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Washington Department of Revenue Property Tax Division

2025 Clark 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 Clark 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 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: Vancouver, Camas, Battle Ground, Ridgefield, and Washougal.
- Fire Districts: No. 3, No. 6, No. 10, and Clark-Cowlitz.
- Cemetery Districts: No. 5 and No. 6.
- School Districts: No. 37, No. 98, No. 112, and No. 122.
- Port Districts: Port of Ridgefield.

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 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 calculate the statutory maximum rate limit for each regular levy. To do this for cities or towns annexed to a fire and or library district or participate in a regional fire service authority district, the Assessor must deduct the actual rate levied by the fire, library, or regional fire service authority district from \$3.60. If the city or town has a firefighter's pension fund, an additional \$0.225 is added to the previous calculation.
2. The Assessor is required to levy the lesser of the property tax limits, which includes the certified levy request from the Clark County Legislative Authority.
3. The Assessor is required to calculate the Timber Assessed Value (TAV) and include that value in the tax base for all taxing districts collecting excess levies.
4. The Assessor is required to determine the increment value within a local tax increment finance area. The increment value used to determine a district's levy limit cannot be included in any other levy calculation, such as new construction or state assessed utility value. The increment value used for apportionment purposes to the local government represents the total increment value, including new construction or state assessed utility value.

Requirement 1 – Statutory maximum levy rate for cities and towns annexed to a fire/library district

Requirement

The Assessor is required to calculate the statutory maximum rate limit for each regular levy. To do this for cities or towns annexed to a fire and or library district or participate in a regional fire service authority district, the Assessor must deduct the actual rate levied by the fire, library, or regional fire service authority district from \$3.60. If the city or town has a firefighter's pension fund, an additional \$0.225 is added to the previous calculation.

What the law says

When a city or town is annexed to a fire and or library district, or participates in a regional fire service authority, the city or town's statutory maximum levy rate is \$3.60 per thousand dollars assessed value, less the actual levy rate of the fire, library district, and or regional fire service authority district for that particular year, plus an additional \$0.225 per thousand dollars assessed value if the city or town has a firefighters' pension fund (RCWs 52.04.081, 41.16.060, 84.52.044, and 27.12.390).

What we found

The City of Ridgefield (CR) levy calculation worksheet reviewed by the Department used an incorrect statutory maximum levy rate of \$1.3563218478 to determine the lesser of the levy limitations for the 2025 tax year. Since the CR is annexed to the and Clark Library District (CLD) and the Clark-Cowlitz Fire District (CCFD), the CR's statutory maximum levy rate is calculated by subtracting the CLD (\$0.268583809) and CCFD (\$1.50) levy rates from \$3.60. The correct statutory maximum levy rate is \$1.831416191.

The Assessor included the CCFD EMS levy rate of \$0.4750943432 along with the CCFD general levy rate of \$1.50 for a total of \$1.9750943432.

Since the statutory maximum was not the lesser of the levy limitations there was no levy error.

Action needed to meet requirement

The Assessor is required to take the following action(s):

- Calculate the statutory maximum rate each year for the cities and towns annexed to a library, fire district, or participate in a regional fire protection authority, beginning with the \$3.60 statutory maximum rate allowed. Then, deduct the actual rate of the annexed library or regional fire protection authority district. Add an additional \$.225 to the statutory maximum rate if the city has a firefighters' pension fund.

Why it's important

The statutory maximum levy rate for cities annexed to a fire or library district must be calculated each year to ensure the city is not levying more or less than the law allows.

Requirement 2 – Certified levy request amount

Requirement

The Assessor is required to levy the lesser of the property tax limits, which includes the certified levy request from the Clark County Legislative Authority.

