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# Special-purpose district

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Special-purpose districts or special district governments in the United States are independent governmental units that exist separately from, and with substantial administrative and fiscal independence from, general purpose local governments such as [county](#), [municipal](#), and [township](#) governments.<sup>[1]</sup> As defined by the [U.S. Census Bureau](#), the term *special district governments* excludes [school districts](#).<sup>[1]</sup>

Special district governments provide specific services that are typically not provided by general-purpose governments.<sup>[1]</sup> The services they provide range from basic needs such as hospitals, sewerage, and fire protection to smaller necessities such as mosquito abatement and upkeep of cemeteries.<sup>[1]</sup> Most special districts provide only a single service.<sup>[1]</sup> In 2007, the U.S. had more than 37,000 special district governments.<sup>[2]</sup>

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## Overview

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Special districts serve limited areas and have governing boards that accomplish legislatively assigned functions using [public funds](#).<sup>[3]</sup>

## Areas Served

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Special districts provide specialized services to persons living within the designated geographic area and may contract to provide services outside the area. Special districts often cross the lines of towns, [villages](#), and hamlets but less frequently cross city or county lines. Increasingly, however, regional special districts are being created that may serve a large portion of a state or portions of more than one state.



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## Governing Body

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Each district is governed by a [board of directors](#), [commissioners](#), [board of supervisors](#), or the like. These boards may be appointed by public [officials](#), appointed by private entities, popularly elected, or elected by benefited citizens (typically [property](#) owners). Sometimes, one or more public officials will serve as an [ex officio member](#) on the board.

The board of a special district serves primarily as a managing board and often appoints a [chief executive](#) for day-to-day operations and decision making and policy implementation. In the [New England](#) states, special districts are often run in the same [town meeting](#) fashion as other local governments. Most districts have employees <sup>[4]</sup>, but some districts exist solely to raise funds by issuing [bonds](#) and/or by providing [tax increment financing](#).

## Funding

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The authorizing [legislation](#) may give a special district the power to [tax](#) (usually by a [property tax](#) but sometimes an [excise](#) or [sales tax](#) <sup>[5]</sup>), issue [municipal bonds](#), or set fees.<sup>[6]</sup> Special districts also obtain funds from federal, state, and local appropriations; special assessments; sale of property; interest earnings; and utility revenue. <sup>[7]</sup> <sup>[8]</sup> Special districts may be enterprise (charges fees for services) or nonenterprise districts (typically dependent on property taxes). <sup>[9]</sup>

## Legal Basis

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Special districts are founded by some level of [government](#) in accordance with state law <sup>[10]</sup> (either general law or special acts <sup>[11]</sup>) and exist in all states. Special districts are legally separate entities with at least some corporate powers <sup>[12]</sup>; the board possesses civil office. Districts are created by legislative action, court action, or public [referendum](#). The procedures for creating a special district may include procedures such as [petitions](#), hearings, voter or landowner approval, or government approval.

## Public Foundation

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Special districts, like all [public](#) entities, have public foundation <sup>[13]</sup> <sup>[14]</sup> <sup>[15]</sup>. The [landmark case](#) of the [U.S. Supreme Court](#) addressing public versus private charters was [Dartmouth College v. Woodward](#) in the year 1819.<sup>[16]</sup> At that time, colleges, libraries, hospitals, and the like were typically provided by philanthropists. The states tended to view these as not only donations to the public welfare but donations to the state. The states felt that they could amend the [charters](#) or take the property for other uses. A number of cases concerning these issues came to court. Chief Justice Marshall settled the matter in Dartmouth. States continued to challenge the matter for a while, but the Supreme Court repeatedly upheld the Dartmouth case. <sup>[17]</sup><sup>[18]</sup><sup>[19]</sup>

In Dartmouth, the state of New Hampshire attempted to amend the private charter of a college to change the board <sup>[20]</sup> <sup>[21]</sup>. In Chief Justice [John Marshall](#)'s opinion and Justice [Joseph Story](#)'s concurring opinion, it was stated that "the public or private character of a corporation is determined not by its function but by its foundation" and that private corporations (but not public corporations) are protected by the [Contract Clause](#) of the [U.S. Constitution](#). <sup>[22]</sup> <sup>[23]</sup>. In addition, a public entity must have a delegation of sovereign power, that is, civil office: "Are the [trustees](#) . . . public officers, invested with any portion of political power, partaking in any degree in the administration of civil government, and performing duties which flow from the sovereign authority?" <sup>[24]</sup>

