

# County Assessor & Property Tax Audit Planning Guide



**May 18, 2016**

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## ***Planning Guide Information***

Supersedes previous guidance dated February 11, 2015. Please direct questions or suggestions to a County Assessor/Property Tax Subject Matter Expert.

Guidance is based on the extensive research, brainstorming and reviews conducted as part of the [planning guide update process](#). Guidance is intended only for internal use to help auditors gain an understanding of property taxes and county assessor operations. The guide is intended to enhance planning and risk assessment procedures, not replace them. Information in the guide should therefore be considered along with other planning and risk assessment procedures. While guidance is designed to be as comprehensive as feasible, auditors must be alert for audit issues and situations not specifically addressed.

**This guide is used by the State Auditor's Office staff as they plan audit engagements. Information presented in this document does not represent policy or legal guidance. State agencies and local governments should contact their legal counsels with specific questions.**

## ***Additional Resources***

Additional resources related to the assessor's office can be found on the SAO intranet site at Audit | Reference Guide | [County Resources](#).

## **DEPARTMENT OF REVENUE OVERSIGHT**

Chapter 84.08 RCW assigns the Department of Revenue (DOR) broad oversight authority over the property tax assessment process carried out by counties. DOR issues guidance to counties, annually checks levy calculations and limits, performs statistical analysis of assessments at all counties, and periodically audits each County. DOR guidelines are documented in the County Assessor's Reference Manual, which is available on DOR's website at [http://dor.wa.gov/content/FindTaxesAndRates/PropertyTax/prop\\_pubcatag.aspx](http://dor.wa.gov/content/FindTaxesAndRates/PropertyTax/prop_pubcatag.aspx).

**IMPORTANT NOTE:** before starting any audit work on property taxes or assessor operations, auditors should review the most recent DOR audit report. This report is available from the assessor or on the County Resources page on our intranet site at Audit | Reference Guide | [County Resources](#). Auditors should contact the County Assessor/Property Tax expert with any questions related to issues noted in the report.

Auditors should also contact a County Assessor/Property Tax Expert if they find any exceptions related to property tax or assessor operations. The expert will ensure coordination with DOR on any significant issues.

## **BACKGROUND**

Property taxes on real and personal property are imposed by the State of Washington and local taxing districts. Property tax assessment, billing and collections within each county are the joint responsibility of the county assessor and the county treasurer with oversight from the DOR.

The county assessor and treasurer have specific statutory functions related to the property tax administration. The assessor appraises real and personal property in order to assign a value upon which the annual tax will be based. The assessor must also determine the boundaries of taxing districts, compute the tax levies, maintain the tax rolls, and determine the amount of taxes to be distributed to the various jurisdictions. The treasurer is generally responsible for billing, collecting and distributing property taxes.

The following summarizes the overall process involved in assessing real and personal property. Actual procedures carried out in county assessors' and treasurers' offices will vary from year-to-year and from elected official to elected official and could also depend on a county's revaluation cycle. See Appendix II for an annual calendar of property tax events.

### ***Real Property Assessments (Land/Home/Improvements)***

All taxable property within a county must be revalued annually and all taxable real property within a county must be physically inspected at least once every six years (RCW 84.41.030). As of 2018, all counties are on a 6-year physical inspection cycle, with the exception of Chelan, Ferry, and Pend Oreille counties, which are all on a 4-year inspection cycle.

Procedures for assessments will vary from county to county. The following procedures are basic procedures you may see at the county you are auditing:

1. Maps or GIS systems are used to delineate parcels, taxing districts and tax code areas.
2. Numbering systems identify parcels, taxing districts and tax code areas (e.g. Tax ID #, Assessor's Parcel Number, etc.).
3. New construction is reported, inspected and valued.
4. Physical inspections are performed for taxable properties according to the inspection cycle outlined in the assessor's revaluation plan approved by the DOR. The plan could cover 1 to 6 years, but most counties have a 6-year plan and a few have a 4-year plan.
5. Appraisal or re-appraisal is performed annually. Properties not on-cycle for physical inspection can be revalued based on statistical analysis of market conditions (also known as "revaluation").
6. Property records, or fieldsheet, document property attributes and assessed values are determined.
7. Values are determined for parcels created by segregations or combinations.
8. Levy calculations are made based on the approved budgets/resolutions of the various taxing districts, subject to applicable statutory limitations.
9. Exemptions are approved or retired.

