

2024 Senior Levy Presentation



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AGENDA

- 2024 Legislation updates for levies
- Hot levy topics:
 - Certification dates
 - Increased assessed value in small school districts
 - Port district IDD levies
 - Levy error correction
 - Updated levy limit worksheets
 - Lid lifts with the exemption condition
 - Levy reviews

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A graphic with an orange circle on the left containing the text "2024 Legislation". To the right, a list of three bills is presented. A blue dashed arc is positioned above the list.

- HB 2044 – Lid lifts
- SHB 2348 – County hospital levy
- E2SHB 2354 – Local tax increment finance areas

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House Bill 2044

- Removed non supplant language for districts located in King County.

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SHB 2348 – County Hospital District Levy (RCW 36.62.090)

Reduces the maximum rate limit from \$0.50 to \$0.20 per \$1,000 AV.

Removes the levy from the county general levy.

Not subject to the \$5.90 limit.

Subject to the Const. 1% limit.

Expands how the revenue can be used by the district.

Can only be levied in a county with a population of 2 million or more.

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E2SHB 2354 – Local Tax Increment Finance

- Administrative changes to Chapter 39.114 RCW:
 - Expand project analysis requirements to include all junior taxing districts as well as local EMS and public hospital services.
 - Requires mitigation agreements between local governments and affected public hospital districts.
 - Requires arbitration if mitigation agreements cannot be agreed upon.

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Local Tax Increment Areas Across the State

16 Tax Increment Financing Project Analysis Reports have been reviewed by the State Treasurer's Office



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Senior Levy Topics



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2025 Tax Year Implicit Price Deflator & Limit Factor

2.57% - IPD

101% Limit factor for regular levies, when the district authorizes an increase over the prior year's levy.
Exception - lid lifts.



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2024 Certified Levy Request Dates

November						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

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Property Tax
Advisory

- Levy Certification Requirements, PTA 21.1.2021
 - County Road Levy Shifts, PTA 22.1.2024
- <https://propertytax.dor.wa.gov/laws-rules/laws-rules-ptas>

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Ballot Measure Requirement Publication

PROPOSITION NO. 1

AUTHORIZING REGULAR PROPERTY TAX LEVY FOR CAPITAL REPLACEMENT AND VOLUNTEER SERVICES

The Board of Fire Commissioners of Fire Protection District No. 8, Chelan County, Washington, adopted Resolution No. 2024-1 concerning a proposition to continue funding the replacement of CAPITAL EQUIPMENT and the support of VOLUNTEER SERVICES. Under this proposition, a property tax levy of \$0.95 per \$1,000 of assessed valuation would go into effect in 2025. The dollar amount of this 2024 levy would be used for the purpose of computing the limitations for subsequent levies under RCW 84.55.050. Should this proposal be approved?

LEVY YES
 LEVY NO

- Voted regular levies.
- Voted excess levies.
- Voter approval requirements.
- List of voter approved levies per taxing district type.
- Links to reference material.

<https://dor.wa.gov/education/industry-guides/ballot-measure-requirements>

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Tax Impact of New Green Energy Projects in a Smaller School District



Will the increase in taxable value within a school district impact the local effort assistance that a school district may receive from the State of Washington?

It depends!



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Port District IDD Levies



- **RCW 53.36.100/WAC 458-19-05001(101)**
- **RCW 53.36.160/WAC 458-19-05001 (201)**

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RCW 53.36.100/WAC 458-19-05001(101)



- Three levy periods.
- Maximum of 6 levies during each period.
- Maximum levy rate \$0.45 per \$1,000 AV.
- 2025 tax year is last year to levy under this statute.

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RCW 53.36.160/WAC 458-19-05001(201)



- Three levy periods.
 - First two periods, maximum of 20 years.
 - Third period, maximum of 6 levies in 6 years, county must border Pacific Ocean.
- \$0.45 maximum rate limit.
- Maximum levy per period based on maximum allowable levy during the first 6 years of the period.

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Levy Error Corrections – Excess Levies


- RCW 84.52.085(1): District does not levy a property tax in the year following the discovery of the error, or within 3 years after the error is discovered the error cannot be corrected.
 - Example - Cemetery District 1 has a voter approved excess levy in the amount of \$55,000 for the 2024 tax year. The assessor discovers they accidentally levied \$50,000 in March 2024. If the voters do not approve another excess levy for the 2025, 2026, or 2027 tax years, the correction cannot be made.



