



## SALES TAX & BOND ELECTION

# Tontitown Sales Tax and Bond Issue Election

**ELECTION DATE:** Tuesday, Nov. 5, 2024

### What is on the ballot?

Voters in the City of Tontitown will have several ballot issues to decide on Nov. 5, 2024, including a series of bond issue questions that combined would raise \$22.2 million to pay for construction projects. The city is also asking voters to extend a sales tax they previously approved for eight years to pay off the bond debt. The 0.75% sales tax would expire in 2044 instead of 2036 under this proposal.

Each bond proposal is a separate ballot issue. If approved, the bond issues would:

- Pay off \$1.4 million in bond debt that voters approved in 2017 to build a water transmission line.
- Make available \$7.1 million to the city to pay for the costs of a new police station.
- Make available \$7.1 million to the city to pay for street improvement projects.
- Make available \$5.5 million to the city to pay for the costs of a new water storage tank and improvements to the city's water system.
- Make available \$1.1 million to the city for a community center and improvements to Sbanotto Park.

### When is the election?

The election is Tuesday, Nov. 5, 2024. Early voting starts Oct. 21, 2024.

Residents can check their voter status or find out where they are supposed to vote on Election Day by calling the Washington County

### QUICK LOOK:

## What does your vote mean?

**FOR:** A FOR vote on any of the bond issues means you are in favor of a 0.75% sales tax and allowing city officials to issue bond debt for that specific project, or in the case of the Refunding Bonds question, refinancing and paying down the debt of existing bond debt approved by voters in a previous election.

**AGAINST:** An AGAINST vote on any of the bond issues means you do not want city officials to issue bonds for those projects. An AGAINST vote on all of the bond issues means you do not favor a 0.75% sales tax to pay off the bond debt.

### 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, Nov. 5, 2024. Please exercise your right to vote on this issue.**

**PUBLIC POLICY CENTER**

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

Clerk's Office at 479-444-1711. You can also check your voter registration status and voting location online at [www.voterview.ar-nova.org](http://www.voterview.ar-nova.org).

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

A city sales tax and bond issue can only be approved by voters. City council members voted in July to put the measures on the ballot.

### **Who can vote on this local ballot issue?**

People who live in Tontitown and are registered to vote can vote on the sales tax and bond issues.

### **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 require a dedicated revenue stream. Bonds are paid off over a long period of time like how a person finances and pays a home mortgage. "Refunding" a bond is similar to refinancing a home mortgage.

It is estimated that issuing \$22.2 million in bonds, plus interest and bond fees, will cost approximately

The following statements are examples of what supporters and opponents have made public either in media statements, campaign literature, on websites or 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?**

- We are right here on (Highway) 412. We have people coming in from Oklahoma, going into Springdale, going into Fayetteville using this area, going into Rogers-Bentonville area. So, there is so much traffic that's going through Tontitown. We have to have some type of relief to be able to manage the traffic properly.

### **What do opponents say?**

- Although Tontitown population is growing rapidly, the city sales tax is growing at an equal or faster pace! Families must live within their means so why should Tontitown not have to do the same?

\$36 million to repay over 19 years based on current sales tax collections, according to the finance company working with Tontitown on issuing the bonds.

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

**Police Department** – The city plans to build a new police station. City officials estimated the roughly 12,000 to 15,000-square-foot building would cost \$6 million.. Land has not been purchased yet for the project. The existing police station would be used for additional City Hall office space.

**Streets** – City officials said bond funds would be used to build new sections of two east/west streets in Tontitown to create more connections for drivers. The extensions would be:

- Fletcher Avenue, from Barrington Road to Klenc Road
- Wildcat Creek Road to Bausinger Road near the South Pointe subdivision

**Water** – The city plans to build a water storage tank that can hold 1 million gallons of water. The city also would build a 12-inch supply line to the tower.

**Parks** – The city plans to repurpose an existing fire station as a community center that would also host a senior center. City officials estimate the project at the 3,500-square-foot building would cost an estimated \$350,000. Funds would also be used to build a splash pad, which is part of a recently completed Master Plan for Sbanotto Park.

### **What is the current sales tax rate in Tontitown?**

Tontitown's sales tax rate is 2.75%.

