

PROPERTY TAXES

Frequently Asked Questions

CHELAN COUNTY ASSESSOR

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Q: What is Property Tax?

A: Property tax is a tax that is imposed on persons because of their ownership or possession of property and is measured by the market value of the property. In Washington State, all real and personal property are subject to tax unless specifically exempted by law. Property tax was the first tax levied in the state of Washington.

Property taxes in our State are *budget based*. Each individual taxing district, such as Cities, County, schools, fire, library, ports, etc., decides how much money to levy or budget each year for their regular levies, voter approved levies or both. Regular levies are limited to a 1% increase annually without going to a vote of the people. There are several different limits on how levies can increase. For more information, check out our section on Levies & Taxing Districts.

Under Washington State Law taxable property is divided into two classes. Real property includes land and all buildings, structures, improvements and mobile homes on the land. Personal property includes machinery and equipment, fixtures, furniture, and other items that are movable in nature, as well as materials used in the operation of a commercial, industrial or agricultural enterprise. Household goods and personal effects are exempt from property tax.

Q: Why do we have property taxes?

A: The 1889 state constitution recognized that to be effective, uniformity must apply to both assessments and tax rates. Through every subsequent amendment, uniform assessment has remained a constitutional requirement. In 1973, the Legislature mandated that property be assessed at 100 percent of its market value beginning with the 1975 assessments. Up until the 1930's, property tax was the only major tax that supported most state and local government programs. Today, property tax accounts for about 30 percent of total state and local taxes. It continues to be the most important revenue source for public schools, fire protection, library, park and recreation, and other special purpose districts.

Q: Are the taxes the same throughout the County?

A: No. Different areas of the County have different tax rates depending on what each tax district budget requests for the year are and any special voted in levies. The rate is based on a dollar amount per \$1,000 of assessed property value.

Q: Why does such a difference exist?

A: The difference is due to three factors:

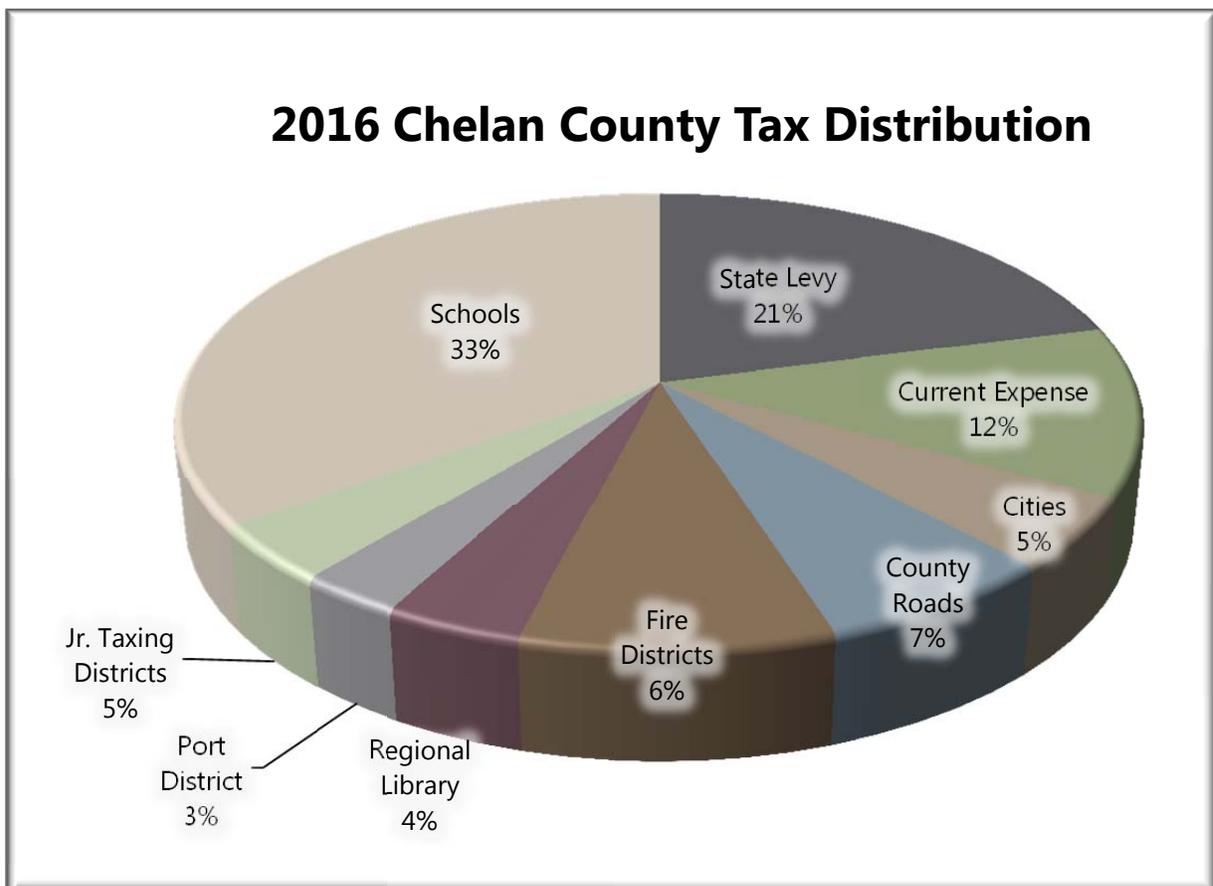
1. The various combination of taxing districts in different areas (also referred to as tax code area) of the County.
2. The size of the budget of each taxing district.
3. The presence of special levies and bonds approved by the voters.

