



# SALES TAX AND BOND ELECTION

## Stone County Jail Sales Tax and Bond Election

**ELECTION DATE:** Tuesday, March 3, 2020

### What is being proposed?

Voters in Stone County have a local ballot issue to decide March 3, 2020 when they go to the polls for the Arkansas Preferential Primary Election (often referred to as the Primary Election). The Stone County Quorum Court voted to place on the ballot for voters to decide:

- A permanent 0.25% (1/4%) sales and use tax.
- A temporary 0.5% (1/2%) sales and use tax and permission for Stone County to issue up to \$5,995,000 in bonds.

With the revenue from these taxes, Stone County officials propose to build, equip, operate and maintain a new building to house the county jail, emergency communications center and jail administration offices on county-owned property in Mountain View.

The two taxes, if approved by voters, would increase the county's sales tax rate from 1% to 1.75%. The sales tax rate would decrease to 1.25% when the bond debt is paid off in eight to 10 years and the temporary 0.5% sales tax expires.

### When is the election?

The election is March 3, 2020. Early voting starts Feb. 18, 2020 at 111 N. Peabody in Mountain View.



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

### What do supporters say?

- The current jail does not meet minimum standards anymore. The county has had problems with the existing jail since it was constructed. A new building would meet today's standards and be built to last.
- The county can't afford to pay to send its prisoners to other county jails. The amount would be 20% to 30% of the county's current budget.
- Building a jail that can be expanded would make sure the county has enough space to handle any increases in prisoners years down the road.

### What do opponents say?

- The county should look more into the feasibility of renovating the old jail.
- The proposal would raise Mountain View's sales tax rate to one of the highest in the region when combining state, city and county rates.
- Temporary sales taxes often get converted into permanent taxes.

## QUICK LOOK:

### What does your vote mean?

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

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

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

#### **Bonds and 0.5% County-Wide Sales and Use Tax for Jail and Law Enforcement Facilities:**

**FOR:** A FOR vote on the bonds and 0.5% county-wide sales and use tax measure means you are in favor of temporarily increasing the Stone County sales tax rate by 0.5%, or ½%, and issuing up to \$5,995,000 in bonds to pay for acquiring, constructing, equipping and furnishing new jail and law enforcement facilities, any associated utility, road and parking lot improvements, and renovations and improvements to the existing jail for use as office space.

**AGAINST:** An AGAINST vote on the bonds and 0.5% county-wide sales and use tax measure means you are not in favor of increasing the Stone County sales tax rate or issuing up to \$5,995,000 in bonds to pay for acquiring, constructing, equipping and furnishing new jail and law enforcement facilities, any associated utility, road and parking lot improvements, and renovations and improvements to the existing jail for use as office space.

Stone County voters can check their voter status or find out where they're supposed to vote on Election Day by calling the Stone County Clerk's Office at 870-269-5550. You can also check your voter registration status online at [www.voterview.ar-nova.org](http://www.voterview.ar-nova.org).

#### **Why is this issue on the ballot?**

A county sales tax and bond issue must be approved by the voters.

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

The county's existing jail does not meet minimum state jail standards for the housing of inmates, and space at the jail has been found out of compliance for staffing and storage. The county does not have the money in its existing budget to build and maintain a new jail and law enforcement building without increasing its revenue or decreasing its spending for other county services.

#### **Why is the existing jail inadequate?**

The state's Criminal Detention Facilities Review Committee documented several issues with Stone County's 25-year-old jail during inspections over the past few years.

The state agency's report 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 had insufficient staffing levels and that the facility often holds more people than it is designed to hold. The report mentioned concerns with building and fire codes. The report also noted a lack of proper storage space and that fixtures have deteriorated. Arkansas' criminal detention facility standards can be found online at [www.dfa.arkansas.gov/criminal-detention/facility-standards](http://www.dfa.arkansas.gov/criminal-detention/facility-standards).

Stone County's facility has 39 beds, but in 2019 the average daily population was 46 people. The jail was built in 1995 and is about 9,700 square feet. A small addition built as a chapel is being used to house low-security state inmates, some of whose costs are reimbursed by the state.



*Stone County's existing jail does not meet state standards for how inmates are separated, staffing levels and interior lighting, storage space and visiting area requirements.*

The existing jail was built after the state closed Stone County's previous eight-bed jail for failing to meet standards. Stone County voters in 1993 approved a 1% sales tax to pay for the construction. The tax expired after a year, and had raised slightly over \$443,521, according to a 1995 Arkansas Democrat-Gazette article about the tax.

### **What are the county's plans?**

If approved by voters, the county government of Stone County would have the authority to issue up to \$5,995,000 in bonds. Proceeds from the bond sales would be used to pay for building a 14,000-square-foot jail and law enforcement building with 60 jail beds. The building would also house the 911 emergency dispatch center and offices for the jail administrator.

The county estimates the building and site development (parking lot, utilities, road improvements, etc.) would cost at least \$5,820,000. The new building would be located on county-owned land next to the existing jail on Sheriff's Drive in Mountain View. The county would pay off the bond debt with proceeds from the proposed temporary 0.5% sales tax. The county estimates the bonds would be paid off in eight to 10 years, with the 0.5% tax expiring at that time.

