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Washington Department of Revenue Property Tax Division

2025 San Juan County Levy Audit A Summary Report



Table of Contents

Overview 3

Executive Summary 4

Requirement 1– Certification of assessed value to taxing districts 6

Recommendation 1 – County legislative authority certification to Assessor 7

Next Steps..... 8

Overview

Purpose

The primary purpose of this review by the Department of Revenue (Department) is to assist the San Juan 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 percent constitutional limitations.

We audited regular and excess levies of approximately 40 percent 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:

- City/Towns: Friday Harbor
- Fire Districts: Orcas and Lopez
- Hospital Districts: Orcas
- Cemetery Districts: San Juan Island
- School Districts: Orcas
- Port Districts: Friday Harbor and Lopez
- San Juan Island Parks and Recreation

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, 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.

Recommendation

1. The Department recommends the Assessor provide education to the San Juan County Legislative Authority (CLA) regarding the certification of levy amounts for each taxing district within the county 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 2025 tax year.

The Department certified state assessed utility values to the Assessor on November 26, 2024. The Assessor certified total assessed values to the taxing districts on February 6, 2025, after calculation of the levy rates.

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.

Recommendation 1 – County legislative authority certification to Assessor

Recommendation

The Department recommends the Assessor provide education to the San Juan County Legislative Authority (CLA) regarding the certification of levy amounts for each taxing district within the county wishing to levy property tax.

What we found

The San Juan County Legislative Authority certified the levy request amounts, other than for county purposes, timely and substantially compliant with the requirements in RCW 84.52.070.

The San Juan County Manager completed the Department's certification form, REV 64 0100, for the county general levy, road levy, and conservation levy amounts. The certifications were signed on December 12, 2024, and contain a date stamp that the Assessor received on December 12, 2024. The Department's form is not designed for the certification of these levies as required under RCW 84.52.070. The Assessor did not provide the Department with a cover letter certifying these levy amounts to his office.

While the forms were completed timely, they do not include:

- A written certification statement to the Assessor. The form references the certification are being made to the county legislative authority, not the Assessor.
- A statement that the San Juan County Manager is authorized to make the certification to the Assessor.
- A statement declaring the location as to where the certification to the Assessor was made.
- The affirmation that the levy certification is certified or declared to be true and correct.

Action recommended

The Department recommends the Assessor take the following action:

- Provide additional education to the San Juan County Legislative Authority regarding the certification of levies process. Specifically provide the San Juan County Legislative Authority with a copy of the Department's [Property Tax Advisory 21.1.2021](#) listing the requirements on how to certify the levy request amounts to the Assessor.

Why it's important

Proper certifications provide transparency in the property tax system.

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, 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 the Property Tax Division.

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