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Washington Department of Revenue Property Tax Division

2023 Asotin 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 Asotin 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 rates for several taxing districts for the 2023 tax year. To determine whether an error occurred, the Department compared the amount levied for the districts 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 percent 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:

- Cities/Towns: City of Clarkston and City of Asotin
- Fire Districts: Blue Mountain Fire District
- Library Districts: Rural Library District
- Port Districts: Port of Clarkston
- School Districts: School 250

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 three requirements 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 determine each taxing district's levy limit based on the district's highest lawful levy since 1985 for collection in 1986.
2. The Assessor is required to levy the lesser of the levy limitations.
3. The Assessor is required to calculate the levy limitations as required by law and levy the lesser of those limitations on behalf of the taxing district.

Requirement – Highest lawful levy

Requirement

The Assessor is required to determine each taxing district’s levy limit based on the district’s highest lawful levy since 1985 for collection in 1986.

What the law says

The highest lawful levy since 1985 can be increased by the district’s levy limit factor and additional funds for increases due to new construction, increases in assessed value due to construction of wind turbines, biomass, and geothermal facilities, increases in state assessed utility values, and improvements to property. (RCW 84.55.010 and 84.55.092)

What we found

The Assessor used the district’s prior year’s levy amount instead of the correct highest lawful levy since 1985 to calculate the levy limit for the taxing districts listed below:

Taxing District	Highest Lawful Levy Used by The Assessor	Highest Lawful Levy That Should Have Been Used
Rural Library	\$974,519	\$951,456

The Port of Clarkston had an over levy error of \$431.49 due to the Assessor levying more than the certified levy request amount from the Asotin County Legislative Authority. The Rural Library District did not have an over or underlevy error as this district’s levies were limited by another levy limit. See Appendix A and B for detailed calculations.

Actions needed to meet requirement

The Assessor is required to take the following actions:

- Use the correct highest lawful levy amounts for the 2023 levy for 2024 taxes as listed in the table below:

Taxing District	Highest Lawful Levy
Rural Library	\$974,519

- Notify the Port of Clarkston taxing district of the overlevy 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 be made on a proportional basis over a period of no more than three years.
- Begin the Port of Clarkston levy error correction with the 2023 levy limit calculations for the 2024 tax year. When calculating the district’s levy capacity due to new construction, etc., use the levy rate that

would have been certified if the error had not occurred in the prior year: \$0.191955553212 per \$1,000 assessed value.

- Use the actual amount levied for the Port of Clarkston from the 2022 tax year—\$400,555.03—in the levy calculations for the 2023 tax year when calculating the taxing district’s authorized increase over the prior year’s levy. This amount includes the levy error.

Why it’s important

The Assessor must determine the levy limit as required by statute to provide fair and equitable taxation for taxing districts and taxpayers.

Requirement – Levy the lesser of the levy limitations

Requirement

The Assessor is required to levy the lesser of the levy limitations.

What the law says

With 50 percent voter approval, school districts may levy a two-year through four-year enrichment levy. (RCW 84.52.053)

The maximum amount which may be levied for any school district enrichment levy is equal to the lesser of \$2.50 per \$1,000 assessed value of property within the district or the maximum per-pupil limit. The maximum per-pupil limit is \$2,500, increased by inflation multiplied by the number of average annual full-time equivalent students enrolled in the school district in the prior school year when the school district has fewer than 40,000 annual full-time equivalent students enrolled in the prior year. If the school district has more than 40,000 annual full-time equivalent students enrolled in the prior year, the limit \$3,000 is also increased by inflation. (RCW 84.52.0531)

When a levy error has occurred, the assessor must correct the amount of the error by making appropriate adjustments to the levy for the taxing district in the succeeding year. If the error correction will cause hardship for either the district or taxpayers, the district may choose to make the adjustment on a proportional basis over a period of not more than three-consecutive years. The correction of an error cannot be made for any period more than three years preceding the year in which the error is discovered. (RCW 84.52.085)

What we found

The voters in the Clarkston School District No. J250-185 approved a four year enrichment levy with the following maximum levy amounts:

Tax Year	Levy Amount
2023	\$4,261,000
2024	\$4,474,000
2025	\$4,698,000
2026	\$4,933,000

The Asotin County Legislative Authority certified a levy amount of \$4,261,000 for the Clarkston School District enrichment levy. The Office of Superintendent of Public Instruction certified a maximum per-pupil limit of \$7,731,172 for the Clarkston School District. The school district’s statutory maximum rate limit of \$2.50 per \$1,000 assessed value would have allowed a levy amount of \$4,054,125.98.

The Assessor levied the certified levy request amount of \$4,261,000 instead of \$4,054,125.98, the lesser of the three limitations, which is the per-pupil limit. This resulted in an overlevy of \$206,874.01.

Following the certification of the tax roll to the Asotin County Treasurer, the Assessor discovered the overlevy error. She notified the school district of the error and issued a press release alerting the taxpayers in the district of the overlevy error.