10. Tax rolls are finalized by the county assessor and delivered to the county treasurer, based on the certified levies of the taxing districts. The county assessor also delivers an abstract of the tax rolls to the county auditor showing the total amount of taxes collectible in each of the taxing districts (RCW 84.52.080).

### ***Personal Property Assessments (self-reported taxable assets owned by businesses)***

1. List of all businesses operating in the county.
2. Discovery of taxable personal property owned by businesses.
3. Listing of personal property and values assigned by assessor.
4. Audits and verifications of personal property are performed by the assessors' office.
5. Exemptions are approved or retired.
6. Tax rolls are finalized by the county assessor and delivered to the county treasurer, based on the certified levies of the taxing districts. The county assessor also delivers an abstract of the tax rolls to the county auditor showing the total amount of taxes collectible in each of the taxing districts (RCW 84.52.080).

**CAUTION FOR AUDITORS:** Details of personal property information may be confidential. Auditors should follow the guidance in the **Security and Privacy Policy for Managing Data** when including information in the workpapers.

### ***Property Tax Billing, Collections and Disbursements (County Treasurer)***

1. Accepts tax roll from the assessor's office.
2. Processes bills for each parcel.
3. Most offices have special procedures for mortgage companies that process tax payments through an escrow account. This might include direct upload/download of information, access via website for information, or special mailing procedures to deliver the billings.
4. Bills are paid in two installments, April 30<sup>th</sup> and October 31<sup>st</sup>. Some counties use Lock-Box type receipting functions, others receipt all monies at county owned sites. Some counties have also implemented a web-based receipting functionality.
5. As taxes are receipted, money is allocated to appropriate taxing districts.

Any changes made by the treasurer's office to the tax rolls (subsequent to roll over from the assessor) should be appropriate, approved, and adequately supported. The only changes the treasurer's office are authorized to make to certified tax rolls are obvious errors (RCW 84.48.065) and board of equalization authorized changes (RCW 84.48.010).

## **ACCOUNTABILITY**

General accountability risks are listed below; however, Washington's thirty-nine counties vary widely in geographic size, population, types and quantities of taxable property and resources available to county assessors to perform their duties. Therefore, specific risks encountered by auditors are expected to vary widely between counties.

### ***Revaluation and Physical Inspection Cycles (Assessor)***

As described in the Background section, counties are required to establish a revaluation schedule (revaluation plan) that results in all taxable real property within the county being revalued annually and physically inspected at least once every 6 years. The Assessor's office should have documentation of this schedule and records of actual revaluations and inspections available for audit. As of 2016, all counties are on a 6-year physical inspection cycle, with the exception of Chelan, Ferry, and Pend Oreille, which are on a 4-year inspection cycle.

Each county assessor's office has an agreement (revaluation plan) with the DOR regarding the frequency of property assessments. Part of this agreement requires that the county report annual revaluation progress to the State DOR, including the number of properties re-valued and the number of properties actually physically inspected.

### ***Timely Appraisal of New Construction (Assessor)***

The objective of testing this area is to determine whether appraisals of new construction occurred in a timely manner (by the statutory deadline). Because an entity can use new/improved construction to exceed the statutory limit of 101%, the effect of any exceptions may be a lowering of revenue for the district where the new construction resides in the first year of assessment. Contact the County Assessor/Property Tax Expert if you have exceptions in this area in order to determine the potential effect.

RCW 36.21.070 requires that upon receipt of a copy of a building permit, the county assessor perform a physical appraisal of new construction within 12 months of the permit issue date. As part of the assessor's own control processes, records listing the receipt of building permits and the date of the subsequent appraisal should be available for audit.

### ***Uniform Personal Property Assessment (Assessor)***

The objective of testing this area is to determine whether the county performed adequate discovery procedures to identify business personal property owners and all business personal property. The result of any exceptions would be an inequitable distribution of property taxes among property owners in the affected taxing districts (it would not be lost revenue, since the total taxes are determined by the certified levy).

