

Tacoma’s Bond Cost Ad Explained

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Summary

1. Tacoma’s bond cost analysis presented to voters used a comparison of averages.
 1. First an average of total local school taxes was calculated for years 2016-2020.
 2. Then an average of projected total local school taxes was calculated for years 2021-2045.
 3. Then the difference was taken to obtain \$81.48 annually for the typical taxpayer.
2. Several problems with Tacoma’s methodology:
 1. Tacoma mingled all local school taxes: previous bond debt, the proposed 2020 bond debt, EP&O Levy taxes, and Capital Levy taxes.
 2. The 25 year payback period for the 2020 bond was not mentioned in advertisements.
 3. The cost for the 2020 bond itself (not mingled with other school taxes) was not isolated for the voter to understand this particular cost.
 4. In calculating the averages of the 2 time spans, Tacoma made data entry errors for the beginning inputs in their spreadsheet. Instead of an \$81 annual increase, Tacoma should have calculated \$245 in an annual increase using their own flawed method. A factor of 3 off.
 5. But the true cost to the example taxpayer as calculated by the authors is over \$300 a year (\$338) for the next 25 years. A factor of 4 off.

Bond cost to taxpayers as represented by the school district

COST

Proposition 1 is a \$535 million bond measure. If Proposition 1 passes, the cost for the average Tacoma home will increase \$6.79 per month (\$81.48 annually) for Tacoma schools.

Fig 1

Bond cost to taxpayers as calculated by the authors

Projected School Tax Collection for the 2020 Bond
On a Tacoma SD Home with an AV of \$300,000 as of 2020
Total = \$8,440
Ave Per Year = \$338 for 25 years

