



SALES TAX ELECTION

Poinsett County Jail and Sheriff's Department Sales Tax Election

ELECTION DATE: Tuesday, August 13, 2019

What is being proposed?

Poinsett County's Quorum Court has called a special election for Aug. 13, 2019. Voters will decide whether to approve a 0.5 percent (1/2 percent) sales and use tax to be used for operating, maintaining, constructing and repairing the existing county jail building and operating the sheriff's department.

If approved, the county-wide sales tax rate would increase from 1.25 percent to 1.75 percent in January 2020.

When is the election?

The election is Tuesday, Aug. 13, 2019. Early voting starts Aug. 6, 2019 at the Poinsett County Annex Building at 110 N. East St. in Harrisburg.

Poinsett County voters can check their voter status or find out where they're supposed to vote on Election Day by calling the Poinsett County Clerk's Office at 870-578-4410. You can also check your voter registration status online at www.voterview.ar-nova.org.

Why is this issue on the ballot?

The Quorum Court has determined that the county jail is in need of repairs and additional operating revenue, and the best (cont. on page 2)

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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?

- If citizens want Poinsett County to progress, be productive and prosper, we want a low crime rate. The detention center is an essential component. Repairs at the jail keep piling up but are put off because of budget restraints.
- The sheriff's department needs more funding to continue the drug task force, increase employee training and staff.

What do opponents say?

- There isn't organized opposition to the proposed sales tax. However, in general people are opposed to paying higher taxes.
- If passed, the sales tax rate in some cities in Poinsett County would be over 10 percent when combined with state and local sales taxes.

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, Aug. 13, 2019. Early voting begins Aug. 6, 2019. Please exercise your right to vote on this issue.**

way to generate revenue to cover these costs is to increase the county sales tax. A county sales tax must be approved by the voters.

Who can vote in this election?

People who live in Poinsett County and are registered to vote are eligible to vote in this special election.

What are the county's plans?

The county proposes to increase the county sales tax rate by a half-percent and use the new revenue to make repairs at the county jail, to maintain the building, to upgrade equipment at the sheriff's office and add personnel.

The Quorum Court would decide each year how much of the tax revenue would go to the jail budget and how much would go to the sheriff's department budget.

What are the issues identified at the county jail?

In past public meetings, county officials detailed structural and maintenance issues with the county jail as its mechanical systems have aged. The county has noted plumbing failures and outdated cell locks that don't work properly.

QUICK LOOK:

What does your vote mean?

Your ballot will have one sales tax measure on it to decide.

0.5 Percent County-Wide Sales and Use Tax:

FOR: A FOR vote on the 0.5 percent county-wide sales and use tax measure means you are in favor of permanently increasing the Poinsett County sales tax rate by 0.5 percent, or 1/2 percent, to pay for the costs associated with operating, maintaining, constructing and repairing the county jail and for operating the county sheriff's department.

AGAINST: An AGAINST vote on the 0.5 percent county-wide sales and use tax measure means you are not in favor of permanently increasing the Poinsett County sales tax rate to pay for the costs associated with operating, maintaining, constructing and repairing the county jail and for operating the county sheriff's department.

The state's Criminal Detention Facilities Review Committee has similarly documented these issues during inspections over the past few years.

Poinsett County's facility was built in 1995. The jail has a capacity of 136 detainees, but not all of the bed space has been usable because of these structural issues or due to requirements to separate specific types of prisoners. During a March 2019 state inspection, the jail reported an average daily population of 90 people.

The state agency's report noted that some prisoner housing areas have been closed off due to inoperable cell fixtures, and that a number of lock and door systems at the jail are obsolete.

The report stated that the jail had insufficient staff on duty at some times. The building lacked natural lighting in some prisoner areas and had a number of electrical issues. The jail's heating and cooling systems also need updates, according to the report.

How does the community currently pay for the jail?

Property and sales tax cover the majority of the cost of running the county jail.

In 2019, the Poinsett County Quorum Court budgeted \$1.4 million to operate and maintain the county jail. Of this amount, \$395,088 came from the county's general operating fund.

An existing quarter-percent (1/4 percent) sales tax that Poinsett County voters approved in 1993 for operating the jail generated \$633,929 last year, according to the county treasurer.

The jail's budget is also funded by fines from circuit and district court, and by reimbursements from the state and area cities for housing prisoners.

Cities reimburse the county \$45 a day for housing their prisoners awaiting trial. This daily fee generated \$46,035 last year, according to the county treasurer. Poinsett County also received \$171,696 from the state for housing people waiting to transfer to prison or participating in state work-release programs.

Wasn't there a recent election for the jail?

Poinsett County voters rejected a one-percent sales tax on the November 2018 ballot that would have gone to the jail and sheriff's departments, paying for building repairs and maintenance, increased staffing and purchasing new equipment and vehicles.

That was not the first time a sales tax for the jail was on the ballot. In 2004, Poinsett County voters rejected a one-percent sales tax proposal, which would have allocated half the revenue to maintaining the jail.

How does the community currently pay for the Poinsett County Sheriff's Department?

The county's general operating fund covers the cost of running the sheriff's department. In 2019, the Quorum Court budgeted \$1,155,188 for the sheriff's department.

The money in the general operating fund comes from property taxes, sales taxes and other money collected by the county that is not earmarked for a specific purpose by law. There is not a dedicated sales tax for the sheriff's department like there is for the county jail.

What would happen to the money the county currently spends on the jail and sheriff's department if the tax passes?