**CAUTION FOR AUDITORS:** Details of personal property information may be confidential. Auditors should follow the guidance in the **Security and Privacy Policy for Managing Data** when including information in the workpapers.

See the "Personal Property" TeamMate step for testing strategy considerations for this area. The step is available in the Accountability | Entity-Specific Areas | City/County | County Assessor & Property Tax folder.

### ***Uniform Real Property Assessment (Assessor)***

The objective of testing this area is to determine whether real property assessments were in compliance with RCW 84.40.030, which requires that properties be assessed at 100% of their true and fair value. The result of non-compliance would be an inequitable distribution of property taxes among property owners in the affected taxing districts (it would not be lost revenue, since the total taxes are determined by the certified levy).

Since this is an area that requires specialized technical knowledge and because DOR already re-performs a sample of assessments and conducts extensive statistical analysis in this area, our primary approach would be to review for adequate controls, obvious conflicts of interest or abuse, and to follow up on any issues from DOR's analysis. For example, we would expect the following controls to be in place:

- Documented policies and procedures for uniform valuation criteria and uniform assessment practices.
- Policy (or policies) including restrictions to avoid conflicts-of-interest are in place. For example, prohibiting appraisers from valuing property they own, or that of relatives or friends.
- Independent review or monitoring procedures are in place and operating to ensure that appraisals are prepared consistently and equitably.

If internal control weaknesses or obvious issues with selected appraisals are noted, auditors should contact the County Assessor/Property Tax Expert for follow-up, as DOR may need to be involved.

See the "Property Valuation" TeamMate step for testing strategy considerations for this area. The step is available in the Accountability | Entity-Specific Areas | City/County | County Assessor & Property Tax folder.

### ***Exemptions (Assessor)***

The objective of testing this area is to determine whether the county adequately applied and monitored property tax exemptions. The result of any exceptions would be an inequitable distribution of property taxes among property owners in the affected taxing districts (it would not be lost revenue, since the total taxes are determined by the certified levy). For a list of DOR guides over these items see: [http://dor.wa.gov/content/FindTaxesAndRates/PropertyTax/prop\\_pubcatag.aspx](http://dor.wa.gov/content/FindTaxesAndRates/PropertyTax/prop_pubcatag.aspx).

Property tax exemptions are given for the following:

- Government entities (RCW 84.36.010)
- Not-for-Profit organizations (Chapter 84.36 RCW) – all not-for-profit exemptions are handled and approved by DOR and reported by the Department to each county assessor. <https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/IndustSpecific/NonProfit.pdf>.
- Senior citizens and disabled persons (RCW 84.36.381) [https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Prop\\_Tax/SeniorExempt.pdf](https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Prop_Tax/SeniorExempt.pdf).
- Multi-Family tax exemption program (Chapter 84.14 RCW)

Property taxes can now be deferred for the following individuals:

- Homeowners with limited income (Chapter 84.37 RCW)  
[https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Prop\\_Tax/LimitedIncomeDef.pdf](https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Prop_Tax/LimitedIncomeDef.pdf)
- Senior citizens and Disabled persons (Chapter 84.38 RCW)  
[https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Prop\\_Tax/SeniorDefs.pdf](https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Prop_Tax/SeniorDefs.pdf).

We would expect the assessor's office to perform periodic discovery procedures to identify properties that no longer qualify for an exemption (ex: review obituaries, property transactions, contacting property owners after a set number of years, etc.). Our primary accountability concern in this area would be that the county has adequate internal controls in place to apply and monitor exemptions.

See the "Exemptions and Deferrals" TeamMate step for testing strategy considerations for this area. The step is available in the Accountability | Entity-Specific Areas | City/County | County Assessor & Property Tax folder.

### ***Levy Limits (Assessor)***

DOR annually verifies levy limit calculations and periodically audits to certified levies and resolutions. As such, we would not normally expect to re-test these calculations. Effective January 1, 2015, DOR is changing the frequency of levy audits from a three year cycle to five year cycle. This will result in approximately eight counties being audited each year. DOR still has the flexibility in the timing of audits and will perform audits sooner than scheduled if risks are identified. Contact the County Assessor/Property Tax expert if you see this area as a risk. The expert will notify DOR of any risks identified.

