

Two-Thirds Voter Approval for Local Tax Increases

Governor Abbott's Point 2: Requiring two-thirds voter approval before any local property tax increase takes effect

Legislative Priority

SUPPORT TAX RELIEF THAT PROTECTS SCHOOL FUNDING

The state has committed \$51 billion to property tax relief in 2026-27. TSC supports continued relief that protects public school funding now and in the future.

Background

Governor Abbott's plan would require two-thirds of voters to approve all local property tax increases before they take effect.¹

Texas voters do not face this threshold today. School voter-approval tax rate elections (VATREs), school bond elections, and city and county tax elections all pass by a simple majority. Texas requires two-thirds of voters only in narrow cases, such as road bonds issued by certain special districts.² A two-thirds rule would let one-third of voters block what most voters approve.

Impact on School Districts

- **VATREs and bonds would get harder to pass.** In November 2025, 67 of the 73 bond and VATRE propositions voters approved would have failed under a two-thirds rule, including \$6.3 billion in bonds. In May 2026, 51 of the 93 school bond propositions voters approved, worth \$3.8 billion, would have failed.³
- **Copper-penny districts are most exposed.** 521 districts have used copper pennies, and each copper penny requires a VATRE. Those districts carry the largest risk to their enrichment revenue.
- **The meaning of "tax increase" matters.** If the term covers levy growth from rising property values, not only a higher tax rate, nearly every district could need an election every year.
- **A higher bar than the Legislature's own.** The Legislature requires two-thirds for constitutional amendments, veto overrides and Rainy Day Fund spending for any purpose, three-fifths to use the Rainy Day Fund for a deficit or revenue shortfall,⁴ and a simple majority to pass the state budget or exceed the state spending limit. Once on the ballot, even a constitutional amendment needs only a simple majority of voters.⁵ California has required two-thirds for local bonds since 1879, but voters lowered the threshold for school bonds to 55% in 2000 when certain conditions are met.⁶

What a Two-Thirds Rule Would Cost

No state cost estimate exists for Point 2. For school districts, the cost is voter-approved funding that would not have passed. In the last two elections, a two-thirds rule would have defeated more than \$10 billion in school bonds that a majority of voters approved.

Approved School Measures a Two-Thirds Rule Would Have Defeated		
Election	Approved propositions that would have failed	Bonds that would have failed
November 2025 (bonds and VATREs)	67 of 73	\$6.3 billion
May 2026 (school bonds)	51 of 93	\$3.8 billion
Total	118 of 166	\$10.1 billion

¹Governor Abbott: Power to the Texas Taxpayer, gregabbott.com (2026).

²Texas Constitution, Art. III, §52, Texas Legislative Council.

³Texas School Coalition, November 2025 Bond and VATRE Election Summary and May 2026 Bond Election Summary.

⁴Texas Constitution, Art. III, §49-g, Texas Legislative Council.

⁵Texas Constitution, Art. XVII, §1, Texas Legislative Council.

⁶Proposition 39 analysis, California Legislative Analyst's Office (2000).

Figures are from Texas School Coalition's November 2025 and May 2026 election summaries. The November count includes bond and VATRE propositions; the May count includes bond propositions only.

Policy Recommendation

Texas School Coalition supports property tax relief that protects school funding, including voter-approved bond and Tier 2 enrichment support. TSC recommends:

- **Keep simple-majority approval for school elections:** Bond and VATRE elections already require voter approval. A simple majority should continue to decide them.

If the Legislature adopts a higher threshold, TSC recommends:

- **Define a tax increase as a higher rate:** Levy growth from rising property values should not trigger an election when the tax rate does not go up.
- **Keep May election dates available:** Districts need the ability to hold elections on a timeline that fits their budget and construction schedules.
- **Protect voter-approved funding already in place:** Any new threshold should apply only to future elections and should not affect bonds or enrichment voters have already approved.
- **Show taxpayers where the money goes:** In recapture districts, the state's Property Tax Transparency website should show how much of a proposed enrichment tax would be sent to the state through recapture.
- **Report the effect on recapture:** Any bill changing voter-approval thresholds should report its effect on school district budgets, state aid and recapture.

Impact on Recapture Districts

In a recapture district, part of every copper penny goes to the state through recapture. A two-thirds rule would ask voters for a supermajority on a tax the district cannot fully keep, which is a harder case to make than in districts that keep all of their enrichment revenue.

The state has a stake in these elections too. The copper-penny revenue that recapture districts send to the state reduces what the state must spend to fund the Foundation School Program. When a copper-penny VATRE fails, the district loses enrichment for its students, and the state loses that recapture revenue.

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About Texas School Coalition

The Texas School Coalition is a membership organization that was founded in 1997 to represent property-wealthy independent school districts whose local tax collections are subject to recapture. The mission of the Texas School Coalition is to advocate for the resources to provide all Texas public school students an excellent education and for a school finance system that balances sustainable state and local investments in the best interests of students and taxpayers.