

Snohomish’s Bond Cost Ad Explained

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Summary

Problems with Snohomish’s advertisement:

1. Snohomish selected only 2 years to compare rates for bonds: 2019 and 2021.
2. No mention of the other years for the 2020 bond’s 21 year payback period.
3. No mention that a significantly larger portion of the bond is paid back in the latter years driving up interest costs.
4. No mention of the expected AV growth for the example taxpayer’s home.
5. A misleading value of an annual cost to the taxpayer of \$450 is given when the actual value is over \$1450 (on average) for each of the next 21 years.

Bond cost to taxpayers as represented by the school district

What is the cost for the capital bond?

If approved by voters on February 11, 2020, the tax rate for the Snohomish School District's \$470 million capital bond would be \$0.98 per \$1,000 of assessed valuation. In the Snohomish School District, the average assessed home value is \$460,000. For a home assessed at \$460,000, the cost would be about \$450/year or \$38/month. All funding approved by Snohomish voters stays local and is used to support education in the Snohomish School District.

Fig 1

Bond cost to taxpayers as calculated by the authors

Projected School Tax Collection for the 2020 Bond
On a Snohomish SD Home with an AV of \$460,000 as of 2020
Total = \$30,515
Ave Per Year = \$1,453 for 21 years

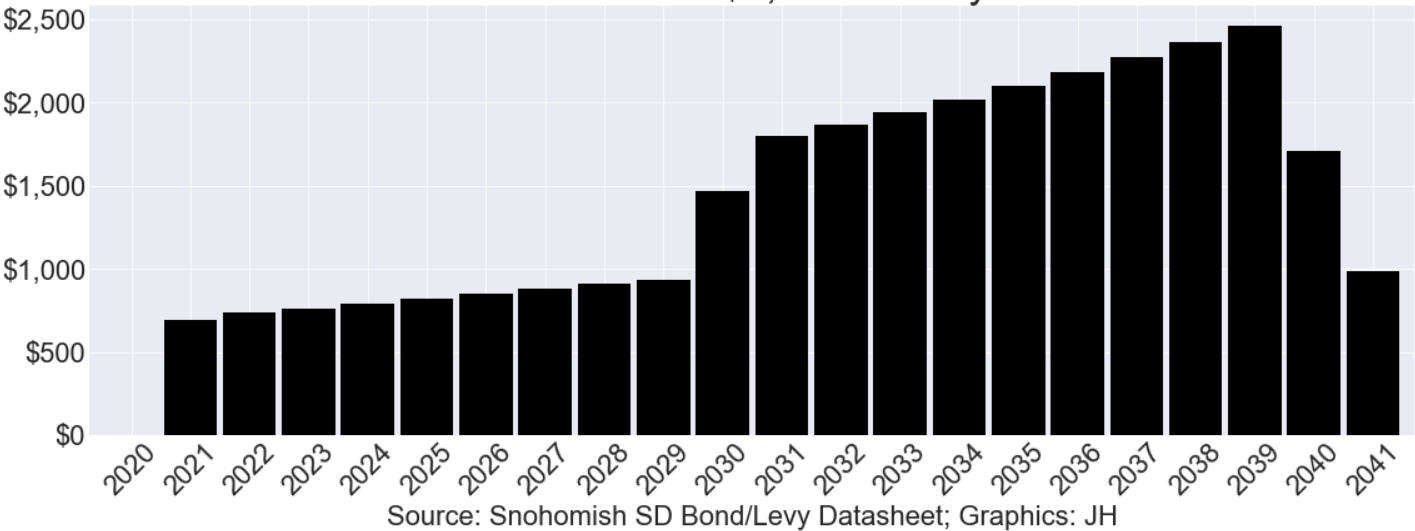


Fig 2

District's calculation table included in their bond/levy spreadsheet

Summary of Analysis	
Election Date	Spring 2020
Bond Authorization Amount	\$ 470,000,000
Bond Sale Dates and Amounts	
6/1/2020	125,000,000
12/1/2021	125,000,000
12/1/2022	150,000,000
12/1/2024	70,000,000
	\$ 470,000,000
Maximum Bond Term	21 Years
2019 Total Bond Tax Rate	2.88
Projected 2020 Bond Tax Rate	2.67
Projected 2021 Bond Tax Rate	3.86
Projected Change from 2019 Rate	0.98
Example Home Value	\$400,000
Projected Cost Per Year	\$392.00
Projected Cost Per Month	\$32.67

