

# LEVIES & TAXING DISTRICTS

## Frequently Asked Questions

### CHELAN COUNTY ASSESSOR

This document contains hyperlinks that will assist you in navigating for the information you are looking for. Just hover over any **colored** text throughout the document with your mouse and a hand  will pop up, simply click the left mouse button and the link will automatically take you to the information. **Can't find what you are looking for?** Call our office at (509) 667-6365 or send us an email at [assessor@co.chelan.wa.us](mailto:assessor@co.chelan.wa.us)

[What is a property tax levy?](#)

[What impact do special levies and bonds have on property taxes?](#)

[How are levy rates determined?](#)

[Didn't Initiative 747 limit my property tax to a 1% annual increase?](#)

[What's the difference between special and regular levies?](#)

[What are the Levy Rates for the 2015-16 Tax Year?](#)

#### **Q: What is a property tax levy?**

A: A property tax levy is the total amount of money to be raised from the property tax, as set forth in the budget for the local government or tax jurisdiction, also called a taxing district. The cost of providing public services determines your property tax. Local government consists of various taxing districts including fire districts, regional library, cities, county government, roads, hospitals, ports and many others. The levy, whether higher or lower than the preceding year, is determined by the budget-making authority of the local government. A portion of the tax is distributed to the state for local school support. In addition, taxes are collected to pay for special voter-approved levies, such as school maintenance and operation levies and bonds and emergency medical levies. The levy rate (or tax rate) is expressed as dollars per \$1,000 of assessed value.

#### **Q: How are levy rates determined?**

A: Each year the commissioners or directors of each taxing district meet in open session to adopt a budget for the following year. The district submits the budget to the Assessor, who verifies that the budget is within statutory and constitutional limitations, and computes the required levy rate. The levy rate is the amount to be collected divided by the total assessed value of the geographic area the district serves, and is expressed in dollars per thousand dollars of assessed valuation. This produces a levy rate, which is the amount of taxes that will be paid for each \$1,000 of assessed value. The formula for determining a taxing district's levy rate looks like this:

**Taxing District Budget (limited to 1% growth) ÷ Taxing District Assessed Value x 1,000 = Levy Rate**

In reviewing the formula, you will note that when assessed values rise and the taxing district budget is a fixed amount, the levy rate decreases. When assessed values fall and the taxing district budget is a fixed amount, the levy rate increases. In both cases, the levy rate is adjusted to generate adequate revenues to fund the taxing district's budget.

#### **Q: What's the difference between special and regular levies?**

A: Special levies are approved by the voters. Regular levies are set by the directors or commissioners of each taxing district, without a vote, which is within their authority. Regular levies are subject to the statutory maximum rates.

#### **Q: What impact do special levies and bonds have on property taxes?**

A: Voter-approved special levies and bonds can have a significant influence on property taxes. These bonds and levies can make up 20% to 40% of a typical combined levy rate and tax bill. Since they are voter-approved, they

are not subject to the same limits as regular property tax levies, rates, and budgets. If a new levy is approved by voters, levy rates and taxes can rise dramatically. Conversely, if a levy fails, rates and taxes can drop significantly.

**Q: Didn't Initiative 747 limit my property tax to a 1% annual increase?**

A: No. Individual tax bills and assessed values are not limited to a 1 percent increase or any other limitation. Taxing districts have a series of budget limitations, the 1 percent budget increase limit being one of them; however, these limitations are complicated with special levies, banked levy capacity, annexations, and type of taxing district.

**Q: What are the Levy Rates for the 2015-2016 Tax Year?**

A: The 2015-16 Levy Rates can be found on the last page (page 23) of the 2016 Property Tax Summary Report by [clicking here](#). You can also find previous levy rates dating back to 2000.