

Benton County, Arkansas

Courthouse Construction Funding Options

Option I: Sales & Use Tax

- Increments of 1/8, 1/4, 1/2, 3/4 or 1%
- Spreads costs amongst larger population
 - Citizens *and* Tourists pay tax
- Generates higher revenues than other options
 - Allows for quicker debt retirement
 - Tax sunsets upon debt payment
- Requires Voter Approval
 - If Primary or General Election
 - Ordinance filed 70 days prior
 - If Special Election, 60 days prior

Option II: Property Tax Increase

- Requires Voter Approval
- Debt Amount limited to 10% of County's AV
- Revenues Generated by local property owners

Option III: Court Fines & Restitution

- No Voter Approval Required
- Spreads costs amongst smallest population
 - *Most* Citizens and Tourists not impacted
 - Uncertainty on future revenues
 - Less Crime / Less Revenue
 - Average Collections 2008-2015 = \$2.3 mm
- Generates smaller revenues than other options
 - More limiting on amount of debt
 - Impacts Budget for length of debt
- Washington County & Saline County have used this option in the past for Courthouse and JDC Project funding

Option III: General Obligation Bonds

- Amendment 78 (Arkansas Constitution)
- No Vote Required
- Maximum loan amortization period of 5 Years
- Pledge of General Revenues