

Sumner’s Bond Cost Ad Explained

Part of the 2020 Bond Report
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Summary

Problems with Sumner’s advertisement:

1. The district is comparing all local school tax rates between just 2 years: 2020 and 2021. All local school taxes include Prev Debt, Tech Levy, Operations Levy, and the 2020 Bond. That is how they calculated the 45 cents per \$1,000 assessed value. See Fig 1 and Fig 3. They designed their own AV growth projections for 2021 and beyond to give the appearance of a flat tax rate for 2021 through 2028.
2. The tax rate for just the 2020 bond is never 45 cents per \$1,000 AV. See Fig 4.
3. The district failed to mention the 3+% AV growth each year they are assuming through 2042 which is how long taxpayers are expected to be paying for this one bond. A constant tax rate applied to increasing home values results in higher taxes that taxpayers must pay.

Bond cost to taxpayers as represented by the school district

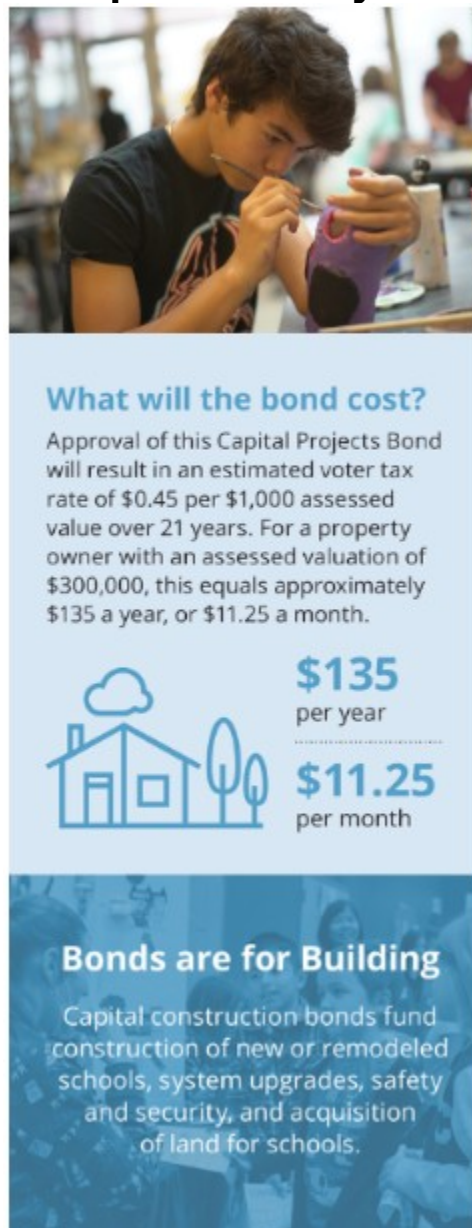


Fig 1

Bond cost to taxpayers as calculated by the authors

