

Supermajority Budget and Tax Rules

How Voting Requirements Affect Budgets

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states imposed supermajority rules to pass a budget or raise taxes in 2015.

Supermajority budget rules require a state to obtain more than a majority vote of the legislature, typically two-thirds or three-fifths of the votes, to pass a budget bill. Such budget rules are rarer than rules requiring supermajorities to raise new taxes (i.e., tax restrictions). Critics of supermajority rules argue they can cause late budgets and political gridlock; proponents claim they restrain government spending. Most research, however, suggests both assertions are overstated.¹

Fiscal Effects of Supermajority Rules

Studying the effects of supermajority budget rules can be difficult because so few states have adopted these provisions. Also, fiscal and political conditions vary across states, making it difficult to disentangle the perceived relationship between supermajority rules and budget outcomes.

- **Do they restrain spending?**

Contrary to the perception that supermajority rules will restrain spending, higher spending may be necessary to form a winning budget coalition. A 2015 study examining data on states from 1970 to 2007 found that, in states with many legislative districts, requiring a supermajority to pass a budget or

enact new taxes is more likely to lead to increased spending.

One explanation is that obtaining a supermajority requires buy-in from more district representatives, which leads to representatives exchanging favors or making deals to secure votes.

- **Do they cause late budgets?**

Pundits and voters have long postulated that supermajority budget rules make consensus among lawmakers difficult, in turn causing late budgets. A 2012 study, however, found no relationship between supermajority voting rules and late budgets. Rather, this and other research have found that divided government (where no single party is in control of the legislature and governor's office) and budget complexity are more likely to be associated with a late budget.

“Vetogate” is the term some researchers use for supermajority rules because such rules grant the minority party more power than it would otherwise have in the budget process, creating an informal veto point for legislation.

Supermajority Rules in Practice: California

California's tendency to pass a late budget was often attributed to its supermajority requirement, which was in place from 1933 to 2010.

However, California has a history of divided government, and research has shown that both split legislatures and split branches can drive late budgets.

- **Before 2010**, California was one of the few states that required a legislative supermajority to pass a budget.