Most county assessors use DOR form REV 64.0007e to calculate the levies of all taxing districts within their jurisdiction, which includes calculation of any applicable statutory limits. The levy may not exceed the certified budget (RCW 84.55.020 and .120). The certified levy for each taxing district represents the total property tax the district has a legal right to collect – including new construction - provided it is within other applicable statutory limits. These other limits are as follows:

- Levy Limit (101% limit) - Restricts a district levy increase to 1 percent more than the highest lawful levy since 1985, plus other allowable increases (RCW 84.55.005 and .120).
- \$5.90/\$1000 of assessed value Aggregate Limit – This limit is established by RCW 84.52.043. It excludes the following levies: state school, ports, PUDs, EMS, county ferry, criminal justice, regional transit authority, affordable housing, and conservation futures. There is an eight -level order that is used for pro-rationing.
- Additional statutory limits may be applicable to specific taxing districts (RCW 84.52.010 and 84.52.043).

### ***Reporting Guidelines (Assessor)***

One of the biggest challenges facing most county assessors and treasurers is updating their procedures and systems to meet increasing workloads. As a result, county assessors continue to struggle to meet statutory deadlines. See [Appendix II](#) for a complete calendar of events. Statutes give dates by which the assessor's office is expected to complete different tasks.

According to current case law (Niichel v. Lancaster - 97 Wn. 2d 620, 647 P.2d 1021), these **statutory dates only represent "guidelines" as opposed to absolute requirements**. Since missing "guideline" dates by a **substantial** amount of time would adversely impact the property tax process and the other departments and local governments that rely on the Assessor's work, our approach is to report exceptions when the assessor misses these dates by a **significant** amount of time.

See the "Statutory Reporting Guidelines" TeamMate step for testing strategy considerations for this area. The step is available in the Accountability | Entity-Specific Areas | City/County | County Assessor & Property Tax folder. Auditors should consult with the County Assessor/Property Tax Expert when making determinations about reporting level of any issue.

### ***Transfer of information from the Assessor's Office (Assessor / Treasurer)***

Tax bills, payments and adjustments are normally posted in detail to the assessors' property tax system and at a summary level in a treasurer's cash management or general ledger system. The interface between these systems is generally complex and can be subject to differences due to timing. Adequate reporting capabilities to support reconciliation and resolution of differences may or may not exist. We expect a "lock-down" process to freeze the

amounts in both systems as the tax rolls are exported from the assessor's office to the treasurer's office to prevent timing differences of any account adjustments. We also expect that the tax rolls cannot be edited during the transfer ("roll over") process by either the assessor's or treasurer's office.

See the "Property Tax Billing" TeamMate step for testing strategy considerations for this area. The step is available in the Accountability | Entity-Specific Areas | City/County | County Assessor & Property Tax folder.

### ***Reporting and Receipting (Treasurer)***

County treasurers have historically struggled to implement adequate controls over accounting entries, cash receipting, and key software functions. The cash receipting process in the treasurer's office can be very complex, especially if the department uses separate cash receipting and tax software. Cash receipts should always be reconciled to the bank. In the case where the software for property taxes is separate from software used for general receipting, receipts will need to be recorded in both systems and we would expect a monthly reconciliation between the systems.

Misappropriations of receipts are usually accompanied by control weaknesses over billings or adjustments to accounts. An indicator might be the presence of unusually large delinquent accounts, un-reconciled variances between billing and payments posted to customer subsidiary records and large non-cash adjustments to balances. An auditor might consider a review of the aging of the accounts receivables associated with property taxes and the frequency of adjustments as well as perform a confirmation of accounts during the audit process.

If the county has de-centralized receipting locations, there may be a risk of inadequate monitoring. An indicator of theft from departmental cash receipts can be the inability of departments to receive monitoring reports showing the amounts credited to their department or a lack of time to adequately review monitoring reports actually received. An auditor should consider a review of detail cash receipts and verify the information was posted appropriately to either the customer account or to the general ledger.

