



# SALES TAX AND BOND ELECTION

## Craighead County Sales and Use Tax Levy and Bond Issuance

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

### What is being proposed?

Voters in Craighead County will see a temporary countywide sales tax and bond issue proposal on their Nov. 5, 2024 General Election ballot. The Craighead County Quorum Court is seeking approval to issue up to \$105 million in bond debt to pay for improvements to the county's jail, public safety, law enforcement and court facilities, and to temporarily increase the county's sales tax rate by 0.50% to 1.50% to pay off that debt.

### When is the election?

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

Craighead County voters can check their voter status or find out where they're supposed to vote on Election Day by calling the Craighead County Clerk's Office at 870-933-4520. 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 county sales tax and bond issue must be approved by the voters.

**PUBLIC POLICY CENTER**

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### QUICK LOOK:

## What does your vote mean?

**FOR:** A FOR vote means you are in favor of the county government selling up to \$105 million in bonds to finance improvements to the county's jail, public safety, law enforcement and court facilities, and to temporarily increase the county's sales tax rate by 0.50% to pay off that debt.

**AGAINST:** An AGAINST vote means you are not in favor of the county government selling up to \$105 million in bonds to finance improvements to the county's jail, public safety, law enforcement and court facilities and temporarily increasing the county's sales tax rate by 0.50% to pay off that 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.

**Please exercise your right to vote on this issue.**

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

People who live in Craighead County and are registered to vote can vote on this local ballot issue.

### What are the county's plans?

The county is proposing to issue up to \$105 million in bonds to be financed by a 0.50% temporary sales tax.

According to Ordinance 24-16, approved by the Craighead County Quorum Court authorizing the special election, the funds would be used to finance all or a portion of the costs of acquisition, design, engineering, construction, reconstruction, repair, renovation and equipping of improvements to the County's jail, public safety, law enforcement and court facilities. This would include particularly renovations to and expansion of the Craighead

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?

- The current facility is approximately 35 years old, and is used 24 hours a day, 7 days a week. As such, the building has aged much faster than others built around the same time.
- It comes down to a population increase in my mind in Craighead County, as we've grown over 100 percent in that time. Public safety has never been free unfortunately and we must decide if we want to invest in Craighead County for the future and growth.

### What do opponents say?

- I do not support the expansion of the jail. We don't need to be seeking out more people to lock up, but we do need to be looking into the root causes of why there is so much low-level crime and address that and decrease recidivism.
- The facility has faced 35 years of neglect and can be added on and work done without having to spend \$100 million.

County Detention Center and related utility, parking and landscaping improvements. This is the first time the county has placed this issue on the ballot.

### 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. Debt is paid off over a long period of time. Similar to a home mortgage, there are debt service costs of bonds which include payment of principal, interest and administrative fees.

### How much revenue would the proposed sales taxes generate?

The estimated repayment cost for \$105 million in bond debt including fees and interest is \$112,495,900. Since revenues from the 0.50% sales tax would be used to finance this bond debt, the tax would sunset when the bond debt is retired.

### When would the sales tax begin and end?

If passed, the sales tax would begin in the first quarter of 2025. It would end when the associated bonds are retired (fully repaid), estimated by the county to be March 2031. The tax could not be extended once the bonds are repaid without voter approval.

### 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 Craighead County's sales tax compare to neighboring counties?

If voters approve this measure, Craighead County's sales tax rate would increase from 1% to 1.5% in 2025. Other counties in Arkansas have sales tax rates ranging from 0% in Monroe County to 3.25% in Cleveland County. The median sales tax rate of Arkansas' 75 counties is 1.722%. Nearby counties have the following sales tax rates.

County	Current County Sales Tax Rate
Craighead*	1% (1.5%*)
Greene	1.375%
Jackson	2.25%
Lawrence	2.5%
Mississippi	2.5%
Poinsett	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; October-December 2024.

## Are there documented issues with the current jail?

A June 2023 inspection report by state's Criminal Detention Facilities Review Committee indicates that the current operation has outpaced the current site and exceeded the building's capacity. It said that based on long-term trends, the jail is not large enough to properly separate and classify inmates. With an operational capacity of around 350, the highest count as of June 2023 was 402 inmates. The report specifically identified the need for:

- Additional cells for holding, short-term separation, administrative segregation, observation and/or inmates with special needs.
- Additional space for outdoor activity/exercise purposes.

The report noted that although the staff is working to repair, update and replace fixtures and building components, it is aging out of service.



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

### County Sales and Use Tax Levy and Bond Issuance

Upon approval of the question set forth below and the issuance of the Bonds (defined below), there will be levied a temporary one-half of one percent (0.50%) countywide sales and use tax (the "Sales and Use Tax"), the net collections of which remaining after the State of Arkansas deducts its administrative charges and after required rebates will be used solely for the payment of debt service on the Bonds approved and issued. The levy and collection of the Sales and Use Tax will commence on and as of such date as provided in Arkansas law and will cease upon retirement in full of the Bonds. *The Sales and Use Tax will be levied only if the question described below is approved.* The Bonds may be combined into a single issue or may be issued in series from time to time. There is submitted to the qualified electors of Craighead County, Arkansas, the question of the issuance of capital improvement bonds in principal amount not to exceed \$105,000,000 (the "Bonds") pursuant to Amendment 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Local Government Bond Act") for the purpose of financing all or a portion of the costs of acquisition, design, engineering, construction, reconstruction, repair, renovation and equipping of improvements to the County's jail, public safety, law enforcement and court facilities, including particularly, renovations to and expansion of the Craighead County Detention Center, and utility, parking and landscaping improvements related thereto or in support thereof. If the issuance of the Bonds is approved, the Bonds will be secured by a pledge of and lien upon all of the receipts of the Sales and Use tax described above.

- FOR the issuance of Capital Improvement Bonds in principal amount not to exceed \$105,000,000
- AGAINST the issuance of Capital Improvement Bonds in principal amount not to exceed \$105,000,000

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