



**California Special
Districts Association**
Districts Stronger Together



CA SPECIAL DISTRICTS FACT SHEET

Delivering Communities' Core Services

LOCAL INVESTMENT OF LOCAL PROPERTY TAXES

Firm Financial Foundation

- Property taxes provide a firm financial foundation for special districts to build the infrastructure necessary to maintain a strong economy and healthy environment.
- “Non-enterprise” districts that provide fire protection, parks and recreation, mosquito abatement, public cemeteries, resource conservation and other services rely primarily on property taxes.
- Many “enterprise” districts also rely on property taxes in order to:
 - Secure and repay the most cost-effective bonds for infrastructure projects.
 - Perform environmental conservation that offers a broad public benefit.
 - Deliver certain non-enterprise functions as part of comprehensive service efforts.
 - Offer stable, long-term rate plans and rate relief for vulnerable seniors and low-income residents.

Necessary & Appropriate

- Because the broad benefits from special district projects accrue directly to property taxpayers, an ad valorem property tax is a fair and equitable means for those who benefit to share in the cost of district services and infrastructure.
- A clear nexus of benefit historically exists between the taxpayer and the property value improvement generated from property tax investments in core services provided by special districts.

Adverse Effect of Shifting Local Revenue

- When property taxes are shifted away from special districts, it means residents must either pay new taxes and fees or lose core services—either way, taxpayers pay more and get less.
- Shifts in ad valorem property taxes away from special districts in the 1990s imposed major hardships on special districts and their constituents, forcing increases in other tax assessments, deferred infrastructure projects and reduced services.
- In the ongoing wake of the housing crisis, special districts are already struggling with double-digit reductions in their percentage of property tax receipts. Further losses would lead to unprecedented detrimental impacts on communities.

Consistent and Overwhelming Support

- Voters have expressed their will to keep their property tax dollars local in support of core services provided by special districts.
- Special districts are established by local voters and all special district taxes are approved by voters.
- Proposition 1A of 2004 received 83.7% support and Proposition 22 of 2010 earned 60.7% to Constitutionally protect local property tax dollars and prohibit the state from shifting those dollars to meet its shortfalls or fund its mandates.

For more information please visit www.csda.net.