### ***Tax Allocations and Distributions (Treasurer)***

Counties have the option to distribute the actual amount receipted for each taxing district or a percentage of collections based on district levy percentage compared to total county levy. Distributions are done automatically by the computer, so any testing of this area would entail testing of the automated controls over this process. Due to increasing workloads, counties are relying more on software for calculations apportioning the levy to individual properties based on assessed value, and the disbursement of receipts to the appropriate districts. Auditors should consider controls in place, manual and automated, when evaluating these processes at the assessor's and treasurer's offices.

*CompuTech software is no longer supported (as of 2009). Counties who use this software should be taking steps to address this change. Most counties are moving to new systems. Whenever a county implements new software, or significantly changes its existing software, we should verify the county has properly tested the software and internal control processes are still adequate for the new/upgraded system.*

See the "Property Tax Billing" TeamMate step for testing strategy considerations for this area. The step is available in the Accountability | Entity-Specific Areas | City/County | County Assessor & Property Tax folder. Auditors should consider contacting Local ISA for help in developing audit tests in this area.

## **FINANCIAL STATEMENT**

For many county audits, one or more property tax accounts (revenues, receivables and/or deferred inflows) will be material and the property tax assessment and collection process will be identified as a material system.

### ***Expected Internal Controls***

We would expect the following key controls over property tax assessment, receipting and disbursement:

- **Rights & Obligations** - County assessor calculates levy limits for each taxing district to ensure they comply with applicable statutory limits.



- **Existence/Occurrence and Rights & Obligations and Classification and Completeness** – The county assessor compares or reconciles the total property tax billings calculated by the software to the certified levies by taxing district. This will ensure that the total billings by taxing district were calculated correctly by the system. Since the total levy amount does not depend on the assessed values assigned to individual properties (this allocation of the tax burden is an accountability concern), the county would have a right to the funds from one property or another so long as the total levy was calculated correctly by district, and individual parcel tax amounts are not relevant.
- **Existence/Occurrence and Classification** – Financial statements are based on treasurers' reports, which are reconciled to county assessor's reports (meaning that the statements agree with source billings, which agree with source assessments and calculations).

### ***Suggested Substantive Testing***

Documents produced by the county assessors provide important substantive tools for support of the property tax revenues and related receivable balances claimed by counties, and the taxing districts within them. RCW 84.52.080 (4) requires: "The county assessor must deliver the tax rolls to the county treasurer, on or before the fifteenth day of January, taking a receipt from the treasurer. At the same time, the county assessor shall provide the county auditor with an abstract of the tax rolls showing the total amount of taxes collectible in each of the taxing districts."

The following are suggested tests to consider when substantiating property tax revenues, receivables and deferred inflows for existence and rights. These steps also confirm completeness. You can use the "[Property Tax Confirmation](#)" spreadsheet located in the TeamStore to complete these tests.

- Trace reported property tax revenues, receivables and deferred inflows from the financial statements to the county treasurer property tax system reports and from the county treasurer reports to the county assessor final tax roll.
- Compare the certified levy (adopted budget or resolution adjusted for the effects of any statutory limitations) to the county treasurer's reported levy (billings) for that year. During this test, scan for unusual or unexpected activity and follow-up. *Note: this test can be done either at the county for all taxing districts or at each individual taxing district as we audit them. It is suggested that the test be performed once at the county for all taxing districts.*

### ***Accounting and Reporting of Property Tax***

Government-wide statements recognize property tax revenue in the period for which levied, regardless of when they are due or collected. It should be reported on the date which the government has an enforceable legal claim to the resources or in the beginning of the period for which levied, if sooner. In Washington State the date for both situations is January 1. The next year's levy should not be included because GAAP specifically prohibits property taxes from being accrued before the fiscal period which they are intended to finance.

### **Government-Wide Financial Statements**

According to the above accounting guidance the entity should not recognize any tax in the 2015 financial statements for the 2016 fiscal year. Prepaid 2016 tax should be recorded as cash offset by a deferred inflow of resources (DR Cash/CR Deferred Inflow of Resources).

The 2015 financial statements should report property tax revenue equal to the 2015 levy (excluding exemptions and other adjustments), a receivable for uncollected 2015 tax and deferred inflows of resources related to prepaid tax for 2016. This transaction (DR Cash/CR Deferred Inflows of Resources) will be reversed in 2016 when the prepaid tax is recognized as revenue. Prepayments are unusual and likely immaterial. It will be quite common not to see any deferred inflows related to property tax on government-wide financial statements.

