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Washington Department of Revenue Property Tax Division

2025 Lincoln County Levy Audit A Summary Report



Table of Contents

Overview 3

Executive Summary 4

 Requirement 1 – \$5.90 and 1% aggregate limits 6

Next Steps 8

Overview

Purpose

The primary purpose of this review by the Department of Revenue (Department) is to assist the Lincoln 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 2025 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 certified levy request amount.

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(1)) and/or individual taxing district (RCW 84.52.070(2)).
- 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 limitations.

We audited regular and excess levies of approximately 40% of the taxing districts in the county. The scope of the audit did not include the review of earmarked funds.

Taxing Districts Selected

The Department reviewed the following taxing district levies:

- Cities/towns: Creston, Davenport, and Odessa.
- Fire Districts: No. 3, No. 4, No. 6, No. 8, and No. 9.
- Hospital Districts: No. 1 and No. 3.
- Cemetery Districts: No. 2 and No. 7.
- Metropolitan Park District No. 1.
- School Districts: No. 8, No. 105, and No. 200.
- Park and Recreation Districts: No. 1 and No. 2.

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 one requirement directed toward improving the accuracy of the levy process.

We have listed a summary of the item in the Requirements section.

Executive Summary, continued

Requirements

1. The Assessor is required to verify that none of the tax code areas within the county exceed the \$5.90 aggregate limit. The Assessor is required to determine whether the total of all regular tax levies, except for 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.

Requirement 1 – \$5.90 and 1% aggregate limits

Requirement

The Assessor is required to verify that none of the tax code areas within the county exceed the \$5.90 aggregate limit. The Assessor is required to determine whether the total of all regular tax levies, except levies made by port and public utility districts, applied to real and personal property within the county, exceeds 1% of the true and fair market value.

What the law says

The aggregate of regular levies for junior taxing districts and senior taxing districts, with the exception of the state and other specifically identified districts, may not exceed \$5.90 per thousand dollars of assessed valuation (RCW 84.52.043).

When the county assessor finds that this limit has been exceeded, the assessor recalculates the levy rates and establishes a new consolidated levy rate as described in RCW 84.52.010. The \$5.90 statutory aggregate dollar rate limit is reviewed before the constitutional 1% limit (WAC 458-19-070).

The aggregate of all regular tax levies, except for 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 1% limit maximum effective 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 incorrectly used the County Current Expense levy rate of \$1.1679908061, when verifying the \$5.90 aggregate rate and 1% constitutional limitations for the 2025 tax year. The Assessor must use the County General levy rate when verifying these limitations. The County General levy includes the County Current Expense levy in addition to earmarked funds. The County General levy rate was \$1.204760934 for the 2025 tax year.

None of the tax code areas exceeded the \$5.90 or 1% constitutional aggregate limits for the 2025 tax year.

Action needed to meet requirement

The Assessor is required to take the following action:

- Include the full county general levy rate, which includes earmarked funds for counseling service, drug and alcohol, veterans' assistance, elections, and public health, when verifying the \$5.90 and 1% constitutional limitations.

Why it's important

To ensure a taxing district does 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 2026. This will give the Assessor an opportunity to implement the required changes and 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 in our report, please contact us at:

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