

Special Purpose Districts/Entities/Units

There are approximately 9,500 special purpose districts/entities/units – nearly six times the number of general purpose governments – that are created to provide a specific service in a specific region. This includes 2,643 special purpose districts/entities/units, which are included in the count of local governments, and more than 6,900 town special districts. These governments fall into one of five broad categories: school districts, fire districts, local public authorities, other special purpose entities, and town special districts. They provide vital services to citizens, but some have been criticized for a lack of transparency, inefficiency, and mismanagement.

School Districts

School districts are the most visible and largest special district – counting for nearly as much expenditure as counties, cities, towns, and villages combined. There are 698 school districts, which are included in the count of local governments. This includes: the “Big Five” school districts, though they are not separate entities; 13 special act school districts, which were created by an act of the Legislature, do not have taxing authority, and primarily serve special needs students; six minor school districts with fewer than eight teachers; and two school districts that contract out all of their students. A series of school district reforms was enacted by Chapter 263 of the Laws of 2005 increasing the oversight of school districts and requiring training for school board members.

Fire Districts

Fire districts are independent public corporations that provide fire protection and other emergency services across the State. There are 867 independent fire districts, which are included in the count of local governments. These fire districts are independent from the towns in which they operate, and their boundaries can cross county and town lines. They are not to be confused with town “fire protection” or “fire alarm” districts, which are administrative subdivisions towns and are discussed below in town special districts. An independently elected board of commissioners governs each fire district. A series of fire district reforms were enacted in 2006 increasing oversight of fire districts and requiring training for fire district commissioners.

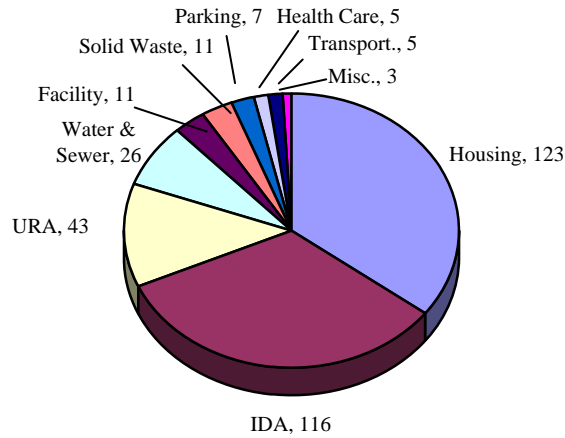
Local Public Authorities

Local public authorities are independent public corporations that provide a specific service in a region. Unlike general purpose governments, school districts, and fire districts, their board members are not elected but appointed either by a local government official or upon the recommendation of a local government official, or are ex officio. There are 350 local public authorities, which are included in the count of local governments. This includes: 123 housing authorities, 116 industrial development agencies (IDAs), 43 urban renewal agencies, 26 water and sewer authorities, 11 facility development authorities, 11 solid waste authorities, 7 parking authorities, 5 health care authorities, 5 transportation authorities, and 3 miscellaneous authorities. This does not include authorities with members appointed by the Governor without local government recommendation, such as the regional transportation authorities, with the exception of



the county medical center authorities. A series of public authority reforms were enacted by Chapter 766 of the Laws of 2005. These include greater reporting requirements, board member training, and oversight by the Authority Budget Office.

Local Public Authorities

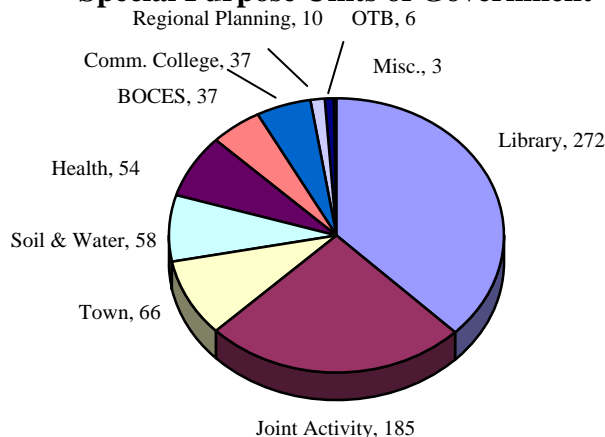


Source: ABO & OSC

Special Purpose Units of Government

There are a number of different entities considered a “SPU”, such as library districts and soil and water conservation districts. These entities are established in many different places in law and have differing governance structures. There are 728 special purpose units of government, which are included in the count of local governments. This includes: 272 library systems and districts, 185 joint activity districts, 66 town special districts, 58 soil and water conservation districts, 54 consolidated health districts, 37 BOCES, 37 community colleges, 10 regional planning boards, 6 Off-Track Betting corporations, and 3 miscellaneous special purpose units. The town special districts included as a special purpose unit of government are generally governed by a separately elected commission – not the town board. This distinction will be expanded upon in the discussion of town special districts.

