

Riverview’s Bond Cost Ad Explained

By Jeff Heckathorn
8/10/2020

Table of Contents

Summary.....1

Bond cost to taxpayers as represented by the school district.....2

Bond cost to taxpayers as calculated by the authors.....2

Projected tax rate for the 2020 bond.....3

Projected AV growth by the district.....3

All school taxes for the example taxpayer.....4

Summary

Problems with Riverview’s advertisement:

1. Riverview can claim that the 2020 bond would cost taxpayers a rate of \$1.09 in 2021. But that is only one year out of the planned 18 years for the payback period. The district plans to charge taxpayers a much higher rate in years 2027-2036. Quickly rising above \$2.09
2. Riverview is also assuming an AV growth of 5% in 2021 and 3% for years 2022 through 2037 which is the length of the 2020 bond’s payback period.

Bond cost to taxpayers as represented by the school district

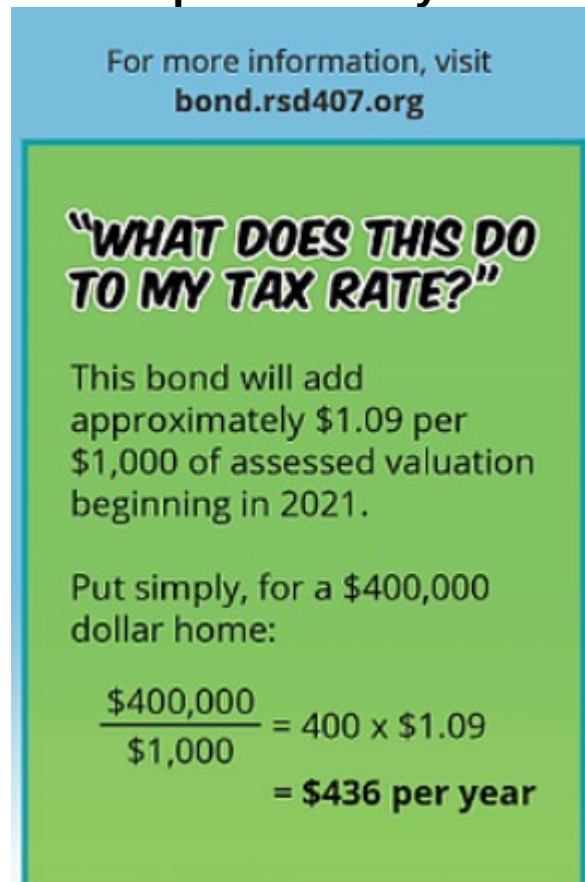


Fig 1

Bond cost to taxpayers as calculated by the authors

Projected School Tax Collection for the 2020 Bond
On a Riverview SD Home with an AV of \$400,000 as of 2020
Total = \$14,737
Ave Per Year = \$819 for 18 years

