



## SALES TAX ELECTION

# Lincoln County Jail Sales Tax and Bond Election

**ELECTION DATE:** Tuesday, May 22, 2018

### What is being proposed?

Lincoln County is proposing to build and equip a new jail, emergency communications center and sheriff's administration offices on county-owned property outside Star City. The county is proposing to pay for the construction and maintenance of the new facility with two new county-wide sales taxes that combined would increase the county's overall sales tax rate from 1 percent to 2 percent.

Voters are being asked to vote on two sales tax proposals and to allow the county to issue up to \$6.6 million in bonds to pay for construction and furnishing of the new jail and law enforcement building up front, including any utility, road or parking lot improvements. The bonds would be paid off with money collected from a temporary 0.625 percent (5/8) sales and use tax that would expire when the debt is repaid. A second 0.375 percent (3/8) sales and use tax would be permanent, and would be used to pay for operating and maintaining the new jail and law enforcement building. The funds could also be used for construction and furnishing the building, and to repay any bonds approved by the voters for the facility.

### When is the election?

The election takes place May 22, 2018. Early voting starts May 7, 2018. Lincoln County voters can check their voter status or find out where they're supposed to vote on Election Day by calling the Lincoln County Clerk's Office at 870-628-5114. You can also check your voter registration status online at [www.voterview.ar-nova.org](http://www.voterview.ar-nova.org).

**PUBLIC POLICY CENTER**

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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?

- The current jail does not meet minimum standards and the county has numerous warrants that aren't served due to limited holding facilities for women.

### What do opponents say?

- There is no known organized opposition. However, people in general may be opposed to paying a higher sales tax on their purchases.

### 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 22, 2018. Early voting begins May 7, 2018. Please exercise your right to vote on this issue.**

## QUICK LOOK:

### What does your vote mean?

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

#### **0.375 percent County-Wide Sales and Use Tax:**

**FOR:** A FOR vote on the 0.375 percent county-wide sales and use tax measure means you are in favor of permanently increasing the Lincoln County sales tax rate by 0.375 percent, 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.

**AGAINST:** An AGAINST vote on the 0.375 percent county-wide sales and use tax measure means you are not in favor of permanently increasing the Lincoln 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 0.625 Percent County-Wide Sales and Use Tax:**

**FOR:** A FOR vote on the bonds and 0.625 percent county-wide sales and use tax measure means you are in favor of temporarily increasing the Lincoln County sales tax rate by 0.625 percent, or 5/8 percent, and issuing up to \$6.6 million in bonds to pay for acquiring, constructing, equipping and furnishing new jail and law enforcement facilities and associated utility, road and parking lot improvements.

**AGAINST:** An AGAINST vote on the bonds and 0.625 percent county-wide sales and use tax measure means you are not in favor of increasing the Lincoln County sales tax rate or issuing up to \$6.6 million in bonds to pay for acquiring, constructing, equipping and furnishing new jail and law enforcement facilities and associated utility, road and parking lot improvements.

#### **Why are these issues on the ballot?**

A sales tax must be approved by the voters.

The state has said the county's existing jail is too small to meet the county's population needs and that it does not meet minimum standards. 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 on other county departments.

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

The state's Criminal Detention Facilities Review Committee documented several issues with Lincoln County's 40-year-old jail during recent inspections.

The report's findings included that the facility lacks an alcohol holding unit, an observation cell, detention space for an individual with disabilities, or a proper visitation area. The report said inmates are able to dispense bodily fluids on county employees, visitors or others in current work areas due to the design of the jail. The report also cited concerns with the county's staffing of the jail, saying a sufficient staff level was necessary for employee safety. The report also noted a lack of proper storage space.

The current jail has 22 beds, but does not have a separate area to house female prisoners. Female prisoners are held in other county jails.

#### **What are the plans for the jail?**

The proposed 14,000-square-foot jail and law enforcement building would have 42 beds, and also house the sheriff's office and emergency dispatch center. The design would allow the jail to house up to 20 female prisoners. Proceeds from the 3/8 percent sales tax would pay for hiring five additional jail employees that would be needed to house female prisoners.