According to the county treasurer, Poinsett County would continue to spend some of the general operating fund on the jail and sheriff's department because the half-percent sales tax would not be enough to cover all of the costs for operation and maintenance.

How much money do county governments spend on law enforcement and public safety?

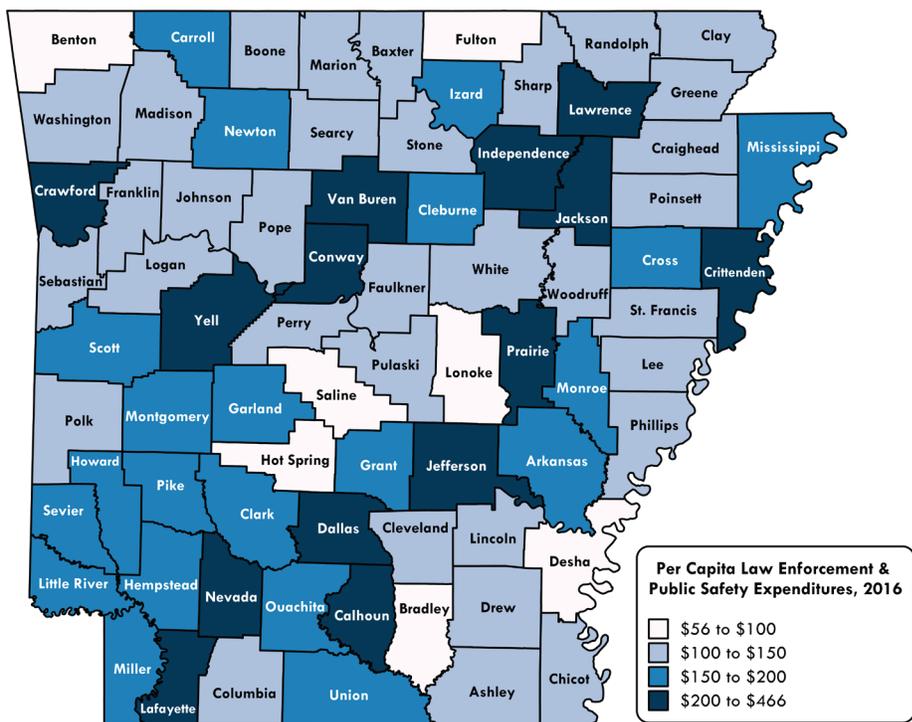
Counties in Arkansas spent 38 percent of their budget on law enforcement and public safety in 2016, according to a University of Arkansas System Division of Agriculture analysis of Arkansas county government spending trends between 1999 and 2016.¹

This category includes county jails and sheriff department budgets. For Poinsett County, that spending amounted to \$125 per person living in the county in 2016. (See Figure 1).

Law enforcement and public safety makes up the largest share of Poinsett County's overall government spending. They accounted for 45 percent of county expenditures in 2017, according to a University of Arkansas System Division of Agriculture analysis of Poinsett County's finances.²

The county's spending on the jail and sheriff's department has increased over time, from \$2.7 million combined in 1999 to \$3.3 million combined in 2017, according to the analysis of Poinsett County's finances.

Figure 1. Law Enforcement and Public Safety Expenditures Per Person in Arkansas – 2016



Source: Legislative Audit Reports, Arkansas Legislative Audit

How much revenue would the proposed sales taxes generate?

The permanent 0.5 percent (or 1/2 percent) sales tax would generate an estimated \$1,267,859 a year, according to the county treasurer.

When would the sales tax begin?

If approved by voters, the new sales tax would start Jan. 1, 2020.

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 Poinsett County's sales tax compare to neighboring counties?

If voters approve the ballot measure, Poinsett County's county-wide sales tax rate would increase from 1.25 percent to 1.75 percent in January 2020.

¹County Government Finance Database 1999-2016. University of Arkansas System Division of Agriculture Cooperative Extension Service Community and Economic Development Unit.

²County Government Finance Database 1999-2017. University of Arkansas System Division of Agriculture Cooperative Extension Service Community and Economic Development Unit.

Other counties in Arkansas have sales tax rates ranging from 0 percent in Monroe County 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 County Sales Tax Rate
Craighead	1%
Crittenden	2.75%
Cross	2%
Jackson	2.25%
Lawrence	2.5%
Poinsett	1.25% (1.75 %*)

*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; April-June 2019.

What would happen if the tax fails?

Poinsett County officials said they would reduce the number of people kept at the jail and would look at the possibility of laying off staff members. Officials have said another option

to raise funds for public safety would be to increase the county property tax or “millage rate.”

What is a mill and what is the current county millage rate?

A millage is a tax rate the county applies to the assessed value of property – including real, personal and utility property – to come up with the dollar amount you owe on your tax bill. One mill equals \$1 per \$1,000 of assessed value.

In Poinsett County, the Quorum Court levies a 2.6 mill property tax for county general operations. This means the owner of a \$100,000 home pays \$52 in taxes a year for county general operations.

The majority of property taxes in Arkansas go to school districts. County governments can levy up to 5 mills for county general operations.

In 2007, the Poinsett County Quorum Court shifted its property tax rate, moving one mill from roads to the county general operations fund. This was in part to help offset increasing costs at the county jail.

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

0.5 % SALES AND USE TAX

Adoption of a 0.5% local sales and use tax within Poinsett 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 the purposes of operating, maintaining, constructing and repairing County detention center facilities and operating the County Sheriff's department.

FOR

AGAINST

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