What the law says

Taxing districts, other than the state, may levy a property tax for administrative refunding purposes. The refund amount is in addition to the levy amounts authorized under chapter 84.55 RCW. The refund levy amount represents:

- Refunds paid or will be paid within the preceding 12 months. Refunds paid due to the taxpayer paying the property tax more than once do not qualify for the refund levy, and;
- Taxes abated or canceled, offset by any supplemental taxes collected under Title 84, other than taxes collected due to a highly valued disputed property decision with the preceding 12 months. (RCW 84.69.180)

Most taxing districts must certify their budgets or estimates of the amounts to be raised by taxation on the assessed valuation of property within their district on or before November 30 to the county legislative authority. (RCW 84.52.020)

The county legislative authority must certify on or before December 15 the amounts of property taxes to be levied upon the property in the county for county purposes to the county assessor. They must also certify the respective amounts of taxes levied by most boards for each taxing district within the county for district purposes to the county assessor on or before the first Monday in December. (RCW 84.52.070)

What we found

The Clark County Legislative Authority certified the levy request amounts on December 4, 2024, after the statutory deadline of the first Monday in December. The certification includes a separate line item for the district's refund levy amount from the district's general levy or excess levy. This separated information is important for the Assessor as they need to know the refund levy amount to add to the 1% growth limit and the district's authorized increase over the prior year's levy.

The Assessor uses a customized levy limit excel worksheet to complete their levy limit calculations. The customized worksheet does not include the refund levy amount as part of the Clark County Legislative Authority's certified levy request amount. Without the inclusion of the refund levy and the supporting certification from the legislative authority, it can appear as if the district's total levy amount is greater than the certified levy request amount. For example, the Assessor calculated a levy limit of \$2,627,714.68 for Fire District 10's general levy, yet the worksheet reflects an amount authorized by the Clark County Legislative Authority of \$2,623,877.51. On the face of the customized worksheet, it appears the total amount levy exceeds the certified levy request amount.

The exclusion of the refund levy amount in the total district request amount in the Assessor's levy limitation worksheet did not result in an incorrect amount of property taxes levied.

Action needed to meet requirement

The Assessor is required to take the following action:

- Either begin using the Department's levy limit worksheets or include the total levy amount authorized by the Clark County Legislative Authority in their levy limit worksheet under "Budget Limitation", specifically cell B49 for regular levies.

Why it's important

The refund levy statute, RCW 84.69.180, allows the refund levy amount to be added to the limitations in chapter 84.55 RCW, such as the 1% growth limit and increase authorized by the taxing district. It does not authorize the refund levy amount to be added to the certified levy request amount from the county legislative authority in RCW 84.52.070. Thus, the inclusion of the total certified levy request amount in the levy limit worksheet provides clear and transparent information regarding the levy limitations.

Requirement 3 – Washougal School District No. 112

Requirement

The Assessor is required to calculate the Timber Assessed Value (TAV) and include that value in the tax base for all taxing districts collecting excess levies.

What the law says

Under 84.33 RCW, standing timber is exempt from the ad valorem property tax. For the purpose of computing the levy rate for an excess levy, the county assessor must add the district's TAV, as defined under RCW 84.33.035, to the assessed value of the property. (RCW 84.52.080)

One-half of the TAV or 80 percent of the district's 1983 Timber Roll, whichever is greater, is added to the tax base for calculation of enrichment levies. One hundred percent of TAV is added to the district's tax base for calculation of all other levies levied by a school district.

What we found

The Assessor calculated the Washougal School District No. 112 (SD) enrichment levy rate using the greater of one-half TAV and 80 percent of the district's 1983 Timber Roll from each county rather than adding the similar amounts together for each county then determining which one is the greater. Enrichment levies are calculated using one-half of the TAV or 80 percent of the 1983 Timber Roll, whichever is greater. In this case 80 percent of the 1983 Timber Roll, \$25,013,801 is greater than the one-half TAV amount of \$20,383,497.92 for the SD, therefore 80 percent of the 1983 Timber Roll should have been added to the district's tax base instead of one-half of the TAV.

When the tax base is incorrect, in this case the tax base was less than it should have been, an incorrect levy rate is calculated. This resulted in individual taxpayers paying a greater share of the district's levy amount and fewer dollars apportioned to the taxing district from timber excise tax.

