

MARION COUNTY JAIL AND LAW ENFORCEMENT FACILITY SALES TAX AND BOND ISSUE ELECTION

ELECTION DATE: MARCH 1, 2016

What is being proposed?

Marion County is proposing to build and equip a new jail, emergency dispatch center and sheriff's office on county-owned property in an industrial park in Yellville. The county is proposing to pay for construction and operation of the new facility with a combination of bonds and two separate sales tax measures. If approved by voters, the county's sales tax rate would increase from 1 percent to 2 percent.

What is on the ballot?

In this election, voters have **two separate county ballot measures** before them.

The first measure seeks voter permission to issue up to \$9.5 million in bonds to pay for constructing, equipping and furnishing the new jail and law enforcement facility. This would include related land acquisition and infrastructure improvements. The measure also asks voters to approve a temporary 0.75 percent (0.75%) sales and use tax to pay off the bond debt. This tax would expire when the debt is repaid.

What are bonds?

Bonds are certificates of debt used by states, cities, counties or other government entities to finance large projects, such as roads, schools or sewer systems. They are similar to home mortgages.

The second measure asks voters to enact a permanent 0.25 percent (0.25%) sales tax to pay for operating and maintaining the jail and law enforcement facilities. This revenue could also be used to pay costs associated with building the facility if necessary. The tax could also be used for

repayment of future bonds approved by voters and issued by the county to support law enforcement purposes.

All of the tax revenue would go to the county to construct and maintain the facilities and would not be distributed to cities.

When is the election?

The election is **March 1, 2016**. Early voting starts Feb. 16, 2016. All registered voters in Marion County may vote on these two ballot issues.

Why is this issue on the ballot?

Any sales tax must be approved by voters. The county does not have the money in its existing budget to build and maintain a new jail and law enforcement facility without increasing its revenue. The state has said the county's existing jail is inadequate to continue housing prisoners in the future and that the county must address the concerns.

What are the plans for a new jail and law enforcement building?

The proposed 21,000-square-foot jail and law enforcement building would have space for 94 jail beds in addition to office space for sheriff's department and emergency dispatch employees. Consultants hired by the county estimate the building will cost an estimated \$7.9 million to construct and furnish. However, the county is asking voters to approve issuing up to \$9.5 million in bonds in case there are additional costs. If construction bids come in higher than anticipated, county officials say they have design plans for a building that would house 62 people.

Why does the state consider the existing jail inadequate?

The state's Criminal Detention Facilities Review Committee found several deficiencies with Marion County's jail during recent inspections and placed it on probation status. The county has been put on notice that the 20-bed jail may have to close unless the county addresses the issues.

Deficiencies included:

- Inmates are not properly separated from each other in compliance with state jail standards.
- Cells do not meet square-footage requirements.
- There is not proper storage space for bedding, clothing, security equipment and cleaning supplies.
- There is not adequate space for administrative and staff functions or for food preparation and handling.

The report also cited deterioration in exterior walls and crumbling jail bed fixtures. Clothes are also washed outdoors, according to a report from the Criminal Detention Facilities Review Committee. The committee will re-evaluate the jail's status in May.

What other alternatives have county officials considered?

County officials considered several alternatives to building a new jail, including renovating or adding on to the existing jail, housing prisoners in neighboring counties, and building a regional jail with the state.

They estimate that renovating the jail could cost as much as \$5 million, but no official bids have been received in writing. They would also have to pay to house and transport prisoners during the time it took to renovate the existing building, which was built in 1979. They are also concerned that the 20 beds in the current jail are not enough.

County officials have also said they don't believe adding on to the building would be cost effective. They do not have dollar figures on how much it would cost to add on to the existing jail.

Jails in nearby counties are nearly full, county officials say, and housing and transporting prisoners to other jails would cost more money than operating the existing jail. They also feel tracking the whereabouts of prisoners in other county jails would be difficult. A cost comparison created by county officials shows transporting and housing prisoners in a neighboring county would be \$599,340 a year for 20 prisoners compared to the \$382,557 Marion County spent housing 20 prisoners in the current jail in 2014.

Operating costs for the new jail at full capacity (94 prisoners) are estimated to be \$829,617.

Several counties, including Marion County, have discussed the idea of sharing costs of building new regional jails with the state. State prisoners are often housed in county jails until space opens up at prisons. The state currently pays counties for housing prisoners, but a regional jail would allow the state to house minimum security prisoners at a lower cost while sharing jail space with multiple cities and counties. The state, however, is not ready to move forward with any agreements to build regional jails.

How much revenue would the sales taxes generate?

The permanent 0.25 percent (or $\frac{1}{4}$ percent) sales tax would generate an estimated \$247,559 a year. The 0.75 percent (or $\frac{3}{4}$ percent) sales tax would generate an estimated \$742,677 per year.

If approved, when would the sales taxes begin and end?

Both taxes would start being collected July 1, 2016. The 0.75 percent tax would be collected for 12 to 15 years, or until the bond is repaid. The 0.25 percent tax would not expire unless repealed by voters.

Who would pay the additional taxes?

The sales taxes will be paid by everyone purchasing goods or services subject to a sales and use tax in Marion County, including its cities.

How does Marion County's sales tax compare to neighboring counties?

If voters approve the two proposed taxes, Marion County's sales tax rate would increase from 1 percent to 2 percent. The county's existing sales tax rate has not changed since 1983.

County	Current County Sales Tax Rate
Baxter	1%
Boone	1.25%
Marion	1% (2%*)
Newton	1.5%
Searcy	1%

*Rate if two sales taxes are approved. The rate will drop to 1.25 percent when bond debt is repaid.

