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Washington Department of Revenue Property Tax Division



2024 Adams 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 Adams 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% constitutional limits.

We do not review every taxing district 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:

- County road.
- City/towns: Lind and Ritzville.
- Fire Districts: No. 2, No. 3, and No. 6.
- Hospital District No. 3.
- Cemetery District No. 1.
- Library District No. 2.
- School Districts: No. 109 Washtucna (SD109), No. 147 Othello (SD147), and No. 122 Benge (SD122).
- Park and Recreation Districts: No. 2 Washtucna and No. 3 Lind.

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 four 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 Adams County Treasurer (Treasurer) on or before January 15.
2. The Assessor is required to levy a uniform rate throughout a taxing district, including districts with boundaries that include more than one county.
3. 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.
4. The Assessor is required to calculate the levy limitations based on the certified levy requests from the Adams County Legislative Authority for most taxing districts within or coextensive with the county.

Requirement 1 – Tax roll certification

Requirement

The Assessor is required to certify the completed tax roll to the Adams 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 February 14, 2024, after the required statutory deadline of January 15. The certification included the Treasurer's signature of receipt.

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 – Uniform Levy Rate

Requirement

The Assessor is required to levy a uniform rate throughout a taxing district, including districts with boundaries that include more than one county.

What the law says

All taxes shall be uniform upon the same class of property within the taxing district levying the tax (Washington State Constitution Article VII Section 1).

Washington Courts have found that tax is uniform if an equal tax rate is applied to properties with equal assessment ratios [University Village LTD. Partners v. King County, 106, Wn. App. 321,23 P 3d 1090 (2001).].

What we found

The boundaries of SD109 and SD147 each include several counties. SD109 includes Adams, Franklin, and Whitman counties. SD147 includes Adams, Franklin, and Grant counties. Since Adams County includes most of the assessed value for these districts, they are responsible for calculating the levy rates.

The Assessor calculated the levy limitations and certified the levy rates for SD109 and SD147 to the adjoining counties on January 12, 2024. Following this certification, the Assessor discovered an error and recertified the levy rates on January 18, 2024, after the deadline of January 15 to certify the tax roll to the county treasurer. The re-certification of these levy rates caused non-uniform levy rates to be applied to taxable property within the school districts.

The use of non-uniform levy rates resulted in these overlevy errors (see Appendix A):

- SD109 Enrichment Levy - \$125.76.
- SD147 Enrichment Levy - \$3,937.78.
- SD147 Bond Levy - \$3,533.60.

Requirement 2 – Uniform Levy Rate, continued

Action needed to meet requirement

The Assessor is required to take the following actions:

- When responsible for calculating the levy rate for joint taxing districts, calculate the levy rate and certify that rate to all adjoining counties on or before January 15.
 - The levy rate must be the same throughout a taxing district, including the rates in adjoining counties.
 - The Assessor must certify a rate that includes the number of digits past the decimal that the software of each adjoining county can accommodate. Uniformity of a levy rate throughout a taxing district includes using the same number of digits past the decimal point.
- Correct these overlevy errors starting with the 2025 tax year. Due to the timing of the final audit report, if the Assessor does not have time to coordinate the corrections with the taxing districts, implement the levy corrections during the 2025 levy calculations for the 2026 tax year:
 - SD109 Enrichment Levy - \$125.76.
 - SD147 Enrichment Levy - \$3,937.78.
 - SD147 Bond Levy - \$3,533.60.
- Notify the Franklin County Assessor, Whitman County Assessor, and Grant County Assessor of the overlevy errors and whether the corrections will be included in the 2025 or 2026 tax year collections.

Why it's important

The Washington State Constitution requires fair and equitable taxation for all taxpayers within a taxing district, and a uniform levy rate within a taxing district ensures taxpayers are paying the correct amount of property tax.

Requirement 3 – 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 provide the Department with a certification of assessed values to the taxing districts for the 2024 tax year. This certification should include locally assessed values and state assessed utility values.

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 the certified state assessed utility values is received 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.

Requirement 4 – County legislative authority certification to Assessor

Requirement

The Assessor is required to calculate the levy limitations based on the certified levy requests from the Adams County Legislative Authority for most taxing districts within or coextensive with the county.

What the law says

Most taxing districts are required to certify budgets or estimates of the amount of revenue to be raised by property taxation to the county legislative authority, on or before November 30, for levying property taxes (RCW 84.52.020).