County officials estimate the building and site development would cost \$6 million. The jail and sheriff's office would be built on county-owned land next to the existing county road department on Highway 11 South.

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

Lincoln 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 male prisoners elsewhere.

Lincoln County already takes female prisoners to other county jails. County officials estimate housing all prisoners in other jails outside Lincoln County would cost \$618,380 a year, including transportation costs. This amount, however, does not include the cost of continuing to run the current jail as a

24-hour holding facility, about \$540,000 a year. This type of facility, often called a “24-hour jail,” requires people to be released or transferred to a county jail after 24 hours.

The combined approach of running a 24-hour facility and taking women and serious offenders to other county jails would cost more than \$1.1 million a year, according to Lincoln County officials. This is about the same amount the county would spend on operating and paying off a new jail inside its borders.

Lincoln County’s yearly budget for its existing jail is \$509,000. If voters approve the proposed sales taxes and bond issue, the county’s jail operating budget would be \$758,094 a year for a new and bigger jail building. The tax would also raise \$390,625 a year for paying off the construction debt.

**Why doesn’t the county renovate its existing jail or add on to it?**

County officials have said renovating the current jail and sheriff’s office would not solve the problem of having nowhere to house women prisoners, and that there is no space to add on at the current location next to the county courthouse.

**Why doesn’t the county participate with other counties in a regional jail?**

Jail space is available on a first-come, first-serve basis so county officials said they could not be guaranteed bed space at a regional jail when they need it, even if they were paying for some of the cost of the jail. A regional lockup would most likely be located elsewhere, so they had the same concerns about sheriff deputies being out of the county instead of responding to emergency calls.

**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.

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

According to Lincoln County officials, the permanent 0.375 percent (or 3/8 percent) sales tax would generate an estimated \$234,375 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.

The 0.625 percent (or 5/8 percent) sales tax would generate an estimated \$390,625 per year over the 20 to 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. 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 Oct. 1, 2018. The 0.625 percent sales tax would be collected until the bond is repaid, which county officials estimate to be around 2043. The 0.375 percent sales tax 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 Lincoln County’s sales tax compare to neighboring counties??**

If voters approve the county’s two proposed sales tax rates, Lincoln County’s sales tax rate would increase from 1 percent to 2 percent in October.

Other counties in Arkansas have sales tax rates ranging from 0 percent in Monroe and Saline counties to 3.25 percent in Cleveland County. The

median sales tax rate of Arkansas’ 75 counties is 1.75 percent. Nearby counties have the following sales tax rates:

County	Current Sales Tax Rate
Arkansas	1%
Cleveland	3.25 %
Desha	1.5 %
Drew	2.25 %
Jefferson	1.625 %
Lincoln	1 % (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

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

Lincoln 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.”

If this were to occur, Lincoln County officials estimate they would have to spend more than \$3 million to renovate the existing jail to meet state standards for a “24-hour jail.” County officials have not identified how they would pay for the renovations or for housing prisoners in other counties.

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

Lincoln County officials said if one tax fails, the current jail would become a “24-hour jail.”

If the 0.375 percent sales tax passes, and the other measure fails, the county could collect this tax for jail operations but it would not have the authority to issue bonds to pay for a new county jail.

If the 0.625 percent sales tax and associated bond issue passes, the county would have authority to issue up to \$6.6 million in bonds to build a new jail. But the county would not have enough funds to operate it.

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

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

Adoption of a 0.375% local sales and use tax within Lincoln 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 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 supporter 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  
0.625 % SALES AND USE TAX**

Bonds of Lincoln County in one or more series in the maximum aggregate principal amount of \$6,600,000 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 new jail, communications center, arraignment room, sheriff's office and administrative offices related to law enforcement and any necessary utility, road and parking improvements related thereto or in support thereof, and, in order to pay the bonds, the levy and pledge of a 0.625 % local sales and use tax within the County.

If the bonds are approved, there will be levied within the County a new 0.625 % 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 0.375% 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 0.375 % tax being approved

FOR .....

AGAINST .....

*Conflict of interest: This factsheet was prepared to provide the citizens of Lincoln 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 Lincoln 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 Lincoln County Extension Office.*