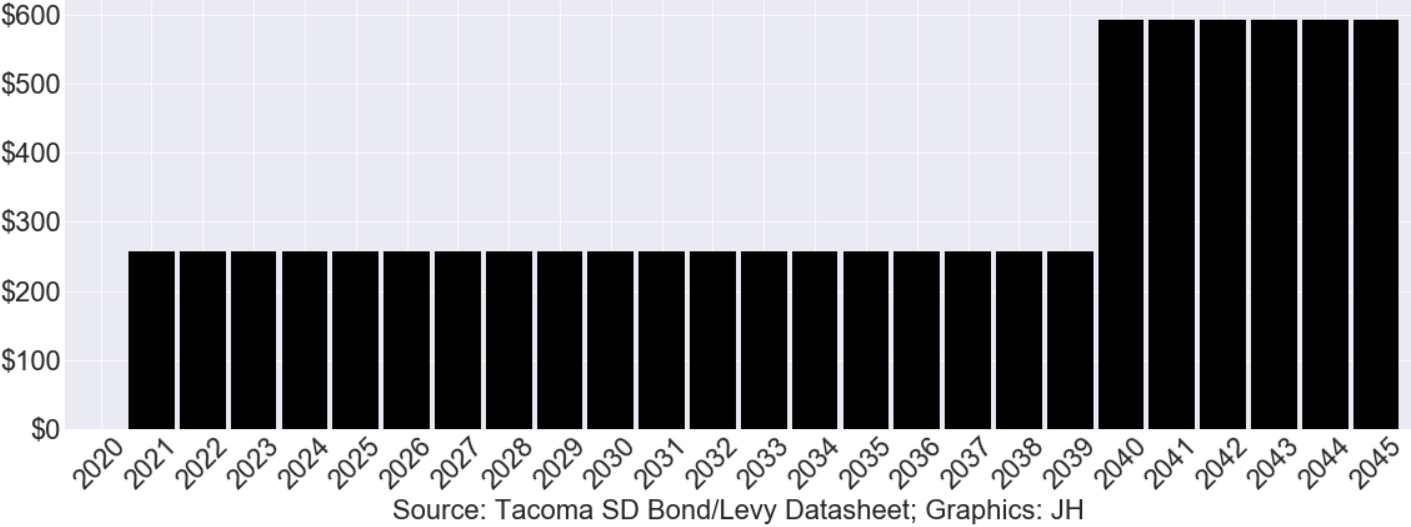


Fig 2

The author’s estimate for the example home’s local school taxes for 2016-2045

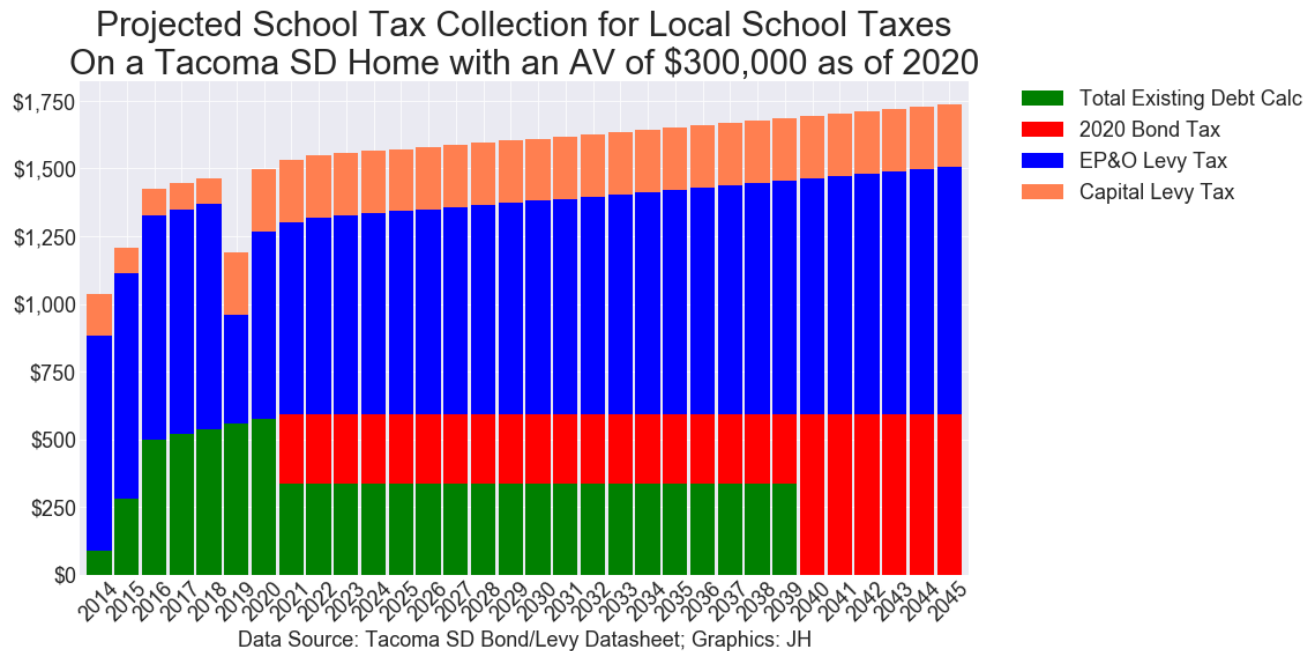


Fig 3

Table of values for Tacoma's cost averaging comparison

Local school taxes = previous bond debt + 2020 bond debt + EP&O levy + capital levy

The average of the prev 5 years of local school taxes on the ave homeowner

Year	Home value	Home value growth rate	Local school taxes	Home value corrected	Home value growth rate corrected	Local school taxes corrected
2016	\$223,710		\$1,658	\$198,735		\$1,473
2017	\$245,007	10%	\$1,703	\$223,710	13%	\$1,555
2018	\$257,258	5%	\$1,614	\$256,460	15%	\$1,609
2019	\$295,031	15%	\$1,302	\$293,300	14%	\$1,295
2020	\$300,000	2%	\$1,496	\$321,083	9%	\$1,601
Average			\$1,555			\$1,507

The average of the local school taxes on the ave homeowner with the bond over the life of the bond

Year	Home value	Home value growth rate	Local school taxes	Home value corrected	Home value growth rate corrected	Local school taxes corrected
2021	\$318,000	6%	\$1,531	\$340,348	6%	\$1,639
2022	\$330,720	4%	\$1,550	\$353,962	4%	\$1,659
2023	\$343,949	4%	\$1,557	\$368,120	4%	\$1,667
2024	\$350,828	2%	\$1,565	\$375,483	2%	\$1,675
2025	\$357,844	2%	\$1,572	\$382,992	2%	\$1,683
2026	\$365,001	2%	\$1,580	\$390,652	2%	\$1,691
2027	\$372,301	2%	\$1,587	\$398,465	2%	\$1,699
2028	\$379,747	2%	\$1,595	\$406,435	2%	\$1,707
2029	\$387,342	2%	\$1,603	\$414,563	2%	\$1,715
2030	\$395,089	2%	\$1,611	\$422,855	2%	\$1,724
2031	\$402,991	2%	\$1,618	\$431,312	2%	\$1,732
2032	\$411,051	2%	\$1,626	\$439,938	2%	\$1,741
2033	\$419,272	2%	\$1,634	\$448,737	2%	\$1,749
2034	\$427,657	2%	\$1,643	\$457,711	2%	\$1,758
2035	\$436,210	2%	\$1,651	\$466,866	2%	\$1,767
2036	\$444,934	2%	\$1,659	\$476,203	2%	\$1,776
2037	\$453,833	2%	\$1,667	\$485,727	2%	\$1,785
2038	\$462,910	2%	\$1,676	\$495,442	2%	\$1,794
2039	\$472,168	2%	\$1,684	\$505,350	2%	\$1,803
2040	\$481,611	2%	\$1,693	\$515,457	2%	\$1,812
2041	\$491,244	2%	\$1,702	\$525,767	2%	\$1,821
2042	\$501,068	2%	\$1,711	\$536,282	2%	\$1,831
2043	\$511,090	2%	\$1,720	\$547,008	2%	\$1,840
2044	\$521,312	2%	\$1,729	\$557,948	2%	\$1,850
2045	\$531,738	2%	\$1,738	\$569,107	2%	\$1,860
Average			\$1,636			\$1,751

