

Sheriff Rodney Arbuckle
DeSoto Parish Sheriff's Office

Before the Subcommittee on Energy and Mineral Resources

Oversight hearing titled "*American Energy Jobs: Opportunities for States and Localities.*"

June 18, 2014

I would first like to thank you for the opportunity to speak to you today. I am Sheriff Rodney Arbuckle with DeSoto Parish Sheriff's Office. I have 32 years in law enforcement. Fourteen of those years are as Sheriff. DeSoto Parish is located in the North West corner of the state of Louisiana at the Texas border. We are a rural Parish with approx. 30,000 residents. The first half of my tenure as Sheriff was spent with such a tight budget that to say I was frugal would be an understatement. At the time my Deputies were paid twenty one thousand dollars a year.

I would like to start by taking you back to the year 2008. The country was beginning to experience financial hardships, businesses were struggling, and jobs were being lost. This was not isolated to one area of the country as it was the scene in many regions and states. It was also the beginning of change for my community.

In early 2008 an energy company began exploring for natural gas in and around DeSoto Parish and neighboring Parishes. This would be the beginning of what is now known as the Haynesville Shale. As word leaked of the size and success of several wells that were drilled in the area many other companies joined in exploration. Lease bonuses for one acre of land quickly rose above twenty thousand and eventually settled around thirty thousand dollars an acre. Many overnight millionaires were made. There were several individual land owners who received over one hundred million dollars for their bonus. The boom had begun and this was only the beginning.

Within a month thousands of workers began to pour into our area. The infrastructure was not in place to handle what was happening. RV parks immediately began being built by locals. Restaurants were packed to capacity. Catering companies and food trucks began to move in to capitalize on the situation. Local hotels were immediately booked by companies for many months in advance. At this point there were no national hotel chains within our Parish.

Move forward six months. It was estimated that the population within the borders of DeSoto Parish were doubling during the day with the influx of workers. Plans were underway for 3 national chain hotels to begin building. Multiple new restaurants are either being built or are being planned. Traffic In small towns begin to rival that of larger cities.

Employers related to energy companies are actively seeking employees. Jobs are abundant. Wages being paid by these employers are high. Locals are quickly being acquired for these positions. At the height of activity there would be 139 drilling rigs working. Just those rigs required and estimated 25,000 down line employees to operate. Infrastructures such as roads begin to diminish. Call volume for local fire, EMS, and Law Enforcement have begun to increase.

All of the things I just said are just a snapshot of what that time was like. As a small Parish there was an adjustment period for us. Our citizens were well aware of the energy sector. Many citizens were employed by energy companies that were operating in the area so the nature of the activity was nothing new to us although the magnitude with which the Haynesville arrived was. So what did this mean for local government?

Revenue for DeSoto Parish through local property and sales tax sailed higher and higher each month. By the end of the first year of the Haynesville sales tax had increased 82.2% and by 2011 the increase would top 500%. Pre Haynesville Shale sales and use tax was just over sixteen million dollars. In 2011 one hundred twenty million dollars was collected. Property tax collection has continually increased and is projected to keep that trend for the foreseeable future. Along with this extreme increase in funds came hurdles. Road condition, traffic, emergency response, and many other trials. Crimes related to energy companies and their contractors became an issue. The upside of that is that we had the funds to acquire or put in place the resources we needed to address issues that began to arise.

DeSoto Parish Sheriff's Office seen an immediate need for more manpower. Uniform patrol has been increased by 25%. The Investigation division has been increased by 30%. Through a mutual endeavor to respond to emergencies, equipment has been acquired to allow adequate response in even the most remote location. We now employ a helicopter which is rare for a Jurisdiction of our size. The latest technology has been deployed to Deputies and patrol units. A new training center was erected that also serves as an emergency operations center. While all of these items do in fact aid the energy sector, it is our citizens that benefit the most. We now provide the most efficient and well equipped force in our area. A two million dollar maintenance facility was built to maintain all of our new equipment. Also paid for in cash on hand. This has also allowed us to become the highest paid Sheriff's Office in the state with a beginning salary of \$46,240.00. This is important for retention of our Deputies with such high wages available in the energy sector.

We are now in our 6th full year since the discovery of the Haynesville Shale. DeSoto Parish Government has come quite far since that time. While sales tax has fallen from the one time high of one hundred twenty million to forty million dollars we have seen a more

lasting increase in property tax revenue. The twenty million dollars that was collected has become eighty million dollars. Most large endeavors have been paid for in cash with no bonds or borrowed money. The DeSoto Parish Sheriff's Office has a growing surplus that sits near forty million dollars.

As fortunate as DeSoto Parish has been financially, we knew from the beginning that the influx of capital would peak and eventually settle at a lower amount. Knowing this, DeSoto Parish Sheriff's Office prepared. A rainy day fund was established. At our current fund level DeSoto Parish Sheriff's Office could operate at its current capacity for three years if not one penny of tax was collected. Much thought was placed on sustainability when creating programs and adding personnel.

Natural gas production has become a huge factor in our everyday lives in DeSoto Parish. Natural gas pumps are becoming common place at our local gas stations. Local companies and government agencies are utilizing the cheaper fuel to save money. Semi-trucks are either being bought or converted to operate on Liquid Natural Gas. Power plants in the region are utilizing natural gas generators. Obviously, the future of what natural gas can do for this country can be seen daily in our community.

**Gross Sales and Use Tax Collections Over a Ten (10) Year Period
For Fiscal Years Ended June 30, 2006 through June 30, 2015**

Fiscal Year (1)	Parishwide			Municipalities				Grand Total		
	School Board	Police Jury	Law Enf Dist	Mansfield	Logansport	South Mansfield	Stonewall		Cane	Keachi
2006	9,635,507	3,858,636	1,903,864	878,337	137,348	33,422	147,763	23,615	15,834	16,634,326
2007	13,480,208	5,394,684	2,645,792	1,024,391	177,383	43,980	192,966	34,684	20,760	23,014,847
2008	13,850,262	5,541,825	2,748,825	1,034,387	188,450	44,116	167,309	43,030	18,419	23,636,623
2009 (2)	25,810,503	10,382,643	5,162,962	1,418,932	284,753	49,890	198,296	69,364	48,504	43,425,848
2010	50,637,444	20,256,897	10,121,940	2,088,200	354,672	110,193	229,193	115,220	135,211	84,048,971
2011	72,757,851	29,103,717	14,551,222	2,543,632	275,838	176,516	284,863	230,139	102,345	120,026,122
2012	53,414,120	21,365,989	10,678,856	2,970,180	281,155	132,505	256,758	202,787	86,324	89,388,675
2013	22,295,659	8,919,134	4,460,405	1,937,732	195,311	72,189	254,865	123,297	85,270	38,343,861
2014	22,150,000	8,860,000	4,430,000	1,700,000	204,000	59,000	294,000	77,000	43,000	37,817,000
2015	22,150,000	8,860,000	4,430,000	1,800,000	206,000	60,000	296,000	78,000	43,500	37,923,500

Notes:

- (1) The fiscal years ending 2014 and 2015 reflect budgeted collections rather than actual collections.
- (2) Reflects the City of Mansfield's 1/2% tax which went into effect January 1, 2009.

Historical Sales Tax Collections

