



Special Purpose Districts: Types, Powers, and Duties

INTRODUCTION

Wisconsin has over 3,000 units of local government. These units may be placed into two categories—general purpose and special purpose. As of January 1, 2005, Wisconsin has 1,922 general units of local government. This total consists of 72 counties, 190 cities, 400 villages, and 1,260 towns. Collectively, cities, villages, towns, and counties are often referred to as “political subdivisions” of the state. General units of government exist to provide a wide variety of services, such as police and fire protection, refuse collection, public health services, and maintenance of local roads.

Wisconsin also has over 1,100 special purpose districts. As the name implies, a special purpose district (SPD) is a local unit of government that is created for one particular, or special, purpose. Although an SPD may be limited to one particular function, the scope of its authority and its impact on the people who reside within its jurisdiction may be quite great. For example, some school districts have jurisdiction over tens of thousands of children; technical college districts have jurisdictions that include multiple counties; and metropolitan sewerage districts ensure that the water you drink is safe. Other SPDs, such as public inland lake protection and rehabilitation districts, may exercise their authority over a very small geographic area and may affect only a very small number of people.

SCHOOL DISTRICTS

Wisconsin has over 440 school districts. A board, whose members are elected by residents of the district, governs a school district. School districts are usually authorized to impose property taxes on the residents of the district to pay for the buildings and educational services provided to the children who live in the district.

TECHNICAL COLLEGE DISTRICTS

Wisconsin has 16 technical college districts. Technical colleges provide an educational system that enables people to acquire occupational skills and training that prepare them to participate in the workforce. Each of these districts is governed by a nine-member appointed board, which may levy a property tax on land that is located within its jurisdiction.

SEWERAGE DISTRICTS

The state legislature created the Milwaukee Metropolitan Sewerage District (MMSD), and authorized other general purpose units of government to create metropolitan sewerage districts. Basically, these districts plan, design, construct, maintain, and operate a sewerage system for the collection, transmission, disposal, and treatment of both sewage and storm water. The districts are governed by a commission, whose members are appointed. Funds to operate a district are generated both from property taxes

and user fees that are paid by the individuals and businesses that use the district’s services. A large district, like MMSD, provides services both to people who live within its jurisdiction and to political subdivisions that are located outside MMSD’s boundaries but have contracted with MMSD for services.

SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

The state legislature created the Southeast Wisconsin Professional Baseball Park District in 1995. It is a local unit of government, and a public corporation, that is the majority owner of Miller Park, home stadium of the Milwaukee Brewers baseball club. The baseball park district is authorized to acquire, construct, maintain, improve, operate, and manage a baseball park and related facilities, including parking lots, restaurants, parks, concession facilities, entertainment facilities, and transportation facilities. The district is authorized to issue bonds to finance its activities, which it did. (Investors give the district money to purchase a bond in return for a promise from the district to pay back the money, plus interest, over a period of years.) The money generated by the sale of the bonds was used to finance the construction of Miller Park. To generate the money that the district needs to pay off the bonds, the district imposes a sales and use tax, at a rate not to exceed 0.1 percent. The tax is imposed only within the district’s jurisdiction, which consists of these five counties: Milwaukee, Ozaukee, Racine,

Waukesha, and Washington. The district is run by a board of 13 people who are appointed by the governor, by the chief executive of each of the counties, and by the mayor of Milwaukee.

PROFESSIONAL FOOTBALL STADIUM DISTRICT

The state legislature created the Professional Football Stadium District in 1999. It is similar to the baseball park district except that it was created to renovate Lambeau Field, home of the Green Bay Packers football team. The district issued bonds to finance the renovation of Lambeau Field, and currently imposes a sales and use tax of 0.5 percent within the district's jurisdiction, which is Brown County. The district could not have imposed this tax, however, unless the tax had been approved in a referendum by the voters in Brown County. This district is run by a board of seven people who are appointed by elected local officials, including the mayor of Green Bay and the Brown County executive.

OTHER DISTRICTS

There are a number of other major SPDs in the state, including the Wisconsin Center District (WCD), in Milwaukee, and the Madison Cultural Arts District (MCAD), in Madison. The WCD owns and operates the U.S. Cellular Arena, the Milwaukee Theater, and the Midwest Airlines Center. The MCAD manages the Overture Center for the Arts, which is owned by the Overture Development Corporation. In addition, there are a number of other types of SPDs that exist in the state, such as regional planning commissions, drainage districts, town sanitary districts, and mosquito control districts. Regional planning commissions conduct research for, and provide planning information to, political subdivisions in a particular

region. Their research activities frequently address topics such as transportation systems, air and water quality, and economic development, which cut across the boundaries of individual political subdivisions. Drainage districts are involved with the construction, maintenance, and improvement of facilities that drain lands—often agricultural lands. Sanitary districts are created by towns, or upon the order of the state Department of Natural Resources, to address issues including local sewerage systems, solid waste disposal, water systems, and water pollution.

