



SALES TAX & BOND ELECTION

Little River County Jail and Law Enforcement Sales Taxes and Bond Special Election

ELECTION DATE: Tuesday, September 10, 2019

What is being proposed?

A special election has been set for Sept. 10 in Little River County. The ballot includes:

- A permanent 0.25 percent (1/4%) sales and use tax
- A temporary 0.375 percent (3/8%) sales and use tax that would expire on June 30, 2045
- Permission for Little River County to issue up to \$8.75 million in bonds

With the revenue from these taxes and bond issue, Little River County officials propose to build, equip, operate and maintain new jail and law enforcement facilities, including a jail, communications center, sheriff's office and administrative offices along with associated utility, road and parking improvements.

The two taxes, if approved by voters, would increase the county's overall sales tax rate from 2.25% to 2.875%. The bond debt would be paid off with money collected from the 0.375% temporary tax. The county could also use revenue from the 0.25% tax to repay bonds.

PUBLIC POLICY CENTER

U of A **DIVISION OF AGRICULTURE**
RESEARCH & EXTENSION
University of Arkansas System

The University of Arkansas System Division of Agriculture offers all its Extension and Research programs and services without regard to race, color, sex, gender identity, sexual orientation, national origin, religion, age, disability, marital or veteran status, genetic information, or any other legally protected status, and is an Affirmative Action/Equal Opportunity Employer.

The following statements are examples of 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?

- Nobody likes their taxes to go up but what's more important are kids and grandkids' safety from criminals that need to be jailed and kept off the street.
- A sales tax is the most equitable solution to all citizens.
- We really believe that this is for our success and survival of our community. We need a jail very much.

What do opponents say?

- I don't want my tax money to go towards a jail. There are a lot of other things that need to be done other than a jail.
- They should find a way to fix it, maybe without raising our taxes.
- The proposal would raise sales taxes to one of the highest in the state.

Exercising 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 Tuesday, Sept. 10, 2019. Early voting begins Sept. 3, 2019.**

QUICK LOOK: What does your vote mean?

You will be voting on three separate measures related to the jail.

0.25% County-Wide Sales and Use Tax for Jail and Law Enforcement Facilities:

FOR: FOR vote on the 0.25% county-wide sales and use tax measure means you are in favor of permanently increasing the Little River County sales tax rate by 0.25%, or ¼ percent, to pay for the costs associated with acquiring, constructing, improving, expanding, equipping, furnishing, operating and maintaining new or existing jail and law enforcement facilities, and for repaying bonds approved by the voters and issued by the county to finance jail and law enforcement facilities.

AGAINST: An AGAINST vote on the 0.25% county-wide sales and use tax measure means you are not in favor of permanently increasing the Little River County sales tax rate by 0.25%, or 1/4 percent, to pay for the costs associated with acquiring, constructing, improving, expanding, equipping, furnishing, operating and maintaining new or existing jail and law enforcement facilities, and for repaying bonds approved by the voters and issued by the county to finance jail and law enforcement facilities.

0.375% County-Wide Sales and Use Tax for Jail and Law Enforcement Facilities:

FOR: A FOR vote on the 0.375% county-wide sales and use tax measure means you are in favor of temporarily increasing the Little River County sales tax rate by 0.375%, or 3/8%, to pay for the costs associated with acquiring, constructing, improving, expanding, equipping, furnishing, operating and maintaining new or existing jail and law enforcement facilities, and for repaying bonds approved by the voters and issued by the county to finance jail and law enforcement facilities.

AGAINST: An AGAINST vote on the 0.375% county-wide sales and use tax measure means you are not in favor of temporarily increasing the Little River County sales tax rate by 0.375%, or 3/8 percent, to pay for the costs associated with acquiring, constructing, improving, expanding, equipping, furnishing, operating and maintaining new or existing jail and law enforcement facilities, and for repaying bonds approved by the voters and issued by the county to finance jail and law enforcement facilities.

Jail and Law Enforcement Bond Issue:

FOR: A FOR vote on the bond question means you are in favor of issuing up to \$8.75 million in bonds to pay for acquiring, constructing, equipping and furnishing new jail and law enforcement facilities, any associated utility, road and parking lot improvements.

AGAINST: An AGAINST vote on the question means you are not in favor of issuing up to \$8.75 million in bonds to pay for acquiring, constructing, equipping and furnishing new jail and law enforcement facilities, any associated utility, road and parking lot improvements.

When is the election?

Early voting starts Sept. 3, 2019 and ends Sept. 9, 2019 at the Election Center, located at 349 N. 3rd St. in Ashdown.

The election is Sept. 10, 2019. Little River County voters can check their voter status or find out where they're supposed to vote on Election Day by calling the Little River County Clerk's Office at 870-898-7208. You can also check your voter registration status online at www.voterview.ar-nova.org.

