



BENTON COUNTY REFERRED ORDINANCE NUMBER 1

(ALL RESIDENTS VOTE ON THIS)

REFERRED ORDINANCE NO. 1

(An ordinance referred to the people by the Quorum Court)

BALLOT TITLE: An ordinance establishing an Ambulance Service Improvement District co-extensive with the boundaries of Benton County, establishing in the Quorum Court the authority to levy up to two-tenths (0.2) mills to fund such district's operations, referring the matter to the electors of the district at the November 4, 2014 General Election, and for other purposes.

What is being proposed?

Referred Ordinance 1 would create an Ambulance Service Improvement District in Benton County and give the Quorum Court the legal authority to increase property taxes by two-tenths of a mill to pay for ambulance service.

Why is this issue on the ballot?

Under state law, the Benton County Quorum Court has the authority to create an Ambulance Service Improvement District and levy a property tax to pay for the service upon approval of the majority of voters.

In July, Quorum Court members passed an ordinance for the creation of an Ambulance Service Improvement District to include all of Benton County. The ordinance includes authority for the Quorum Court to collect a property tax to help offset the cost of providing ambulance service in unincorporated areas of Benton County. The property tax can be no higher than two-tenths (0.2) mills.

In August, the Quorum Court passed a resolution to refer the ordinance to voters in conjunction with the November 4 general election.

Cities within Benton County have historically provided ambulance service to unincorporated areas, but in recent years have told county government administrators that they could no longer provide the service without financial assistance from the county. Cities were concerned about the potential for lawsuits over operating outside city limits without being compensated. Benton County has paid city ambulance providers since 2011 with money from the county's reserve funds, but officials have said they cannot continue to do that and need a dedicated funding source for ambulance service.

General Questions

What is an Ambulance Service Improvement District?

An Ambulance Service Improvement District is a defined area in which property owners pay an additional tax, or levy, in order to fund ambulance services within the district's boundaries.

What is a mill and how do mills affect property taxes?

A mill is 1/10th of a cent, or \$0.001. Property taxes are based on millage rates applied to the

assessed value of all real and personal property owned by the taxpayer. In Arkansas, the assessed value of real property is calculated as 20 percent of the true market value.¹ Assessed value of personal property is 20 percent of the usual selling price at the time of the assessment. For more information about property tax procedures, see Cooperative Extension Service Fact Sheet FSPPC114, *Administration of Arkansas' Property Tax* (<http://www.uaex.edu/publications/PDF/fsppc114.pdf>).

If Ordinance 1 passes, who would pay the property tax?

People and businesses that own property in Benton County would pay the tax. The proposed property tax would apply to all real and personal property in the county, including properties in cities. Land, buildings, homes and barns are examples of real property. Cars, boats, livestock, motorcycles and recreational vehicles are examples of personal property.

What would my millage rate be if this passes?

Millage rates, or property tax rates, in Benton County differ depending on the city and school district where the property is located. If approved, millage rates for all real and personal properties in Benton County would increase by up to two-tenths of a mill.

How much would this ordinance raise my property taxes?

It depends on the assessed value of your real and personal property. This is the equivalent of a \$4 increase to the annual property tax bill of a home with a market value of \$100,000.

How much revenue would the property tax generate?

Based on current property values, county officials estimate that the proposed two-tenths of a mill tax would raise \$833,981 annually.

How would property tax revenues from the proposed millage be used?

According to the county ordinance calling for the election, tax revenues may be used to provide for the availability of emergency medical services, or the equipment, materials, and people needed to provide emergency medical services anywhere in the county.

¹Agricultural land is assessed differently, based on use value rather than market value.

If passed, when would the change appear on my tax bill?

If the Ordinance 1 is approved by voters on November 4 and election results are certified by November 14, the Quorum Court could approve a millage increase for 2014 tax bills, which are sent to property owners in 2015. If there are delays in that process, the millage increase would apply to 2015 tax bills, which are sent out in 2016.

Doesn't health insurance cover the cost of ambulance services?