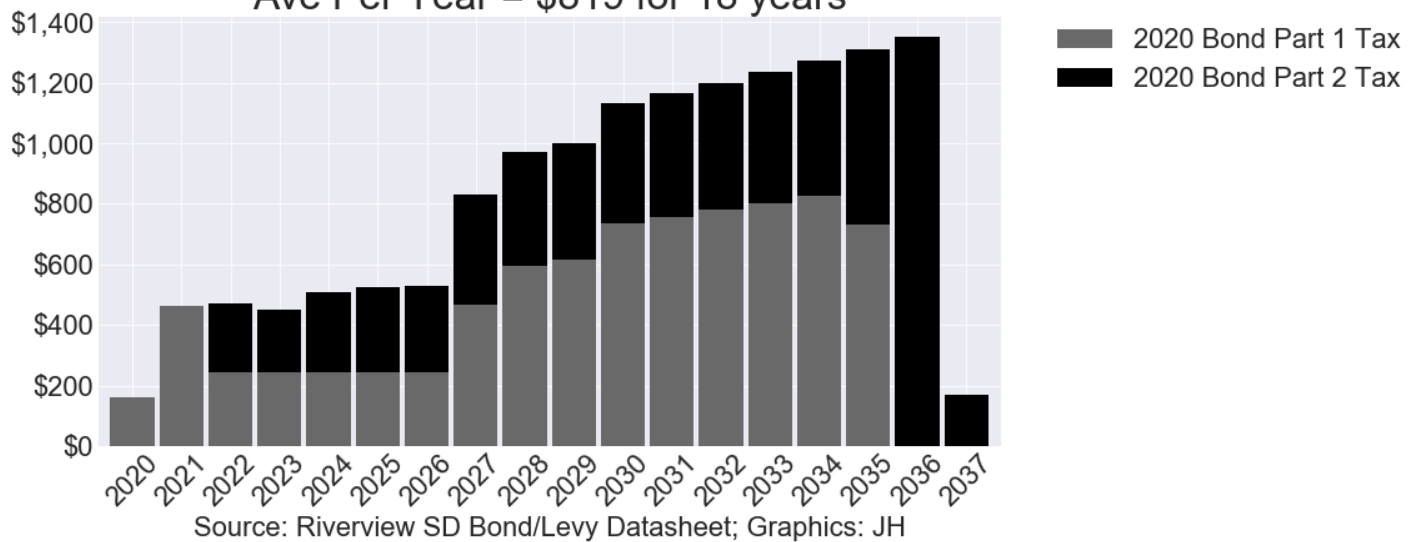


Fig 2

Projected tax rate for the 2020 bond

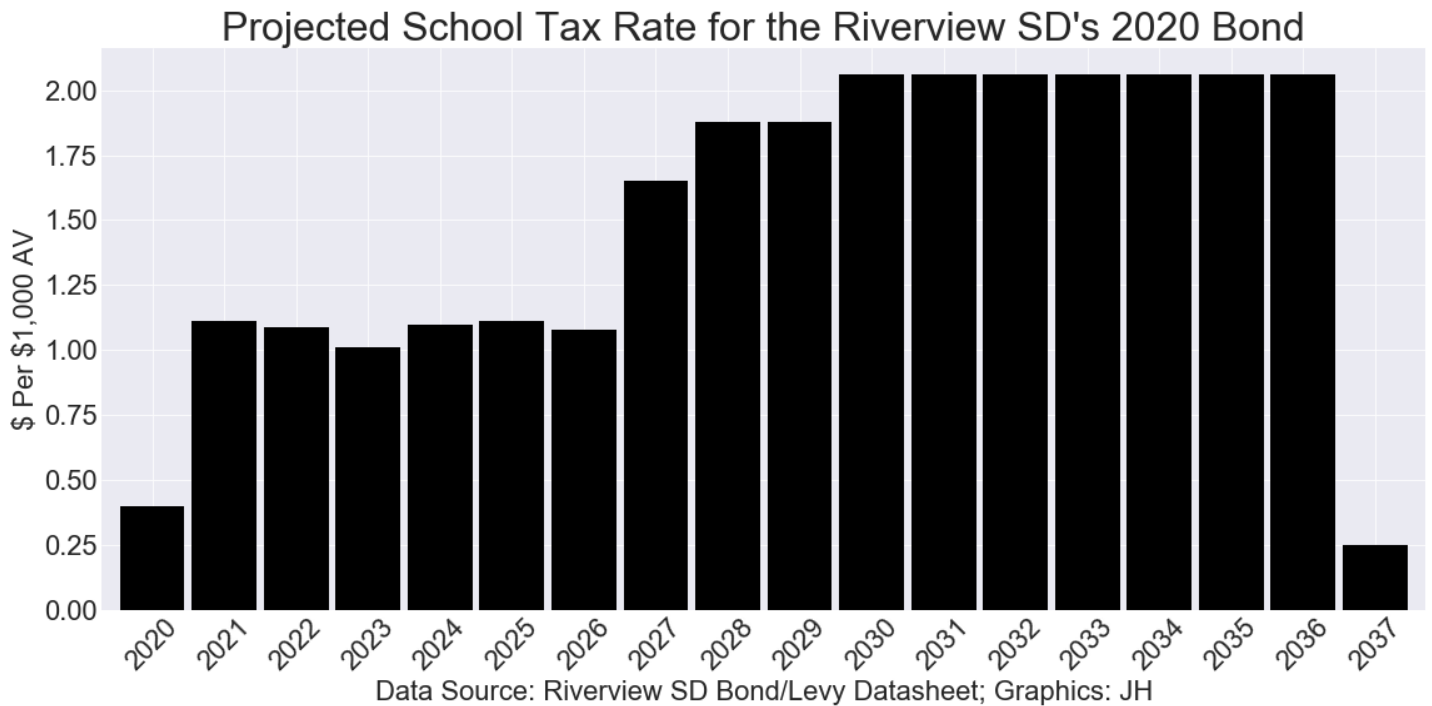


Fig 3

Projected AV growth by the district

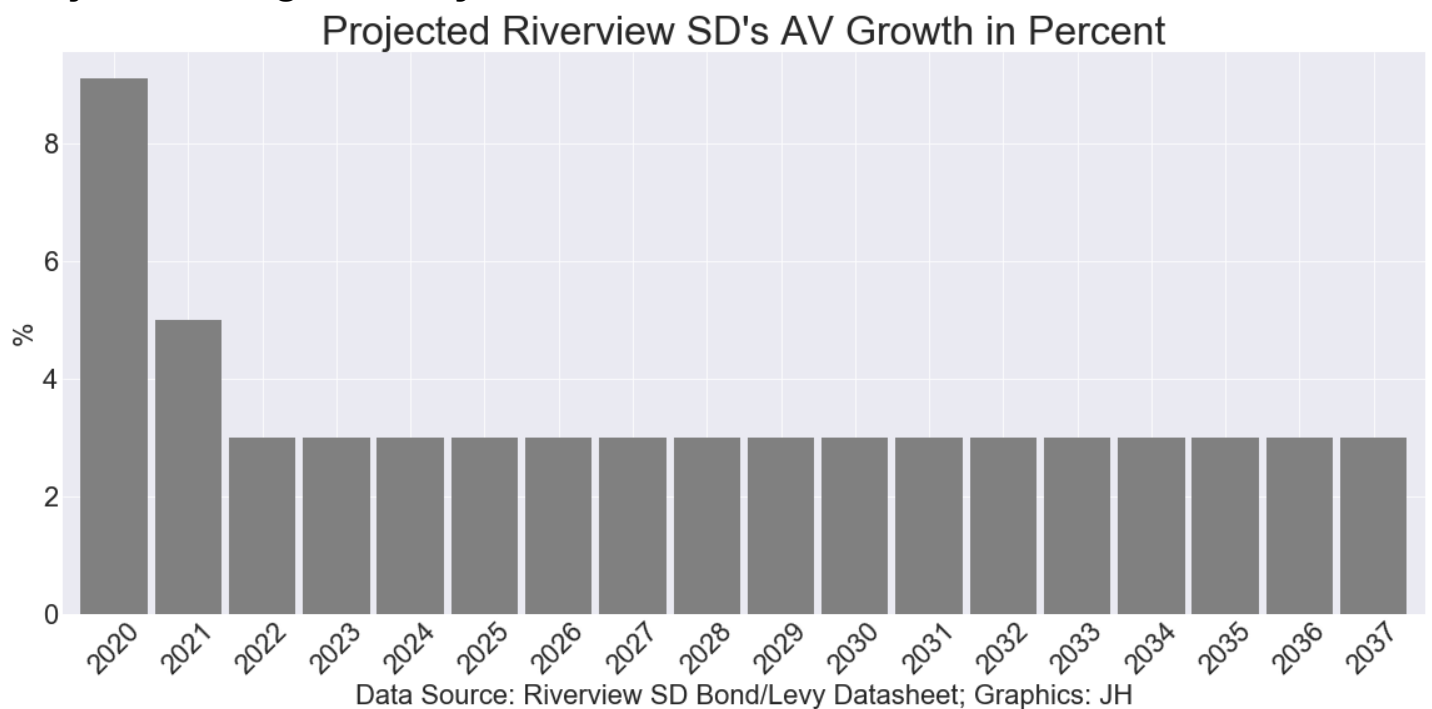


Fig 4