Diff			\$82			\$245
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Fig 4

2016 Assessment Report. Used for the 2017 Tax Year.

Pierce County Assessor-Treasurer 2016 Residential Revaluation Report

2016 Residential Average Assessed Value Change by City

City	2015 Avg Assd Value	2016 Avg Assd Value	Dollar Change in Avg Assd Value	Percent Change
AUBURN	\$278,340	\$313,343	\$35,003	12.576%
BONNEY LAKE	\$262,686	\$289,817	\$27,131	10.328%
BUCKLEY	\$197,671	\$225,842	\$28,171	14.252%
CARBONADO	\$138,921	\$158,070	\$19,150	13.785%
DUPONT	\$266,166	\$277,174	\$11,008	4.136%
EATONVILLE	\$151,255	\$171,850	\$20,594	13.615%
EDGEWOOD	\$275,836	\$312,017	\$36,181	13.117%
FIFE	\$206,808	\$230,006	\$23,198	11.217%
FIRCREST	\$247,097	\$277,519	\$30,422	12.312%
GIG HARBOR	\$325,741	\$357,237	\$31,496	9.669%
LAKEWOOD	\$223,456	\$249,219	\$25,763	11.529%
MILTON	\$209,923	\$241,652	\$31,728	15.114%
ORTING	\$188,355	\$208,310	\$19,955	10.594%
PACIFIC	\$172,850	\$195,050	\$22,200	12.844%
PUYALLUP	\$230,563	\$260,498	\$29,935	12.983%
ROY	\$158,863	\$175,266	\$16,402	10.325%
RUSTON	\$257,093	\$293,265	\$36,172	14.070%
SOUTH PRAIRIE	\$126,873	\$153,358	\$26,485	20.876%
STEILACOOM	\$286,293	\$304,413	\$18,120	6.329%
SUMNER	\$218,817	\$240,916	\$22,099	10.099%
TACOMA	\$198,735	\$223,710	\$24,975	12.567%
UNIVERSITY PLACE	\$284,343	\$309,817	\$25,474	8.959%
WILKESON	\$119,326	\$149,267	\$29,941	25.092%
UNINCORPORATED	\$233,525	\$257,282	\$23,757	10.173%
Averages	\$219,147	\$244,787	\$25,640	12.357%

Fig 5

2017 Assessment Report. Used for the 2018 Tax Year.

Pierce County Assessor-Treasurer 2017 Residential Revaluation Report

2017 Residential Average Assessed Value Change by City

City	2016 Avg Assd Value	2017 Avg Assd Value	Dollar Change in Avg Assd Value	Percent Change
AUBURN	\$314,647	\$349,644	\$34,997	11.123%
BONNEY LAKE	\$294,281	\$331,873	\$37,592	12.774%
BUCKLEY	\$233,042	\$262,937	\$29,895	12.828%
CARBONADO	\$166,358	\$189,615	\$23,257	13.980%
DUPONT	\$277,567	\$298,577	\$21,010	7.569%
EATONVILLE	\$174,171	\$192,410	\$18,238	10.472%
EDGEWOOD	\$315,514	\$356,756	\$41,242	13.071%
FIFE	\$230,583	\$268,127	\$37,544	16.282%
FIRCREST	\$277,956	\$310,839	\$32,882	11.830%
GIG HARBOR	\$359,858	\$401,940	\$42,082	11.694%
LAKEWOOD	\$249,715	\$275,989	\$26,274	10.522%
MILTON	\$242,563	\$275,639	\$33,076	13.636%
ORTING	\$218,679	\$239,202	\$20,523	9.385%
PACIFIC	\$147,600	\$174,733	\$27,133	18.383%
PUYALLUP	\$263,341	\$291,141	\$27,800	10.557%
ROY	\$176,820	\$201,166	\$24,347	13.769%
RUSTON	\$299,891	\$349,371	\$49,480	16.499%
SOUTH PRAIRIE	\$145,106	\$149,934	\$4,828	3.327%
STEILACOOM	\$305,791	\$337,563	\$31,772	10.390%
SUMNER	\$241,968	\$282,744	\$40,775	16.852%
TACOMA	\$224,130	\$256,460	\$32,330	14.425%
UNIVERSITY PLACE	\$310,338	\$346,430	\$36,092	11.630%
WILKESON	\$148,573	\$157,324	\$8,752	5.890%
UNINCORPORATED	\$258,998	\$289,617	\$30,619	11.822%
Averages	\$244,895	\$274,585	\$29,689	12.030%

