

SALES TAX ELECTION

Hamburg School District Property Tax and Bond Issue Election

ELECTION DATE: Tuesday, May 21, 2019

What is being proposed?

The Hamburg School District is seeking to increase its millage rate, or property tax rate, from 35.5 mills to 39.5 mills. The proposed 4 mills would raise an estimated \$438,980 a year, allowing the Hamburg School District to issue \$7.8 million in bonds to pay for constructing and equipping new school facilities and making additions and improvements to existing school facilities.

When is the election?

The election is Tuesday, May 21, 2019. Early voting is available May 14-17, and May 20 at the Ashley County Courthouse, which is located at 215 E. Jefferson St. in Hamburg.

Who can vote in this election?

Anybody who lives within the Hamburg School District and is registered to vote can vote in this school millage election. While the majority of the district falls in Ashley County, the district crosses over into small parts of Drew and Chicot counties.

For more information about voting, contact your county clerk. Voters in the Hamburg School District can check their voter status or find out where they're supposed to vote on Election Day by calling the Ashley County Clerk's Office at 870-853-2020.

Check your voter registration status online at www.voterview.ar-nova.org.

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QUICK LOOK: What does your vote mean?

39.5 Mill School Tax:

FOR: A FOR vote means you are in favor of increasing the Hamburg School District property tax rate by 4 mills, from 35.5 mills to 39.5 mills, and issuing up to \$7.8 million in bonds to pay for building and equipping new school facilities and making additions and improvements to existing school facilities.

AGAINST: An AGAINST vote means you are not in favor of increasing the Hamburg School District property tax rate by 4 mills, from 35.5 mills to 39.5 mills, and issuing up to \$7.8 million in bonds to pay for building and equipping new school facilities and making additions and improvements to existing school facilities.

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 May 21, 2019. Early voting begins May 14, 2019. Please exercise your right to vote on this issue.**

PUBLIC POLICY CENTER

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Why is this issue on the ballot? What authority does the school district have to raise taxes?

State law requires school districts in Arkansas to charge a 25-mill property tax on all taxable property within the district for maintenance and operation of the schools.

School districts also have the ability to raise taxes (millage) on the assessed value of taxable real, personal, and utility property to pay for maintenance and operation of schools or to pay off debt from previous voter-approved bond issues. School millage increases must be approved by the voters.

The Hamburg School District School Board voted to put the millage proposal on the ballot as a way to generate more money for construction projects the district has identified as important.

What is a mill and how would a higher millage rate affect my tax bill?

A millage is a tax rate the county applies to the assessed value of a property - including real, personal and utility property – to come up with the dollar amount you owe on your tax bill.

In Arkansas, the assessed value equals 20 percent of a property's appraised value. One mill equals \$1 per \$1,000 of assessed value.

For example, a home valued at \$100,000 would be assessed by the county at \$20,000. One mill in this situation equals \$20 in taxes. A four-mill increase would cost that property owner an additional \$80 a year.

For a property valued at \$200,000, the proposed millage increase would cost a property owner an additional \$160 a year.

How would the school district use the revenue?

If approved by voters, revenue from the 4-mill increase would be combined with revenue from an existing 10.5 mills previously approved by voters for debt tied to improvement projects.

The combined tax revenue would be used to repay existing bond debt along with the \$7.8 million in bonds sold to pay for erecting and equipping new school facilities and making additions and improvements to existing school facilities. Any annual surplus revenue collected for debt service may be used for other school purposes.

The following projects and cost estimates were identified by school district officials in public meetings about how the proceeds from the \$7.8 million bond issue would be used:

Hamburg High School Campus

\$1,500,000 – Create space for an Alternative Learning Environment classroom, an art room, two regular classrooms, and bathrooms in an area that connects the south end of the high school with the old agricultural building. Remove portable classroom buildings.

\$1,100,000 – Expand auditorium to hold 600 people and remodel facility.

