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Washington Department of Revenue Property Tax Division

2024 Klickitat 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 Klickitat 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 2024 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 1% constitutional limits.

We do not review every taxing district's levy. We audited approximately 40% 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:

- County Road.
- City/towns: Bingen and White Salmon.
- Fire Districts: No. 4, No. 6, No. 8, and No. 12.
- Hospital District No. 1.
- Cemetery Districts: No. 3 and No. 4.
- Library District No. 1.
- School Districts: No. 400 Trout Lake and No. 403 Roosevelt.
- Port District.
- Park and Recreation District.

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 two 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 certify both locally and state assessed values to the taxing districts once the certified state assessed values are received from the Department.
2. The Assessor is required to calculate the statutory maximum levy rate dollar amount for a park and recreation district using the levy rate approved by the voters.

Recommendation

1. The Department recommends the Assessor provide education to the Klickitat County Legislative Authority regarding the certification of levy amounts for each taxing district wishing to levy property tax.

Requirement 1 – Certification of assessed value to taxing districts

Requirement

The Assessor is required to certify both locally and state assessed values to the taxing districts once the certified state assessed values are received from the Department.

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)

What we found

The Assessor did not certify the locally assessed values and state assessed utility values to the taxing districts timely for the 2024 tax year.

The Assessor provided a worksheet to the taxing districts that listed preliminary assessed values. This document does not meet the requirements of RCW 84.48.130, for the certification of assessed values to the taxing districts. It does not include the state assessed property value for the 2024 tax year.

Action needed to meet requirement

The Assessor is required to take the following action:

- Certify the total assessed values, including both locally assessed values and state assessed utility values, to the taxing districts once you have received the certified state assessed utility values from the Department.

Why it's important

Timely certification of assessed values to the taxing districts will assist the taxing districts with their budget process.

Requirement 2 – Park and Recreation District

Requirement

The Assessor is required to calculate the statutory maximum levy rate dollar amount for a park and recreation district using the levy rate approved by the voters.

What the law says

A park and recreation district may impose regular property tax levies in an amount equal to 60 cents, or less per thousand dollars of assessed value of property in the district in each year for six consecutive years when specifically authorized by the voters.

The limitation in RCW 84.55.010 does not apply to the first levy imposed under this section following the approval of the levies by the voters under subsection (1) of this section. (RCW 36.69.145)

If an error has occurred in the levy of property taxes that has caused all taxpayers within a taxing district, other than the state, to pay an incorrect amount of property tax, the assessor shall correct the error by making an appropriate adjustment to the levy for that taxing district in the succeeding year.

If the county assessor finds, prior to any recomputations made under RCW 84.52.010(3), that the adjustment to correct a levy error that occurred at no fault of the taxing district would cause the tax rate of that levy to exceed its maximum tax rate allowed in statute, then the correction of that levy error must be made in equal proportions over a period of three years immediately succeeding the year in which the error is discovered. (RCW 84.52.085)

What we found

The voters approved a regular levy not to exceed \$.29 per thousand dollars of assessed value for the Park and Recreation District (P&R). This levy has a duration of six years with collection beginning in 2024.

It appears to the Department the Assessor calculated a statutory maximum dollar amount of \$411,887.04 based on the voter approved statutory maximum levy rate of \$.29, then added the refund levy amount of \$2,123.21, which was requested by the district. The addition of the levy refund amount resulted a levy rate of \$.291494899863 for the district, exceeding the statutory maximum levy rate of \$.29 approved by the voters.

The statutory maximum levy rate cannot be exceeded with the exception of when making a levy error correction for a levy error that occurs at no fault of the taxing district. Use of the incorrect statutory maximum levy rate resulted in an overlevy error of \$2,123.21.

Requirement 2 – Park and Recreation District, continued

Action needed to meet requirement

The Assessor is required to take the following actions:

- Use the levy rate approved by the voters of the P&R to calculate the statutory maximum levy rate dollar amount.
- Correct the \$2,123.21 overlevy error for the P&R.
- Notify the P&R of the levy error. If the correction in the succeeding year will cause a hardship for either the taxing district or taxpayers, the district may request the correction to be made on a proportional basis over a period of no more than three years.
- Use the corrected 2024 levy rate (See Appendix A) when calculating the rate for the 2025 tax year as if the error had not occurred.

Why it's important

Correct calculation of the statutory maximum levy rate ensures taxing districts levy and taxpayers pay the correct amount of property tax.