### **Fund Financial Statements**

Governmental fund financial statements report on the modified accrual basis of accounting and should only report revenue for amounts meeting availability requirements. Entities consider revenues to be available if they are collected within the availability period set by the governing body, typically 60 days after year-end. On December 31, 2017 an entity should report accounts receivable for uncollected 2017 and earlier tax levies. Receivable amounts not meeting the 60 day availability requirement should be recorded as deferred inflows of resources (unavailable tax) instead of revenue. The only other deferred inflows of resources related to property tax would be tax prepaid for 2018 (these are expected to be unusual). See also [BARS 3.5.2](#) for additional details.

# **APPENDIX I: Acronyms & Definitions**

## **Acronyms**

AV	Assessed Value	FLAV	Forest Land Assessed Value
BAD	Benefit Assessment District	IPD	Implicit Price Deflator
BOE	Board of Equalization	LID	Local Improvement District
DFL	Designated Forest Land	MV	Market Value
DOR	Department of Revenue	TCA	Tax Code Area
EMS	Emergency Medical Service	ULID	Utility Local Imp. District

## **Definitions**

AD VALOREM TAX - A real estate tax based on the value of property

ADMINISTRATIVE REFUNDS - Ad Valorem tax paid before or after delinquency may be refunded for one of the reasons set forth in RCW 84.69.020

ANNEXATION - The act of a taxing district taking in a part of another area

ASSESSED VALUE - The value of property placed on the assessment roll for property tax purposes

BOND - An interest-bearing note used by governments to borrow long-term

BOARD OF EQUALIZATION - Local boards that hear appeals brought by taxpayers on matters of valuation or exemption status and, in addition, have the power and responsibility to unilaterally equalize the value of property in their counties.

BOUNDARIES - Geographical boundaries of each taxing district

BOUNDARY CHANGE - Any change in taxing district boundaries, for the purpose of property taxation

CONSTITUTIONAL 1% LIMIT - Article VII, Section 2 of the Washington Constitution limits property taxes to 1% of the true and fair value of the property

DISPUTED VALUE - When value contested by a taxpayer exceeds 1/4 of 1% of the total value in the county, only the uncontested portion of the value is used to calculate levy rates

EMERGENCY MEDICAL SERVICE - A district that provides emergency medical care to the population of the taxing district (often administered by fire protection districts)

EXCESS LEVY (SPECIAL LEVY) - Taxes above the regular/statutory levy and approved by voters at special or general elections

FOREST LAND ASSESSED VALUE - Value of forest land used when creating a timber assessed value for taxing districts. This is used in calculating rates for excess levies.

GENERAL OBLIGATION BOND - A bond, note, warrant, or any other obligation of a public body that constitutes indebtedness

IMPROVEMENT - A valuable change in, or addition to real property

JOINT TAXING DISTRICT - An individual district that lies in more than one county

JUNIOR TAXING DISTRICTS - All taxing districts other than the state, county, county roads, city, ports, and public utility districts



LEVY - 1. The total dollar amount requested by a taxing district to be collected through property tax. 2. To impose taxes, assessments or charges for support of government activities.

LEVY LIMIT – The restriction on the amount that a district’s property tax levy may increase over the highest lawful levy since 1985. Taxing districts’ levies are limited to the prior year’s levy, plus any increase resulting from new construction, improvements to property, wind turbines, solar, biomass, and geothermal facilities, unless the governing board of the district passes a resolution or ordinance authorizing an additional increase over the district’s prior year’s levy. If a resolution/ordinance is passed, the district is limited to an increase of 101% depending on the population of the district.

