

119TH CONGRESS  
1ST SESSION

# H. R. 2766

To require the Director of the Office of Management and Budget to issue guidance to agencies requiring special districts to be recognized as local government for the purpose of Federal financial assistance determinations.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2025

Mr. FALLON (for himself, Ms. PETTERSEN, Mr. VALADAO, Mrs. KIM, Mr. LAMALFA, Mr. NEWHOUSE, and Mr. OBERNOLTE) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

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## A BILL

To require the Director of the Office of Management and Budget to issue guidance to agencies requiring special districts to be recognized as local government for the purpose of Federal financial assistance determinations.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Special District Fair-  
5 ness and Accessibility Act”.

1 **SEC. 2. AGENCY FINANCIAL ASSISTANCE GUIDANCE ON**  
2 **SPECIAL DISTRICTS.**

3 (a) REQUIREMENTS FOR AGENCY ACKNOWLEDG-  
4 MENT OF SPECIAL DISTRICTS AS GRANT RECIPIENTS.—

5 (1) OMB GUIDANCE.—Not later than 180 days  
6 after the date of the enactment of this Act, the Di-  
7 rector shall issue guidance that clarifies how an  
8 agency recognizes a special district as a unit of local  
9 government for the purpose of being eligible to re-  
10 ceive Federal financial assistance.

11 (2) AGENCY REQUIREMENTS.—Not later than 1  
12 year after the date on which the guidance is issued  
13 pursuant to paragraph (1), the head of each agency  
14 shall implement the requirements of such guidance  
15 and conform any policy, principle, practice, proce-  
16 dure, or guideline relating to the administration of  
17 the Federal financial assistance programs of the  
18 agency.

19 (3) REPORTING REQUIREMENT.—Not later than  
20 2 years after the date of the enactment of this Act,  
21 the Director shall submit to the Committee on Over-  
22 sight and Government Reform of the House of Rep-  
23 resentatives and the Committee on Homeland Secu-  
24 rity and Governmental Affairs of the Senate a report  
25 that evaluates agency implementation of and con-

1 formity to the guidance issued pursuant to para-  
2 graph (1).

3 (b) DEFINITIONS.—In this section:

4 (1) AGENCY.—The term “agency” has the  
5 meaning given the term in section 552 of title 5,  
6 United States Code.

7 (2) DIRECTOR.—The term “Director” means  
8 the Director of the Office of Management and Budg-  
9 et.

10 (3) FEDERAL FINANCIAL ASSISTANCE.—The  
11 term “Federal financial assistance”—

12 (A) means assistance that a non-Federal  
13 entity receives or administers in the form of a  
14 grant, loan, loan guarantee, property, coopera-  
15 tive agreement, interest subsidy, insurance, food  
16 commodity, direct appropriation, or other as-  
17 sistance; and

18 (B) does not include an amount received as  
19 reimbursement for services rendered to an indi-  
20 vidual in accordance with guidance issued by  
21 the Director.

22 (4) SPECIAL DISTRICT.—The term “special dis-  
23 trict” means a political subdivision of a State, with  
24 specified boundaries and significant budgetary au-  
25 tonomy or control, created by or pursuant to the

1 laws of the State, for the purpose of performing lim-  
2 ited and specific governmental or proprietary func-  
3 tions that distinguish it as a significantly separate  
4 entity from the administrative governance structure  
5 of any other form of local government unit within a  
6 State.

7 (5) STATE.—The term “State” means each of  
8 the several States, the District of Columbia, each  
9 commonwealth, territory, or possession of the United  
10 States, and each federally recognized Indian Tribe.

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