Recommendation 1 – Certification of levy request amounts

Recommendation

The Department recommends the Assessor provide education to the Klickitat County Legislative Authority regarding the certification of levy amounts for each taxing district wishing to levy property tax.

What we found

The process of certifying levy amounts for taxing districts wishing to levy property tax in Klickitat County, for the 2024 tax year, included:

- The taxing districts wishing to levy property tax certified their levy requests timely (RCW 84.52.020).
- The Assessor provided copies of the taxing district levy certifications to the county legislative authority.
- The county legislative authority authorized a Verification and Acknowledgement document on December 12, 2023, to certify the levy requests for each taxing district to the Assessor. This document did not meet the deadline for certification of levy requests for each taxing district within the county, which is the first Monday in December. Since the Assessor did not certify the assessed values to the taxing districts 12 days prior to November 30, there is no consequence for late certification (RCW 84.52.070).
- The Verification and Acknowledgement document includes:
 - A statement acknowledging receipt of the 2023 budget requests and estimates as submitted and certified by the various taxing districts in Klickitat County.
 - An attachment listing the taxing districts that provided levy certifications to the county legislative authority but does not include the dollar amounts requested by the districts.

The Assessor provided the Department with timely levy certifications to the county legislative authority by the taxing districts (RCW 84.52.020). It is unclear to the Department why the county legislative authority did not certify timely to the Assessor and listed the taxing districts levying property tax but did not include the requested dollar amounts.

Action recommended

The Department recommends the Assessor:

- Continue to provide education to the county legislative authority regarding the certification of levies process. The Assessor should include the following issues in the education:
 - List the dollar amount of each taxing district's levy request in the certification document.
 - Include language that states the county legislative authority is certifying levy amounts to the Assessor for each taxing district (RCW 84.52.070).
 - Certify the levy amounts for each taxing district to the Assessor on or before the first Monday in December. The deadline to certify the levy amounts for county purposes is December 15 (RCW 84.52.070).
 - The Assessor may wish to include a reference to the Department's property tax advisory (PTA 21.1.2021).

Recommendation 1 – Certification of levy request amounts, continued

Why it's important

In addition to providing transparency in the property tax levy process, proper certification of the levy amounts for each taxing district ensures taxing districts levy and taxpayers pay the correct amount of property tax.

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 2025. This will give the Assessor an opportunity to implement the required changes, recommended change, and to provide information to the Department about any issues they encountered during the implementation process.

Questions

General levy information is available in the Department's [Property Tax Levies Operating Manual](#).

For questions about specific requirements or the recommendation in our report, please contact us at:

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Appendix A

This worksheet contains regular levy calculations for the districts with errors identified in this audit.

Levy Limit Calculation for District: Park and Recreation District											
Assmt Taxes Year Due	Highest Lawful Levy Since 1985*	Limit Factor	Highest Lawful plus Increase	State Assd, NC & Increment Value	Tax Added for State Assd., NC, & Increment Value	Annexed Value	Tax Added for Annex.	Levy Limit	Assd Value	Stat Rate Max.	<input type="checkbox"/> Annexed to Library? <input type="checkbox"/> Annexed to Fire? <input type="checkbox"/> Firemen's Pension? <input type="checkbox"/> Lid Lift?
2023 2024	0.00	0.00000%	0.00	0	0.00	0	0.00	0.00	1,420,300,150	0.290000000000	
Actual Levy:							Summary of Levy Limits:				
Assmt Taxes Year Due	Previous Year's Levy	Lesser of Resolution's \$ or %	Previous Yr's Levy plus Increase	Tax Added for State Assd., NC, & Increment	Tax Added for Annex.	Authorized Levy by Res.	Refund	Certified Budget	Limit Per Stat. Rate Maximum	Levy Limit Plus Refund	Authorized Levy By Res. Plus Refund
2023 2024	0.00	\$0.00	0.00	0.00	0.00	0.00	2,123.21	450,000.00	411,887.04	0.00	0.00
Assmt Taxes Year Due	Current Year's Max Levy	Levy Correction	Total Levy w/ Correction	Actual Amount Levied	Actual Levy Rate	Correct Levy Rate	Over/Under Levy	New Highest Lawful Levy Since 1985	Levy Rate Without Levy Error or Levy Error Correction		
2022 2023				0							
2023 2024	411,887.04	0.00	411,887.04	414,010.25	.291494899863	.289999997535	2,123.21	411,887.04	0.289999997535		