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Washington Department of Revenue Property Tax Division

2024 Okanogan 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 Okanogan 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's 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:

- State School Levy.
- Okanogan County Road.
- City/towns: Brewster, Elmer City, Omak, and Riverside.
- Fire Districts: No. 1, No. 3, No. 6, No. 9, and No. 14.
- Hospital Districts: No. 3 and No. 4.
- Cemetery Districts: No. 2 and No. 4.
- Library District.
- School Districts: No. 14 Nespelem, No. 19 Omak, No. 309 Ferry, No. 404 Tonasket, and No. 410 Oroville.
- Tonasket Park and Recreation District.

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 two 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.

Requirements

1. The Assessor is required to certify both locally and state assessed values to all taxing districts once the state assessed utility values are received from the Department.
2. The Assessor is required to calculate the levy limitations based on the certified levy requests from the Okanogan County Legislative Authority for most taxing districts within or coextensive with the county.

Requirement 1 – Certification of assessed values to taxing districts

Requirement

The Assessor is required to certify both locally and state assessed values to all taxing districts once the state assessed utility 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 include the school districts when certifying the local and state assessed values to the taxing districts, for the 2024 tax year.

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 all taxing districts once the certified state assessed utility values are received from the Department.

Why it's important

Providing certification of assessed values to each taxing district assists them with their budget process.

Requirement 2 – Certification of levies to Assessor

Requirement

The Assessor is required to calculate the levy limitations based on the certified levy requests from the Okanogan 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 the December 15, for taxes levied on property for county purposes and 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 as required by RCW 84.48.130 at least twelve working days before November 30 (RCW 84.52.070(3) and PTA 21.1.070).

What we found

The Okanogan County Legislative Authority certified the levy requests to the Assessor on December 4, 2023. The certification did not include levy amounts for school district levies.

It is unclear why the certification did not include levy requests for the school district levies. The Assessor provided the Department with timely levy certifications authorized by the school districts.

The Assessor provided the county legislative authority with information regarding the levy certification process, as recommended in the Department's 2021 Okanogan County Levy Audit Report. The information included deadline dates, applicable laws, and the opportunity to attend an online training offered by the Department about this topic.

Requirement 2 – Certification of levies to Assessor, continued

Action needed to meet requirement

The Assessor is required to take the following action:

- Continue to provide education to the county legislative authority regarding the certification of levies process. This should include:
 - Listing both regular and excess levy amounts for each taxing district wishing to levy property tax, including school districts.
 - A reference to the Department’s Property Tax Advisory, 21.1.2021.

Why it’s important

Proper certification of levies provides transparency in the levy process and ensures the taxing districts levy and taxpayers pay the correct amount of property tax.

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](#), available on our website.

For questions about specific requirements or recommendations in our report, please contact us at:

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