



## SALES TAX AND BOND ELECTION

# Sharp County Jail Sales Tax and Bond Election

**ELECTION DATE:** Tuesday, Nov. 6, 2018

### What is being proposed?

Sharp County is proposing to build and equip a new jail and sheriff's administration office on county-owned property behind the current county jail in Ash Flat.

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 Sharp County's county sales tax from 1 percent to 1.75 percent.

Voters are being asked to vote on two sales tax proposals and whether to allow the county to issue up to \$10,995,000 in bonds to pay for the construction and furnishing of the new jail and law enforcement building. The bond money would also pay for any utility, road or parking improvements.

The bond debt would be paid off over 12 to 13 years with money collected from a temporary 0.50 percent (1/2 percent) sales and use tax that would expire when the debt is repaid.

A proposed 0.25 percent (1/4 percent) sales and use tax would be permanent. The revenue from this tax would be used to pay for operating and maintaining the new jail and sheriff's office 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. The tax proceeds could be used for repairs or improvements at the current jail building as well.

### When is the election?

The election takes place Nov. 6, 2018. Early voting starts Oct. 22, 2018. Sharp County voters can check their voter status or find out where they're supposed to vote on Election Day by calling the Sharp County Clerk's Office at (870) 994-7361. You can also check your voter registration status online at [www.voterview.ar-nova.org](http://www.voterview.ar-nova.org).

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?

- One of our biggest problems is overcrowding and the second is safety. We're overrun and our jail was built for the 1980s. This is 2018.
- A sales tax is the fairest way to do this.

### 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.

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## 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:** A FOR vote on the 0.25 percent county-wide sales and use tax measure means you are in favor of permanently increasing the Sharp County sales tax rate by 0.25 percent, 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.

**AGAINST:** An AGAINST vote on the 0.25 percent county-wide sales and use tax measure means you are not in favor of permanently increasing the Sharp 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 0.50% County-Wide Sales and Use Tax:**

**FOR:** A FOR vote on the bonds and 0.50 percent county-wide sales and use tax measure means you are in favor of temporarily increasing the Sharp County sales tax rate by 0.50 percent, or 1/2 percent, and issuing up to \$10,995,000 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 0.50 percent county-wide sales and use tax measure means you are not in favor of increasing the Sharp County sales tax rate or issuing up to \$10,995,000 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 is this issue on the ballot?**

A county sales tax must be approved by the voters.

The state has said the inmate population continues to exceed the jail's design, format and space. 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.

### **What is the county's plan?**

The county would build a 22,500-square-foot jail and law enforcement building that would have 100 beds for prisoners and offices for sheriff's department employees.

County officials estimate the building and site development would cost \$10,995,000. The facility would be built on county-owned land across the road from the current jail on Arnhart Street in Ash Flat.

The county would then use the existing 38-bed jail for storage.

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

According to the Sharp County Sheriff, the jail often has more inmates than jail beds available. The layout of the jail can also create safety issues for staff.

The state's Criminal Detention Facilities Review Committee documented several issues with Sharp County's 37-year-old jail during an inspection in 2017.

The report's findings included that the jail's alcohol unit and observation cell are used to house general population inmates due to a lack of space. Overcrowding has caused the staff to at times not be able to properly separate prisoners. The report stated that due to a lack of space, the facility is not able to maintain needed sight/sound separation of male and female inmates. The jail was also found out of compliance for meeting square footage requirements for cells and for space provided for administrative and staff functions.

The current jail has 38 beds but officials reported an average daily population of 40 inmates, according to the 2017 Criminal Detention Facilities Review report of the jail. The building was constructed in 1980 and is about 5,520 square-feet.

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

The Sharp County Sheriff has said he is planning for the future and an addition to the existing jail would not be enough. An addition would not address the safety issues and other concerns associated with the layout of the existing jail building.

### **Why does the county want to build a 100-bed jail?**

When asked about plans for a larger jail, the county sheriff said that building a 100-bed facility would meet the needs of Sharp County's growing incarcerated inmate totals for years to come. The county reports an average inmate count of 53 in 2018.

### **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 Sharp County officials, the permanent 0.25 percent (or 1/4 percent) sales tax would generate an estimated \$473,000 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.

The 0.5 percent (or 1/2 percent) sales tax would generate an estimated \$946,000 per year for the county over the 12 to 13 years it would take to repay the bonds. 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 April 1, 2019. The 0.5 percent sales tax would be collected until the bond is repaid, which county officials estimate to be around 2032. The 0.25 percent sales tax would not expire unless voters decided at a later date to remove the tax.

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

If voters approve the county's two proposed sales tax rates, Sharp County's sales tax rate would increase from 1 percent to 1.75 percent in April.

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:

<b>County</b>	<b>Current County Sales Tax Rate</b>
Fulton	2%
Independence	1.5%
Izard	0.5%
Lawrence	2.5%
Randolph	1.25%
Sharp	1% (1.75%*)

\*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

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

County officials have said in public meetings that they might look at increasing the county's property tax rate if the sales tax proposals fail.

The Sharp County government has a general millage of 3.05. A mill is equal to one tenth of a percent, meaning the county collects \$3.05 for every \$1,000 of assessed property. The current millage rate generated \$508,493 in 2016.

County officials have said a sales tax would generate more money quicker for the jail than a property tax increase would.

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

If the 0.25 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 building a new county jail.

If the 0.5 percent sales tax and associated bond issue passes, and the other measure fails, the county would have authority to issue bonds to build a new jail and collect the sales tax to pay off the bonds. However, the county could not collect additional sales taxes to operate the larger jail and would need to consider other options.

The state's Criminal Detention Facilities Review Committee plans to meet with Sharp County officials in November to discuss its Improvement Plan for the jail, including an update about a start date or budget framework for any jail improvements.

A September 2018 letter to the county said if officials are not able to show a slated Improvement Plan, the Review Committee would "assist the County in exploring alternatives and/or operational modifications."

Sharp County officials anticipate the state would close the current county jail, requiring people who are arrested to be released with a citation and court date or be transferred to another county's jail.

The following is the official wording for both sales tax questions 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 Sharp 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 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 0.50% SALES AND USE TAX**

An issue of bonds of Sharp County in one or more series in the maximum aggregate principal amount of \$10,995,000 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, arraignment room 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 0.50% local sales and use tax within the County.

If the bonds are approved, there will be levied within the County a new 0.50% 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 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

**Early Voting:**

**Sharp County Courthouse  
Clerk's Office**

Oct. 22 – Nov. 4

Monday – Friday, 8 a.m. – 6 p.m.

Saturday, 10 a.m. – 4 p.m.

Nov. 5: 8 a.m. – 5 p.m.

**Cave City Community Center  
& Hardy Civic Center**

Nov. 1–2: 11 a.m. – 6 p.m.

Nov. 3: 10 a.m. – 4 p.m.

Nov. 5: 11 a.m. – 5 p.m.

**Election Day for this issue is Nov. 6, 2018.**

**Voting Centers:** (open 7:30 a.m. – 7:30 p.m.)

**Ash Flat** – Sharp County Courthouse, 718 Ash Flat Dr.

**Cave City** – Community Center, 120 E. Center St.

**Cherokee** – City Hall, 2 Santee Dr.

**Evening Shade** – Faith Assembly of God Church, 2186 Hwy. 167

**Hardy** – Hardy Civic Center, 301 W. Main St.

**Highland** – City Hall, 1662 Hwy 64/412

**Poughkeepsie** – Fire Department, 4099 ARK 58

**Williford** – Fire Station, 302 N. School St.

**Wirth** – Fire Station, 2082 AR Hwy 175

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