

# Local Districts

# Presentation Outline

**Study Question:** Under what circumstances should a local district be authorized to collect a property tax that exceeds the certified rate?

What is a local district?

What authority does it have to levy a property tax?

# What is a Local District?

- Limited purpose local government entity
  - Quasi-municipal political subdivision
  - Independent, separate political and corporate entity
- Created by cities or counties through:
  - resolution by legislative body; or
  - citizen initiative
- Governed by a Board of Trustees

# What does it mean to be “limited purpose”?

- Provision of particular service(s), as authorized by statute

EXAMPLES (statutorily prohibited from providing more than four services)		
Airports, cemeteries, libraries, parks, recreation centers, sewage and water systems, animal control	Transportation, construction, and maintenance of rights of way	Health care, including health department or health services
Garbage collection/disposal	Fire protection, emergency services, law enforcement	Mosquito/insect abatement or control

- Granted powers necessary to provide services, including the authority to levy a property tax and to impose fees

# Boards of Trustees

Elected	Appointed
By registered voters within the boundaries of the local district	<u>Generally:</u> By the legislative body of the city and/or county the district serves
Legislative body = board	<u>Variations:</u> <ul style="list-style-type: none"><li>• Legislative body nominates, governor selects</li><li>• Legislative body = board</li></ul>

# Property Taxing Authority

## Limited power to impose property taxes to raise revenue

- Subject to property tax collection provisions set forth in the Property Tax Code
- Subject to rate cap
- Other restrictions

# Property Taxing Authority

(additional restriction imposed by SB 172 - 2010)

- Since 2011, most local districts cannot impose a property tax above the certified rate unless:
  - Revenue was pledged before January 1, 2011, to pay bonds or other obligations;
  - Board is composed of at least a majority of “elected officials”;
  - Voters approve the increase; or
  - Legislative body or bodies that the district serves approve(s) the increase