
Petition Rollback Elections

Governor Abbott's Point 3: Allowing 15% of registered voters to force an election to roll back local tax rates

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 let 15% of registered voters petition for an election to roll back a local government's tax rate.¹ For school districts, the plan does not say which parts of the tax rate could be rolled back or when a rollback would take effect.

Texas law already allows a narrower petition election. When a local government other than a school district adopts a rate above its voter-approval rate under the de minimis rule, 3% of its registered voters can petition to reduce it. That law does not apply to school districts.²

School district enrichment taxes, known as golden and copper pennies, are already approved by the board or by voters. A rollback petition could reverse that funding at any time, after a district has already committed it to staff and programs.

Impact on School Districts

- **Approved enrichment could be reversed.** Golden and copper pennies that voters already approved could be rolled back at any time, making multi-year budgets and staffing plans uncertain. Golden pennies are not recaptured, so a district would lose everything they raise, including any state guaranteed-yield aid. For copper pennies, recapture districts would lose the share they keep after recapture, and districts below the guaranteed yield would also lose the state aid tied to those pennies.³
- **Contracts and tax rates do not line up.** Teacher contracts are signed in the spring, but tax rates are adopted in late summer.⁴ A rollback after contracts are signed would leave a district with a cash gap.
- **Debt service is likely off limits.** Interest and sinking (I&S) rates pledged to outstanding bonds likely cannot be rolled back because of contract obligations. Bill language would need to say so.

What a Rollback Would Cost

No state cost estimate exists for Point 3. For a school district, the cost depends on how many enrichment pennies are rolled back and how much taxable value the district has. Each penny of tax rate raises one cent for every \$100 of taxable value.

For example, in a district with \$10 billion in taxable value, each penny raises about \$1 million a year. Rolling back all eight golden pennies would cost that district about \$8 million a year in local revenue, plus any state guaranteed-yield aid tied to those pennies. Any copper pennies rolled back would add to that loss, by an amount that has to be calculated district by district because it depends on each district's taxable value and recapture. If the rollback took effect after teacher contracts were signed, the district would have to absorb that loss in the same budget year.

The \$10 billion district is a TSC illustration (one cent per \$100 of value × \$10 billion = \$1 million per penny). It is not a projection for any district.

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

²[Texas Tax Code §26.075](#), Texas Legislative Council.

³[Texas Education Code §48.202](#) and [Chapter 49](#), Texas Legislative Council.

⁴[Texas Tax Code §26.05](#), Texas Legislative Council.

Policy Recommendation

Texas School Coalition supports property tax relief that protects school funding, including voter-approved bond and Tier 2 enrichment support. If the Legislature creates petition rollback elections, TSC recommends:

- **Protect voter-approved enrichment:** Enrichment that voters approved in a VATRE should not be subject to a petition rollback for a minimum period after approval.
- **Match timing to the budget year:** A rollback should take effect in the next fiscal year, not after a district has adopted its budget and signed contracts.
- **Exclude debt service in statute:** Bill language should state that I&S rates pledged to outstanding bonds cannot be rolled back.
- **Replace short-term fixes with predictable funding:** Districts need predictable, permanent formulas they can plan around, not revenue that can change in the middle of a budget year.
- **Report the effect on recapture:** Any rollback bill should report its effect on district budgets, state aid and recapture, including the recapture revenue the state would lose.

Impact on Recapture Districts

In a recapture district, rolling back copper pennies reduces two payments at once. The district loses the share of copper-penny revenue it keeps after recapture, and its recapture payment to the state falls. Golden pennies are not recaptured, so a recapture district would lose all of that revenue.

Recapture is revenue the state uses to fund the Foundation School Program, and it reduces what the state must spend from other sources. When a petition rolls back copper pennies in a Chapter 49 district, the state loses part of those savings along with the district's enrichment.

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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.