

P.O. Box 47471
Olympia, WA 98504-7471

Washington Department of Revenue Property Tax Division

2019 Cowlitz County Levy Audit A Summary Report



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Overview

Purpose

The primary purpose of this review by the Department of Revenue (Department) is to assist the Cowlitz County Assessor (Assessor) in their processes and procedures to ensure compliance with state statutes and regulations.

Method of calculation

The Department calculated the levy limitations and levy rate for several of the taxing districts for the 2019 tax year. To determine whether an error occurred, the Department compared the amount levied for the district with the lesser of the levy limit, the statutory rate limit, the amount authorized by each district's resolution, and the levy amount certified by the district.

Information reviewed

The Department used the following information during the review:

- Resolutions/Ordinances adopted by the districts
- Levy certification from the county legislative authority (RCW 84.52.070)
- Tax roll certification to the county treasurer and abstract of the tax roll to the county auditor
- Ballot measures
- Levy limit worksheets
- \$5.90 aggregate and one percent constitutional limits

We do not review every taxing district's levy. We audited approximately 40 percent of the taxing districts. The scope of the audit did not include the review of earmarked funds.

Taxing districts selected

The Department reviewed the following taxing district levies:

- City/Towns: Castle Rock and Woodland
- Fire Districts: 1, 5, 6, 7, and 20
- Cemetery Districts: 4, 6, and 7
- School Districts: Longview No. 122, Toutle No. 130, and Kalama No. 402
- Port of Woodland

Executive summary

Introduction

The primary purpose of a levy audit by the Department is to assist the county assessor in successfully performing the duties associated with levying property taxes for the districts within the county.

An effective audit of levy calculations consists of gathering information from the assessor's office to determine the level of compliance with laws and rules, the accuracy of levy calculations, and the effectiveness of record keeping.

Categories of results

The Department has completed its review and grouped the results into two categories:

- The first category, *Requirements*, is of the greatest urgency for effective administration by the assessor. A change is required to adhere to the law.
- The second category, *Recommendations*, requires the attention of the assessor. The Department believes the assessor could improve their performance and service to the public by making voluntary changes in procedures.

The Department bases requirements and recommendations in our reports on our review of the administrative procedures employed, existing state statutes and regulations, and areas we saw opportunities to improve processes, procedures, and communication.

Results

The Department identified five requirements and one recommendation directed toward improving the accuracy of the levy process.

We have listed a summary of these items in the Requirements and Recommendation sections.

Executive summary, continued

Requirements

1. The Assessor is required to calculate the statutory maximum rate limit for each regular levy. To do this for cities or towns annexed to a fire and or library district, the Assessor must deduct the actual rate levied by the fire and or library district from \$3.60. If the city or town has a fire fighters' pension fund, an additional \$0.225 is added to the previous calculation.
2. The Assessor is required to determine each taxing district's levy limit based on the district's highest lawful levy increased by the levy limit factor and any increases due to new construction, increases in assessed value due to construction of wind turbines, solar, biomass, and geothermal facilities, increases in state assessed property values, and improvements to property.
3. The Assessor is required to determine whether the total of all tax levies, with the exception of levies made by port and public utility districts, applied to real and personal property within the county exceeds one percent of the true and fair market value.
4. The county legislative authority is required to certify to the Assessor the amount to be levied for most taxing districts within or coextensive with the county on or before November 30.

The Assessor is required to limit a taxing district's levy to no more than the previous year's levy amount certified by the county legislative authority when the county legislative authority completes the certification to the Assessor after November 30 and the Assessor certified assessed values timely to the taxing districts.

5. The Assessor is required to certify the completed tax roll to the Cowlitz County Treasurer (Treasurer), with a receipt taken, and provide an abstract of the tax roll to the Cowlitz County Auditor (Auditor) listing the total amount of collectible taxes for each taxing district.

Recommendations

1. The Department recommends the Assessor update reports and letters to display accurate titles for the school district enrichment levies.

Requirements

For the items listed as “Requirements,” the Assessor must make changes in procedure to comply with law.

This section contains the requirements we identified.