While many health insurance providers pay for ambulance rides, reimbursements and private payments from patients do not cover the entire cost of employees, ambulances, buildings and equipment necessary to make the service available.

Why does the county pay for ambulance services?

County governments are not legally required to provide ambulance services. However, Arkansas Code gives county governments the authority to pass ordinances to provide services such as ambulance and health and human services. Benton County officials have said there are moral and practical obligations to have emergency medical services available outside city limits.

Would the proposed tax generate enough revenue to pay cities for ambulance service?

No. Benton County officials have also referred to voters who live in unincorporated areas of the county a \$40 fee to offset the cost of ambulance service. That fee would raise an estimated \$527,000 of the county's estimated \$1.25 million cost of paying cities for ambulance service in 2015.

Will this tax replace what people pay for ambulance services?

No. People who receive emergency services from ambulance providers would still be responsible for the cost of their services, through their insurance or self pay.

What would happen if the tax does not pass?

County officials have said they would have to reduce spending on other county services to pay for ambulance service in unincorporated areas.

The following statements are what supporters and opponents have made public either in media statements, campaign literature, on websites or in interviews with Public Policy Center staff. The University of Arkansas System Division of Agriculture does not endorse or validate these statements.

What do supporters say?

- If county residents stand up and support one or both of these funding plans, we'll be able to have a source of revenue for Emergency Medical Services. If we end up having to pay for all our ambulance service costs out of our general fund, we're going to be very limited as to what we can do.

What do opponents say?

- Under the 2/10th percent tax, 84 percent of revenues would be collected in incorporated cities and towns, where people already pay taxes for ambulance service to their homes and businesses. Only 16 percent of the revenues would be collected in the unincorporated areas.

What does a "FOR" vote mean?

A **FOR** vote means you are in favor of creating a new Ambulance Service Improvement District for all of Benton County and allowing Benton County to levy up to two-tenths of a mill property tax to fund operation of the district.

What does an "AGAINST" vote mean?

An **AGAINST** vote means you do not want to create a new Ambulance Service Improvement District and property tax in Benton County.

Where can I find more information about Referred Ordinance Number 1?

A copy of the ordinance and related information can be found online at <http://www.bentoncountyar.gov/Static/EMS/EMS.aspx>.

Exercise your voting privilege.

We live in a democratic society where voting is a privilege of citizenship. Democracy works best when informed citizens exercise their voting privilege. Election Day for this issue is Nov. 4, 2014. Early voting begins Oct. 20, 2014. Please exercise your right to vote on this issue.

The following is the referred ordinance as it will appear on the November ballot for residents of unincorporated areas and outside of NEBCO EMS District.

COUNTY SPECIAL ELECTION

AN ORDINANCE REFERRED TO THE PEOPLE BY THE QUORUM COURT

REFERRED ORDINANCE NO. 1

AN ORDINANCE ESTABLISHING AN AMBULANCE SERVICE IMPROVEMENT DISTRICT CO-EXTENSIVE WITH THE BOUNDARIES OF BENTON COUNTY, ESTABLISHING IN THE QUORUM COURT THE AUTHORITY TO LEVY UP TO TWO-TENTHS (0.2) MILLS TO FUND SUCH DISTRICT'S OPERATIONS, REFERRING THE MATTER TO THE ELECTORS OF THE DISTRICT AT THE NOVEMBER 4, 2014 GENERAL ELECTION, AND FOR OTHER PURPOSES.

- FOR REFERRED ORDINANCE NO. 1**
- AGAINST REFERRED ORDINANCE NO. 1**

Conflict of Interest: This information was assembled to provide the citizens of Benton County with information to help them in making an informed decision on Election Day. An effort has been made to ensure the information is presented in a fair and balanced way that best represents the facts associated with this ballot issue. As part of this effort, we are obligated to divulge potential conflict of interest and to recognize their influence on the educational programs and matter we produce. The University of Arkansas System Division of Agriculture and Benton County Cooperative Extension Service are partially funded by state and county general funds. As such, any law affecting revenues of the state or county has the potential to affect the Benton County Extension Office.

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