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PRESS RELEASE

Ottawa County OK - May 18, 2026

On April 21, 2026, the Federal Tenth Circuit Court of Appeals affirmed the jury verdict against Ottawa County, Oklahoma, entered in the case of Estate of Ellis v. Sheriff of Ottawa County. The verdict was for thirty-three million dollars (\$33,000,000.00). With plaintiffs' attorney fees and interest, the sums due are nearing forty million dollars (\$40,000,000.00).

The judgment arises from the death, on October 22, 2016, of detainee Terral Ellis Jr. The jury found Ottawa County jail employees failed to seek necessary medical care for Mr. Ellis resulting in his death from septic shock. The trial was conducted in August 2023, nearly eight years after Mr. Ellis's death.

The Board of County Commissioners has authorized their trial and appellate attorney to request a further appeal to reduce the total amount of judgment. The decision of the Appeals Court acknowledged the defense counsel engaged in improper argument during the trial but ultimately left the entire judgment in place against Ottawa County.

The County government and voters have a difficult situation to deal with in paying the approximately forty million dollars as awarded.

Ottawa County is a small county. Total *ad valorem* tax revenues, for all purposes, is just over eighteen million dollars (\$18,000,000.00) per year. Only two million dollars (\$2,000,000.00) of that sum is used for direct support of the County government.

Oklahoma Statute requires, unless other arrangements are made, for Judgments to be paid with a three-year *ad valorem tax* levy. To pay this judgement in three years, the County would have to levy taxes and pay over fourteen million dollars (\$14,000,000.00) per year. Property tax collections would have to double overall. Some taxpayers would be assessed more than twice their existing taxes. A three-year payment would be economically devastating to existing property owners and businesses in Ottawa County.

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The County also has the ability to request the Federal Court to spread the judgment over a ten-year period. Interest would accrue during that time. The approximate annual payment would be five million dollars per year for ten years. The *ad valorem* tax base is still too small to support this level of payment. The resulting millage rates would devastate the County's ability to attract new businesses and to keep present businesses.

There has been public discussion regarding the County seeking bankruptcy protection. This is a limited option, but it does not provide any benefit. As a municipality, the County could seek Chapter Nine relief. But bankruptcy for municipalities is very different than for individuals or businesses. Chapter Nine bankruptcies are very uncommon, require specialist attorneys and do not reduce the amount paid or the interest rate. After consulting outside counsel, this is deemed to not be a recommended course of action.

The probable best solution is a voter approved bond issue. Other cities and counties in similar situations with large judgments and a small property tax base, have routinely used this option.

This option allows the County to fund a bond issuance supported by sales tax. The outstanding judgment would be paid with bond proceeds. The bond holders can be paid at a favorable interest rate over a longer period of time than can be done with any of the other options. The annual payment required is smaller and can be paid off earlier and won't affect *ad valorem* property taxes.

This last option requires a County wide vote which can be conducted as early as August of this year. The County could impose as much as 1.65% in additional sales tax.

The Board of County Commissioners have called a special meeting to be held at the Miami Civic Center on Tuesday, May 19th at 1:00 p.m. Public discussion will follow a presentation.

A large, stylized handwritten signature in blue ink that reads "Douglas S. Pewitt".

Douglas S. Pewitt
District Attorney