All school taxes for the example taxpayer

Projected School Tax Collection for All School Taxes
On a Riverview SD Home with an AV of \$400,000 as of 2020
Total: \$65,900

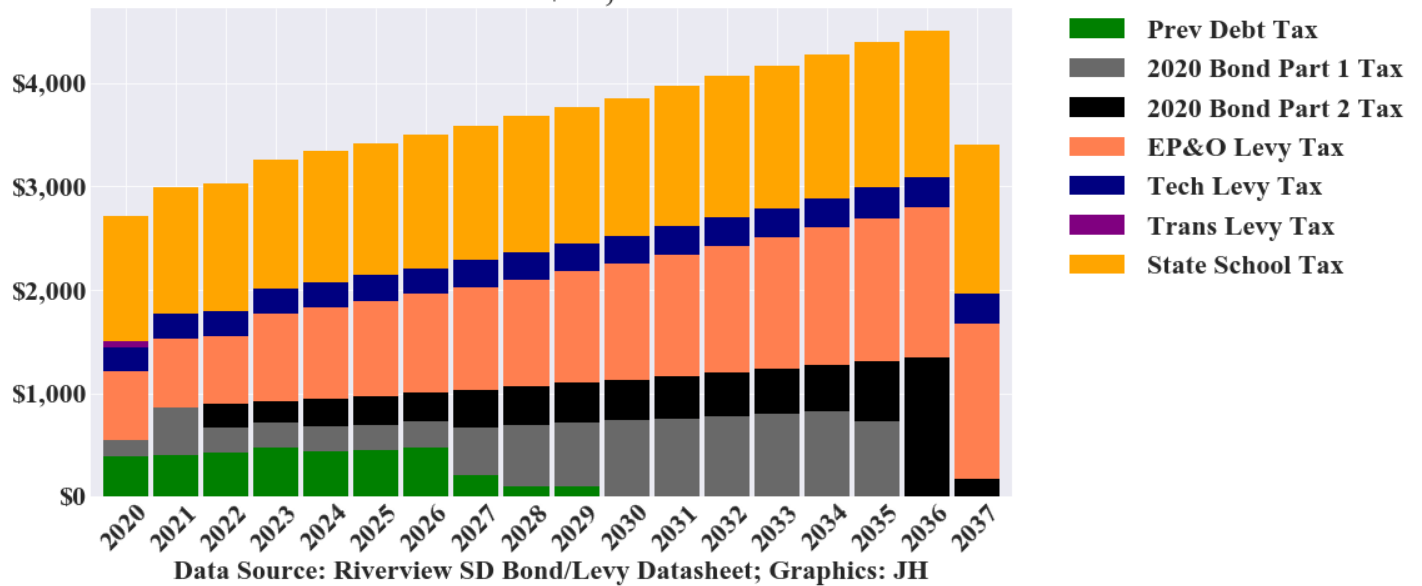


Fig 5