

ESTIMATING IMPACTS OF INITIATIVE 1033

Assumptions outlined by the Association of Washington Cities (see more on assumptions below)

* Shaded cells should be filled out by jurisdiction depending upon local conditions and forecasts

	IPD (March to March) (Note 1)	Population Growth Estimate* (Note 2)	GF Forecast w/out I-1033 (Note 3)	Forecasted Growth in GF Revenues* (Note 3)	Levy w/out "Lower City Property Tax Account" Transfer* Note A	Growth in Prop Tax w/out "Lower City Property Tax Account" Transfer Estimated*	Actual GF Revenues w/out Limit Estimated (Note 4)	Gen Fund Revenue w/ Limit (Note 5)	Lesser of Gen Fund Revenue Limit (J) or GF Revenues Actual (I)	% Increase in Gen Fund Limit or Actual Revenues (Column K)	Amount Over/Under Revenue Limit (E-I)	Transfer to "Lower City Property Taxes Account"	Property Tax After "Lower City Property Tax Account" Transfer (Note 6)
CY 2009	0.50%	0.50%	54,474,868	-6.00%	12,112,224		54,474,868		54,474,868				
CY 2010	1.80%	1.00%	55,564,365	2.00%	12,354,468	2.00%	55,564,365	55,020,979	55,020,979	1.00%	543,387	0	12,354,468
CY 2011	2.00%	1.00%	56,675,653	2.00%	12,601,558	2.00%	56,664,785	56,571,470	56,571,470	2.82%	93,315	543,387	12,058,171
CY 2012	1.80%	1.25%	57,809,166	2.00%	12,916,597	2.50%	57,796,214	58,279,928	57,796,214	2.16%	-483,714	93,315	12,823,282
CY 2013	1.80%	1.25%	58,965,349	2.00%	13,239,512	2.50%	58,961,813	60,070,579	58,961,813	2.02%	-1,108,766	0	13,239,512
CY 2014	1.70%	1.25%	60,144,656	2.00%	13,570,500	2.50%	60,163,224	61,916,247	60,163,224	2.04%	-1,753,023	0	13,570,500
CY 2015	1.70%	1.25%	61,347,549	2.00%	13,977,614	3.00%	61,401,549	63,755,934	61,401,549	2.06%	-2,354,385	0	13,977,614

	IPD (March to March) (Note 1)	Population Growth Estimate* (Note 2)	GF Forecast w/out I-1033 (Note 3)	Forecasted Growth in GF Revenues* (Note 3)	Levy w/out "Lower City Property Tax Account" Transfer* Note A	Growth in Prop Tax w/out "Lower City Property Tax Account" Transfer Estimated*	Actual GF Revenues w/out Limit Estimated (Note 4)	Gen Fund Revenue w/ Limit (Note 5)	Lesser of Gen Fund Revenue Limit (J) or GF Revenues Actual (I)	% Increase in Gen Fund Limit or Actual Revenues (Column K)	Amount Over/Under Revenue Limit (E-I)	Transfer to "Lower City Property Taxes Account"	Property Tax After "Lower City Property Tax Account" Transfer (Note 6)
CY 2009	0.50%	0.50%	54,474,868	-6.00%	12,112,224		54,474,868		54,474,868				
CY 2010	1.80%	1.00%	56,653,863	4.00%	12,354,468	2.00%	56,653,863	55,020,979	55,020,979	1.00%	1,632,884	0	12,354,468
CY 2011	2.00%	1.00%	58,920,017	4.00%	12,601,558	2.00%	58,854,702	56,571,470	56,571,470	2.82%	2,283,232	1,632,884	10,968,674
CY 2012	1.80%	1.25%	61,276,818	4.00%	12,916,597	2.50%	61,117,561	58,279,928	58,279,928	3.02%	2,837,633	2,283,232	10,633,365
CY 2013	1.80%	1.25%	63,727,891	4.00%	13,239,512	2.50%	63,448,758	60,070,579	60,070,579	3.07%	3,378,179	2,837,633	10,401,879
CY 2014	1.70%	1.25%	66,277,006	4.00%	13,570,500	2.50%	65,851,581	61,916,247	61,916,247	3.07%	3,935,333	3,378,179	10,192,321
CY 2015	1.70%	1.25%	68,928,087	4.00%	13,977,614	3.00%	68,328,231	63,755,934	63,755,934	2.97%	4,572,297	3,935,333	10,042,281

- NOTES**
- (1) IPD estimates for CY 2009-CY 2011 are from the June 2009 Washington State Economic and revenue Forecast. Inflation estimates for CYs 2012-15 are from the June 2009 HIS Global Insight forecast (OFM)
 - (2) Population growth estimates provided are based on OFM's forecasted population increases for cities in urban counties; cities should replace with own estimates
 - (3) General fund revenues and revenue growth should reflect current forecasts without I-1033
 - (4) CY 2010 revenue calculated as: (CY 2009 GF REV X GF forecasted growth) + CY 2009 GF REV; CY 2011 and subsequent years calculated as ((CY 2010 GF REV - transfer to Lower City Property Tax Account) X % GF forecasted growth) + CY 2010 GF REV; For simplicity the same forecasted growth rate is assumed with or without passage of I-1033.
 - (5) CY 2010 revenue limit calculated as: CY 2009 GF REV X (1+ 2009 % Change Pop) X (1+ 2009 % Change IPD); CY 2011 and subsequent years limit calculated as: CY 2010 GF REV - transfer X (1 + 2010 % Change Pop) X (1 + 2010 % Change IPD)
 - (6) Lower City Property Taxes Account is applied to previous year's full levy, reflecting any limit factor increase (plus new construction/improvements, annexation, electric generation wind turbine facilities and state-assessed property). Reflects the amount of the levy set for collection in following year

A, Property tax assumed to be Net after deducting for non general fund tax receipts

OFM GENERAL ASSUMPTIONS

CY 2010 revenue limit calculated as: CY 2009 GF REV X (1+ 2009 % Change Pop) X (1+ 2009 % Change IPD)
 CY 2010 GF revenues exceeding CY 2010 revenue limit are transferred into "Lower City Property Tax Account"
 First transfer to the "Lower City Property Tax Account" takes place in CY 2011
 First property tax levy to be reduced is levy set in CY 2011 for CY 2012 collection
 General fund revenues defined as taxes, fees and other governmental charges. Revenues coded for the general fund in the BARS chart of account included, excluding the following categories:

	2009 budget
Federal and state direct and indirect grants	2588954
State shared taxes or revenues	0
Charges for contracted services performed	0
Charges for enterprise activities or charges that are not governmental in nature	4340632
Inter-fund and inter-department charges	4253707
Interest and investment earnings	1196290
	12379583
Net 2009 GF Revenues	54474868

AWC ADDITIONAL INFORMATION Using the assumptions outlined in Office of Financial Management's fiscal impact statement, in addition to some of our own, AWC has developed this spreadsheet that cities can use to estimate their individual jurisdiction's impacts. In building this spreadsheet, AWC worked with a group of finance directors to interpret the language in I-1033 and test the model.

Cities should note that neither OFM nor AWC is a regulatory agency, and this impact model outlines assumptions for estimating fiscal impacts only. It does not serve as an implementation guide should the initiative pass. The impact model is intended to provide cities with an idea of the magnitude of change under the initiative, rather than a specific dollar amount.

Once your city has estimated the impacts of I-1033, please forward this spreadsheet to Alicia Seegers Martinelli, aliciam@awcnet.org, to be included on our website.