



Howard County, City of Kokomo Partner to Reduce Financial Burden of Court-mandated Jail Construction

KOKOMO, Ind. – Following the city of Kokomo’s adoption of a resolution to propose an increase to the county local income tax (LIT) rate, the Howard County Board of Commissioners today announced an agreement with the city to help reduce the financial burden of constructing a new county jail.

Under the agreement, the city of Kokomo will contribute its share of revenue generated by a 0.4% increase in the public safety LIT rate to Howard County for a two-year period, providing approximately \$6.7 million to help finance the new county jail. This partnership reduces the initially proposed tax increase by two-thirds, minimizing the financial impact on taxpayers while ensuring compliance with the county’s federal settlement agreement with the American Civil Liberties Union (ACLU).

“From day one, our focus has been on doing this the right way: openly, responsibly and with respect for the taxpayers we serve,” said **Jack Dodd**, president of the Howard County Board of Commissioners. “I want to thank the city of Kokomo for their partnership, which reflects a shared commitment to public safety and good government. With their support, the county is able to take a thoughtful, fiscally responsible approach to meet the needs of our community and fulfill the requirements of our federal settlement agreement.”

The city of Kokomo’s proposed ordinance to the county local income tax council increases the public safety LIT rate from 0.1% to 0.5%. Revenue generated by the additional 0.4% will be used exclusively to fund the annual debt service on bonds issued for construction of the jail.

The Howard County Council will consider the ordinance at its next scheduled meeting on Tuesday, October 28.

Without this partnership, the public safety LIT rate would have needed to be raised to 1.3%, amounting to a cost of nearly \$600 per taxpayer per year. With the city of Kokomo’s support, that has been reduced to under \$200 per taxpayer.

The need to construct a new county jail comes after a federal settlement agreement with the ALCU was reached following multiple lawsuits alleging overcrowding and unsanitary conditions in the county jail.

For nearly two years, under the direction of a jail committee, the county has undertaken careful planning to prepare for this court-mandated project, including working closely with legal and financial experts to ensure the project moves forward in the most fiscally responsible way possible.

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