

# Special District Grant Accessibility Act

## Frequently Asked Questions

May 2024



### **Special districts are “hyper-local.” Why should the federal government define them?**

Special districts are political subdivisions of the states in which they are authorized to provide services, many with independent governing and revenue structures – similar to school districts, towns, cities, and counties. These local governments provide many of the same services with similar needs to other units of local government in providing services to the voters, taxpayers, and others in their communities. Despite this, the federal government does not recognize districts’ service to populations and special districts are frequently overlooked as eligible for federal programs.

For instance, special districts provided critical services to effectively respond and recover from the COVID-19 pandemic – such as ambulance/EMS, hospital, and open space services. Unfortunately, many of these special districts have yet to receive relief/recovery funds, simply because the federal law authorizing the programs did not consider “special district” in the text defining eligible units of government of the program.

For these reasons, it is necessary to establish a “special district” definition in federal law.

### **Would a federal definition of “special district” infringe on state’s rights?**

No. The proposed definition was crafted to provide a general statement broadly capturing common elements of special districts, as authorized to perform across states. In doing so, the use of “political subdivision of a state” in the proposed definition affords states deference in how they authorize their special districts.

### **Is Florida’s Walt Disney World a special district?**

No. The Walt Disney Company is the corporation operating Disney World, and it is headquartered in Burbank, California. The Reedy Creek Improvement District was established by a special act of the Florida legislature in 1967 – prior to Florida’s 1968 constitutional revision. The district did not re-charter after the state’s revision. The district developed the facilities and infrastructure that Disney utilizes, possessed the public debt for financing development, and continued to oversee critical infrastructure services such as water distribution, flood control, and fire protection.

As the district did not renew its charter, Florida Governor Ron DeSantis signed legislation to dissolve the Reedy Creek Improvement District, effective June 2023. In its place was established the Central Florida Tourism Oversight District, which continues to provide many of the same services to 24 landowners on 25,000 acres in Orange and Osceola counties.

### **If federal regulations consider special districts as a unit of government, why is this bill necessary?**

The *Special District Grant Accessibility Act* would establish a definition of “special district in U.S. Code to foster consistent recognition and broader federal understanding of special districts as a sector of local government. Currently, regulations on federal programming for local governments can sometimes be inconsistent in their references to special districts as local governments eligible for federal programs. This bill would require all federal agencies to adopt the definition of special districts for use in future federal program guidance and rules. The result is intended to provide clarity on special districts’ access to federally-sourced funding opportunities.