

**Lewis County Property Tax Administration Review Follow-up**  
**Status of Work Completed**  
**March 2018**

NOTE: Refer to our original report issued in September 2016 for a complete explanation of each requirement.

Requirement	Topic	Work Completed on Requirement	Completed / Pending Completion	Future Follow-up?
1	<b>Dates of Completion for Inspection and Valuation of Real Property</b>	The Assessor demonstrated progress on this requirement by certifying values in October of 2016 and 2017. The Assessor reports that vacancies in appraiser positions and training new staff continue to have an effect on the date appraisal work can be completed. The Department is aware of the staffing challenges and acknowledges improvement in the dates when assessed values were certified by the Assessor. We consider this requirement for improvement as having been met.	Completed	No
2	<b>Physical Appraisal within Twelve Months of Issued Permit</b>	The Assessor provided a list of approximately 1,100 permits issued between 8/3/15 and 7/29/16 from Community Development (CD) showing inspections were performed within 12 months of issuance date. The Assessor has been working with CD by requesting a monthly report of permits to compare with the complete 12-month report to ensure they have received all permits timely. The Assessor also enhanced their tracking system (ADEPT) to include the date permits are received from other jurisdictions as opposed to the actual issue date.	Completed	No
3	<b>Procedure for Adding New Construction at Percent Complete to the Assessment Roll</b>	The Assessor's Office obtained Pictometry including the module ChangeFinder, through which the company provides oblique and orthogonal imagery to the county. The first flight in 2016 will produce data of all changes to structures since the last flight in 2013. The Assessor anticipates this data will be ready by summer of 2017 and will be added to the NC inspection list for completion by 8/31/17. The Assessor provided four examples of percent complete calculations done on incomplete improvements since last October. The Assessor's Office also amended their New Construction Handbook in October 2016 for training purposes.	Completed	No

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4	<b>Current Use Removal Notification to the Taxpayer by Certified Mail</b>	The Assessor provided all eleven photocopies of the certified mailing receipts that were mailed between 8/2016 and 12/2016 to taxpayers who had their current use classification removed.	Completed	No

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5	<b>Riverside Fire Authority No. 1 General</b>	<p>Following the completion of the 2016 tax year levy limitations, the Assessor discovered an error in the taxable value used for some of the levy calculations. It was later discovered in December 2017 that not all of the 2016 tax year levy limitations had been corrected due to this error. The RFA's regular levy is one of those that was not corrected. The Assessor completed the 2017 tax year levy limitations without correcting the 2016 tax year levy limitations for the valuation error. The 2018 tax year levy limitations reflect the original error as noted in the Department's September 2016 Review and the additional 2016 tax year taxable value error.</p> <p>The Assessor provided the following documents for the follow-up review:</p> <ul style="list-style-type: none"> <li>• 2016 tax year levy limit worksheet reflecting the corrected taxable value for the district, corrected levy rate, and levy amount. The additional correction to the taxable value resulted in a total underlevy of \$98,711.48. The original underlevy reported in the September 2016 Review was \$104,193.96.</li> <li>• 2017 tax year levy limit worksheet reflecting the corrected prior year's levy rate (the rate that would have been used if an error had not occurred in the 2016 tax year) and an underlevy error correction reflecting 33.33 percent of the levy error that includes the taxable value error.</li> <li>• 2018 tax year levy limit worksheet reflecting the corrected prior year's levy rate (the rate that would have been used if a levy error correction had not occurred in the 2017 tax year levy calculations, and the second 33.33 percent levy error correction.</li> </ul>	Completed	<p>No</p> <p>Even though the Assessor did not recalculate the 2016 tax year levy limitations due to the taxable value error prior to determining the 2017 tax year levy limitations, this did not result in an additional over or under levy error for the district.</p> <p>The district was not able to realize any portion of the first or second 33.33 percent levy error corrections as this would have resulted in a levy rate exceeding the statutory maximum levy rate of \$1.50 per \$1,000 assessed value.</p> <p>The Assessor must use the following information in the 2019 tax year levy calculations:</p> <ul style="list-style-type: none"> <li>• \$3,571,672.25 as the levy's highest lawful levy since the 1986 tax year.</li> <li>• Levy rate of \$1.50 per \$1,000 assessed value to increase the district's new construction, increases to state assessed utility values, etc.</li> <li>• Include the third and final levy error correction of \$32,903.83.</li> <li>• If the district is able to levy any or all of this portion of the correction, the 2019 tax year levy rate must be recalculated representing the levy rate that would have been used if the error correction had not occurred. This rate will be used in the 2020 tax year levy limitations.</li> </ul>
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6	<p><b>Riverside Fire Authority No. 1 Emergency Medical Services</b></p>	<p>Following the completion of the 2016 tax year levy limitations, the Assessor discovered an error in the taxable value used for some of the levy calculations. It was later discovered in December 2017 that not all of the 2016 tax year levy limitations had been corrected due to this error. The RFA's EMS levy is one of those that was not corrected. The Assessor completed the 2017 tax year levy limitations without correcting the 2016 tax year levy limitations for the valuation error. The 2018 tax year levy limitations reflect the original error as noted in the Department's September 2016 Review and the additional 2016 tax year taxable value error.</p> <p>The Assessor provided the following documents for the follow-up review:</p> <ul style="list-style-type: none"> <li>• 2016 tax year levy limit worksheet reflecting the corrected taxable value for the district, corrected levy rate, and levy amount. The correction to the taxable value resulted in a total underlevy of \$34,480.82. The original underlevy reported in the September 2016 Review was \$36,308.32.</li> <li>• 2017 tax year levy limit worksheet reflecting the levy's corrected highest lawful levy, corrected prior year's levy rate to increase the levy's levy limit due to new construction, increases in state assessed utility value, etc., and implementing a levy error correction of \$29,878.65. The levy error correction represents 82.29 percent of the error known at the time the 2017 tax year levy was made.             <ul style="list-style-type: none"> <li>○ RCW 84.52.085(2) requires a levy error to be corrected on a proportional basis over a period of one to three years starting with the first levy made after the discovery of the error.</li> </ul> </li> </ul>	Completed	<p>No</p> <p>The Department was not provided any correspondence from the taxing district indicating that they found levying the full correction in one year would result in a hardship for either the taxing district or the taxpayers. Without this statement from the taxing district, the Assessor should have implemented the full levy error correction for the 2017 tax year.</p> <p>Even though the Assessor included an incorrect amount of the levy error correction in the 2017 tax year calculations, it did not result in an additional levy error as the levy was limited by their statutory maximum levy rate.</p> <p>The Assessor must use the following information in the 2019 tax year levy calculations:</p> <ul style="list-style-type: none"> <li>• \$993,730.03 as the levy's highest lawful levy since the 1986 tax year.</li> <li>• Levy rate of \$0.50 per \$1,000 assessed value to increase the district's new construction, state assessed utility value increase, etc.</li> </ul>
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		If the district chooses to implement the correction over a	Then		
		3 year period	33.33 percent of the error amount must be included in the levy calculations.		
		2 year period	50 percent of the error amount must be included in the levy calculations.		
		1 year period	The full amount of the error must be included in the following year's levy calculations.		
		<ul style="list-style-type: none"> <li>○ 2018 tax year limit worksheet correctly reflecting the levy limitations.</li> </ul>			