Special Districts
State law defines a special district as “any agency of the state for the local performance of governmental or proprietary functions within limited boundaries”

In plain language, a special district is a separate local government that delivers public services to a particular area.
What is so special about special districts?

- Focused service
- Focused because they serve only in specifically defined area
- Most of them provide only a single service allowing them to concentrate on one activity
- Service because special districts deliver public programs and public facilities that their constituents want
They can be distinguished by their four common characteristics:

- A form of government
- Governed by a board
- Provides services and facilities
- Has defined boundaries
• Inadequate tax bases and competing demands for existing taxes make it hard for cities and counties to provide all the services their citizens desire.

• When residents or landowners want new services or higher levels of existing services, they can form a district to pay for and administer them.

• Fire districts, irrigation districts, and pest abatement districts exist today because taxpayers were willing to pay for public services they wanted.
• Special districts localize the costs and benefits of public service

• They allow local citizen to obtain the services they want at a price they are willing to pay

• They enjoy many of the same governing powers as cities and counties

• They can enter into the contracts, employ workers, and acquire real property through purchase or eminent domain

• They can issue debt, impose taxes, levy assessments, and many charge fees for their services
• Special districts have the corporate and tax power but rarely the police power

• The corporate power is the ability to “do things” (constructing public works projects such as dams and sewers)

• The tax power is the authority to raise money to pay for these projects and services

• The police power is the authority to regulate private behavior to accomplish a public goal
• When special district do have police powers they are usually related to some corporate power (banning alcohol from a park district’s picnic area)
The authority of special districts is restricted to specifically enumerated powers and purposes.

Special districts are limited in activity, in their ability to raise revenue, and in their power to regulate planning and land use.

Some special districts are authorized by law to perform a single function (such as sewage treatment), others, to perform many activities (community service districts which can offer up to 16 different service).

Only one of ten provides services beyond a single county.

90 percent of them deliver only one function.
Cortese-Knox Local Government Reorganization Act

- The procedures for defining and changing special district and city boundaries were standardized by the legislature in the 1985 Cortese-Knox Local Government Reorganization Act.

- This law sets out uniform requirements for organizing a city or special district or initiating boundary changes.

- The act specifies what needs to be included in an application and petition, how many signatures are needed, how much public notice must be given, and when and how elections must be held.
• Over the past decades they have been the most rapidly growing type of government in US

• 18,323 in 1962 to 35,052 in 2002

• They are highly dependent on federal aid

• 11 percent of their revenues come directly from Washington

• District’s service areas can range from a single city block to vast area which cross city and county lines
Where do districts get their funds to operate?

- Government activities are classified as enterprise or non-enterprise, depending on the source of their funding.
- **Enterprise activities** are financed entirely or predominantly by user fees set at a level to cover costs (airports, harbors, hospitals, and water and sewer utilities)

- **Non-enterprise activities** are supported primarily by generalized revenue sources
- This form of district activity usually relies heavily on the property tax as a major source of revenue (fire and police protection services)
Criticized for a variety of reasons:

- Excessive reliance on single function has led to lack of coordination in local service provision
- Use of public funds to further private development interests
- Decrease in public accountability
- Decreased capability of general-purpose governments to enact effective areawide policies
What special district is not:

- Special districts are not state government
- Special districts are not city or county government
- Special districts are not school districts
- Special districts are not benefit assessment districts
- Special districts are not redevelopment agencies
Types of special districts:

- Airport District
- Cemetery District
- Community Services District
- Drainage District
- Flood Control, Water Conservation
- Fire Protection District
- Healthcare/Hospital District
- Harbor/Ports District
- Improvement District
- Irrigation District
- Library District
- Mosquito Abatement/Vector Control District
- Police Protection
- Reclamation District
- Recreation & Park/Open Space District
- Resource Conservation District
- Sanitation/Sewer District
- Transit District
- Utility District
- Water District
Accountability

- Special districts are primarily accountable to the voters who elect their boards of directors and the customers who use their services.

- Although they are not functions of the state, the state also provides critical oversight to special district operations.

- They must submit annual financial reports to the State Controller and must also follow state laws pertaining to public meetings, bonded debt, record keeping and elections.
A special district is classified either as independent or dependent, according to the type of governing body under which it operates.

An independent district operates under a locally elected, independent board of directors.

A dependent district operates under the control of a county board of supervisors or a city council.
How do counties decide whether a special district should be dependent or independent?

- Some counties encourage unincorporated communities to form independent districts when services are needed, so that local responsibility is maximized.

- Other counties prefer the formation of dependent districts, so that provision of services remains more firmly under county policy direction.

- Some other counties discourage the formation of special districts altogether, preferring that an area either annex itself to a city or form a new city to obtain needed services.
No special district may be formed without authorization by the state.

The state legislature has authorized 55 general types of district formation and operation.

Each type has its own unique subset of features in terms of the number and type of activities authorized, funding and taxing authority, and governing body.