	Clark	Skamania	Total
½ TAV	\$3,382,891	\$17,000,606	\$20,383,497.92
80% of the 1983 timber roll	\$216,501	\$24,797,300	\$25,013,801

Action needed to meet requirement

The Assessor is required to take the following action(s):

- Use the greater of one-half of the TAV or 80 percent of the 1983 Timber Roll for the entire taxing district, not for the portion of the district located in each county when calculating the levy limitations and levy rate for enrichment levies.

Why it's important

A correct tax base is necessary for calculation of the levy rate to ensure taxpayers are paying the correct amount of property tax. A greater TAV than required by statute included in the tax base will cause the owners of real and personal property to pay more property tax than allowed by law.

Requirement 4 – Local tax increment finance area

Requirement

The Assessor is required to determine the increment value within a local tax increment finance area. The increment value used to determine a district's levy limit cannot be included in any other levy calculation, such as new construction or state assessed utility value. The increment value used for apportionment purposes to the local government represents the total increment value, including new construction or state assessed utility value.

What the law says

Any increment value used elsewhere in the levy limit calculations cannot be used as part of the additional revenue capacity identified as increment value. (RCW 84.55.010)

The county treasurer shall distribute receipts from regular property taxes imposed on real property located in the increment area based on the total increment value. (RCW 39.114.050)

What we found

The Assessor used the correct increment value when determining the levy limit for the taxing districts located within the local tax increment areas (LTIF).

The tax roll certified to the Clark County Treasurer includes the apportionment of taxes to the local government. This was incorrectly based on the same increment value used in the levy calculations instead of the total increment value of the area. Total increment value includes valuations identified as new construction and increases in state assessed utility values within the levy limit calculations.

	Increment value used for levy limit calculations and tax roll apportionment to the local government	Increment value Clark County should have used for apportionment of taxes to the local government
City of Vancouver LTIF	\$58,560,500	\$272,559,300
City of Ridgefield LTIF II	\$33,506,948	\$53,194,491
City of Ridgefield LTIF III	\$916,819	\$1,039,116
Fire 6 General LTIF	\$4,262,974	\$9,864,032
Fire 6 EMS LTIF	\$7,216,741	\$12,817,799
Fire Clark-Cowlitz LTIF II	\$33,506,948	\$53,194,491
Fire Clark-Cowlitz LTIF III	\$0	\$0
Port of Ridgefield LTIF	\$33,506,948	\$53,194,491
Port of Ridgefield LTIF II	\$5,890,090	\$12,478,086

The Assessor's website includes a breakdown of the taxing district's current year and prior year's levy rates in the Tax and Assessment Distribution section located in the Taxes tab when searching for individual

parcels along with the total levy rate for that tax code area. When an individual tax parcel is in an LTIF area, the correct total amount of taxes for that parcel is displayed in this table, but the total levy rate is not correct. The table includes extra levy rates reflecting a levy rate for the LTIF areas. For example, there is a levy rate of \$1.50 for Fire District #6 General and a levy rate of \$0.0933310985 identified as Fire District #6 General LTIF3. On the face of the information in this table, it appears a total levy rate of \$1.5933310985 was used to generate property taxes for this district, when the correct total rate of \$1.50 was used to generate the property taxes for Fire District 6.

Prior to this audit, the Assessor had already notified the taxing districts of the incorrect apportionment of property taxes due the increment area.

Action needed to meet requirement

The Assessor is required to take the following action(s):

- The Assessor needs to review all of the increment values used to determine the apportionment of real property tax and notify the Clark County Treasurer of any districts where an incorrect increment value was used to determine the apportionment of taxes.
- Recalculate the amount of taxes apportioned to the local government and individual taxing districts.
- Include the correct levy rates on their website.

Why it's important

To ensure the correct amount of property taxes are apportioned to the local government and individual taxing districts within the increment area is correct. And to ensure accurate and transparent information is reported to the public.

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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