Q: What is the difference between a Tax Code Area and a Taxing District?

A: A taxing district is a district entity with taxing authority, such as a library district, fire district, school district, etc. A tax code area (TCA) is an area of the County where multiple taxing districts exist. For example, in TCA 201 there is the City of Chelan, School District 129, Cemetery District 4, Hospital District 2, Fire District 7, Regional Library, Port, State Levy and County Current Expense (everyone pays County current expense, mental health and veteran’s relief).

Q: Where do our property taxes go?

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Q: What determines how much property tax I pay?

A: The Assessor does not raise property values in order to increase taxes. 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, ports, etc. 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 Assessor sets the levy rates based on taxing district budget requests, statutory limits and property values. Levy rates are expressed in dollars per thousand dollars of assessed value.

Q: How are taxes computed?

A: Once the levy rates are established, the rate for the area in which a property resides is multiplied by the value of that individual property to establish the taxes owed. The formula for determining individual property taxes looks like this:

$$\text{Property Assessed Value (divided by 1,000)} \times \text{Levy Rate} = \text{Property Tax}$$

The overall value of the taxing district may be reduced, even though some of the individual properties are not. This overall reduction causes the levy rate to increase, and for the individual property owner whose value did not change, taxes will increase.

Q: Is it possible to make a "ballpark estimate" of how much the tax will be on a piece of property that I am thinking about buying (or a structure that I might build)?

A: The 2016 County wide average levy rate in Chelan County is about \$10.50 per \$1,000 of assessed valuation, which is down from the average levy rate in 1999 of \$12.57. Rates vary from area to area and from year to year, but multiplying the number of thousands of dollars of price or cost by \$10.50 will provide a rough estimate of taxes. Keep in mind that this is the average and the actual levy rate for 2016 taxes is between \$6.27 and \$12.98 per \$1,000 assessed value depending on the location.

Q: I've sold my property but received a tax statement. What should I do with the statement?

A: The tax statement may either be forwarded on to the purchaser or returned to either our office or the Treasurer's Office. If you choose to return the statement, please note the purchaser's name and address for our records. Any statements returned to the office with no forwarding address will be researched for a correct address and/or taxpayer name and re-mailed accordingly.

Q: How do I find out the amount of property taxes I must pay?

A: Each February, you and your mortgage company (if you have an escrow account) will be mailed a tax statement for each property you own. It will show the amount of taxes due for that year. If you do not receive a statement by March 1st, please call the Treasurer's office at (509) 667-6405. You can also view the amount of taxes you owe on our website by:

Instructions for online: Click on the **Parcel Search** link on our website. After agreeing to the disclaimer, click on the "Search type" drop down menu in the upper left hand corner of the webpage. Select which type of search you want to conduct and enter your information in one of the boxes below (*Note: Geographic ID is the same thing as your parcel number*). Select the "Appraisal Year for Tax Year" using the drop down menu. Click on the "Search" button at the bottom of the page. Click on the "View Details" link and the bar titled "Taxes and Assessment Details". If you need assistance, give us a call at (509) 667-6365 and we will walk you through it.

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Q: When is payment of my property taxes due?

A: First half payments must be paid or postmarked by April 30th or the entire billing becomes delinquent and will accrue interest and penalty. Interest is 1% a month on delinquent taxes. A 3% penalty is charged on June 1st. Second half taxes become delinquent after October 31st. An 8% penalty is charged on December 1st.

Q: Where do I pay my property taxes?

A: You can pay your taxes in person or by mail at the Chelan County Treasurer's Office which is located in the Courthouse at 350 Orondo Avenue, Wenatchee. If paying by mail, make sure to include the tax parcel number on your check and mail to PO Box 1441, Wenatchee, WA 98807-1441 . You can pay your taxes by credit card or check over the phone by calling 1-877-673-6058 or online through Official Payments Corp. For more information about this option visit the **Chelan County Treasurer's** website.

Q: How is the Washington State Department of Revenue involved?

A: The Washington State Department of Revenue (DOR) is the state agency charged with the responsibility of statewide administration of the property tax system. The Property Tax Division of DOR has broad statutory authority for the administration of assessment and tax laws, including authority over Assessors, County Commissioners, and other County officials in the performance of their duties relating to taxation. DOR also prescribes specific rules and processes for the assessment of real and personal property. An overview on property taxes is contained in DOR's publication **Homeowner's Guide to Property Taxes**.

Q: Who should I contact if I have questions about my taxes or am unable to pay my property taxes?

A: You should contact the Chelan County Treasurer's Office for any questions regarding the payment of your property taxes, financial hardships, delinquent taxes and tax statements. You can reach them at (509) 667-6405 or in person at 350 Orondo Avenue, Wenatchee.

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