



SPECIAL DISTRICT FAIRNESS AND ACCESSIBILITY ACT

ISSUE: Despite the significance, “special district” is not formally defined in federal statute or considered a standard unit of government eligible to update or certify population and household statistics. This creates higher barriers to access direct- or pass-through federal programs intended to supplement local governments’ critical infrastructure and other essential services.

AMCA strongly supported H.R. 7525 (in the 118th Congress) which would have defined “special district” in federal law. This bipartisan bill was favorably reported out of the Homeland Security and Governmental Affairs Committee on 31 July 2024 and was primed for full Senate consideration. This bill was identical to S. 4673, which Senator Kyrsten Sinema sponsored and was co-led by Senator John Cornyn.

Now, Special District Fairness and Accessibility Act (H.R. 2766), continues to be a simple, straight-forward solution to a complex issue facing the nation’s 35,000 special districts to be recognized as local governments. It would place these districts on a more level playing field with fellow units of local government and allow access federally sourced funding; and set a cornerstone for special districts’ future ability to certify household Census data with federal agencies.

Special districts altogether employ 890,000 Americans and provide about one-fifth of critical infrastructure and essential (non-education) community services across the country – including but not limited to: fire protection, ambulance, water, wastewater, libraries, irrigation, flood control, energy, parks, resource conservation, transportation, hospitals, mosquito abatement, cemeteries, and community development services. Special districts provide a specific or limited set of services on a focused local tax and/or ratepayer revenue base. Across all 50 states, elected or appointed governing boards oversee district services, and altogether serve as leaders of the most common form of local government in the United States.

The Problem: Because a Special District is not a defined entity, the federal government does not consider special districts to be a standard unit of government eligible to update or certify population and household statistics. This issue creates significantly higher barriers to access direct or pass-through federal programs intended to supplement local governments’ critical infrastructure and other essential services. It also leads to special districts being overlooked in policies impacting local governments. The Special District Fairness and Accessibility Act would break down these barriers and would drive federal understanding of the special district sector of local government across the nation.

Simply, this bill would define “special district” and require the Office of Management and Budget (OMB) to issue guidance within six months to federal agencies that clarifies and reinforces that special districts are local governments. The guidance would be implemented across federal agencies over the course of a year with a report to Congress on the policy within two years of enactment.

NEEDED ACTIONS: AMCA calls for the enactment of the Special District Fairness and Accessibility Act (H.R. 2766), which would define “special district” in federal law.
