

Hypothetical Tax Scenario

Question: Because the assessed values of property increases two percent a year, will actual Measure A tax bills grow dramatically?

Answer: No. Once the bond interest rate is known *and* if the District's total assessed value growth rate remains consistent ♦ over the life of the bonds, the payback on bonds is set up so property owners pay a similar or lower amount each year in actual dollars.

Please refer to below illustration:

A hypothetical example illustrating how much Measure A property tax will be owed if a property is currently assessed at \$100,000. Maximum rate of \$124.62. Average rate of \$94.02.

<u>Year</u>	<u>Assessed Value**</u>	<u>Assessed Rate per 100K†</u>	<u>Est. Tax paid per year*</u>
Year 1	\$ 100,000.00	\$ 124.02	\$ 124.02
Year 5	\$ 110,408.00	\$ 124.62	\$ 137.59
Year 10	\$ 121,899.40	\$ 109.48	\$ 133.46
Year 15	\$ 131,458.68	\$ 95.60	\$ 125.67
Year 20	\$ 148,594.70	\$ 84.13	\$ 125.01
Year 25	\$ 164,060.60	\$ 74.88	\$ 122.85
Year 30	\$ 181,136.15	\$ 71.00	\$ 128.61

*The payback on bonds is set up so a taxpayer pays a similar amount each year over life of bonds.

**Calculations assume an individual's property value is adjusted two percent each year as allowed under Prop 13.

†Assessed rate is based on hospital borrowing \$15.3 million at 4.5%.

♦Calculations assume that total District assessed values grow mostly at the historical rate. The historical longterm growth rate is: 10 year - 5.04%; 12 year - 4.83% including current year.