\$174,370 – New heating, ventilation and air conditioning for cafeteria and kitchen, and air conditioning for dressing rooms and concession area.

Track

\$446,000 – Refurbish track.

Park

\$1,150,000 – Build baseball field, soccer field, parking lot, concessions and bathrooms on property off Byrd Industrial Drive in Hamburg.

Football Field

\$800,000 – Convert current field into a turf field.

Indoor Facility

\$300,000 – Add plumbing, install bathrooms, storage rooms, water fountains and dressing rooms for female softball and soccer players .

Hamburg Middle School Campus

\$197,600 – Remodel bathrooms on campus.

Portland Campus

\$600,000 – Remodel gym area, including roof, exterior and interior, heating and air conditioning systems, and electrical. Remodel concession area. Build an awning and walkway to main building.

Nobel/Allbritton Campus

\$344,500 – Remodel the bathrooms at Noble.

\$265,000 – Connecting the Marilyn Chambers Building to the Main Building.

These projects total \$6.9 million and are initial estimates. According to the school district superintendent, another \$150,000 would be used to pay for professional fees associated with the projects and bond issue and the remainder would be set aside in case project costs end up being more than estimated.

What are bonds?

Bonds are certificates of debt often 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.

How much revenue would 4 mills generate for the school district?

The proposed 4 mills would generate an estimated \$438,980 per year, assuming a 95 percent collection rate from property owners. The money generated by this tax would pay off the bonds issued for the construction projects over a period of 32 years.

About 26 percent, or approximately \$3.8 million, of the Hamburg School District's annual budget comes from local property taxes. The district had a budget of \$14.5 million for the 2018-2019 school year, according to documents on the district's website. The majority of the district's funding comes from the state.

Who pays school district property taxes?

People who own property within the school district pay property tax for the Hamburg School District. Taxable property includes land, homes, business property, cars, boats, trailers, utility property, mineral property, etc.

The Hamburg School District encompasses 732 square miles, and includes communities of Hamburg, Fountain Hill, Parkdale, Portland, Wilmot and a portion of North Crossett. Several of these communities had school districts that were consolidated over the years and absorbed into the Hamburg School District.

If passed, when would the tax rate go into effect?

If approved by voters, the new tax rate would appear on property tax bills that are received in 2020. The school district would not receive the new tax revenue until mid-2020.

When was the last time Hamburg School District had a millage increase?

The last millage increase was in 2007 when voters approved increasing the rate from 31 mills to 35.5 mills to fund a proposed bond issue of \$5,650,000. The bond issue paid for the construction of a new field house and softball field, improvements to the track and football stadium, and for additions to the high school, Portland Elementary and Wilmot P.E. Elementary.

How does Hamburg School District's property tax rate compare to surrounding districts?

If voters approve the school district's proposed property tax, Hamburg School District's millage rate would increase from 35.5 mills to 39.5 mills in 2019. The change would be reflected on tax bills received in 2020.

School districts in Arkansas have millage rates ranging from 28.36 mills in the Lee County School District to 54.8 mills in the Earle School District in Crittenden County. According to the Arkansas Department of Education, the average millage rate for Arkansas' 234 school districts was 38.36. (This average was for property taxes payable in 2018).

Nearby school districts had the following millage (property) tax rates in 2017:

School District	County	Current Total Millage (Property) Tax Rate	Number of Students Enrolled (2017/2018)
Crossett	Ashley	39.97	1,689
Dermott	Chicot	41.81	351
Drew Central	Drew	39.90	1,027
El Dorado	Union	33.5	4,411
Hamburg	Ashley	35.50 (39.50*)	1,774
Hermitage	Bradley	41.50	446
Junction City	Union	40.9	673
Lakeside	Chicot	36	999
Monticello	Drew	39.9	1,930
Parkers Chapel	Union	39.80	752
Smackover-Norphlet	Union	41	1,111
Strong-Huttig	Union	39	293
Warren	Bradley	36.5	1,613

*Rate if proposed millage is approved. Sources: Arkansas Department of Education Millage Report 2017 – Final for Collection in 2018. Arkansas Department of Education Enrollment County by District 2017-2018.

