

# SPECIAL DISTRICTS AND TAXES

Increasing accountability to taxpayers

# THE PROBLEM

- Special Districts generally lack direct accountability to voters and the municipalities that created them, leading to instances of mismanagement
- Once a special district is created, it may never have to face accountability to voters or the municipalities that created it
- Special Districts are the only legislative bodies in Utah that have the power to raise taxes without ever having to face a vote of those that pay the tax
- State Auditor John Dougall has called special districts “the hidden layer of government”
  - Higher tax rates for a fire district than most cities have for fire, police, parks, and roads *combined*
  - Audits that find “[a culture of excess](#)” within special districts
  - Failure to respond to cities and citizens needs, even in [emergencies](#).

## A PROPOSED (PARTIAL) SOLUTION

- Increase special districts' accountability to voters and taxpayers
- Require that tax increases and budgets be approved by the legislative bodies of the municipalities within the special district
- If I have the power to raise your taxes, then you should have the power to hold me accountable for the use of that power.

## CURRENT LAW

- A Special District can raise property taxes by:
  - Putting the question on the ballot for voters to decide
  - Holding a direct election for district board members prior to the board itself raising taxes
  - Having a majority of its appointed board members be elected to some other office somewhere else within the boundaries of the special district

## THIS PROPOSAL

- Keep the first two options for tax increases (voted ballot question and directly elected boards)
- Add a third avenue, by having a proposed tax increase approved by 2/3 of the city councils (or county government) that make up the special district
- Require district budgets to be approved by 2/3 of the city councils (or county governments)

## HOW IT HELPS

- Empowers officials that are elected by taxpayers to make decisions about tax increases
- Empowers taxpayers to have a direct voice in their levels of taxation
- Puts more eyes—eyes that are accountable to voters and taxpayers—on the budgets and operations of special districts, to identify problems before John Dougal has to get involved