Of this amount,

- 1% goes to the city's General Fund that pays for most expenses.
- 1% is pledged toward paying off bonds voters approved in 2022 for a new fire station, and water and sewer improvements.
- 0.75% is pledged toward paying off bonds voters approved in 2017 for the water line transmission.





**How much revenue does a 0.75% sales taxes generate?**

The temporary 0.75% sales tax is expected to generate \$1.6 million per year, according to information provided by city officials.

**When would the sales tax expire?**

The sales tax would expire when the bonds are paid off, which is expected to occur by 2044.

**How does Tontitown’s sales tax compare to neighboring cities?**

The local sales and use tax is one option for generating additional revenue for Arkansas cities. Of the 341 cities in Arkansas with a local sales and use tax, the average rate is 1.6% with a range from 0.5% to 4%. This rate does not include county or state sales tax.

In Washington County, there are 13 cities with a local sales and use tax, the average of which is 2.4%.

If voters approve the ballot measure, Tontitown’s city sales tax rate would stay the same. If voters reject the ballot measure, Tontitown’s city sales tax would stay the same until 2036 when the voter-approved bond issue from 2017 is scheduled to be paid off.

Elkins	2.75%
Elm Springs	1%
Farmington	2%
Fayetteville	2%
Goshen	2%
Greenland	3%
Johnson	3%
Lincoln	3%
Prairie Grove	2.75%
Springdale	2%
Tontitown	2.75% (2.75%)*
West Fork	3%
Winslow	2%

\*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 2024

**What would happen if any of the bond proposals fail?**

Each bond issue is a separate proposal on the ballot. Voters can decide whether to fund all the projects.

If the first item - refunding bonds - fails, no bonds would be issued. If the first item passes, but other proposals fail, only those bonds and projects that voters approved would take place. Any other proposed project would not be completed.

The following is the official wording for the local option question as it will appear on the ballot.

The bonds described below that are approved may be combined into a single issue or may be issued in series from time to time. If the bonds for one or more of the purposes are approved and if one of such purposes is the Refunding Bonds, there will be levied 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 the bonds and obligations of the City with respect thereto. The tax will replace the City's existing 0.75% sales and use tax levied in 2017 for the sole purpose of retiring bonds. The effective date of the new tax will be the day following the date the existing tax expires. The rate of taxation will be 0.75% even if bonds for more than one purpose are approved. No bonds will be issued for any purpose unless the Refunding Bonds are also approved. The 0.75% sales and use tax will expire after the bonds have been paid or provision is made therefor in accordance with Arkansas statutes.

**REFUNDING BONDS**

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$1,400,000 for the purpose of refunding the City's outstanding Sales and Use Tax Bonds, Series 2017 and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

FOR . . . . .   
AGAINST . . . . .

**POLICE IMPROVEMENT BONDS**

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$7,100,000 for the purpose of financing all or a portion of the costs of a new police station and any land acquisition, furnishings, equipment and parking, landscaping, signage, drainage, lighting, road and utility improvements related thereto and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

FOR . . . . .   
AGAINST . . . . .

**STREET IMPROVEMENT BONDS**

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$7,100,000 for the purpose of financing all or a portion of the costs of new streets and any land acquisition, intersection, curb, gutter, drainage and utility improvements, sidewalks, trails, lighting and traffic control devices related thereto and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

FOR . . . . .   
AGAINST . . . . .

**WATER IMPROVEMENT BONDS**

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$5,500,000 for the purpose of financing all or a portion of the costs of betterments and improvements to the City's water system, including particularly, without limitation, a new water storage tank, and in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

FOR . . . . .   
AGAINST . . . . .

**PARK AND RECREATIONAL IMPROVEMENT BONDS**

Bonds of the City of Tontitown in the maximum aggregate principal amount of \$1,100,000 for the purpose of financing all or a portion of the costs of park and recreational facilities and improvements, including particularly, without limitation, a community center and improvements to Sbanotto Park and any furnishings, equipment and parking, landscaping, signage, drainage, lighting, road and utility improvements related thereto and, in order to pay the bonds, the levy and pledge of a 0.75% local sales and use tax within the City.

FOR . . . . .   
AGAINST . . . . .

**Conflict of interest:** This fact sheet was prepared to provide the citizens of Tontitown 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 conflicts of interest and to recognize their influence on the educational programs and matter we produce. The University of Arkansas System Division of Agriculture and Washington 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 Washington County Extension Office.