The county legislative authority is required to certify to the county assessor the amount to be levied for county purposes, on or before December 15. The county legislative authority is required to certify to the county assessor the amount to be levied, for taxing district purposes, on or before the first Monday in December, for most taxing districts (RCW 84.52.070).

If a levy amount is certified to the county assessor after December 15, for taxes levied on property for county purposes, and after the first Monday in December, for taxes levied on property for district purposes, the county assessor may use no more than the county legislative authority's certified levy amount for the previous year for the taxing district. This levy consequence does not apply to state levies or when the assessor has not certified assessed values by at least twelve business days prior to November 30 (RCW 84.48.130, RCW 84.52.070(3), and PTA 21.1.070).

What we found

The Adams County Legislative Authority certified the levy requests to the Assessor on December 20, 2023, after the deadline of November 30, 2023.

It is unclear to the Department, why the county legislative authority did not certify the levy amounts for the taxing districts to the Assessor timely. The Assessor provided the Department with timely levy certifications to the Adams County Legislative Authority by the taxing districts.

The Assessor did not certify assessed values to the taxing districts twelve business days prior to November 30, so there is no consequence that results from the late certification of levy amounts for the taxing districts by the county legislative authority.

Requirement 4 - County legislative authority certification to Assessor, continued

Action needed to meet requirement

The Assessor is required to take the following actions:

- Provide education to the Adams County Legislative Authority regarding the certification of levies process. Starting with the 2022 tax year levy process, the certification dates have changed to December 15 for taxes levied on property for county purposes and the first Monday in December for taxes levied on property for taxing district within or coextensive with the county, for district purposes.
- Include a reference to PTA 21.1.2021.

Why it's important

Statutory deadlines exist to provide a timely and orderly process for property taxation. When the levy requests are not certified to the county assessor timely, it could result in a taxing district being limited to the levy amount certified on their behalf from the prior levy year. This limitation may cause a loss of funds for the taxing districts. It also puts the county assessor at risk of not meeting their statutory deadline to certify the tax roll to the county treasurer on or before January 15. When this deadline is missed, there is a delay of receipt of property taxes from the taxpayers and distribution of taxes to the taxing districts.

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 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](#).

For questions about specific requirements 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.

Excess Levy Calculation: School District No. 109 Washtucna														
Ballot Data Type & 1st Year	Budget	Refund	Per Pupil Limit	\$2.50 Max. Limit	Lesser Levy Limit (Budget + Refund, Pupil + Refund, or	Real & Personal Taxable Value	TAV	Total Value	Levy Rate	Total County AV x Rate	County Levy Rate	County Levy	Over/Under	
Enrichment	150,000.00		201,139.00	244,955.39	150,000.00	97,982,157			1.5308909764	0.00		150,125.76	125.76	overlevy
						94,790,445					1.5308909764	145,113.84		Adams
						1,159,204					1.6174997336	1,900.37		Franklin
						2,032,508					1.5308900000	3,111.55		Whitman
Excess Levy Calculation: School District No. 147 Othello														
Ballot Data Type & 1st Year	Budget	Refund	Per Pupil Limit	\$2.50 Max. Limit	Lesser Levy Limit (Budget + Refund, Pupil + Refund, or	Real & Personal Taxable Value	TAV	Total Value	Levy Rate	Total County AV x Rate	County Levy Rate	County Levy	Over/Under	
Enrichment	2,825,000.00		14,346,743.00	5,751,253.42	2,825,000.00	2,300,501,367			1.2279931847			2,828,937.78	3,937.78	overlevy
						2,140,615,071					1.2279931847	2,628,660.72		Adams
						159,868,251					1.2278852610	200,254.90		Franklin
						18,045					1.2278852610	22.16		Grant
Excess Levy Calculation: School District No. 147 Othello														
Ballot Data Type & 1st Year	Budget	Refund	Per Pupil Limit	\$2.50 Max. Limit	(Budget + Refund, Pupil + Refund, or	Real & Personal Taxable Value	TAV	Total Value	Levy Rate	Total County AV x Rate	County Levy Rate	County Levy	Over/Under	
Bond	2,535,047.00				2,535,047.00	2,300,501,367			1.1019541376			2,538,580.60	3,533.60	overlevy
						2,140,615,071					1.1019541376	2,358,859.63		Adams
						159,868,251					1.1018572610	179,701.09		Franklin
						18,045					1.1018572911	19.88		Grant