Statutory maximum levy rate for cities and towns annexed to a fire/library district

Requirement

The Assessor is required to calculate the statutory maximum rate limit for each regular levy. To do this for cities or towns annexed to a fire and or library district, the Assessor must deduct the actual rate levied by the fire and or library district from \$3.60. If the city or town has a fire fighters' pension fund, an additional \$0.225 is added to the previous calculation.

What the law says

When a city or town is annexed to a fire and or library district, the city or town's statutory maximum levy rate is \$3.60 per thousand dollars assessed value, less the actual levy rate of the fire and or library district for that particular year, plus an additional \$0.225 per thousand dollars assessed value if the city or town has a fire fighters' pension fund. (RCW's 52.04.081, 41.16.06, and 27.12.390)

What we found

The Assessor calculated the statutory maximum dollar amount for the City of Castle Rock (CR), using an incorrect levy rate of \$3.10. The CR is annexed to Fire District No. 6 (FD6) and does not have a fire fighters' pension fund. The statutory maximum levy rate for the CR is calculated by subtracting the 2019 levy rate for FD6 (\$1.0511601972) from \$3.60. The correct statutory maximum rate is \$2.5488398028. The incorrect statutory maximum rate did not result in an under or overlevy error.

The Assessor calculated the statutory maximum dollar amount for the City of Woodland (CW), using an incorrect levy rate of \$3.10. The CW is annexed to the Fort Vancouver Library District (FVL) and does not have a fire fighters' pension fund. The statutory maximum levy rate for the CW is calculated by subtracting the 2019 levy rate for FVL (\$.363580148100) from \$3.60. The correct statutory maximum rate is \$3.2364198519. The incorrect statutory maximum rate did not result in a levy error.

Action needed to meet requirement

The Assessor is required to take the following action(s):

- Calculate the statutory maximum rate each year for the cities and towns annexed to a library and/or fire district, beginning with the \$3.60 statutory maximum rate allowed, then deduct the actual rate of the annexed library district and/or fire district. Add an additional \$.225 to the statutory maximum rate if the city has a fire fighters' pension fund.

Why it's important

The statutory maximum levy rate for cities annexed to a fire or library district must be calculated each year to ensure the city is not levying more or less than the law allows.

Previous year's levy rate

Requirement

The Assessor is required to determine each taxing district's levy limit based on the district's highest lawful levy increased by the levy limit factor and any increases due to new construction, increases in assessed value due to construction of wind turbines, solar, biomass, and geothermal facilities, increases in state assessed property values, and improvements to property.

What the law says

The highest lawful levy since 1985 can be increased by the district's levy limit factor and additional funds for increases due to new construction, increases in assessed value due to construction of wind turbines, solar, biomass, and geothermal facilities, increases in state assessed property values, and improvements to property. (RCW 84.55.010 and 84.55.092)

What we found

The Assessor used an incorrect previous year's levy rate to calculate the dollar amount of increase the City of Woodland (CW) could levy for new construction and the increase in state assessed property value, for the 2019 tax year. It appears the Assessor used the levy rate from the 2017 tax year. The correct rate is \$1.9304100674, the rate from the 2018 tax year. This resulted in an overlevy error of \$2,936.02.

The Assessor used an incorrect previous year's levy rate to calculate the dollar amount of increase Fire District No. 7 (FD7) could levy for new construction and the increase in state assessed property value, for the 2019 tax year. It appears the Assessor used the levy rate from the 2017 tax year. The correct rate is \$.9718597617, the rate from the 2018 tax year. This resulted in an overlevy error of \$154.00.

Action needed to meet requirement

The Assessor is required to take the following action(s):

- Correct the overlevy error for the CW, by reducing the levy amount for the district by \$2,936.02, in the 2020 tax year. If the correction will cause a hardship for either the taxing district or the taxpayers, the district may request the correction may be made on a proportional basis over a period of no more than three years.
- Notify the taxing district of the levy error. Determine whether the CW wishes to correct the error over a period of one, two, or three years.
- Use the correct highest lawful levy amount and levy rate, provided by the Department in Appendix A, to calculate the levy limit including the dollar amount of increase for new construction and the increase in state assessed property values for the 2020 tax year levy calculations.