Fig 3

Projected local school tax rates

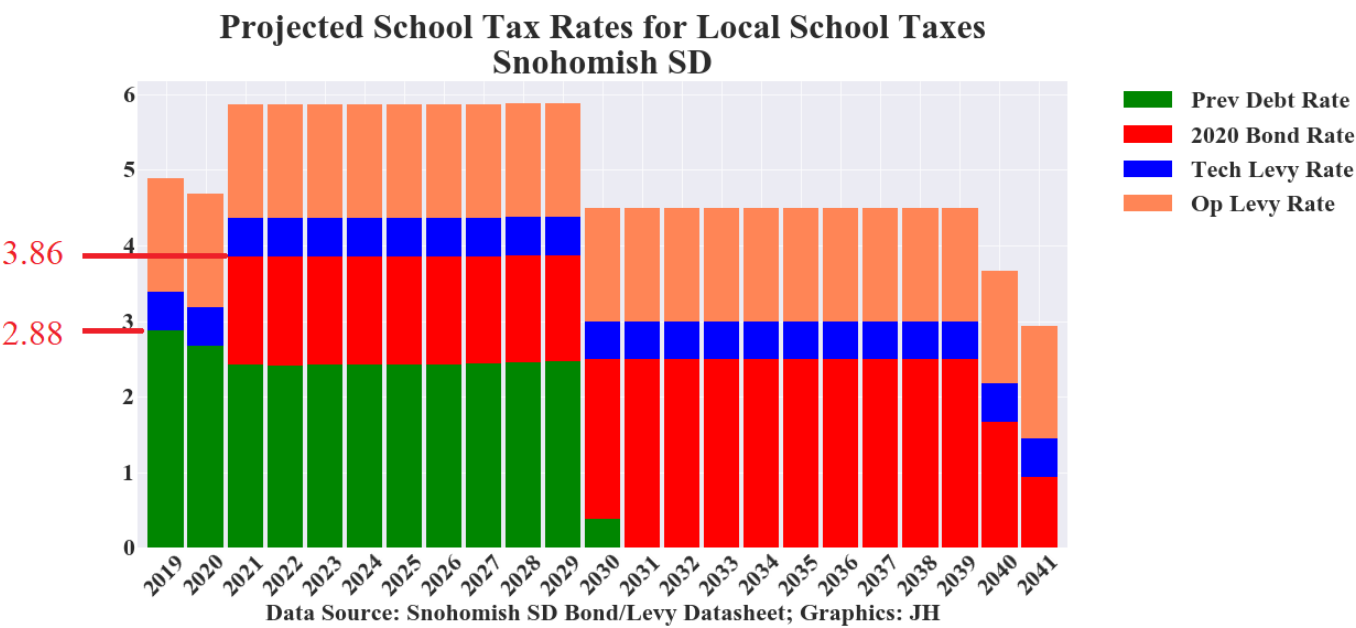


Fig 4

Estimated AV for the home of the example taxpayer

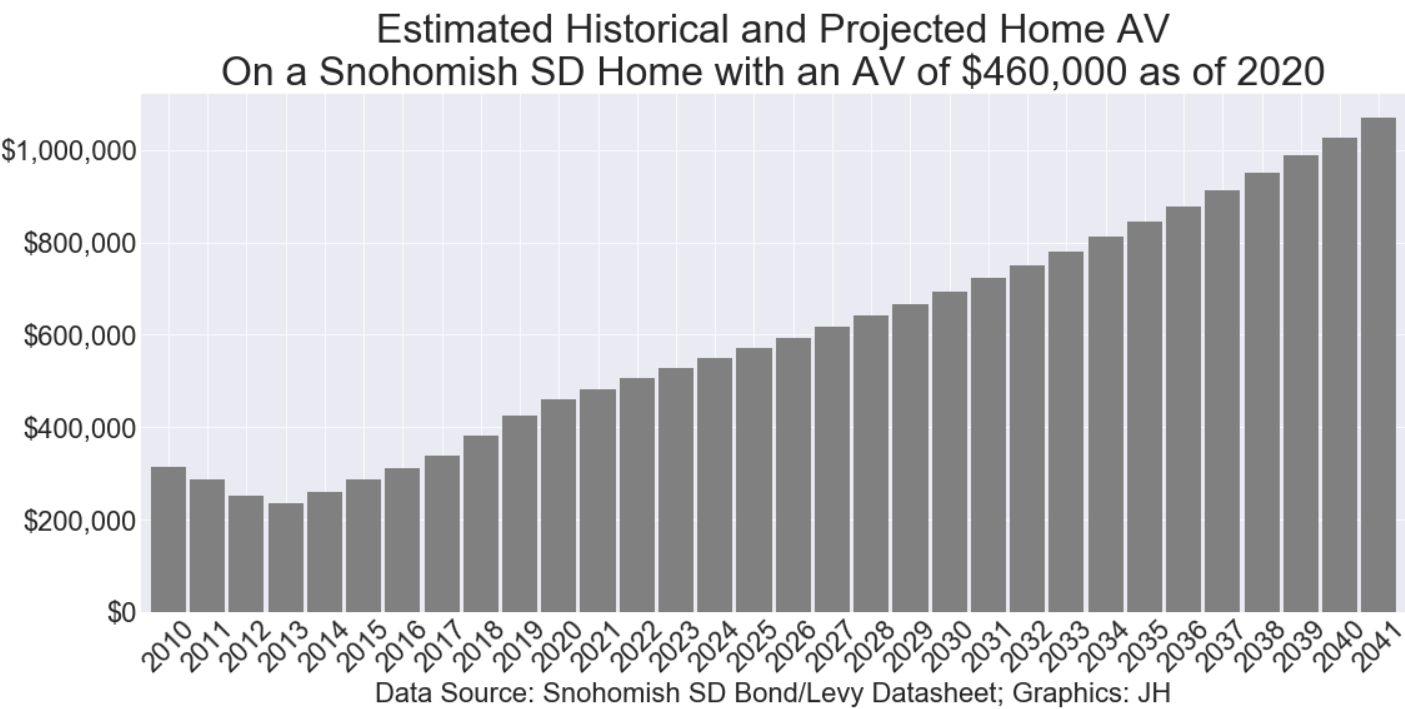


Fig 5