Special Purpose Units of Government



Source: OSC

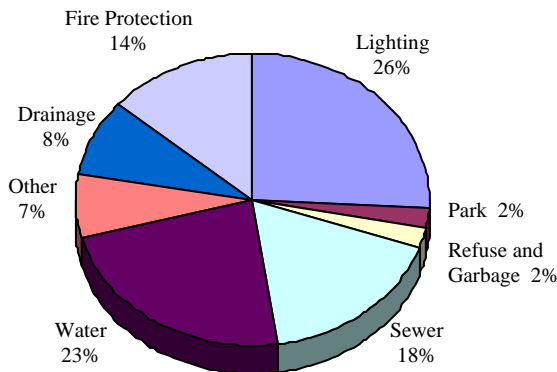


Town Special Districts

There are more than 6,900 town special districts, which are generally not included in the count of local governments (except for 66 that are also considered special purpose units) because they are administrative subdivisions of towns and most are run by town boards. These districts provide a service to and levy that service's cost upon all or some of the town. Town special districts rely primarily on property taxes for revenue and account for 21 percent of all town spending. Most special districts are managed by the town board, but some are run by an independently elected commission. The actual number of commission-run districts is unknown but is estimated at less than 100. Recent audits and reports by the Nassau County Comptroller have found problems with accountability, transparency, financial controls, and elections in these commissioner-run districts. The State Comptroller and Nassau County Comptroller have raised concerns about the structure and administration of all town special districts.

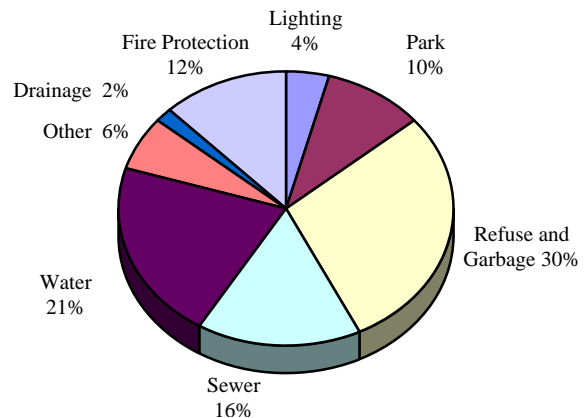
Services – Town special districts provide a range of services. The majority of town special districts provide lighting, water, and sewer services, however refuse, water, and sewer districts compose the greatest percentage of special district revenues.

Percentage of Town Special Districts Reported by Type



Source: "Town Special Districts in New York," OSC

Percentage of Town Special Districts Reported by Total Revenues



Source: "Town Special Districts in New York," OSC

Finances – Two-thirds of town special district revenue comes from property taxes and 20 percent comes from fees. Due to this high reliance on property taxes, town special districts are nearly one-third of the town property tax burden statewide, but this burden can range as high as 77 percent in Niagara County and 65 percent in Nassau County. Town special districts account for 21 percent (\$1.12 billion) of all town spending. Nearly two-thirds of this spending is for refuse, drainage, water and sewer districts.

Creation and Consolidation – Most town special districts can be created by a petition of property owners in the proposed district followed by a town board resolution or through a town board resolution subject to a permissive referendum. Town special districts can be consolidated through a petition of property owners in each district or a

resolution by the town board, followed by a hearing, followed by a town board resolution subject to a permissive referendum.

Commission-Run – Most town special districts are run by town boards, but a separately elected commission runs some of the districts. The number of these districts is unknown, but estimated at less than 100. These commission-run districts were grandfathered in when the current town board-run special district structure was created, are primarily on Long Island, and were the subject of audits and reports by the Nassau County Comptroller.

The Nassau County Comptroller found transparency and financial controls lacking in these districts. These resulted in commissioner-run districts not reporting the purchase of a building to their town and full time employees being paid for working part time hours. In addition, problems were discovered in the election of commissioners including voter turnouts as low as 1.8 percent, inadequate notice and poll accessibility, and questions about election inspector impartiality.

Equity and Efficiency – The State Comptroller and Nassau County Comptroller have raised concerns about the equity and efficiency of town special districts. The Nassau County Comptroller found that there are large differences in the cost of providing services to districts that were not explained by differing service levels. Average tax levy per parcel in selected sanitation districts ranged from \$250 to \$863. This variation results in residents being charged different rates for the same service based on where they live in a town.

