot was 58 percent compared to 68 percent for measures not on a statewide ballot.

**Figure 10**

**Taxes for Education Passed More Often Than Taxes for Other Purposes**

*Passage Rate of Local Taxes by Purpose, 1998 to 2012*



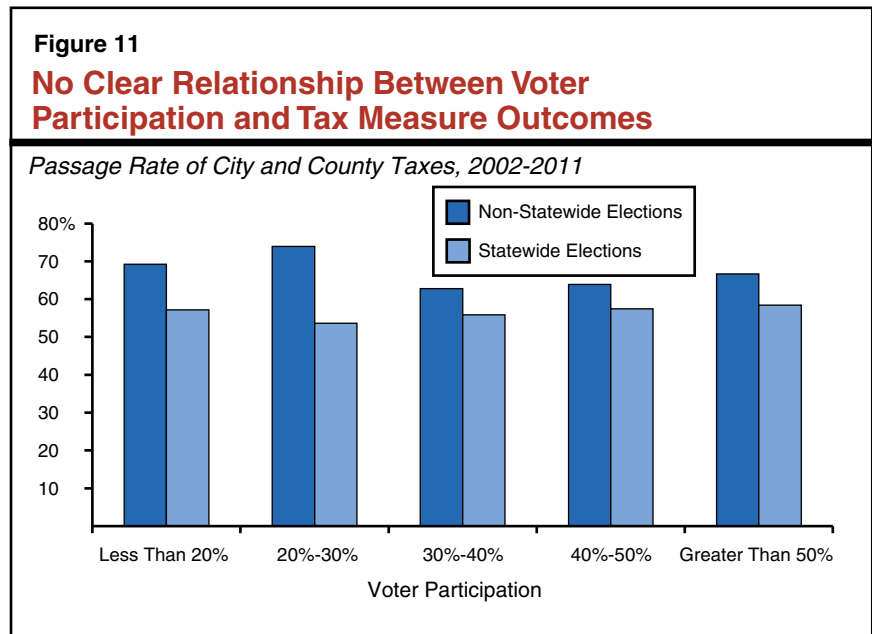
**Voter Participation Is Higher at Statewide Elections . . .** We also found that voter participation was higher for tax measures on a statewide ballot. On average, 55 percent of registered voters cast a vote on city and county tax and bond measures on a statewide ballot, compared to only 30 percent of registered voters for city and county measures not on a statewide ballot.

**. . . However, Voter Participation Does Not Appear to Explain Differences in Outcomes.** Differences in voter participation, however, do not appear to explain why measures on a statewide ballot are less likely to pass. Even among measures with roughly similar voter participation rates, we found that the passage rate of measures on a statewide ballot fell below measures not on a statewide ballot. For example, measures with voter participation between 20 percent and 30 percent on a statewide ballot had a passage rate of 54 percent compared to 74 percent for measures not on a statewide ballot. Additional comparisons are shown on Figure 11.

**Some Taxes Passed Less Frequently Despite Being Favored by More Residents**

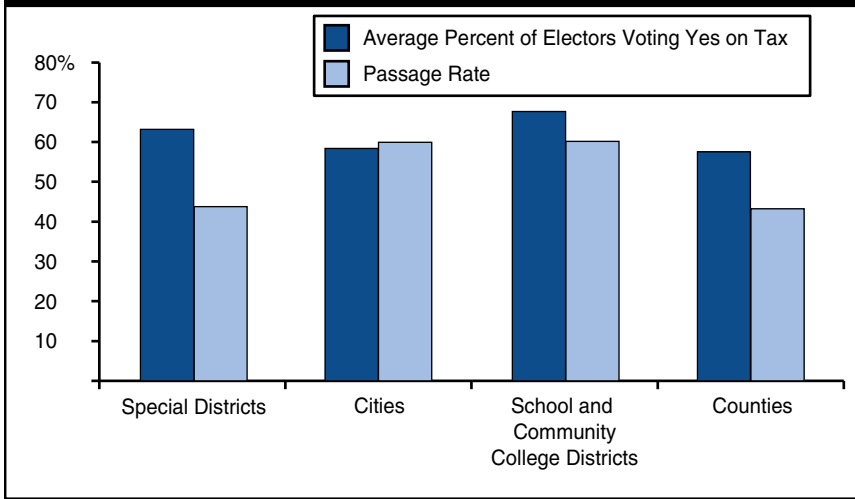
California’s voter-approval system for local taxes provides for a higher voter-approval threshold for certain types of taxes than for others. Specifically, special taxes and bond measures are subject to a higher voter-approval threshold than general taxes. Additionally, nonschool bond

measures face a higher voter-approval threshold than school bond measures. One result of requiring higher approval thresholds for some taxes is that they were approved less often than other taxes despite receiving more yes votes. For example, 58 percent of electors, on average, voted in favor of city taxes, a significantly lower percent than the percent voting for special district taxes (63 percent) and school and community college district taxes (68 percent). Nonetheless, as Figure 12 shows (see next page), city taxes passed about as often as school and community college district taxes and significantly more often than special district taxes. Similarly, 63 percent of electors, on average, voted for city and county taxes for specific purposes, compared to 55 percent of electors for general taxes. General taxes, however, passed considerably more often than city and county taxes for specific purposes—18 percent more general taxes passed than special taxes.



**Figure 12**

**Special District Taxes Received More Yes Votes But Passed Less Often Than City Taxes**



## CONCLUSION

California’s system of voter-approval requirements is complex. As described in the first section of this report, local government approval requirements vary based on many factors, including the type of local government raising the tax, the revenue mechanism, and the use of the revenues. The system has become increasingly complex in every decade since the 1970s. As discussed in the report’s second section, the current system developed in a piecemeal fashion. Neither the voters nor the Legislature have been asked to consider the current system as a complete package.

Recently, the Legislature has shown interest in exploring changes to voter-approval requirements for local taxes. In this report, we do not offer any suggested changes to the state’s system of voter-approval requirements. Nonetheless, because our analysis in the third section of this report shows that the decisions Californians make about voter-approval requirements have significant implications for local government finance, we suggest that the Legislature and voters carefully weigh the ramifications of any potential changes to these requirements.

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This brief was prepared by Brian Uhler and reviewed by Marianne O’Malley. The Legislative Analyst’s Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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