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Levy Limit Worksheet Updates

- **\$5.90 – Available now!**
- **Constitutional 1% - Available now!**
- **Calculation to determine limitation when the statutory maximum rate limit can be exceeded. – Available Soon!**
- **New lid lift with the exemption condition worksheet. – Available now! And available soon with statutory maximum rate limit error correction adjustment.**



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Levy Limit Worksheet – Page 2 Update

K. Statutory limit from line I on page 1 (dollar amount, not the rate)	=	\$700,000.00
L. Lesser of J & K		\$662,874.06
M. Levy Correction: Year of Error: <u>2024</u> Did the taxing district cause the error? (yes or no) no		
1. Minus amount over levied (if applicable)		\$100,000.00
2. Plus amount under levied (if applicable)		\$762,874.06
N. Total: L +/- M		\$762,874.06
O. Regular Levy Rate Computation Without Levy Error Correction		
Use this rate in next year's levy calculations unless it's changed due to levy error, other limitation, or there's a road levy shift		
$\frac{\$662,874.06}{\text{Lesser of K and L}}$	÷	$\frac{\$700,000,000}{\text{Amount on line L1 on page 1}} \times \frac{\$1,000}{\text{rate w/o error correction}}$
		= 0.946962942857
P. Regular Levy Rate Computation: Lesser of K and N divided by the assessed value in line L1 on page 1.		
Use this rate for the current year's tax roll unless it is changed due to another levy limitation such as the \$5.90 limit.		
$\frac{\$762,874.06}{\text{Levy after correction}}$	÷	$\frac{\$700,000,000}{\text{Amount on line L1 on page 1}} \times \frac{\$1,000}{\text{rate before aggregate check}}$
		= 1.089820085714

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NEW levy limit worksheet for levies with a lid lift using the exemption condition



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Step 1: Calculate levy rate without lid lift.

- Determine the lesser of the levy limitations, not including the district's certified levy request amount, as if the lid lift had not occurred.
- Calculate the levy rate for taxable property NOT subject to the lid lift.
- If this is a temporary lid lift this step will also provide the information required once the lid lift expires.



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Step 2: If this is the first year of the lid lift contact DOR for an unprotected version of the worksheet. This will also give us the opportunity to talk about the lid lift. For all other years:

- Determine the lesser levy limitations, not including the district's certified levy request amount, based on the voter approved lid lift information.
- First year following the new lid lift:
 - The highest lawful levy since 1985 will be the amount generated by the voter approved rate and taxable value subject to the lid lift from the prior year, not just the increase amount from the lid lift.
 - Prior year's levy rate will be what was levied against property subject to the lid lift, not just the lifted rate portion.



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Step 2 cont'd:

- The taxable value in 2-I represents the taxable property subject to the lid lift.
- The district may authorize a different increase on the property subject to the lid lift than the property not subject to the lid lift. Be sure to apply the correct percentage of increase in 2-J.
- If the calculations represent years 2-6 of a multi-year lid lift the district is not required to authorize an increase over the prior year as the voters have already authorized a limit factor increase.
- Result - Levy amount, not including the district's certified levy request amount check for property subject to the lid lift.



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Step 3: Determine levy amount not subject to lid lift and total district allowable levy amount.

- Multiply levy rate from Step 1 by the taxable value not subject to the lid lift.
- Add this amount to the levy amount from Step 2 and compare this total to the district's certified levy request. Levy is limited to the lesser of these amounts.



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Step 4: Calculate the levy amount and rate subject to the lid lift.

- Deduct levy amount not subject to lid lift from total allowable levy.
- Calculate rate based on amount subject to lid lift using taxable value subject to lid lift.



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Step 5: Calculate the rate difference between property subject to the lid lift and property not subject to the lid lift.

- Difference represents the lifted levy rate.



Report all of this information to DOR's Research and Fiscal Analysis Division. They use this information to determine the impacts of proposed legislation.

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2024 and
2025 Tax
Year
Reviews



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**2024 Tax Year
Levy Reviews
Common
Issues Found**

- Meeting deadlines.
 - Tax roll.
 - Certification of values to taxing districts.
- County general levy vs. current expense
- New voter approved levies.

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2025 Tax Year Levy Reviews

Clark	Pend Oreille
Cowlitz	Pierce
Grant	San Juan
King	Skamania
Lewis	Walla Walla
Lincoln	Wahkiakum
Pacific	



Listed counties subject to change

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THANK YOU!

Levy resource information:

- Propertytax.dor.wa.gov
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