Sumner: Projected school tax collection for the 2020 bond

On a home with an assessed value of \$300,000 as of 2020

Total: \$9,505

Average per year: \$432 for 22 years

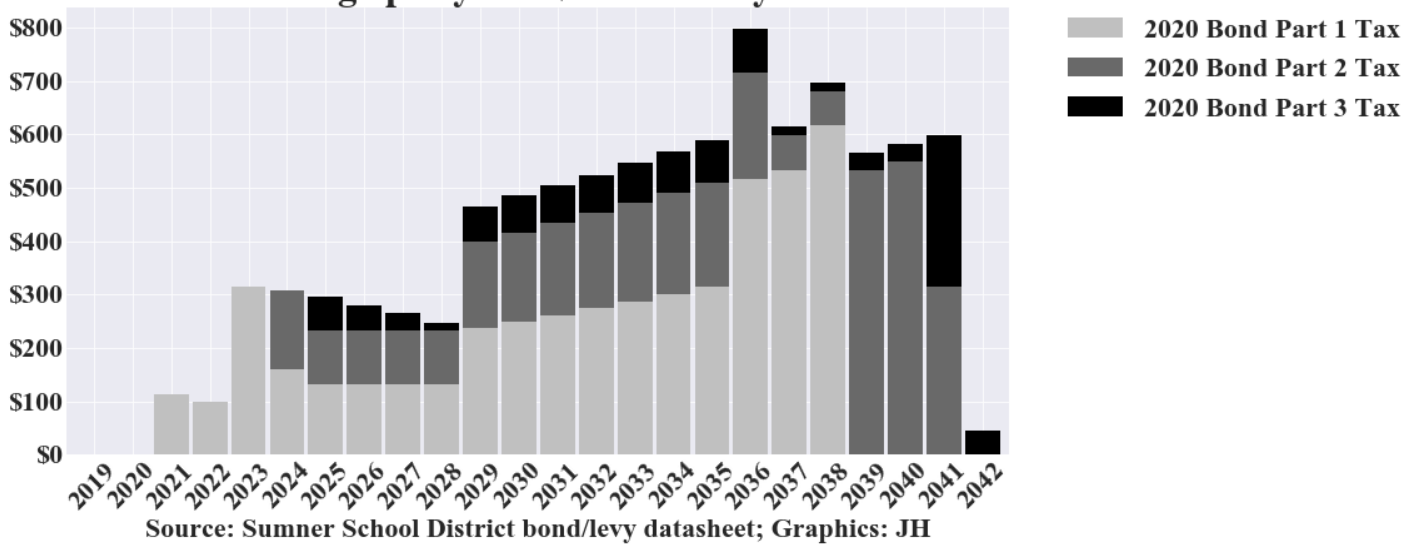


Fig 2

Historical and projected tax rates for local school taxes

Projected Local School Tax Rate Sumner SD

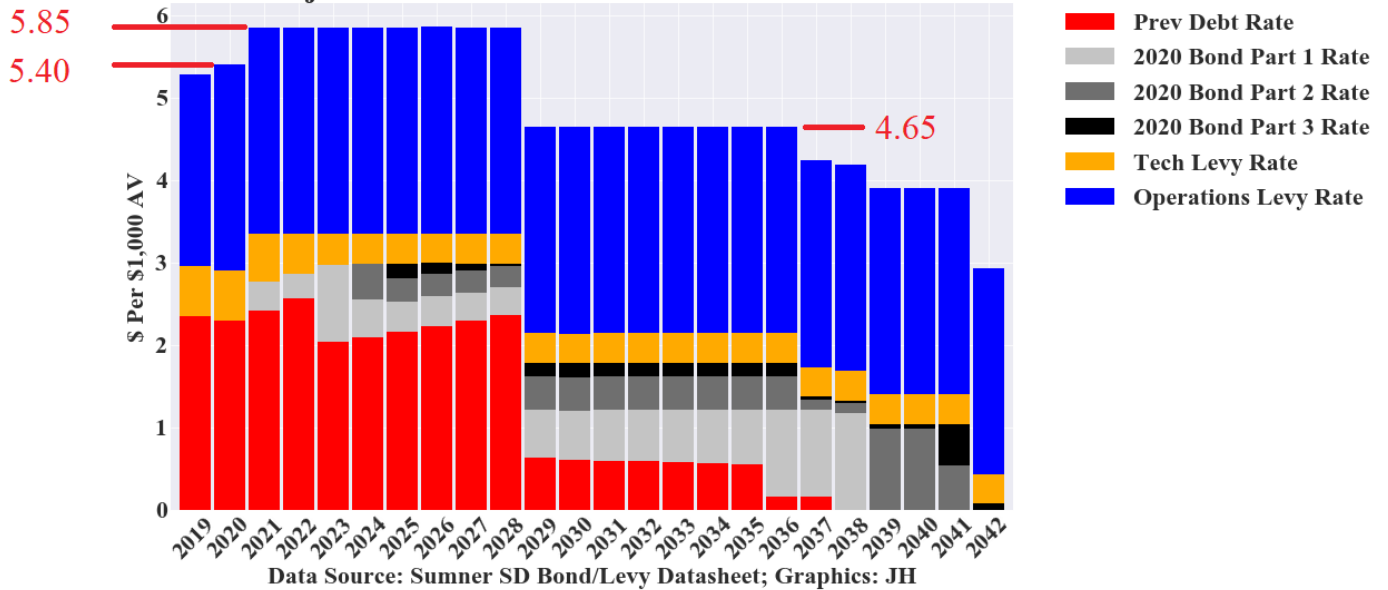


Fig 3

Projected tax rate for the 2020 bond

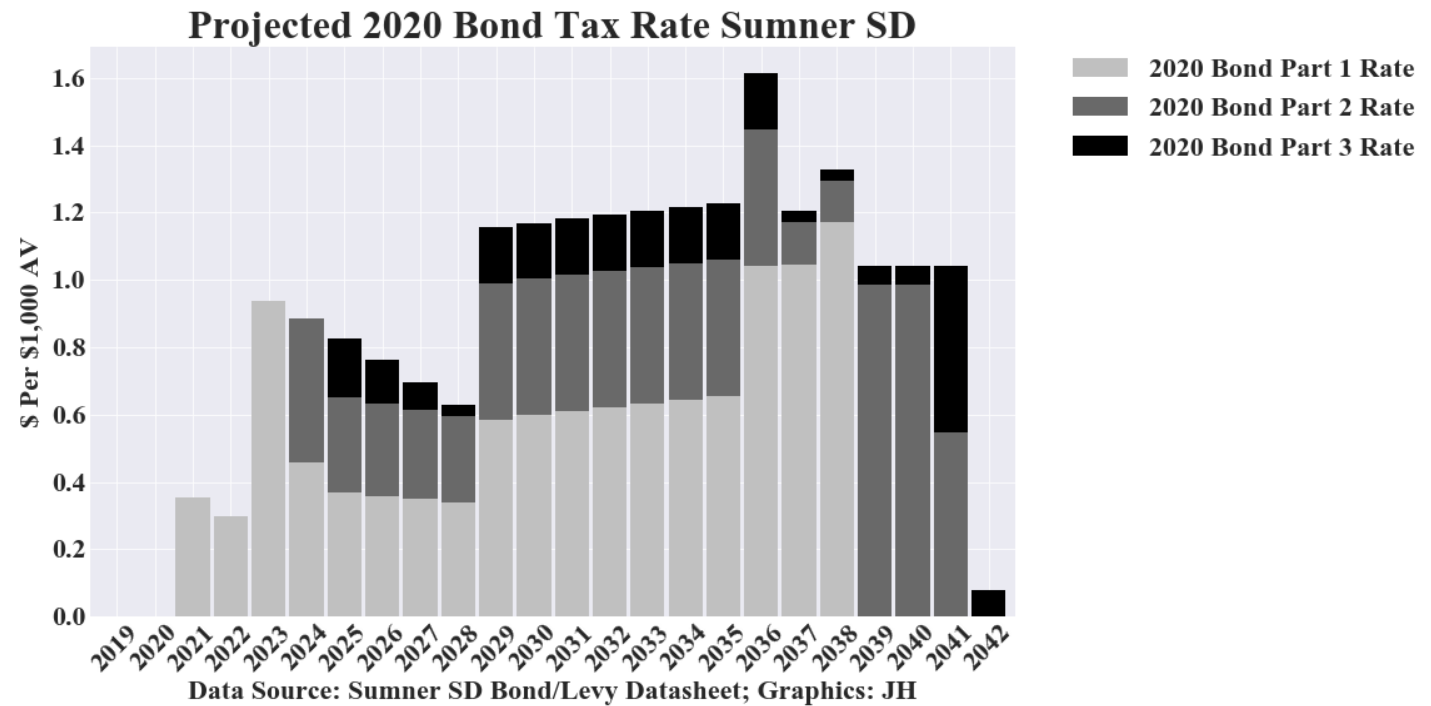


Fig 4

Projected AV growth by the district

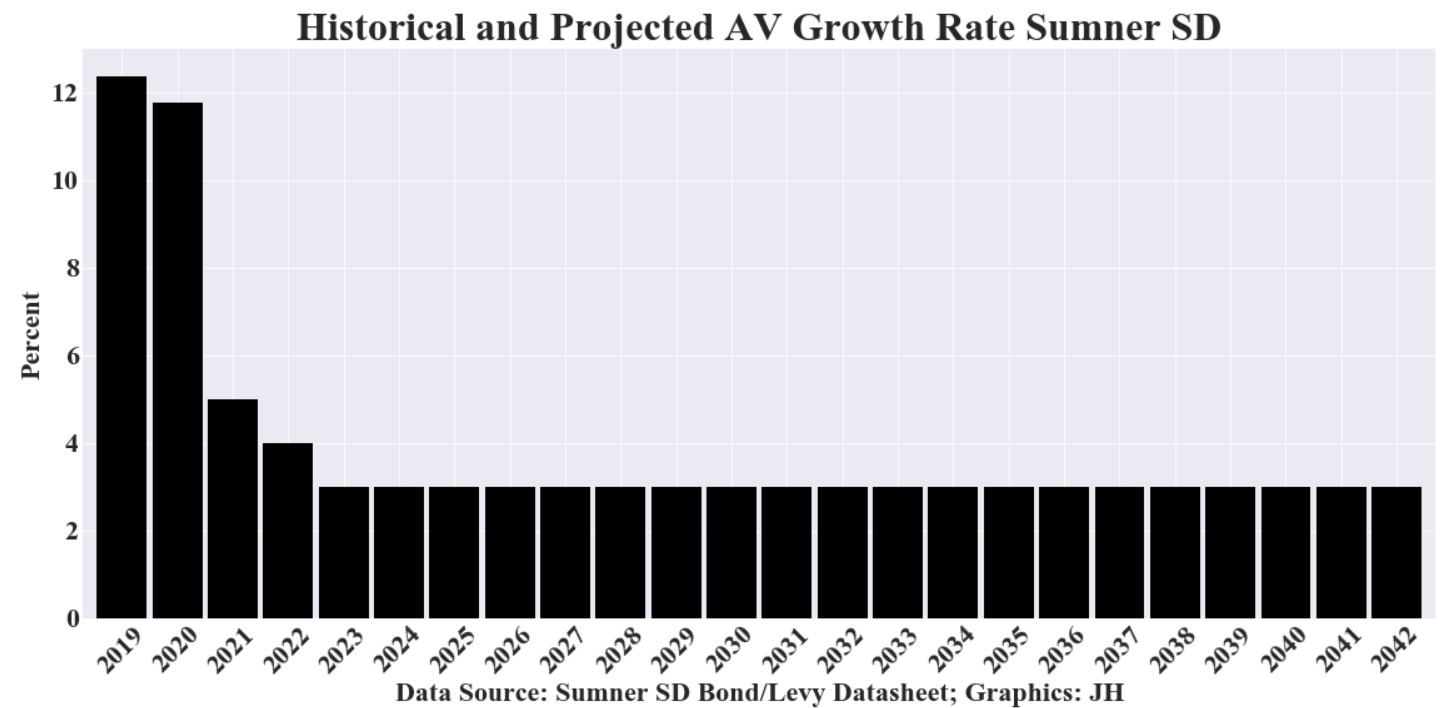


Fig 5