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Defining "Special District" Updated: August 2023

Approximately 35,000 special districts are local governments providing critical infrastructure and essential services in thousands of communities across the country. They exist when a community demands a service that another unit of government is not otherwise providing. These agencies are established and locally governed under an enabling act or special act of a state to provide a limited and specific set of public services.

The Problem

Despite the significant presence of special districts in the U.S.,

Federal law lacks a consistent definition and reference to special purpose units of local government.

As a result, special districts:

- May have difficulties directly accessing funding opportunities.
- Are commonly omitted as eligible in the definitions of "local government" for proposed legislation and laws intended to assist all local governments.
- Are mistaken for small businesses or nonprofit corporations.
- Lack official population figures, as they are not federally recognized as "geographic units of government."

The Solution

- Federally define "special district."
- Ensure "special districts" are included as a "**unit of local government**," when specifically defined in legislation.
- Provide adequate resources for the U.S. Census Bureau divisions responsible for the data and statistics collection of the nation's local governments.

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"Special District," Defined.

The following is NSDC's proposal for a federal definition of "special district":

The term "special district" means "a **political subdivision of a State**, with specified boundaries, created by or pursuant to the laws of the State, for the **purpose of performing limited and specific governmental or proprietary functions**, except that the term does not include a school district, college, county, city, town, township, village, parish, borough, or other general purpose unit of government.





representing and advocating for all types of special districts at the federal level.