How does Hamburg School District compare to other districts with similar enrollment?

School District	County	Current Total Millage (Property) Tax Rate	Number of Students Enrolled (2017/2018)
Arkadelphia	Clark	44.65	1,777
Bauxite	Saline	38.60	1,708
Crossett	Ashley	39.97	1,689
Hamburg	Ashley	35.50 (39.50*)	1,774
Lonoke	Lonoke	43.35	1,784
Mena	Polk	35.90	1,709
Ozark	Franklin	38.50	1,852
Pottsville	Pope	45.20	1,746
Westside Consolidated	Craighead	35.42	1,738

Sources: Arkansas Department of Education 2018 Annual Statistical Report. Arkansas Department of Education Enrollment County by District 2017-2018.

What would happen if the property tax fails?

The school district would not make any of the identified improvements.

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.

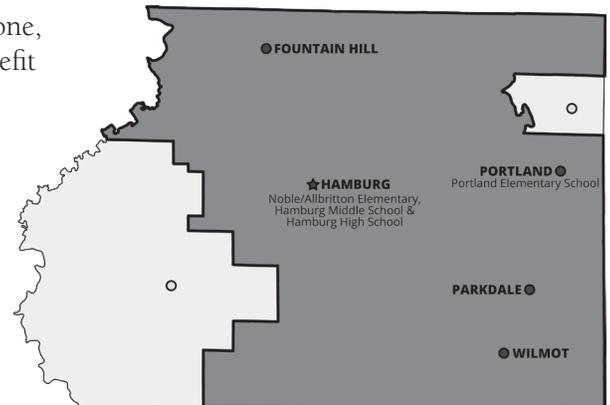
What do supporters say?

- This proposal has been designed so that there is something for everyone, every campus, and every community. Most importantly, this is to benefit the improvement of our school district. This is for the safety of our students and the sustainability of our community.

What do opponents say?

- There are no formal opposition to the tax proposal. However, some taxpayers are opposed to paying for a new turf at the high school football stadium. Some people think that injuries on turf fields may be more severe than on natural grass. In general, some people are opposed to paying higher taxes.

Hamburg School District



Sources: Arkansas Department of Education; Arkansas GIS Office; Hamburg School District

The following is the official wording for the property tax proposal as it will appear on the ballot.

39.5 MILL SCHOOL TAX

The total rate proposed above includes the uniform rate of tax to be collected on all taxable property in the state and remitted to the State Treasurer pursuant to Amendment No. 74 to the Arkansas Constitution to be used solely for maintenance and operation of schools in the State. The total proposed school tax levy of 39.5 mills includes 25.0 mills specifically voted for general maintenance and operation, 10.50 mills voted for debt service previously voted as a continuing levy pledged to the retirement of existing bonded indebtedness, and 4.00 new debt service mills. The new 4.00 debt service mills plus the 10.50 debt service mills, now pledged for the retirement of existing bonded indebtedness, which debt service mills will continue after retirement of bonds to which now pledged, will be a continuing debt service tax until the retirement of proposed bonds to be issued in the principal amount of \$7,800,000, and which will mature over a period of 32 years and will be issued for the purposes of erecting and equipping new school facilities and making additions and improvements to existing school facilities. The surplus revenues produced each year by debt service millage may be used by the District for other school purposes.

The total proposed school tax levy of 39.50 mills represents a 4.00 mill increase over the current tax rate.

FOR TAX ()

AGAINST TAX ()

Conflict of interest: This fact sheet was prepared to provide the citizens of Ashley 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. In providing this information, the University of Arkansas System Division of Agriculture and the Ashley County Extension Office are not advocating for or against this ballot initiative.