Previous year's levy rate, continued

- Correct the overlevy error for the FD7, by reducing the levy amount for the district by \$154.00 in the 2020 tax year. If the correction will cause a hardship for either the taxing district or the taxpayers, the district may request the correction may be made on a proportional basis over a period of no more than three years.
- Notify the taxing district of the levy error. Determine whether FD7 wishes to correct the error over a period of one, two, or three years.
- Use the correct highest lawful levy amount and levy rate, provided by the Department in Appendix B, to calculate the levy limit including the dollar amount of increase for new construction and the increase in state assessed property values for the 2020 tax year levy calculations.

Why it's important

The Assessor must determine the levy limit as required by statute to provide fair and equitable taxation for taxing districts and taxpayers.

One percent constitutional limit

Requirement

The Assessor is required to determine whether the total of all tax levies, with the exception of levies made by port and public utility districts, applied to real and personal property within the county exceeds one percent of the true and fair market value.

What the law says

The aggregate of all regular tax levies, with the exception of levies made by port and public utility districts, upon real and personal property by the state and all taxing districts shall not exceed one percent of the true and fair value of such property. (RCW 84.52.050)

The assessor must calculate the one percent limit maximum effective levy rate, by dividing ten dollars by the higher of the real or personal property ratio of the county, for the assessment year in which the levy is made. (WAC 458-19-075)

What we found

The Assessor did not use the higher of the real and personal property ratios to calculate the maximum effective rate for the one percent constitutional limit. The Department calculated and provided the Assessor with a real property ratio of 91.8 percent and a personal property ratio of 97.8 percent, for the assessment year 2018, tax year 2019. The documentation provided to the Department shows the Assessor used a personal property ratio of 100 percent to calculate the maximum effective rate for the 2019 tax year. There were no tax code areas that exceed the one percent constitutional limit as a result of the incorrect ratio.

When the effective rate for the one percent constitutional limit is calculated using a ratio that is higher than the correct ratio, it results in an effective rate that is less than the correct ratio would allow. This could result in incorrectly prorating a levy rate, causing the taxing district to have a levy that is less than what they should have had.

Action needed to meet requirement

The Assessor is required to take the following action(s):

- Verify the one percent constitutional limit has not been exceeded for all taxing districts within the county, by calculating the effective rate for the limit as follows:
 - Divide ten dollars by the higher of the real and personal property ratios. The result of this calculation is the levy rate that cannot be exceeded within any one taxing district.

Why it's important

To ensure a taxing district is not levying more or less than their maximum levy amount allowable by law and the taxpayers pay the correct amount of property tax.

Certification of levies to assessor

Requirement

The county legislative authority is required to certify to the Assessor the amount to be levied for most taxing districts within or coextensive with the county on or before November 30.

The Assessor is required to limit a taxing district's levy to no more than the previous year's levy amount certified by the county legislative authority when the county legislative authority completes the certification to the Assessor after November 30 and the Assessor certified assessed values timely to the taxing districts.

What the law says

It is the duty of the assessor of each county, after receiving the certificate of assessed value for state assessed property from the Department, to apportion and apply that value to the county tax roll. When the tax roll is complete, it is the assessor's duty to certify the total assessed value of property in the county as shown by the completed tax rolls to the officers authorized by law to estimate expenditures and/or levy taxes for each taxing district in the county the total assessed value of the property in such taxing district. (RCW 84.48.130)

Most taxing districts are required to certify a budget or budget estimate to the county legislative authority on or before November 30 for levying property taxes. (RCW 84.52.020)

The county legislative authority is required to certify the amount to be levied for most of the taxing districts, including the county, to the county assessor on or before November 30 of each year as not all taxing districts have statutory authority to make a property tax levy. For example, the county legislative authority must make the property tax levy against real and personal property for general taxes for fire districts. (RCW 84.52.070) (RCW 84.16.040)

If a levy amount is certified by the county legislative authority to the county assessor after the thirtieth day of November, the county assessor may use no more than the county legislative authority's certified levy amount for the previous year for the taxing district. This limitation on the amounts that can be levied does not apply to state levies or when the assessor has not certified assessed values as required by RCW 84.48.130 at least twelve working days before November 30. (RCW 84.52.070)(3))

