

**Clark County Levy Audit Follow-up
 Status of Work Completed
 June 9, 2021**

NOTE: Refer to our original levy audit issued in April 2019 for a complete explanation of each requirement.

Requirement	Topic	Work Completed on Requirement	Completed / Pending Completion	Future Follow-up?
1	Fire District No. 5	The Clark County Assessor (Assessor) provided the Department of Revenue (Department) with Fire District No. 5 levy calculation worksheets, for the 2021 tax year, documenting the 2019 levy error correction for the district is complete.	Completed	No

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2	Wholly unimproved parcels	<p>During the 2019 Clark County Levy Audit, the Department determined that Fire District No. 6 (FD6) and the East County Fire District (ECFD) had the same tax base for their general and Emergency Medical Services (EMS) levies. Typically a fire district's general and EMS levies do not share the same tax base. This is because the general levy base does not include wholly unimproved parcels, and the EMS tax base does.</p> <p>The Audit included a requirement to review the tax base for fire district general levies and remove any wholly unimproved parcels. In response to the Department's 2020 follow-up review, the Assessor stated he had not made the required changes and did not have a timeline for completion.</p> <p>In response to the Department's 2021 levy audit follow-up review, the Assessor stated again that he has not made the required changes and does not have a timeline for completion. In addition, he provided the Department with a copy of a letter he wrote in response to the 2019 Clark County Levy Audit Report. The letter states he does not believe it's his responsibility to determine whether a parcel is wholly unimproved, the Department of Natural Resources (DNR) should provide a list.</p> <p>The inclusion of wholly unimproved parcels artificially increases a fire district's general levy tax base. This results in taxpayers paying an incorrect amount of taxes and taxing districts may levy an incorrect amount of property tax.</p>	Pending Completion	<p>Yes</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> • A copy of the report that contains the assessed values used in the levy limit calculations for the 2022 tax year. • An outline of the Assessor's plan to implement the removal of wholly unimproved parcels from the tax base for fire district general levies. This should include a timeline. • An explanation of the progress made on the removal of wholly unimproved parcels from fire district general levies.

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		<p>Following a legal analysis of the applicable statutes, the Department concludes that it is the responsibility of DNR to determine if parcels contain unimproved acreage subject to their forest patrol assessment and it is the Assessor's responsibility to determine if any improvements have been made to the parcel. If DNR has identified a parcel as unimproved and the Assessor has identified the parcel as having no improvements, the parcel is not subject to a fire district's levies made under RCW 84.52.130, 84.52.140, and 84.52.160.</p> <p>The Department continues to require the Assessor to review the property characteristics of parcels located in Fire Districts 3, 5, 6, 10, 13 and ECFD that were included in the 2019 audit, to determine if there are wholly unimproved parcels. He must remove the taxable value of wholly unimproved parcels from the tax base for the 2022 tax year. In addition, he must review the remaining fire districts within the county to determine whether there are wholly unimproved parcels. If there are, he must remove those parcels from the general levy tax base, for each of the remaining fire districts.</p>		