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# ADMINISTRATION

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ADMINISTRATOR  
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March 23, 2023

To the Taxes Committee Chair Senator Rest, Vice Chair Senator Klein, Ranking Minority Member Senator Weber and committee members:

Thank you for the opportunity to present for consideration S.F. 2355 authorizing Rice County to seek voter approval of a three-eighths of one percent local option sales tax to support repayment of bonds issued to fund a new Public Safety Center that is comprised of a combined law enforcement center and county jail. The County Board of Commissioners carefully deliberated to determine what they felt to be the appropriate LOST percentage to request based on our estimates of potential collections as well as bond repayment strategies that would help minimize the overall total cost of borrowing for this project as well as minimize impacts to property tax payers. We presented to the committee last legislative session and appreciate the support we received at that time. Since the last session, the project did have to continue moving forward to continue to meet DOC timelines to remain a fully operational jail. We have issued bonds and have broken ground on the new facility. In the approved 2023 County Budget and property tax levy, the County Board did increase our debt service levy by \$1,448,642 which represented a 47.26% increase to our debt service fund and an overall impact of approximately 4% increase to our total County property tax levy. Should the LOST request not pass legislation, or fail to meet voter approval a second increase of this same approximate size may be necessary to cover the entire annual bond payment of approximately \$2.9M per year. Our hope is that should this legislation pass, we can continue to engage in community dialogue leading up to a referendum vote for the public to decide the preferred repayment mechanism for this regional asset. Included with this cover letter are information sheets about our Public Safety Center. We are happy to answer any questions you may have and appreciate your consideration and support.

Sincerely,

Sara Folsted,

Rice County Administrator