Actions needed to meet requirement

The Assessor is required to take the following actions:

- Continue to work with the Clarkston School District during the levy error correction process.
- Start the levy error correction process with the 2023 levy year for the 2024 tax year.
- If the district finds correcting the full levy error in one year may cause a hardship for the district or taxpayers, the district may elect to have the correction implemented proportionately over a consecutive period of no more than three years.
- Use the current version of the Department's School District Levy Computation worksheet (REV 64 0034(U)) when calculating future levy limit calculations.

Why it's important

Implementing all of the levy limitations, as directed by the Legislators, ensure the correct amount of property tax is levied by the taxing districts.

Requirement – City of Asotin EMS

Requirement

The Assessor is required to review all of the levy limitations as required by law and levy the lesser of those limitations on behalf of the taxing district.

What the law says

The levy rate for property taxes, within the county, must be determined, calculated, and fixed by the county assessor within the limitations provided by law. (RCW 84.52.010(2))

When a levy error has occurred, the assessor must correct the amount of the error by making appropriate adjustments to the levy for the taxing district in the succeeding year. If the error correction will cause hardship for either the district or taxpayers, the district may choose to make the adjustment on a proportional basis over a period of not more than three consecutive years. The correction of an error cannot be made for any period more than three years preceding the year in which the error is discovered. (RCW 84.52.085)

What we found

The Assessor used the Department’s levy limit worksheet (REV 64 0007) to calculate the levy limitations for the City of Asotin EMS levy, but did not enter the certified levy request amount on page 2, Line G, of the worksheet.

The Assessor did not levy the lesser of the levy limitations for the City of Asotin EMS. The lesser of the four levy limitations was the certified budget approved by the Asotin County Legislative Authority at \$47,652.84. The Assessor levied \$47,825.41, which is the amount the district authorized over the prior year’s levy and resulted in an overlevy of \$173. See Appendix C for detailed calculations.

Actions needed to meet requirement

The Assessor is required to take the following actions:

- Notify the taxing district of the overlevy 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 be made on a proportional basis over a period of no more than three years.
- Begin the levy error correction with the 2023 levy limit calculations for the 2024 tax year. When calculating the district’s levy capacity due to new construction, etc., use the levy rate that would have been certified if the error had not occurred in the prior year: \$0.441361407185 per \$1,000 assessed value.
- Use the actual amount levied from the 2023 tax year \$47,825.84 in the levy calculations for the 2024 tax year when calculating the taxing district’s authorized increase over the prior year’s levy. This amount includes the levy error.

- Use the levy's highest lawful levy of \$47,825.41 when calculating the 2024 tax year levy limit.

Why it's important

By calculating the levy limitations as required by law and levying the lesser of those limitations, it will ensure the assessor is not levying more or less than statutes allow on behalf of the taxing district and taxpayers pay the correct amount of property taxes.

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 2024. 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 Operations 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: Port of Clarkston											
Assmt Taxes Year Due	Highest Lawful Levy Since 1985*	Limit Factor	Highest Lawful plus Increase	State Assd New Const	Tax Added for State Assd New Const	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?
2022 2023	457,881.58	101.00000%	462,460.40	28,348,840	5,570.04	0	0.00	468,030.44	2,084,459,310	0.450000000000	
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 New Const	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
2022 2023	391,074.99	\$3,910.00	394,984.99	5,570.04	0.00	400,555.03	0.00	400,123.54	938,006.69	468,030.44	400,555.03
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		
2021 2022 2022 2023	400,123.54	0.00	400,123.54	400,555.03	.196482037598 .192162556534	.191955553212	431.49	468,030.44	0.191955553212		

Appendix B

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

Levy Limit Calculation for District: Rural Library												
Assmt Taxes Year Due	Highest Lawful Levy Since 1985*	Limit Factor	Highest Lawful plus Increase	State Assd New Const	Tax Added for State Assd New Const	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?	
2022 2023	951,456.52	101.00000%	960,971.09	28,348,840	13,548.79	0	0.00	974,519.88	2,084,459,310	0.500000000000		
Actual Levy:							Refund	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 New Const	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	
2022 2023	951,267.24	\$9,512.67	960,779.91	13,548.79	0.00	974,328.70	0.00	983,233.00	1,042,229.66	974,519.88	974,328.70	
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			
2021 2022 2022 2023	974,328.70	0.00	974,328.70	974,328.46	.477931165108 .467425032154	.467425032154	0.00	974,519.88	0.467425032154			

Appendix C

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

Levy Limit Calculation for District: City of Asotin EMS											
Assmt Taxes Year Due	Highest Lawful Levy Since 1985*	Limit Factor	Highest Lawful plus Increase	State Assd New Const	Tax Added for State Assd New Const	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?
2022 2023	47,161.57	101.00000%	47,633.19	437,000	192.22	0	0.00	47,825.41	107,967,845	0.500000000000	
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 New Const	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
2022 2023	47,161.57	1.000%	47,633.19	192.22	0.00	47,825.41	0.00	47,652.84	53,983.92	47,825.41	47,825.41
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		
2021 2022					.439854755767						
2022 2023	47,652.84	0.00	47,652.84	47,825.84	.442963736101	.441361407185	173.00	47,825.41	0.441361407185		