Why is this issue on the ballot?

A county sales tax must be approved by the voters.

Why are county officials asking voters for a sales tax increase?

The Criminal Detention Facilities Review Committee, a state agency, determined in 2015 that Little River County had outgrown its jail. The agency requested the county create an improvement plan to address deficiencies, such as the lack of a kitchen, laundry room and medical care room, as well as the lack of space to house any female inmates. In 2017, the state agency notified the county it would have to address the issues by December 2019 or transition from a county jail into a 24-hour holding facility.

To determine what to do, the county formed a Little River County Jail Standard Work Group with 19 people from across the county. After

meeting and studying the problem for more than a year, the work group recommended the county request a sales tax increase to fund a new jail. Other alternatives considered but deemed less appropriate included renovating and expanding the current jail, housing prisoners in other counties, releasing prisoners and cutting other county services to free up additional revenue for a new jail.

General Questions

What are the issues identified at the county jail?

Little River County's jail was built in 1976 and renovated in 2013. Although the county is in compliance with most jail standards, the state's Criminal Detention Facilities Review Committee documented several issues with the jail during inspections over the past few years.

The state agency noted insufficient space for separating different types of inmates. State standards require separation of inmates by gender, trial status, misdemeanor versus felon offense, and other special issues, such as inmates with alcohol, drug or mental health issues, disabilities, etc.

The report also noted the jail does not have a kitchen, a laundry area or a medical care room, that it lacks a sufficient storage area and space for administrative operations. At times, some cells are out of service due to plumbing issues. The report also said the jail lacks a sufficient staffing level. Arkansas' criminal detention facility standards can be found online at www.dfa.arkansas.gov/criminal-detention/facility-standards.

Little River County's facility has 24 beds. The average daily population in 2018 was 22, according to the 2018 Criminal Detention Facilities Report. The sheriff's department currently takes inmates it can't house at the jail to other county jails, including all female inmates.

What are the county's plans?

Little River County officials propose building a new jail that would house up to 70 inmates, including male, female and state prisoners. The building would also include office space for the sheriff's office and a Communications Center. County officials estimate the building would cost \$8.5 million.

The county estimates it will need approximately 10 acres for the facility. Officials are currently considering multiple properties, but have not specified where they are located. Officials have said they are also considering using the funds to hire two additional jail employees.

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. Debt is paid off over a long period of time. They are similar to home mortgages. Bonds require a dedicated revenue stream

It is estimated that issuing \$8.75 million in bonds, plus interest and bond fees, will cost approximately \$12.75 million to repay over 25 years.

How much revenue would the sales taxes generate?

According to Little River County officials, the permanent 0.25% (or 1/4%) sales tax would generate an estimated \$350,000 a year. The proceeds from this tax would be used to operate and maintain the jail, although county officials would have the authority to use the money to pay off the construction debt and renovate the existing jail for office space.

The temporary 0.375% (or 3/8%) sales tax would generate an estimated \$525,000 per year over the 25 years it would be in place. All of the proceeds from this sales tax would be used to repay the bond debt issued to build the jail and law enforcement building. Once the debt is paid off, this tax would expire.

The current jail budget is \$1,056,000 a year. If the sales tax were to pass, the county's jail budget would be about \$1.4 million a year.

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

If approved by voters, both taxes would start being collected in January 2020. The 0.375% sales tax dedicated to the bond debt would be collected until the bond is repaid, which county officials estimate to be around 2045. The second 0.25% sales tax, for operation and maintenance of the jail, would be permanent and would not expire.

Who would pay the additional taxes?

The taxes would be paid by everyone purchasing goods or services subject to a sales and use tax in the county, including its cities.

What alternatives did the county consider to building a new jail?

The Little River County Jail Standard Work Group explored several alternatives, including renovating and expanding the current jail.

Renovation - The group determined renovations would be cost prohibitive due to the age of the current structure. The county did not provide an estimated renovation cost but said it exceeded the cost of new construction.

Taking inmates to other county jails – Little River currently houses all female inmates at other county jails due to lack of space at the current facility. Sending all prisoners to other jails would cost about \$725,000 a year. This alternative would also occupy more sheriff deputies’ time driving inmates to other counties and then back to Little River for court.

Pursue a grant - Grants are not available for construction of jails.

Pursue a loan - State law requires purchases and capital improvements financed by loans to be paid back within five years. The work group decided spreading the cost of a new jail over only five years would be too expensive.

Cut costs or shift funds - Reducing spending or diverting funds were also rejected by the work group. Some funds, such as those allocated for roads, can’t be spent on other projects under state law. Funds that could be diverted, such as those for the hospital, would affect other needed services.

How is the county’s existing sales tax distributed?