Fig 6

2018 Assessment Report. Used for the 2019 Tax Year.

Pierce County Assessor-Treasurer 2018 Residential Revaluation Report

2018 Residential Average Assessed Value Change by City

City	2017 Avg Assd Value	2018 Avg Assd Value	Dollar Change in Avg Assd Value	Percent Change
AUBURN	\$350,664	\$381,229	\$30,564	8.716%
BONNEY LAKE	\$333,155	\$367,557	\$34,402	10.326%
BUCKLEY	\$267,564	\$295,176	\$27,612	10.320%
CARBONADO	\$202,588	\$236,587	\$33,999	16.782%
DUPONT	\$300,636	\$320,488	\$19,852	6.603%
EATONVILLE	\$190,518	\$212,482	\$21,964	11.529%
EDGEWOOD	\$347,388	\$388,243	\$40,855	11.761%
FIFE	\$270,025	\$297,373	\$27,348	10.128%
FIRCREST	\$310,888	\$348,601	\$37,713	12.131%
GIG HARBOR	\$399,501	\$436,480	\$36,979	9.256%
LAKEWOOD	\$276,227	\$311,138	\$34,911	12.639%
MILTON	\$275,097	\$302,505	\$27,409	9.963%
ORTING	\$238,821	\$270,647	\$31,826	13.326%
PACIFIC	\$174,733	\$197,833	\$23,100	13.220%
PUYALLUP	\$293,694	\$323,643	\$29,949	10.197%
ROY	\$201,519	\$231,070	\$29,550	14.664%
RUSTON	\$350,798	\$388,940	\$38,142	10.873%
SOUTH PRAIRIE	\$166,547	\$203,841	\$37,294	22.393%
STEILACOOM	\$340,008	\$377,630	\$37,621	11.065%
SUMNER	\$286,231	\$310,001	\$23,770	8.305%
TACOMA	\$257,957	\$293,300	\$35,344	13.701%
UNIVERSITY PLACE	\$344,655	\$380,982	\$36,327	10.540%
WILKESON	\$157,253	\$199,433	\$42,180	26.823%
UNINCORPORATED	\$292,280	\$324,494	\$32,214	11.021%
Averages	\$276,198	\$308,320	\$32,122	12.345%

Fig 7

2019 Assessment Report. Used for the 2020 Tax Year.

Pierce County Assessor-Treasurer 2019 Residential Revaluation Report

Average Assessed Value (AV) Change by City

City	Prior Year Avg AV	Current Year Avg AV	Change in Avg AV	% Change in Avg AV
AUBURN	\$380,854	\$400,172	\$19,318	5.072%
BONNEY LAKE	\$366,547	\$391,321	\$24,774	6.759%
BUCKLEY	\$300,475	\$321,530	\$21,055	7.007%
CARBONADO	\$245,062	\$260,303	\$15,241	6.219%
DUPONT	\$320,008	\$334,392	\$14,383	4.495%
EATONVILLE	\$213,485	\$234,637	\$21,152	9.908%
EDGEWOOD	\$395,393	\$424,097	\$28,703	7.259%
FIFE	\$298,108	\$319,291	\$21,183	7.106%
FIRCREST	\$349,404	\$375,257	\$25,852	7.399%
GIG HARBOR	\$454,464	\$481,640	\$27,176	5.980%
LAKEWOOD	\$311,734	\$332,753	\$21,019	6.743%
MILTON	\$306,026	\$332,666	\$26,641	8.705%
ORTING	\$271,141	\$287,473	\$16,332	6.023%
PACIFIC	\$197,833	\$223,567	\$25,733	13.008%
PUYALLUP	\$327,026	\$347,574	\$20,548	6.283%
ROY	\$231,350	\$247,416	\$16,066	6.944%
RUSTON	\$404,160	\$431,341	\$27,181	6.725%
SOUTH PRAIRIE	\$202,729	\$210,042	\$7,313	3.607%
STEILACOOM	\$382,020	\$410,421	\$28,401	7.435%
SUMNER	\$313,346	\$341,916	\$28,569	9.117%
TACOMA	\$293,101	\$321,083	\$27,982	9.547%
UNIVERSITY PLACE	\$384,142	\$411,198	\$27,056	7.043%
WILKESON	\$200,087	\$206,745	\$6,658	3.328%
UNINCORPORATED	\$327,453	\$350,484	\$23,030	7.033%

Fig 8