

The Facts About Independent Special Districts



WHAT ARE INDEPENDENT SPECIAL DISTRICTS?

Special districts are a form of local government created by a local community to meet a specific need. 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.



WHAT DO THEY DO?

Nearly 85% of California's special districts perform a single function such as sewage, water, fire protection, pest abatement or cemetery management. Multi-function districts, like community services districts, provide two or more services. Other types of services provided by independent special districts include police protection, parks and recreation, libraries, irrigation, reclamation, harbor, transit, and healthcare, among others.



HOW DO THEY OPERATE?

There are approximately 2,300 independent special districts in California, meaning they are governed by an independent board of directors elected by the districts' voters or appointed to a fixed term of office by either the city council or board of supervisors. Dependent districts are governed by other existing legislative bodies like a city council or board of supervisors.

Larger independent districts have a professional manager, similar to a city manager or county administrator, to assist the governing officials. The governing boards adopt policies that the general managers carry out.



HOW ARE THEY FUNDED?

Just over a quarter of California's independent special districts are enterprise districts. Enterprise districts operate more like a business enterprise, charging customers for their services. For example, a hospital district charges room fees just to their patients, not the district's other residents. Water districts charge water rates to their customers. Virtually all water, waste and hospital districts are enterprise districts.

Non-enterprise districts provide services that don't lend themselves to fees because they benefit the entire community, not just certain residents. These districts provide services like parks, police and fire protection, pest abatement, libraries, and cemeteries and rely overwhelmingly on property taxes to fund their operating budgets. Although some non-enterprise districts like parks and libraries may charge fees for some services, these fees generate very little revenue. Additionally, both enterprise and non-enterprise districts can issue either general obligation or revenue bonds to help pay for capital improvements.



ACCOUNTABILITY

Special districts are primarily accountable to the voters who elect their boards of directors and the customers who use their services. However, although they are not functions of the state, the state also provides critical oversight to special district operations. Special districts 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.

ABOUT CSDA

The California Special District Association (CSDA) was formed in 1969 to ensure continued success of local, independent special districts. It provides advocacy, training, information and financial services that help strengthen and increase the efficiency of special district operations. Only by working together can special districts fight additional property tax grabs and help shape policies that protect local control.