In addition to the criteria defined in Dartmouth, a government must represent all of the people. That is, a government must represent all of the people in a governmental area, [congressional district](#), or standard taxing district. Foundation that represents all of the people can be by action of a government or by initiative. <sup>[25]</sup><sup>[26]</sup> It includes [constitutional amendment](#); executive order; [interstate compact](#); special

act; passage of a general law; or passage of a general law followed by [ordinance](#), resolution, joint exercise of powers agreement, or [court order](#).

## Public Accountability

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There is a citizen-government [accountability](#) relationship. <sup>[27]</sup> To maintain accountability for special districts, states must maintain ultimate control (the power to repeal the authorizing law at any time). <sup>[28]</sup> <sup>[29]</sup> <sup>[30]</sup> <sup>[31]</sup> <sup>[32]</sup> Because of public foundation and, thus, ultimate control, the state can freely hand out sovereign power (such as the power to tax) to special districts and can allow them to act autonomously with little supervision. "Ultimate control of every state-created entity resides with the state, for the state may destroy or reshape any unit it creates."<sup>[33]</sup>

States are accountable for the use of public funds. Special districts perform many functions including airports, water ports, highways, mass transit, parking facilities, fire protection, libraries, parks, cemeteries, hospitals, irrigation, conservation, sewerage, solid waste, stadiums, water supply, electric power, and gas utility.<sup>[34]</sup> <sup>[35]</sup> Most of these functions are also provided by private companies. The courts have extensively discussed the concept of public versus private functions without finding a defining line <sup>[36]</sup>. The issue for special districts is how one distinguishes, for example, a public fire district from a private fire department. The manner of foundation determines this.<sup>[17]</sup> <sup>[37]</sup><sup>[38]</sup>

A related accountability issue is the transfer of public funds to private entities. For example, it is common for special fire districts to fund volunteer fire departments. This transfer of public funds to a private entity is considered valid because it serves a public purpose. <sup>[39]</sup><sup>[40]</sup>

Tribal governments may create special districts pursuant to state law and may serve on the boards of special districts. The state remains accountable for these special districts.

## Civil Office

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Special districts possess some form of civil office, that is, the board has received a delegation of [sovereign](#) power from the state. Numerous federal and state court cases have established this concept and have formulated the elements of civil office: Civil office (public office) is created by the constitution, law, or authority conferred by law; it involves a delegation of sovereign power (the power to act for the state in its sovereign capacity such as policing, taxation, and so forth)<sup>[41]</sup>; the officers act autonomously without control of a superior power other than the law; and the duties, compensation, and tenure are fixed by law (directly or impliedly); and the office must have some permanency.<sup>[42]</sup>

Private entities may appoint some or all of the members of a special district <sup>[43]</sup> <sup>[44]</sup> <sup>[45]</sup>; however, there must be evidence of civil office. In addition to special districts with privately appointed boards, a special district may have a privately founded board <sup>[46]</sup>; however, such a board could not be given the power to set a tax.

"Private governments" is a term for special districts that are created by and controlled by a group of landowners or other limited group. The courts have found such entities to be valid as public entities based on the [one man, one vote](#) rule <sup>[47]</sup> and because the costs, benefits, and effects are limited to the landowners. <sup>[48]</sup>

## Growth and Trends

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Special districts in the United States follow the English custom. The earliest known general law in England authorizing special purpose authorities was the Statute of Sewers of 1532 <sup>[49]</sup>. Single purpose authorities created by individual charters also existed at the time<sup>[50]</sup>. However, the early authorities

were temporary and unconnected to local government structure<sup>[51]</sup>. The first laws authorizing permanent authorities connected to local governments were the Incorporated Guardians of the Poor, which were created by special acts in the 1600s<sup>[52]</sup>. Turnpike trusts were an early and popular special purpose authority in England<sup>[53]</sup>.

There is little information available on the earliest special districts in the United States. It is known that park districts existed in the 1700s. Toll road and canal corporations existed in the 1800s<sup>[54]</sup>. The first general statute authorizing irrigation districts was adopted by California in 1887<sup>[55]</sup>. The U.S. Census Bureau began identifying and collecting data on special districts in 1942<sup>[56]</sup>.