WHY HAVE SPDs?

With nearly 2,000 general purpose units of local government, why has the state created, or authorized the creation of, all of these SPDs? Some of the reasons may include the following:

1. Many of the issues faced by SPDs have a multi-jurisdictional impact that may be addressed most effectively by a body whose regional focus is broader than that of individual political subdivisions.
2. The state constitution recognizes that education is a regional issue and directs the legislature to create district schools.
3. The state constitution limits the amount of debt that each political subdivision in the state may create. Because SPDs, like the baseball park district, the football stadium district, and sewerage districts, are separate units of government, they may issue debt that is separate from the debt created by political subdivisions and therefore not subject to a political subdivision's constitutional debt limit.
4. Because the governor appoints some of the members of certain SPD governing bodies, such as the baseball park district, WCD, and MCAD,

the state can exercise some level of control over these local units of government.

5. It may be easier, from a political standpoint, for SPDs to impose taxes because the members of the governing bodies of most SPDs are appointed, rather than elected. (School board members are elected, but most members of SPD governing bodies are appointed.)

6. Appointed members of an SPD's governing body may have more specialized knowledge and subject matter expertise than an elected official.

SUMMARY

Special purpose districts have a few things in common, but they also have a fair number of differences. They are all local governmental units, they each have a governing body, and they each exercise authority within a specific geographic area. Some SPDs are actually created by state law, and some are created by political subdivisions based on authority granted by state law. The authority that may be exercised by SPDs varies widely. Some, like school districts and the baseball park district, may issue bonds for millions of dollars and may impose taxes. Others, such as regional planning commissions, serve only advisory functions. Many, such as sewerage districts, are involved in low profile, but clearly very important, functions. Although many people may be unfamiliar with SPDs and their role in providing important governmental services, SPDs truly affect the lives of every person in this state.

By Marc Shovers,
Senior Legislative Attorney
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Study Questions

1	What is the governing body of a school district? How does one become a member of that body?	
2	Explain the relationship between the Southeast Wisconsin Professional Baseball Park District and Miller Park.	
3	Miller park was financed both with private funds from the Brewers (\$90 million) and with public funds (\$310 million). How was the public money raised and how is the debt paid for now?	
4	What are some advantages to maintaining local control of schools? What if school boards were abolished and the legislature set school policies and budgets?	
5	Why is it easier for <i>appointed</i> board members (as in the park district board) to impose taxes than it is for <i>elected</i> board members?	
6	What do you think: Should public moneys, such as revenue collected from a five-county tax district, be used for professional purposes, such as Miller Park?	

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Study Questions in the Cognitive Domain

1	What is the governing body of a school district? How does one become a member of that body?	A school board governs a school district. The residents of the school district elect school board members.	Cognition
2	Explain the relationship between the Southeast Wisconsin Professional Baseball Park District and Miller Park.	The park district is a governing body charged to oversee the construction, maintenance, financing, and facilities for Miller Park. The park is publicly owned and leased to the Brewers.	Comprehension
3	Miller park was financed both with private funds from the Brewers (\$90 million) and with public funds (\$310 million). How was the public money raised and how is the debt paid for now?	The park district borrowed money through investment bonds, which raised the funds for the park, but also created a debt. The legislature passed a law that increases by 0.1 percent the sales tax in the five counties; this revenue is used to pay back the debt with interest. The total public cost is estimated at close to \$500 million.	Application
4	What are some advantages to maintaining local control of schools? What if school boards were abolished and the legislature set school policies and budgets?	Local control allows the community to decide curriculum and funding specific to the community. School districts are more democratic and encourage local involvement. If the legislature took over educational policy making, schools would be more uniform across the state but would have difficulty meeting local needs.	Analysis
5	Why is it easier for <i>appointed</i> board members (as in the park district board) to impose taxes than it is for <i>elected</i> board members?	Board members appointed by state or local officials are less accountable to the public. It is more difficult for an elected official to be in favor of increasing taxes because people are generally opposed to taxes. Because the public cannot remove them from office, appointed boards have an easier time approving tax increases.	Synthesis
6	What do you think: Should public moneys, such as revenue collected from a five-county tax district, be used for professional purposes, such as Miller Park?	Some argue that public money should fund public purposes, like education or local parks. Others argue that projects like Miller Park generate money for the community and state by creating jobs and drawing fans who spend money at local shops and restaurants and, therefore, increase the sales tax revenue.	Evaluation