



## IN BRIEF

### ON THE BALLOT

St. Tammany Parish, Jail Sales Tax Renewal, March 24, 2018

March 2018

#### Overview of the Proposition

Voters parishwide will decide whether to renew a sales tax dedicated to the parish jail. St. Tammany Parish has levied the tax for 20 years at a rate of 0.25%. Voter renewal would extend the tax for another 10 years at a reduced rate of 0.20%. This will be the Parish's third attempt to renew the tax. If voters reject it again, the tax will expire March 31, 2018.

#### Key Background and Findings

- Renewal at the reduced rate of 0.20% would mean that a household spending \$20,000 a year in taxable purchases would pay \$40 instead of \$50 a year. If the tax expires, it would pay \$50 less in annual sales tax.
- The Parish and the Sheriff each have State-mandated obligations to support the parish jail. The jail tax can pay for both Parish and Sheriff jail costs.
- Before 2018, even a full year of jail tax revenue (about \$12 million) was not enough to meet all Parish and Sheriff obligations related to the jail facility and parish inmates. By agreement, the tax revenue satisfied the Parish's obligations first. This required the Sheriff to close a funding gap using other jail revenue sources.
- With the tax set to expire on March 31, the Parish could budget only \$3 million in tax revenue for 2018. The Parish closed the budget gap by deferring all jail capital projects and by appropriating funds for jail operations from the Parish's General Fund and Public Health Fund, resulting in cuts to citizen services supported by those funds. The Sheriff closed his 2018 budget gap primarily through the jail's financial reserve.
- BGR evaluated whether the tax is necessary. If voters do not renew the tax, the Parish will face a 2019 funding gap of \$6.7 million and significant cuts to core services supported by its General Fund. The Sheriff may also face a revenue loss, with potential impacts on jail conditions and his ability to fund law enforcement.
- BGR also analyzed whether the proposed 0.20% tax is appropriately sized. If voters renew the tax, the Sheriff's Office projects \$9.5 million of annual revenue. Based on its projections, renewal of the jail tax will not produce excessive revenue. In fact, it will not be enough to avoid recurring deficits in jail operations or pay for future capital needs.
- Finally, BGR reviewed whether the tax revenue would be well spent. The Sheriff has controlled jail costs and reported them to the Parish pursuant to their agreement. The public would be better served if those reports were more accessible.

#### BGR Position on Jail Tax Renewal

**FOR.** The jail tax provides significant revenue for the Parish's and Sheriff's obligations to support the parish jail. Renewal of the tax would help secure the jail's future for another 10 years at a slightly reduced cost to taxpayers. Loss of the tax would result in new budget cuts that would reduce Parish services in other areas and potentially undermine jail operations and the quality of law enforcement.

BGR notes that renewing the tax at the proposed rate would leave some jail costs unfunded. Based on the Sheriff's projections, the jail will need additional funding to offset future deficits and make necessary capital investments in jail facilities. To better inform the public on the jail's financial condition, the Parish or the Sheriff should post online the jail accountability reports.

Read the full report at [www.bgr.org](http://www.bgr.org).