Certification of levies to assessor, continued

What we found

The Assessor:

- Certified assessed values, including state assessed property, to the taxing districts within the county on November 5, 2018, more than 12 business days prior to November 30.
- Calculated levy rates for each taxing district using the levy amounts certified to her by the County Budget Manager, for the 2019 tax year.
- Provided a written declaration from the Assessor's Chief Deputy that states she certified, in person, the 2019 district levy amounts on or before November 30, 2018. The undated declaration was received by the Department on August 26, 2019. The purpose of this declaration is unclear to the Department. The Assessor is required to certify the tax roll to the Cowlitz County Treasurer. The Assessor completed that written certification as required on January 15, 2019.

The individual taxing districts:

- Completed their levy certification documents on or before November 30, 2018.

The county legislative authority:

- Adopted Resolution No. 18-147 on December 11, 2018, certifying the levy amounts requested by each taxing district to the Assessor. This certification was adopted after the November 30 deadline.
- Verbally certified the levy amounts requested by each taxing district to the Assessor, using their in-person certification process.
 - An undated written declaration by the County Budget Manager was provided to the Department on August 26, 2019, stating the County Budget Manager certified the 2019 district levy amounts to the Assessor, in person, on or before November 30, 2018.
 - The Department requested, but was not provided, documentation showing the county legislative authority has authorized the County Budget Manager to certify levy amounts on their behalf.

Action needed to meet requirement

The Assessor is required to take the following action(s):

- No action is required for the 2018 levies for the 2019 tax year.
- Levy a taxing district's current year levy request only with a timely and written certification from the county legislative authority for the 2020 tax year and subsequent years.

After evaluating Resolution No. 18-147, the individual levy certification documents adopted by the taxing districts, and the declaration completed by the County Budget Manager, the Department is not requiring any actions by the Assessor at this time. Reading these documents together, the Department concludes the information related to certification was delivered timely, even though the written certification occurred after the November 30 deadline.

Certification of levies to assessor, continued

If the county legislative authority does not complete their written certification on or before November 30, 2019, and the Assessor has timely certified the 2019 assessed values at least twelve business days prior to November 30, 2019, the Assessor is required to limit the levies to no more than what was certified to her for the 2019 tax year.

If the Department finds, during the levy follow-up process, the Assessor has completed her 2019 assessment year certification of timely, the county legislative authority has not completed their written certification timely, and the Assessor has levied in excess of the district's 2019 tax year levy requests, it will be considered a levy error. If this error occurs, the amount of funds levied in error must be addressed as a levy error correction starting with the 2021 tax year levy calculations.

Why it's important

Statutory deadlines exist to provide a timely, orderly process for property taxation. When the levy requests are not certified to the county assessor timely, it could result in a taxing district being limited to the levy amount certified on their behalf from the prior levy year. This limitation may cause a loss of funds for the taxing districts. It also puts the Assessor at risk of not meeting their statutory deadline to certify the tax roll to the county treasurer on or before January 15. When the January 15 deadline is missed it results in delay of receipt of property taxes from the taxpayers and distribution of taxes to the taxing districts.

Tax roll certification

Requirement

The Assessor is required to certify the completed tax roll to the Cowlitz County Treasurer (Treasurer), with a receipt taken, and provide an abstract of the tax roll to the Cowlitz County Auditor (Auditor) listing the total amount of collectible taxes for each taxing district.

What the law says

The county assessor must deliver the tax rolls to the county treasurer, on or before the fifteenth day of January, taking a receipt from the treasurer. The assessor must also supply the county auditor with an abstract of the tax roll showing the total amount of tax collection for each taxing district. (RCW 84.52.080)

What we found

The Assessor provided a Certification of Levies Report to the Department, dated January 15, 2019, as documentation of her certification of the tax roll to the Treasurer. The report does not contain the Assessor's signature or proof of receipt by the Treasurer.

The Assessor did not provide the Department with the abstract of the tax roll that she is required to give to the Auditor.

