

AS-8491

Motion Items 9.

BOCC Agenda

Meeting Date: 12/27/2016

2017 Payable Levy

Submitted For: Terry McLaughlin, Assessor

Submitted By: Tiffany Ostreim, Commissioners Office

Department: Assessor

Information

Subject and Summary Statement

Each year, following receipt of budgets from each taxing district as required by RCW 84.52.020, the Assessor determines the individual levy rate per district, and then processes the sum of levy rates by tax code area to verify that statutory limitations are not exceeded. Unique this year is that Tax Code Area 600 exceeds the statutory limitation in RCW 84.52.043(2), wherein the aggregate levy cannot exceed \$5.90. The taxing districts in TCA 600 consist of County Current Expense, City of Castle Rock, Fire District #6 and Cemetery District #1.

The Assessor is required to prorate the impacted districts in an order defined in RCW 84.52.010 until the maximum aggregate limit of \$5.90 is maintained. The Cowlitz County Cemetery District #1 is impacted by the \$5.90 limitation and is subject to proration. Optionally, RCW 39.67.010 and RCW 39.67.020 allow a senior district to "buy down" the levy rate of a junior district to protect the impacted district's levy capacity.

Will Staff Attend Y / N

Y

Department Recommendation

Assessor's Office and Office of Financial Management recommend that the Board of County Commissioners enter into the attached Interlocal Levy Agreement with the Cowlitz County Cemetery District #1.

Attachments

Cowlitz_Cemetery_1

Form Review

Inbox	Reviewed By	Date
Terry McLaughlin, Assessor	Terry McLaughlin	12/23/2016 12:06 PM
Dana Gigler	Dana Gigler	12/23/2016 01:31 PM
Form Started By: Tiffany Ostreim		Started On: 12/23/2016 08:53 AM
Final Approval Date: 12/23/2016		

THIS INTERLOCAL LEVY AGREEMENT effective this 27th day of December, 2017 between COWLITZ COUNTY, a legal subdivision of the State of Washington and having its principal place of business at 207 4th Ave N., Kelso, Washington 98626, hereinafter referred to as "COUNTY", and COWLITZ COUNTY CEMETERY DISTRICT #1 a municipal corporation organized with a mailing address of P.O. Box 13, Castle Rock, Washington 98611, and existing under the laws of the State of Washington, hereinafter referred to as "CEMETERY DISTRICT 1".

RECITALS:

1. COUNTY is organized by act of the Washington State Legislature and conducts business and provides facilities as authorized by the laws of the State of Washington.
2. CEMETERY DISTRICT 1 is a municipal corporation, organized and operating pursuant to the laws of the State of Washington for the statutory purposes designated by the Washington State legislature. CEMETERY DISTRICT 1 is also a junior, property taxing district of Cowlitz County, State of Washington.
3. COUNTY is a taxing district and relies primarily on yearly tax levies for the necessary funding to conduct its operations.
4. COUNTY is limited by RCW 84.52.043 to a total of \$4.05 per \$1,000.00 of assessed value for regular *ad valorem* tax levies upon real and personal property. The total COUNTY levy is comprised of two different levies namely general county purposes and county road purposes. For the 2017 tax year, the COUNTY has chosen to shift funds from its road levy fund to its current expense fund.
5. Pursuant to RCW 39.67.020, any taxing district may transfer funds to another taxing district where the regular property tax levy rate of the second district may affect the regular property tax levy rate of the first district, and where such transfer is part of an agreement whereby proration or reduction of property taxes is lessened or avoided.
6. COUNTY may be unable to shift the full desired amount of its levy from its Road Fund to its Current Expense Fund unless it contracts with CEMETERY DISTRICT 1 to "buy down" CEMETERY DISTRICT 1's levy rate pursuant to RCW 39.67.010 and 39.67.020.
7. COUNTY and CEMETERY DISTRICT 1 agree that Road Levy Shifts are decided on an annual basis, and that in years subsequent to 2017 the levy limit shall be calculated using the highest lawful levy for each district as though the Road Levy Shift had not occurred.
8. The COUNTY and CEMETERY DISTRICT 1 hereby enter in this Agreement per RCW 39.67.010, .020 and Chapter 39.34 RCW.

IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

SECTION ONE - LEVY RESOLUTION/RELEASE OF LEVY RIGHTS: CEMETERY DISTRICT 1 has declared by resolution that a regular property tax is authorized for collection in 2017 in an amount equal to \$43,580.17, including new construction and similar adjustments allowed under chapter 84.55 RCW. Notwithstanding the foregoing, if CEMETERY DISTRICT 1's levy would cause the combined lawful levies within the COUNTY to exceed the constitutional and/or aggregate levy rate limitations under RCW 84.52.043, CEMETERY DISTRICT 1 shall instead levy a tax for collection in 2017 in an amount equal to the maximum amount which may be levied by CEMETERY DISTRICT 1 without causing any reduction to the levy of the COUNTY under RCW 84.52.010.

SECTION TWO - PAYMENT TO CEMETERY DISTRICT 1: If CEMETERY DISTRICT 1's regular tax levy is reduced pursuant to SECTION ONE of this Agreement, the COUNTY agrees to pay CEMETERY DISTRICT 1 an amount equal to the difference between (i) the amount actually levied for CEMETERY DISTRICT 1 due to a reduction of its levy, and (ii) the levy amount that would otherwise have been levied under CEMETERY DISTRICT 1's levy resolution.

SECTION THREE - MANNER OF PAYMENT, If the COUNTY becomes obligated to pay CEMETERY DISTRICT 1 the sum specified in Section two hereof, it shall be payable to two equal installments, to be paid on May 1, 2017 in the amount of \$21,790.09 and November 1, 2017 in the amount of \$21,790.08.

SECTION FOUR - PROCEDURE FOR LEVY REDUCTION: CEMETERY DISTRICT 1 and COUNTY agree that CEMETERY DISTRICT 1 will re-file its levy certification, consistent with the above terms, after the Assessor releases CEMETERY DISTRICT 1 levy rate to CEMETERY DISTRICT 1.

SECTION FIVE -- GOVERNING LAW AND VENUE: This contract shall be construed in accordance with and governed by Laws of the State of Washington. The parties hereto agree that any action relating to this contract shall be instituted in accordance with RCW 36.01.050 and Chap. 4.12 RCW.

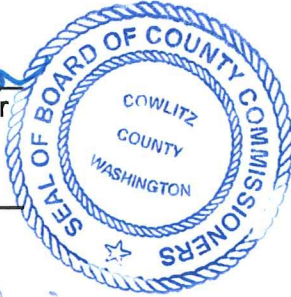
SECTION SIX – FILING REQUIREMENTS: Upon execution, this Agreement shall be recorded or posted in accordance with RCW 39.34.040.

APPROVED:
Board of County Commissioners of
Cowlitz County, Washington

Michael A. Karnofski
Michael A. Karnofski, Chairman

Dennis P. Weber
Dennis P. Weber, Commissioner

absent-excused
Joe Gardner, Commissioner



Attest: Tiffany Ostreim
Clerk of the Board 12-27-16

APPROVED AS TO CONTENT:
Cowlitz County Assessor's Office

Terry McLaughlin
Terry McLaughlin, Assessor

APPROVED AS TO FORM:
Cowlitz County Prosecuting Attorney

Approved via Agenda Quick
Civil Deputy 12-23-16

APPROVED:
Cowlitz County Cemetery District #1
P.O. Box 13
Castle Rock, Washington

Commission Chairman