LEVY RATE - The rate necessary, when applied to the valuation of the taxing district, to raise the “levy”

LID LIFT - Voters of the taxing district may allow the district to exceed the levy limit

LOCAL IMPROVEMENT DISTRICT - A district that charges a fee or assessment for public improvements (sidewalks, curbs, etc.) that is not based on value of the property

MARKET VALUE - True and fair value or 100% of what a willing buyer would pay a willing seller when neither is under any duress to buy or sell

NEW CONSTRUCTION - The construction or alteration of any property for which a building permit was issued or should have been issued

PRORATIONING OF LEVIES - A process for reducing levies of taxing districts when the total levies exceed the \$5.90 statutory limit or the 1% constitutional limit

RATIO - Percentage relationship between market value and assessed value determined by the Department of Revenue, which is calculated as follows:

Market Value (MV)	Determined by DOR
Assessed Value (AV)	Determined by the Assessor
	$\frac{MV}{AV} = \text{Ratio}$

REFUND FUND - A separate fund for each taxing district that has a court ordered refund to pay to a taxpayer

REGULAR PROPERTY TAX LEVY - A levy that is subject to the statutory limitations in RCW 84.52.043 & .050 plus levies for ports, public utility districts,

SEGREGATION - The act of separating a parcel of property into two or more parcels

SENIOR TAXING DISTRICT - The state, county, county road district, cities and towns

STATE ASSESSED PROPERTY - The Department of Revenue annually values interstate or intercounty utility and transportation companies -- railroads, telecommunication companies, electric companies, etc.

STATE LEVY - A levy authorized on all property throughout the state to help fund K-12 education and based on true and fair value

TAX CODE AREA - A geographical area made up of a unique mix of taxing districts

TAXING DISTRICT - A governmental unit that has the authority to receive money from property tax

## **APPENDIX II: Property Tax Calendar**

**January 1** - Date real and personal property are subject to taxation and valuation for assessment purposes (RCW 84.36.005 and RCW 84.40.020).

**January 15** - Assessor's office certifies and delivers tax rolls to the treasurer's office (RCW 84.52.080).

Also in January - Property taxes can be paid once the treasurer has provided notification that the tax roll has been completed. These taxes are based on assessments made in the previous year.

**March 1** - Counties' new revaluation plans are due (RCW 84.41.041, WAC 458-07-025)

**April 30** - Personal property report on standard form must be filed with the assessor's office (RCW 84.40.020, .040, .060, and .130).

**April 30** - Taxes are due. If taxes are less than \$50, full payment is due. If taxes are \$50 or more, one half of the payment is due. (RCW 84.56.020).

**May 31** - Assessor's office to have completed listing and placing of valuation on all property (real and personal), except new construction and mobile homes (RCW 84.40.040).

**June 1** - Three percent penalty assessed on the current year's delinquent taxes (RCW 84.56.020)

**July 1** - Last official date to file an appeal with the county board of equalization is July 1 or within 30 days after the assessor issues their determination, unless the county legislative authority has extended the deadline up to 60 days, whichever is later (RCW 84.40.038)

**July 15** - Assessor's office certifies assessment rolls to the county board of equalization (RCW 84.40.320). County boards of equalization meet in open session on the later of July 15 or 14 days after the assessor certifies the assessment roll to the board of equalization.

**August 31** - Assessor's office to complete listing and valuation of new construction and mobile homes on the current assessment rolls. The assessed valuation is as of July 31 of that year (RCW 36.21.070 - .090).

**Prior to first Monday in September** - The Department of Revenue determines the ratio for each county (RCW 84.48.075).

**September** - The Department of Revenue (DOR) is equalizing taxes to be collected for the state purposes (RCW 84.48.080). The assessor's office certifies the assessed valuations to the taxing districts (RCW 84.48.130).

**October 14** - County annual reports on revaluation progress are due before October 15<sup>th</sup> (RCW 84.41.130).

**October 31** - Second half of property taxes are due (RCW 84.56.020)

**November 30** - Last day for city and other taxing district budgets to be filed with the county commissioners (RCW 84.52.020).

**November 30** - Last day for county commissioners to certify the amount of taxes levied by the county and each taxing district to the assessor's office (RCW 84.52.070).

**November 30** - DOR will estimate the real property ratio for any county that has not submitted all reports necessary to calculate the ratio (RCW 84.48.080(1)(a)).

**December 31** - Last day to apply for open space land, farm and agriculture land, or timberland assessment (RCW 84.33.130). Senior citizen and disable property tax exemption claims filed with the assessor's office (RCW 84.36.385).