Action needed to meet requirement

The Assessor is required to take the following action(s):

- Provide a signed certification of the completed tax rolls to the Treasurer on or before January 15, taking a receipt from the Treasurer. The certification should include the levy rate, total tax, and the certification language specified in the statute:

I,, assessor of county, state of Washington, do hereby certify that the foregoing is a correct list of taxes levied on the real and personal property in the county of for the year two thousand

*Witness my hand this day of, 20. . .
. . . ., County Assessor*

The Assessor could show the Treasurer's receipt by having the Treasurer sign and date the certification.

- Provide the Auditor with an abstract of the tax roll, including the total amount of tax collectable for each taxing district. This could be accomplished by providing the Auditor with a copy of the Certification of Levies Report used to certify the tax roll to the Treasurer.

Tax roll certification, continued

Why it's important

State law requires the county assessor to formally certify the tax roll to the county treasurer, and provide an abstract of the tax roll to the county auditor. This process enhances the transparency of levying property tax.

Recommendations

For the items listed as “Recommendations,” the Department believes the Assessor could improve by making voluntary changes in procedure.

This section contains the recommendations we identified.

Levy titles

Recommendation

The Department recommends the Assessor update reports and letters to display accurate titles for the school district enrichment levies.

What we found

The Assessor's Certification of Levies report and Certification of Levy Rates report lists maintenance and operations (M&O) levies for the school districts. Beginning in the 2019 tax year, M&O levies no longer exist for school districts, they are enrichment levies. (EHB 2242)

Action recommended

The Department recommends the Assessor:

- Relabel the school district M&O levies in the Assessor's certification reports to show they are enrichment levies, for the 2020 tax year.

Why it's important

Correct titles for property tax levies provides taxpayers transparency in the levy process.

Next steps

Follow-up

The Department is committed to the success of the Assessor by ensuring the levies comply with state statutes and regulations.

The Department will conduct a follow-up review in February 2020. This will give the Assessor an opportunity to implement the required changes, recommended changes, and to provide information to the Department about any issues they encountered during the implementation process.

Questions

For questions about specific requirements or recommendations in our report, please contact the Property Tax Division at (360) 534-1400.

For additional information contact:

Washington State Department of Revenue
Property Tax Division
PO Box 47471
Olympia, WA 98504-7471
(360) 534-1400
<http://dor.wa.gov>

Appendix – general information

Introduction

General information provided to assist all assessors and taxing districts.

Contents

This section contains the following topics:

- Regular Levy Limitation
- Refunds
- Excess Levy
- Timber Assessed Value (TAV)
- Assessor Guidelines

Regular levy limitations

What are the statutory limitations?

Regular property tax levies are generally considered to be those levies that are subject to several statutory limitations.

The assessor must adhere to the following statutory limitations:

- Levy limit (a.k.a., 101 percent)
- Statutory dollar rate limit
- Amount authorized by resolution/ordinance
- District budget
- \$5.90 aggregate limit
- 1 percent constitutional limit

Levy limit

The amount of regular property taxes a taxing district can levy, other than the state and port district industrial development levies, is limited to an amount that will not exceed the amount resulting from the following calculation:

- The highest amount that could have been lawfully levied by the taxing district in any year since 1985 for 1986 collection, multiplied by the limit factor; plus
- A dollar compensation calculated by multiplying the district's levy rate for the preceding year, or the last year the district levied taxes, by the increase in assessed value of the district from the previous year attributable to:
 1. New construction
 2. Increases in assessed value due to wind turbine, solar, biomass, and geothermal facilities (if the facilities generate electricity)
 3. Improvements to property
 4. Any increase in assessed value of state assessed property.

If an error occurred or an error correction was made in the previous year, use the levy rate that would have been levied had no error occurred.

The limit factor used in calculating the levy limit is defined in RCW 84.55.005 and WAC 458-19-005.

Regular levy limitations, continued

If the district's population is...	Then the limit factor is...
less than 10,000	101 percent.
greater than 10,000 and a finding of substantial need was made	the lesser of the substantial need factor or 101 percent.
for all other taxing districts	the lesser of 101 percent or 100 percent plus inflation.