"Services once supplied by cities are increasingly supplied by special districts."<sup>[57]</sup>

The state of **California** leads the nation in the number of special districts with **Illinois** close behind.<sup>[58]</sup> State counts of their special districts may differ from the federal count because the states may have different definitions of a special district than the U.S. Census Bureau<sup>[59]</sup>.

## Examples

[[edit](#)]

All of the following examples have been found by the U.S. Census Bureau to be special districts.<sup>[60]</sup> See the Census of Governments Government Organization publications at a depository library or visit <http://www.census.gov><sup>[60]</sup> and select Governments Division.

- Alabama: Alabama Municipal Electric Authority (special act)
- Alaska: regional electrical authorities (general law)
- Arizona: drainage districts (general law)
- Arkansas: fire ant abatement districts (general law)
- California: Lower San Joaquin Levee District (special act)
- Colorado: ambulance districts (general law)
- Connecticut: Pomperaug Valley Water Authority (special act)
- Delaware: tax ditches (general law)
- Florida: Daytona Beach Racing and Recreational Facilities District (special act)
- Georgia: airport authorities (special acts)
- Hawaii: Office of Hawaiian Affairs (constitutional amendment)
- Idaho: auditorium districts (general law)
- Illinois: Chicago Transit Authority (special act)
- Indiana: Northwest Indiana Regional Development Authority (special act)
- Iowa: library districts (joint or regional) (general law)
- Kansas: industrial districts (general law)
- Kentucky: Louisville-Jefferson County Air Pollution Control District (general law with special application)
- Louisiana: Abbeville Film and Visitors Commission District (special act)
- Maine: cemetery districts (special acts)
- Maryland: water and sewer authorities (general law)
- Massachusetts: Goose Pond Maintenance District (special act)
- Michigan: recreation authorities (general law)
- Minnesota: Metropolitan Mosquito Control District (special act)
- Mississippi: lighting districts (special acts)
- Missouri: Jackson County Sports Complex Authority (special act)
- Montana: county rail authorities (general law)
- Nebraska: Omaha Metropolitan Utilities District (general law with special application)

- New Hampshire: housing authorities (general law)
- New Jersey: port authorities - 1948 law (joint or regional) (general law)
- New Mexico: cotton boll weevil control districts (general law)
- New York: Hyde Park Fire and Water District (special act)
- North Carolina: Research Triangle Regional Public Transit Authority (special act)
- North Dakota: vector control districts (general law)
- Ohio: new community authorities (general law)
- Oklahoma: public library systems (general law)
- Oregon: geothermal heating districts (general law)
- Pennsylvania: Philadelphia Regional Port Authority (special act)
- Rhode Island: East Providence Special Development District Commission (special act)
- South Carolina: Myrtle Beach Air Base Redevelopment Authority (executive order)
- South Dakota: television translator districts (general law)
- Tennessee: utility districts (general law)
- Texas: Palacios Seawall Commission (special act)
- Utah: irrigation districts (general law)
- Vermont: Vermont Public Power Supply Authority (special act)
- Virginia: Buchanan County Tourist Train Development Authority (special act)
- Washington: hydroelectric resources authorities (general law)
- West Virginia: Hatfield-McCoy Regional Recreation Authority (special act)
- Wisconsin: Local professional baseball park districts (general law)
- Wyoming: resort districts (general law)

## See also








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- [authority](#)
- [business improvement district](#)
- [contract law](#)
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- [district](#)
- [due process](#)
- [Government-owned corporation](#)
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- [voting rights in the United States](#)

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## External links

[\[edit\]](#)

- [A Citizen's Guide to Special Districts in California](#)
- [California Special Districts Association](#)
- [U.S. Census Bureau](#)
- [U.S. Census Bureau/Governments Organization/Volume 1](#) 
- [Government Accounting Standards Board](#)

- [2006 Government Finance and Employment Classification Manual, U.S. Census Bureau](#)
- [2007 Governments Integrated Directory, U.S. Census Bureau](#)
- [IRS tax-exempt bond information](#)
- [Municipal Research and Services Center of Washington](#)
- [Florida Division of Housing and Community Development, Special District Information Program](#)
- [State and Local Government Review - current and past issues](#)

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