Revenue from the existing 2.25% county-wide sales tax is divided between several specific entities whose share of sales tax were previously approved by voters, such as:

- 1/2% for the County Hospital
- 1/2% for Sanitation
- 1/4% to University of Arkansas Cossatot
- 1% for local government operations. The revenue from this county-wide sales tax is split between Little River County and area cities of Ashdown, Foreman, Ogden, Wilton and Winthrop.

How does Little River County’s sales tax compare to neighboring counties?

If voters approve the county’s two proposed sales taxes, Little River County’s sales tax rate would increase from 2.25% to 2.875% in January 2020. (This rate does not include city or state sales tax.)

Other counties in Arkansas have sales tax rates ranging from 0% in Monroe County to 3.25% in Cleveland County. The median sales tax rate of

Arkansas’ 75 counties is 1.75%. Nearby counties have the following sales tax rates:

Hempstead	2%
Howard	2.75%
Little River	2.25 % (2.875 %*)
Miller	1.25%
Sevier	2.125%

*Rate if proposed sales tax is approved.
Sources: Arkansas Department of Finance and Administration, List of cities and counties with local sales and use tax; July-September 2019.

What are the population growth projections for Little River County?

Little River County’s population declined from 13,130 in 2010 to 12,326 in 2018, a decrease of 6%, according to the U.S. Census Bureau.

Population projections suggest the population of Little River County will continue to decline, between 4.5% and 10.7% from 2018 to 2040. This implies a loss of between 260 and 1,322 people from 2018 to 2040¹.

What would happen if the three issues fail?

Little River County officials anticipate the jail would become a 24-hour holding facility. People arrested in Little River County would have to be taken to jail in surrounding counties after 24-hours or released if space were unavailable. The county anticipates this would cost \$725,000 a year based on current rates.

County officials said they would go back to the voters and revisit the ballot issue for the bond.

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

County officials said they would have to re-evaluate their plan if the permanent 1/4% sales tax passes but the temporary 3/8% tax fails.

If the opposite were to happen – the 3/8% tax passes, but the 1/4% tax fails – county officials said construction would proceed assuming the bond issue passes.

¹Population Projections, Arkansas Economic Development Institute, University of Arkansas

The following is the official wording for the ballot measures as they will appear on the ballot.

**0.25% SALES AND USE TAX FOR JAIL
AND LAW ENFORCEMENT FACILITIES**

Adoption of a 0.25% local sales and use tax within Little River 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 sales and use tax is not dependent on any bonds being approved or issued.

☐ FOR

☐ AGAINST

**0.375% SALES AND USE TAX FOR JAIL
AND LAW ENFORCEMENT FACILITIES**

Adoption of a 0.375% local sales and use tax within Little River 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 sales and use tax is not dependent on any bonds being approved or issued. The levy of the sales and use tax shall expire on June 30, 2045.

☐ FOR

☐ AGAINST

**JAIL AND LAW ENFORCEMENT
FACILITIES BONDS**

Bonds of Little River County in one or more series in the maximum aggregate principal amount of \$8,750,000 to finance all or a portion of the costs of acquiring, constructing, equipping and furnishing new jail and law enforcement facilities, including particularly, without limitation, a jail, communications center, sheriff's office and administrative offices related to law enforcement 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 pledge of a new 0.375% local sales and use tax levied within the County by Ordinance No. 2019-9, adopted May 29, 2019 (the 0.375% Tax), if the 0.375% Tax is approved by voters.

To provide additional funds to pay or to further secure payment of the bonds, the County may also pledge to the bonds the net collections of a 0.25% sales and use tax levied by Ordinance No. 2019-7, adopted May 29, 2019 (the "0.25% Tax"), if the 0.25% Tax is approved by the voters.

☐ FOR

☐ AGAINST

Get the Facts

The Public Policy Center at the University of Arkansas System Division of Agriculture publishes easy-to-read fact sheets on statewide and local ballot measures so voters have a better understanding of what is being asked of them.

The information contained in this publication goes through a vetting process to ensure its accuracy and neutrality that includes reviews by issue supporters and opponents.

Share What You've Learned

The University of Arkansas System Division of Agriculture gives permission for individuals or organizations to copy and/or reproduce this publication. The Public Policy Center at the University of Arkansas System Division of Agriculture is to be appropriately cited as the source, and the user will refrain from altering the content in any way that might be construed to suggest that the Arkansas Cooperative Extension Service is a supporter or opponent of an issue.

**Digital versions of this publication are available at
www.uaex.edu/business-communities/voter-education/local-ballot-issues**

Contact Us:

Little River County Extension Office: (870) 898-7224

Public Policy Center: 501-671-2299

E-mail: publicpolicycenter@uaex.edu

Online: www.uaex.edu/ppc

Facebook: www.facebook.com/uappc

Twitter: @uaex_ppc



Conflict of interest: This fact sheet was prepared to provide the citizens of Little River 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 Little River 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 Little River County Extension Office.