Reference:

- RCW 84.55.010
- RCW 84.55.0101
- WAC 458-19-020

Statutory rate limit

The statutory rate limit varies by district. These limits are found in the various statutes for each type of district and in the *Property Tax Levies Operations Manual*. The levy amount for each district cannot exceed the statutory maximum rate. The statutory dollar rate limits for senior taxing districts can be found in RCW 84.52.043(1). The statutory dollar rate limits for all taxing districts can be found in the levy manual, chapter 3.

Reference:

- RCW 84.52.043
- Property Tax Levies Operation Manual, chapter 3
- https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Prop_Tax/LevyManual.pdf

Truncating levy rates

The final certified levy rate cannot result in a levy amount that exceeds the statutory limitations. To ensure that the final levy rate results in a levy amount at or below the statutory levy limit for each taxing district the assessor must truncate the rate at the last digit (not round).

If truncating the levy rate for a bond levy results in a levy amount less than the amount requested by the district, the levy rate must be rounded up to ensure sufficient funds are levied for the repayment of the debt.

Regular levy limitations, continued

Resolutions/ordinances

The amount authorized by a district in its resolution or ordinance is another limitation on taxation. If a district does not adopt a resolution/ordinance compliant with RCW 84.55.120, the district cannot levy more than it received in the previous year, other than the increase amount resulting from the following:

1. New Construction
2. Improvements to property
3. Wind turbines
4. Solar, biomass, and geothermal facilities (if the facilities generate electricity)
5. Increases in state-assessed property

The resolution or ordinance must state the increase over the previous year's levy in terms of percentage and dollars. The resolution is separate from the budget certification.

References and forms:

- RCW 84.55.120
- <https://dor.wa.gov/legacy/Docs/forms/PropTx/Forms/OrdinanceResolution.doc>

Regular levy limitations, continued

Levy certification (budget)

Taxing districts that wish to levy must certify a budget or budget estimate to the county legislative authority by November 30 of the assessment year.

The county legislative authority must certify the amount to levy or budget estimates for each of the taxing districts, including the county, to the assessor on or before November 30 of each year. However, the county legislative authority may elect to conduct its budget hearing on the first Monday in December, as permitted by RCW 36.40.071.

Reference and forms:

- RCW 84.52.020
- RCW 84.52.070
- <https://dor.wa.gov/legacy/Docs/forms/PropTx/Forms/LevyCertf.doc>

\$5.90 limit

The \$5.90 limit applies to the total of most regular levies in each tax code area. The aggregate of the junior and senior taxing districts (excluding the state levy and a few others) cannot exceed \$5.90 per \$1,000 of assessed value.

RCW 84.52.010 provides the order in which taxing districts rates are prorated, in order to bring the aggregate rate down to \$5.90. The \$5.90 limitation does not apply to levies made by or for:

- The support of common schools (state levies)
- Port districts
- Public utility districts
- Conservation futures
- Criminal justice
- Emergency medical services
- Affordable housing
- County ferry districts
- County transit
- Regional transit authority

Reference:

- RCW 84.52.043

Regular levy limitations, continued

1 percent constitutional limit

The 1 percent constitutional limit is based on true and fair value, unlike the \$5.90 limit, which is based on assessed value.

In 1972, the voters adopted a constitutional limit of 1 percent. This limits the amount of property taxes that may be imposed on an individual parcel (real or personal) of property without voter approval of 1 percent of its true and fair value.

The 1 percent limit applies to all regular levies (except port and public utility district levies). It does not apply to excess levies approved by the voters.

Reference:

- RCW 84.52.050
- RCW 84.52.010
- Article 7, Section 2 of Washington Constitution

Refunds

Types of refunds

There are two types of refunds:

- Adjudicated (court ordered)
- Administrative

Use this table to decide how to levy for a refund

If the refund is an...	Then...	And...
Adjudicated refund	the district is required to levy the refund	the refund is added to the district's levy.
Administrative refund	the refund levy is optional	the refund may be added to the levy only if the district requests the refund in its levy certification or budget.

Note: the statutory limit cannot be exceeded when adding a refund to the levy.

