

Special District Grant Accessibility Act

Legislative Memo

April 22, 2024



Bill Number: H.R. 7525
Short Title: Special District Grant Accessibility Act
Sponsor: Rep. Pat Fallon, R-Texas
Bill Text: [Click here](#)

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.”

NAEFO Summary

This legislation would federally define “special district” and require all federal agencies to adopt the definition to reinforce recognition of special districts as units of local government eligible for local government programs.

Recommended Position

Support – High Priority

General Background / Purpose

Federal law does not include a definition for “special district,” impacting special districts’ – including the 6,000+ districts offering emergency response services – ability to access federally-funded resources for local governments.

No standard definition leads to inconsistent references the term throughout federal programs, creating broader confusion and additional hurdles for how districts may access federally-sourced grant and finance opportunities.

Further, federal regulations fail to classify special districts as a geographic unit of government, which prevents federal recognition of population figures. 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.

Finally, no recognized federal definition presents overwhelming challenges to the U.S. Census Bureau to count and adequately measure the impact of special district services – resulting in an underrepresentation of the nation’s emergency service districts. This leads to inadequate federal view of how vital special districts are as part of the local government landscape in America.

The *Special District Grant Accessibility Act* would set the cornerstone to address these issues with the establishment of a standard federal definition, and for the use of the definition across federal programs.

Specifics: What the Bill Does

The bipartisan H.R. 7525 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 issue guidance to all federal agencies to clarify special districts are indeed special districts. A report back would be due to Congress within two years.

Relevance and Impacts to Districts Providing Emergency Services

Many federally-sourced fire and EMS programs flow to fire departments, ambulance services, and other recognized emergency services regardless of their structure. However, there are a range of programs that special districts are eligible to indirectly access after jumping through, at-times intensive and discouraging, hurdles or are altogether disqualified from consideration. This is simply because of special district status. Examples include Community Development Block Grant funds, federal reimbursement programs, and in the past COVID funding.

H.R. 7525 would foster greater federal understanding of fire, ambulance, and other district services, as we know current Census figures underestimate the significance of districts' emergency services and their impacts on communities across the nation. NAEFO's pursuit to better understand the emergency districts' landscape would also be advanced – with NAEFO having a seat at the regulatory table when directives would be issued.