



Property Tax Overview

Capital Bond Planning Committee – April 15, 2019

Overview



Objectives

- Review WA public schools taxing authority
- Understand the three components of total rate
- Discuss influence of assessed property value
- Review the long-range tax rate plan
- Discuss bond size within stable tax rate



Districts can have four types of local support

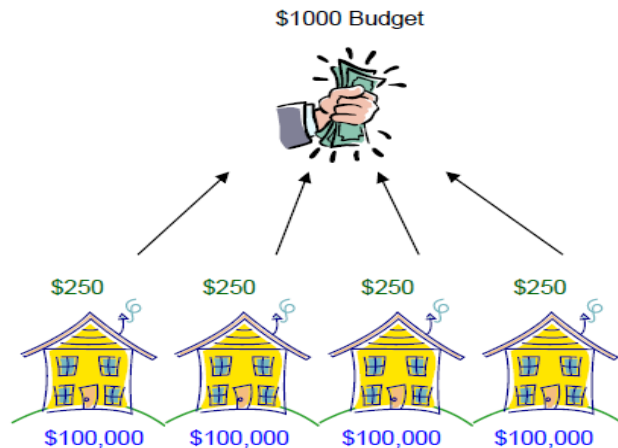
- **Educational Programs & Operations Levy (M&O) – 50%**
 - State calls this an “Enrichment Levy”
 - Deposited into the General Fund
 - Supports district operations, activities, athletics and unfunded state programs
 - Historically funds 20-24 percent of operations
- **Capital Levy – 50%**
 - Restricted use for capital purposes
 - Deposited into the Capital Fund
 - Supports technology, software licenses, and some building improvements
 - Levies not big enough to support major construction (except Seattle)
- **Transportation Levy – 50%**
 - Restricted use for bus purchases
 - Everett does not issue transportation levies
- **Capital Bonds – 60%**
 - More restrictive than capital levies
 - Bonds are issued and repaid in 15-20 years like a home mortgage
 - Voter approved measures likely results in 3 different issuances
(i.e. 2016 \$149.7M bond = 2016 \$50.0M sale + 2018 \$50.0M sale + 2019 \$49.7M sale)

Assessed Property Value

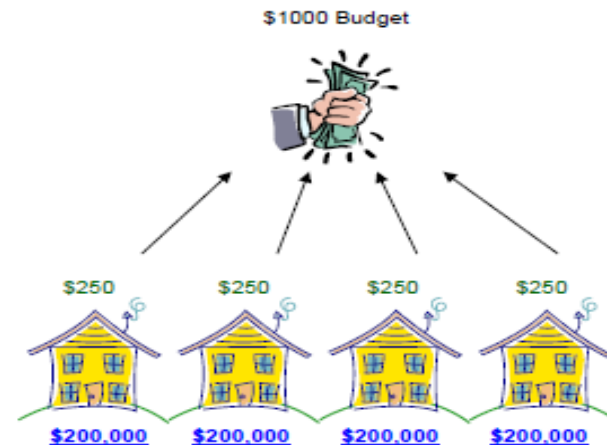


Local levy tax amounts do not change with AV

- Voters approve a lump sum amount
- Instead local levy rate will fluctuate
 - If AV increases the tax rate will drop
 - If AV decreases the tax rate will increase
 - Example A – AV is equal to \$100,000 – tax rate is \$2.50 per \$1,000 AV
 - Example B – AV is equal to \$200,000 – tax rate is \$1.25 per \$1,000 AV



Example A



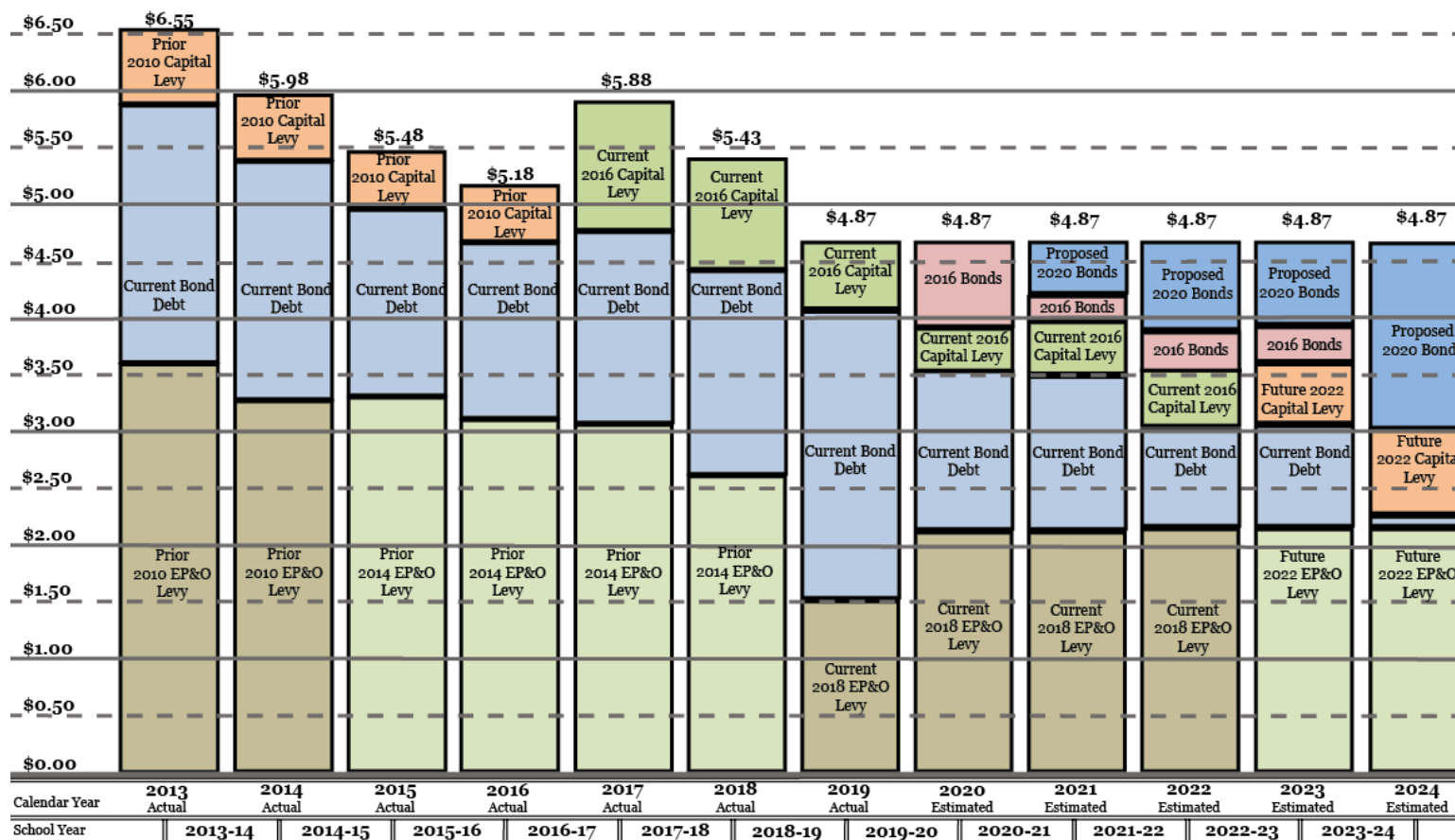
Example B

Commitment to Stable Tax Rate



Tax rate projections out to 2038

- Flat tax rate accommodates a \$400 +/- million Bond in 2020





Questions?