Reference:

- RCW 84.68.040 (adjudicated refund)
- RCW 84.69.180 and RCW 84.69.020 (administrative refund)
- WAC 458-19-085 (adjudicated and administrative refunds)

Excess levy

What is an excess levy

Excess levies are over and above the regular property tax levies.

- Excess levies require voter approval
- Duration of excess levies is subject to limitations
- Only school district enrichment levies are subject to the statutory limitations placed on regular levies.

Type of Levy	Taxing District	Duration
Bond	Most districts	Long term debt, usually 15-20 years
Enrichment	Schools	2-4 years
Maintenance & Operational (M&O)	Fire districts	2-4 years
General	Most districts except school and fire districts	1 year
Technology	School	2-6 years
Transport Vehicle	School	2 years
Construction/Modernization/Remodeling	School and fire districts	2-6 years

Reference:

- RCW 84.52.052
- RCW 84.52.053
- RCW 84.52.056
- RCW 84.52.130
- <https://dor.wa.gov/get-form-or-publication/ballot-measure-requirements>

Timber assessed value (TAV)

What is timber assessed value?

Timber assessed value determines each taxing district’s share of the timber excise tax revenue and in setting property tax levy rates. It serves as a substitute for the value that would be carried on the assessment roll if standing timber were taxable as real property for all excess levy calculations.

Components of TAV

Based on property taxes levied on the assessed value of property in the Designated Forest Land Program (DFL) from the prior tax year, number of acres in DFL, and the estimated public acreage available for timber harvesting (RCW 84.33.089), the assessor calculates the following values:

- Composite tax rate
- County Timber Assessed Value (TAV)
- Total County Forest land assessed value (FLAV)
- Average assessed value per acre on privately owned DFL

After making these calculations, the assessor has all the information necessary to complete the Timber Tax Distribution Priority 1, 2, and 3 worksheets. The priority worksheets list the individual taxing district’s TAV that is to be added to the district’s taxable value for levy calculations.

Tax base

The assessor must ensure that the appropriate amount of TAV is included in the tax base for calculating excess levies.

If the levy type is...	Then use this percentage of TAV in the tax base...
Bond	100 percent
Capital Project	100 percent
Transportation Vehicle	100 percent
School Enrichment	50 percent of TAV or 80 percent of the 1983 timber roll, whichever is greater
All other excess levies	100 percent

Reference:

- RCW 84.52.080(2)

Assessor guidelines

Introduction

The assessor generally calculates the property tax levy rate necessary to collect the amount of taxes levied for each district, within the limitations provided by law (WAC 458-19-010). Listed below are some of the guidelines for the assessor based on the taxing district's adopted documentation.

Determine the authorized levy amount

Use the table below to determine the authorized levy amount given certain situations.

When the taxing district submits...	Then...
a certified levy request to the county legislative authority, but does not adopt a resolution/ordinance authorizing an increase over the prior year's levy	the district's levy is the lesser of the following: <ol style="list-style-type: none"> 1. Previous year's levy plus <i>any</i> increase resulting from new construction, improvements to property, wind turbines, solar, biomass, and geothermal facilities (if the facilities generate electricity), and the increased value of state-assessed property. 2. Current year's certified levy request. 3. Levy limit (with a 100% limit factor). 4. Statutory maximum amount.
a resolution/ordinance authorizing an increase over the prior year's levy, but no certified levy request to the county legislative authority	the assessor does not have the statutory authority to levy on behalf of the taxing district.
a certified levy request to the county legislative authority and a resolution/ordinance authorizing an increase over the prior year's levy	the district's levy is the lesser of the following: <ol style="list-style-type: none"> 1. Previous year's levy <i>plus</i> the percentage increase authorized by the resolution <i>plus</i> any increase resulting from new construction, improvements to property, wind turbines, solar, biomass, and geothermal facilities (if the facilities generate electricity), and the increased value of state-assessed property. 2. Current year's certified levy request. 3. Levy limit (with a limit factor up to 101% depending on the district's population). 4. Statutory maximum amount.
neither a certified levy request nor a resolution/ordinance authorizing an increase over the prior year's levy	the assessor does not have the statutory authority to levy on behalf of a taxing district.

