

Special District Grant Accessibility Act

Background

July 11, 2024



Bill Number: S. 4673

Short Title: Special District Grant Accessibility Act

Sponsor: Sen. Kyrsten Sinema, I-Ariz.

Bill Purpose: “To require the Director of the Office of Management and Budget to issue guidance to agencies requiring special districts to be recognized as local government for the purpose of Federal financial assistance determinations.”

The Problem

More than 35,000 special districts altogether provide a range of critical infrastructure and essential community services across all 50 states and several U.S. Territories, but federal law lacks a single, consistent definition of what a special district is.

The inconsistency in how special districts are referred to can impact their eligibility for federally-funded local government programs. In short, this creates more hardship for special districts to access local government resources. Further, inconsistent references to “special district” creates hurdles for the Census Bureau to accurately count special districts as a geographic unit of government. This leads to inadequate federal view of how vital special districts are as part of the local government landscape in America.

Finally – without federal recognition of population figures, many special districts face hardship to certify population figures and obtain federally-recognized household data, which is useful to include in grant and finance applications.

The Solution: S. 4673, the Special District Grant Accessibility Act

The bipartisan S. 4673 is a simple bill that would begin breaking down barriers for special districts’ access to federal programs aimed to assist local governments.

There are two primary elements to this solution. This bill:

1. Formally **defines “special district”** as:

“a political subdivision of a State, with specified boundaries and significant budgetary autonomy or control, created by or pursuant to the laws of the State, for the purpose of performing limited and specific governmental or proprietary functions that distinguish it as a separate entity from the administrative structure from any other form of local government unit within a State.”

2. Directs the Office of Management and Budget (OMB) – the ‘clearinghouse’ for rules, regulations, and actions of federal programming – to do the following within “X” months of H.R. 7525’s enactment:

6 Months – OMB must issue guidance clarifying how all federal agencies should consider special districts as units of local government, leveraging the definition.

6-18 Months – Federal agencies must implement OMB guidance in their applicable programs.

24 Months – OMB reports back to Congress with an evaluation of the special district guidance and its implementation.