Source: Arkansas Department of Finance and Administration, List of cities and counties with local sales and use tax

What would happen if the tax does not pass?

The county would have to address deficiencies without additional revenue or face closure of the jail.

What would happen if one ballot issue passes but not the other?

If only the 0.25 percent sales tax passed, county officials say they would use the revenue for maintaining and operating the old jail as a holding facility and for transporting prisoners to other county jails.

If only the 0.75 percent sales tax and bond issue measure passed, the county would build the new jail. County officials say they may not have adequate funds to operate the jail past the first year or two.

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?

- The cost to build these facilities is doubling every six to eight years. Now is the time to build.
- Due to the small size of the current jail and no teeth in the county's efforts to collect unpaid fines or court-ordered restitutions, the county's uncollected balance of fines is \$1.2 million.
- Law enforcement efforts will be neutered in all but the most violent crimes if a new jail is not built.
- The county can "rent" beds to the state Department of Corrections and generate revenue.

What do opponents say?

- People might shop at stores in other counties to avoid paying a higher sales tax on their purchases. This would hurt local businesses.
- A bigger jail would have the community continue down the path of incarcerating more people instead of opening discussions on policy approaches that might lock up fewer people and establish rehabilitation opportunities.
- The county doesn't need a bigger jail because only a few people are in jail at any given time and most are there for not paying fines or for failure to appear.
- The state wouldn't close the jail if the county corrected the deficiencies.

What does a "FOR" vote mean?

You will be voting on two separate measures.

A **FOR** vote on the **0.25% COUNTY-WIDE SALES AND USE TAX** measure means you are in favor of increasing the Marion County sales tax rate by 0.25 percent permanently to pay for costs associated with constructing, furnishing, operating and maintaining a new or existing jail and law enforcement facilities.

A **FOR** vote on the **BONDS AND 0.75% COUNTY-WIDE SALES AND USE TAX** measure means you are in favor of increasing the Marion County sales tax rate by 0.75 percent and issuing bonds to pay for constructing, furnishing, operating and maintaining a new jail and offices for emergency dispatch and sheriff's department employees. The tax associated with this measure would expire when the bonds are repaid.

What does an "AGAINST" vote mean?

An **AGAINST** vote on the **0.25% COUNTY-WIDE SALES AND USE TAX** measure means you are not in favor of increasing the Marion County sales tax rate to pay for costs associated with constructing, furnishing, operating and maintaining a new or existing jail and law enforcement facilities.

An **AGAINST** vote on the **BONDS AND 0.75% COUNTY-WIDE SALES AND USE TAX** measure means you are not in favor of increasing the Marion County sales tax rate or issuing bonds to pay for constructing, furnishing, operating and maintaining a new jail and offices for emergency dispatch and sheriff's department employees.

Where can I find more information about the county's proposal?

Additional information about the county's jail plans can be found on the Marion County Sheriff's Office website on a page titled "We Need a New Facility." The Sheriff's Office website is www.marioncountysheriffar.com. The University of Arkansas System Division of Agriculture does not endorse or validate any information provided at this site.

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 March 1, 2016. Early voting begins Feb. 16, 2016. Please exercise your right to vote on this issue.

The following is the official wording for both sales tax questions as they will appear on the ballot.

0.25% COUNTY-WIDE SALES AND USE TAX

Adoption of a 0.25% local sales and use tax within Marion County, the net collections of which remaining after deduction of the administrative charges of the State of Arkansas and required rebates will be distributed only to the County and used for one or more of the following: (a) to acquire, construct, improve, expand, equip, furnish, operate and maintain new or existing jail and law enforcement facilities, including any necessary land acquisition and utility, road and parking improvements related thereto or in support thereof, and (b) to pay and secure the repayment of bonds approved by the voters and issued by the County from time to time to finance jail and law enforcement facilities and facilities related thereto or in support thereof. The levy of the tax is not dependent on any bonds being approved or issued.

- FOR**
- AGAINST**

BONDS AND 0.75 % COUNTY-WIDE SALES AND USE TAX

Issuance of bonds of Marion County in the maximum aggregate principal amount of \$9,500,000 to finance all or a portion of the costs of acquiring, constructing, equipping and furnishing a new jail and law enforcement

facilities to include particularly, without limitation, a jail, a communications center and administrative offices for the sheriff's department and any necessary land acquisition and utility, road and parking improvements related thereto or in support thereof, and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the County.

If the bonds are approved, there will be levied within the County a new 0.75% sales and use tax, the net collections of which remaining after deduction of the administrative charges of the State of Arkansas and required rebates will be used solely to retire or pay obligations with respect to the bonds in accordance with Amendment No. 62 to the Arkansas Constitution. The tax will expire after the bonds have been paid or provision is made therefor in accordance with Arkansas statutes. In order to provide additional funds to pay or to further secure repayment of the bonds, the County may also pledge to the bonds the net collections of an additional county-wide 0.25% sales and use tax if such additional tax is separately approved by the voters. The issuance of the bonds is not dependent on the additional 0.25% sales and use tax being approved. Proceeds of the bond may fund a debt service reserve and pay expenses of issuing the bonds. The bonds may be issued at one time or in a series from time to time.

- FOR**
- AGAINST**

Conflict of Interest: This fact sheet was prepared to provide the citizens of Marion County with information to help them in making an informed choice 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 Marion County Cooperative Extension Service are partially funded by state and county general funds. As such, any laws affecting revenues of the state or county has the potential to affect the Marion County Extension Office.

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