Appendix A

The following worksheets contain regular levy calculations for the districts with errors in this audit.

Levy Limit Calculation for District: City of Woodland												
Assmt Taxes	Highest	Limit	Highest	State Assd	Tax Added	Annexed	Tax Added	Levy	Assd	Stat	<input checked="" type="checkbox"/>	Annexed to Library?
Year Due	Lawful Levy	Factor	Lawful plus	New Const	for	Value	for	Limit	Value	Rate	<input type="checkbox"/>	Annexed to Fire?
	Since 1985*		Increase		State Assd		Annex.			Max.	<input type="checkbox"/>	Firemen's Pension?
					New Const						<input type="checkbox"/>	Lid Lift?
2018 2019	1,420,541.67	101.00000%	1,434,747.09	22,203,554	42,861.96	0	0.00	1,477,609.05	803,544,359	3.236419851900		
Actual Levy:								Summary of Levy Limits:				
Assmt Taxes	Previous	Lesser of	Previous Yr's	Tax Added	Tax Added	Authorized	Refund	Certified	Limit Per	Levy Limit	Authorized	
Year Due	Year's	Resolution's \$ or %	Levy plus	for	for	Levy by Res.		Budget	Stat. Rate	Plus Refund	Levy By Res.	
	Levy		Increase	State Assd	Annex.				Maximum		Plus Refund	
				New Const								
2018 2019	1,420,541.62	2.054%	1,449,716.56	42,861.96	0.00	1,492,578.52	0.00	1,493,329.00	2,600,606.92	1,477,609.05	1,492,578.52	
Assmt Taxes	Current Year's	Levy Correction	Total Levy	Actual	Actual Levy	Correct	Over/Under		New Highest	Levy Rate		
Year Due	Max Levy		w/ Correction	Amount	Rate	Levy Rate	Levy		Lawful Levy Since	Without Levy		
				Levied					1985	Error or Levy	Error Correction	
2017 2018					1.9304100674							
2018 2019	1,477,609.05	0.00	1,477,609.05	1,480,545.07	1.8425181552	1.8388643142	2,936.02		1,477,609.05	1.838864314200		

Appendix B

The following worksheets contain regular levy calculations for the districts with errors in this audit.

Levy Limit Calculation for District: Fire District No. 7												
Assmt Taxes	Highest	Limit	Highest	State Assd	Tax Added	Annexed	Tax Added	Levy	Assd	Stat	<input type="checkbox"/>	Annexed to Library?
Year Due	Lawful Levy	Factor	Lawful plus	New Const	for	Value	for	Limit	Value	Rate	<input type="checkbox"/>	Annexed to Fire?
	Since 1985*		Increase		State Assd		Annex.			Max.	<input type="checkbox"/>	Firemen's Pension?
					New Const						<input type="checkbox"/>	Lid Lift?
2018 2019	255,002.66	101.00000%	257,552.69	1,364,120	1,325.73	0	0.00	258,878.42	270,071,127	1.500000000000		
Actual Levy:										Summary of Levy Limits:		
Assmt Taxes	Previous	Lesser of	Previous Yr's	Tax Added	Tax Added	Authorized	Refund	Certified	Limit Per	Levy Limit	Authorized	
Year Due	Year's	Resolution's \$ or %	Levy plus	for	for	Levy by Res.		Budget	Stat. Rate	Plus Refund	Levy By Res.	
	Levy		Increase	State Assd	Annex.				Maximum		Plus Refund	
				New Const								
2018 2019	250,000.00	3.500%	258,750.00	1,325.73	0.00	260,075.73	0.00	260,000.00	405,106.69	258,878.42	260,075.73	
Assmt Taxes	Current Year's	Levy Correction	Total Levy	Actual	Actual Levy	Correct	Over/Under		New Highest	Levy Rate		
Year Due	Max Levy		w/ Correction	Amount	Rate	Levy Rate	Levy		Lawful Levy Since	Without Levy	Error or Levy	
				Levied					1985	Error Correction		
2017 2018					.9718597617							
2018 2019	258,878.42	0.00	258,878.42	259,032.42	.9591266673	.9585564346	154.00		258,878.42	0.958556434600		