Bond proceeds could also be used to renovate the existing jail, according to the ballot title, though county officials say they anticipate spending money from the county's general fund to cover \$300,000 in renovations at the existing jail for office space, storage and space for rehabilitation services for inmates.

The second proposed sales tax, a permanent 0.25% sales tax would be used for maintaining and operating the jail. This tax could also be used to pay off the bond debt in the event the 0.5% sales tax doesn't generate enough money to make the required bond payments.

Stone County's yearly budget for its existing jail and 911 operating center is \$760,691. If voters approve the proposed sales taxes and bond issue, the operating budget would be \$1,071,000 a year for the new jail and 911 center.

### **Didn't we just vote on this issue? How is this different than the previous proposal?**

In March 2019, Stone County voters rejected a bond issue and sales tax proposal for building and operating a new county jail. The proposal in 2019 asked voters to approve an \$11.5 million bond issue and a temporary 0.5% county-wide sales tax to build a 22,000-square-foot jail and administrative offices. Another proposed 0.5% county-wide sales tax would have paid to maintain and operate the jail.

The March 2020 ballot measure proposes a smaller jail with fewer beds, a reduced bond issue amount and lower permanent sales tax than the 2019 proposal.

Renovations to the existing jail to turn it into space for rehabilitation services, county storage and sheriff's office space would be paid for out of the county's general fund instead of from the sales tax as proposed in 2019.

### **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.

It is estimated that issuing \$5.82 million in bonds will cost approximately \$6,984,000 to repay along with interest and bond fees.

### **Why doesn't the county renovate the existing jail for prisoners or add on to it?**

The county judge said the existing county jail was not built well when it was originally constructed. If there's a major renovation to the existing jail, such as what would be required for housing inmates, the county judge said Stone County would have to bring the entire building up to current building and safety codes. The judge said construction management companies have told county officials those renovations were not feasible for inmates and the building would have to be demolished instead of

added on to. The county did not provide an estimated cost for renovations to the existing jail.

**Why doesn't the county send prisoners to a neighboring county instead of building a new jail?**

Stone County officials say sheriff deputies would spend more of their time transporting prisoners to jails outside the county than responding to public safety complaints if they were to send prisoners elsewhere.

County officials say housing all prisoners in other jails outside Stone County would cost at least \$50 a day per person, or between \$600,000 to \$800,000 a year.

**How much revenue would the sales taxes generate?**

According to Stone County officials, the permanent 0.25% (or ¼%) 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 construction debt if necessary.

The temporary 0.5% (or ½%) sales tax also would generate an estimated \$700,000 per year over the eight to 10 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.

**When would the sales tax begin and end?**

If approved by voters, both taxes would start being collected on July 1, 2020. The 0.5% sales tax dedicated to the bond debt would be collected until the bond is repaid, which county officials estimate to be around 2029. The 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.

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

If voters approve the county's two proposed sales taxes, Stone County's sales tax rate would increase from 1% to 1.75% on July 1, 2020.

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

County	Current County Sales Tax Rate
Baxter	1.25%
Cleburne	1.625%
Independence	1.5%
Izard	0.5%
Searcy	1.5%
Stone	1 % (1.75%*)
Van Buren	2%

\*Rate if two proposed sales taxes are approved

Source: Arkansas Department of Finance and Administration, List of cities and counties with local sales and use tax; January-March 2020.

**What would happen if both taxes fail?**

Stone County officials anticipate the state would limit the use of the current county jail, requiring people to be released or transferred to another county jail after 24 hours. This type of arrangement is typically called a "24-hour jail."

The county judge anticipates the county would continue to spend \$750,000 on operating the jail even as a 24-hour facility. This expense would be in addition to the cost of transporting prisoners to jails in other counties.

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

If the permanent tax for operations passes, and the temporary tax for construction fails, the county could collect the tax for jail operations but it would not have the authority to issue bonds to pay for a new county jail.

If the opposite were to happen, the county would have authority to issue up to \$5,995,000 in bonds to build a new jail and collect a temporary sales tax to repay any bond debt. But the county would not have enough funds to operate a new jail.

Stone County officials have said if either of the taxes fail, the current jail would become a "24-hour jail."

The following is the official wording for both sales tax questions and bond issue 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 Stone 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 . . . . .

**JAIL AND LAW ENFORCEMENT FACILITIES BONDS AND  
0.5% SALES AND USE TAX**

Bonds of Stone County in one or more series in the maximum aggregate principal amount of \$5,995,000 to finance all or a portion of the costs of acquiring, constructing, equipping and furnishing jail and law enforcement facilities improvements, including particularly, without limitation, a new facility to include a jail, a communications center, and administrative offices related to law enforcement; renovations and improvements to the existing jail for use as sheriff's offices and administrative offices related to law enforcement; and any necessary utility, road and parking improvements related to or in support of the foregoing, and, in order to pay the bonds, the levy and pledge of a 0.5% local sales and use tax within the County.

If the bonds are approved, there will be levied within the County a new 0.5% sales and use tax, the net collections of which remaining after deduction of the administrative charge 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.

FOR . . . . .

AGAINST . . . . .

# 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 March 3, 2020. Early voting begins Feb. 18, 2020. Please exercise your right to vote on this issue.**



## 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.**

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**[www.uaex.edu/business-communities/voter-education/local-ballot-issues](http://www.uaex.edu/business-communities/voter-education/local-ballot-issues)**

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