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Washington Department of Revenue Property Tax Division

2024 Douglas 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 Douglas 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 percent 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:

- State School Levy.
- Douglas County Road.
- City/towns: Coulee Dam, Rock Island, and Waterville.
- Fire Districts: No. 1, No. 4, and No. 8.
- Hospital Districts: No. 2 and No. 6.
- Cemetery Districts: No. 2 and No. 3.
- Library District.
- School Districts: No. 75 Bridgeport, No. 151 Coulee-Hartline, and No. 206 Eastmont.

Executive Summary

Introduction

The primary purpose of a levy audit by the Department is to assist the 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 three requirements and no recommendations directed toward improving the accuracy of the levy process.

We have listed a summary of these items in the Requirements section.

Executive Summary, continued

Requirements

1. The Assessor is required to certify the completed tax roll to the Douglas County Treasurer (Treasurer) on or before January 15.
2. The Assessor is required to calculate the levy limit by applying the appropriate limit factor to the taxing district's highest lawful levy, based on the district's population and resolutions authorizing an increase in property tax.
3. The Assessor is required to determine whether the total of regular tax levies, with exception of levies made by port and public utility districts, are applied to real and personal property within the county does not exceed 1% of the true and fair market value.

Requirement 1 – Tax roll certification

Requirement

The Assessor is required to certify the completed tax roll to the Douglas County Treasurer (Treasurer) on or before January 15.

What the law says

The county assessor must deliver the tax rolls to the county treasurer, on or before January 15, 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 certified the completed tax roll to the Treasurer on January 17, 2023, after the January 15, deadline required by statute.

The Assessor stated that receipt of the levy rate certification for one of the joint taxing districts, on Sunday, January 14, 2024, and a tax roll balancing issue contributed to late certification of the tax roll to the Treasurer.

Action needed to meet requirement

The Assessor is required to take the following action:

- Certify the completed tax roll to the Treasurer on or before January 15.

Why it's important

Statutory deadlines exist to provide a timely and orderly process for property taxation.

Requirement 2 – Levy limit factor

Requirement

The Assessor is required to calculate the levy limit by applying the appropriate limit factor to the taxing district's highest lawful levy, based on the district's population and resolutions authorizing an increase in property tax.

What the law says

No increase in property tax revenue may be authorized without a public hearing and an ordinance or resolution that specifically states the increase in revenue, in both dollars and percentage of change. Exceptions to this requirement are increases of revenue due to the following additions: new construction, construction of wind turbines, solar, biomass and geothermal facilities, improvements, and state assessed property (RCW 84.55.120).

A majority of the legislative authority of a taxing district must approve the ordinance or resolution authorizing an increase in the taxing district's levy (WAC 458-19-020).

What we found

The Assessor calculated the levy limit for Cemetery District No. 3 (CD3) using an incorrect limit factor of 101%. The district did not provide the Assessor with a resolution authorizing a dollar and percentage of increase from the previous year's levy amount. They provided the Assessor with a letter, signed by the secretary, that stated CD3 chose to levy for the amount levied for the 2023 tax year and additional increases due to new construction and state assessed property. In addition, the letter stated the district chose not to levy for an increase of 1%.

Without a resolution authorized by the legislative authority of CD3, the Assessor may not calculate an increase in the levy limit for the district, with the exception of additions due to new construction, wind turbines, solar, biomass and geothermal facilities, improvements, and state assessed property.

Use of the incorrect limit factor resulted in an incorrect highest lawful levy amount.

Requirement 2 – Levy Limit Factor, continued

Action needed to meet requirement

The Assessor is required to take the following actions:

- Calculate the levy limitation with a limit factor of 100% when a taxing district does not adopt an ordinance or resolution authorizing a dollar and percentage of increase from the previous year's levy amount.
- When calculating the levy limit for the 2025 tax year, use the correct highest lawful levy amount provided in Appendix A.

Why it's important

To ensure the taxing districts do not levy more or less than their maximum levy amount allowed by law and the taxpayers pay the correct amount of property tax.

Requirement 3 – 1% constitutional limit

Requirement

The Assessor is required to determine whether the total of regular tax levies, with the exception of levies made by port and public utility districts, applied to real and personal property within the county exceed 1% 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).

What we found

The Assessor incorrectly used the County Current Expense levy rate, of \$.8167902277, when verifying the 1 percent constitutional limitation for the 2024 tax year. The Assessor must use the County General levy rate when verifying the 1 percent constitutional limit. The County General levy includes the County Current Expense levy in addition to earmarked funds. The County General levy rate was \$.8530402277 for the 2024 tax year.

Action needed to meet requirement

The Assessor is required to take the following action:

- Include the County General levy rate in all tax code areas verified in the 1% constitutional levy limit.

Why it's important

To ensure taxing districts do not levy more or less than their maximum levy amount allowable by law and the 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 changes, 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](#), available on our website.

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

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Appendix A

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

Levy Limit Calculation for District: Cemetery District No. 3												
Assmt	Taxes	Highest	Limit	Highest		Annexed	Tax Added	Levy	Assd	Stat	<input type="checkbox"/>	
Year	Due	Lawful Levy	Factor	Lawful plus	State Assd, NC &	Value	for	Limit	Value	Rate	<input type="checkbox"/>	
		Since 1985*		Increase	Increment Value		Annex.			Max.	<input type="checkbox"/>	
					Increment Value						<input type="checkbox"/>	
											<input type="checkbox"/>	
											<input type="checkbox"/>	
											<input type="checkbox"/>	
2023	2024	3,649.29	100.00000%	3,649.29	320,100	20.27	0	0.00	3,669.56	52,561,698	0.112500000000	
Actual Levy:								Summary of Levy Limits:				
Assmt	Taxes	Previous	Lesser of Resolution's	Previous Yr's	Tax Added for	Tax Added	Authorized	Refund	Certified	Limit Per	Levy Limit	Authorized
Year	Due	Year's	\$ or % Increase	Levy plus	State Assd., NC, &	for	Levy by Res.		Budget	Stat. Rate	Plus Refund	Levy By Res.
		Levy		Increase	Increment Value	Annex.				Maximum		Plus Refund
2023	2024	2,960.00	\$0.00	2,960.00	20.27	0.00	2,980.27	0.00	3,060.00	5,913.19	3,669.56	2,980.27
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	
2022	2023					.063322830443						
2023	2024	2,980.27	0.00	2,980.27	2,980.27	.0567004133	.0567004133	0.00		3,669.56	0.0567004133	
Excess Levy Calculation:												