

**Yakima Levy Audit Follow-up  
 Status of Work Completed  
 April 2018**

NOTE: Refer to our original levy audit issued in June 2017 for a complete explanation of each requirement.

Requirement	Topic	Work Completed on Requirement	Completed / Pending Completion	Future Follow-up?
1	<b>County General</b>	<p>The Assessor did not implement the levy error correction for the 2018 tax year.</p> <p>The Assessor expressed the desire to implement the necessary levy limit calculations to be compliant with Washington’s laws and rules.</p> <p>The levy error statute allows for levy error corrections to be made for any period no more than three years preceding the year in which the error is discovered. The Department discovered the error in June 2017, thus the correction can be made for the 2014 tax year forward.</p> <p>The Assessor supplied the Department with updated levy limit calculations for 2012 tax year through the 2018 tax year and we agree with their total underlevy of \$556,944.80.</p>	Pending Completion	<p>Yes.</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> <li>• A copy of the 2018 levy for 2019 tax year highest lawful levy worksheet for County General.</li> <li>• A copy of the 2019 tax year certification and dollar and percentage of increase resolution for County General.</li> <li>• A copy of correspondence with the county legislative authority regarding the underlevy error of \$556,944.80. Include whether the district chooses to levy for the underlevy amount and if the correction will be made over a period of one, two, or three years.</li> </ul>

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2	<b>Road</b>	<p>The Assessor did not implement the levy error correction for the 2018 tax year.</p> <p>The Assessor expressed the desire to implement the necessary levy limit calculations to be compliant with Washington's laws and rules.</p> <p>The levy error statute allows for levy error corrections to be made for any period no more than three years preceding the year in which the error is discovered. The Department discovered the error in June 2017, thus the correction can be made for the 2014 tax year forward.</p> <p>The Assessor supplied the Department with updated levy limit calculations for 2012 tax year through the 2018 tax year and we agree with their total overlevy of \$547,183.74.</p>	Pending Completion	<p>Yes.</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> <li>• A copy of the 2018 levy for 2019 tax year highest lawful levy worksheet for the Road.</li> <li>• A copy of the 2019 tax year certification and dollar and percentage of increase resolution for the Road.</li> <li>• A copy of correspondence with the county legislative authority regarding the overlevy of \$547,183.74. Include whether the correction will be made over a period of one, two, or three years.</li> </ul>
3	<b>Mount Adams School District No. 209</b>	<p>The Assessor provided the 2018 tax year levy calculation worksheet and the 2018 Timber Tax Distribution worksheet. The correct amount was used to calculate the levy.</p>	Completed	No.

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4	<b>Statutory Maximum Rate for Cities Annexed to a Fire and/or Library District</b>	<p>The Assessor provided the 2018 tax year highest lawful levy calculation worksheets for the Cities of Sunnyside and Yakima. Both are annexed to the Yakima Valley Regional Library and have a firefighter's pension fund.</p> <p>The Assessor did not calculate the correct statutory maximum levy rates for either district.</p> <table border="1" data-bbox="701 651 1475 797"> <thead> <tr> <th>Taxing District</th> <th>Statutory Maximum Rate Applied</th> <th>Correct Statutory Maximum Rate</th> </tr> </thead> <tbody> <tr> <td>City of Sunnyside</td> <td>3.35133495</td> <td>3.36409685</td> </tr> <tr> <td>City of Yakima</td> <td>3.35133495</td> <td>3.36409685</td> </tr> </tbody> </table>	Taxing District	Statutory Maximum Rate Applied	Correct Statutory Maximum Rate	City of Sunnyside	3.35133495	3.36409685	City of Yakima	3.35133495	3.36409685	Pending Completion	<p>Yes.</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> <li>• Copies of 2018 levy for 2019 tax year highest lawful levy worksheets for the following cities:             <ul style="list-style-type: none"> <li>○ Sunnyside</li> <li>○ Yakima</li> </ul> </li> </ul>
Taxing District	Statutory Maximum Rate Applied	Correct Statutory Maximum Rate											
City of Sunnyside	3.35133495	3.36409685											
City of Yakima	3.35133495	3.36409685											

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Recommendation	Topic	Work Completed on Recommendation	Completed / Pending Completion	Future Follow-up?
1	Certifications and Resolutions	The Assessor stated they continue to encourage the taxing districts to use official forms. Education has been provided to the districts, a formal letter will be crafted and included with the budget and certification requests.	Completed	No.

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2	Naches and Selah Park and Recreation Districts	<p>The Assessor provided verbal information to the districts regarding their ability to levy excess levies.</p> <p>The Assessor also requested additional guidance from the Department on how they can prevent a similar situation from happening in the future when ballot measures are not approved by the Assessor.</p>	Completed	<p>No.</p> <p>We agree with your statement that county assessors do not have the ability to approve ballot measures. You are completing your duty as the Assessor to levy the excess levies that have been properly certified to the county, even though they appear to be unconstitutional. However, there is no legal prohibition against an assessor advising the districts if there is a high likelihood the excess levy is unconstitutional. The Department views this as a sign that you are making a special effort to protect the taxpayers and the taxing districts.</p> <p>The Department recommends that you alert these districts to the excess levy limitations in RCW <a href="#">84.52.052</a> and Article 7, Section 2 of the <a href="#">Washington State Constitution</a>, and the possible legal actions that can be taken by the taxpayers in their district challenging the constitutionality of the levies. The court could require the district to return the money to the taxpayers that were levied in error.</p> <p>RCW 84.52.052 authorizes taxing districts to request voter approval for an excess levy at a special or general election to be held in the year in which the levy is made. The Department has interpreted the reference to when a levy is made as when the district certifies the levy request to the county legislative authority in November. The exception to requiring the election to occur in the year the levy is made is found in the Washington Constitution, Article VII, Section 2(a), where only school districts and fire district are authorized to levy an excess levy up to six years.</p>