

City of Connell, Washington

RESOLUTION NO. 2009-09

A RESOLUTION OF THE CITY OF CONNELL, WASHINGTON EXPRESSING OPPOSITION TO INITIATIVE 1033, THE TITLE OF WHICH IS "INITIATIVE NO. 1033 CONCERNS STATE, COUNTY AND CITY REVENUE. THIS MEASURE WOULD LIMIT GROWTH OF CERTAIN STATE, COUNTY AND CITY REVENUE TO ANNUAL INFLATION AND POPULATION GROWTH, NOT INCLUDING VOTER-APPROVED REVENUE INCREASES. REVENUE COLLECTED ABOVE THE LIMIT WOULD REDUCE PROPERTY TAX LEVIES. SHOULD THIS MATTER BE ENACTED INTO LAW?"

WHEREAS, Initiative 1033 (I-1033) will be on the November 3, 2009 election ballot; and,

WHEREAS, I-1033 would limit growth of certain state, county and city revenue to annual inflation and population growth, not including voter-approved revenue increases, and would reduce property tax levies by the revenue collected above the limit; and,

WHEREAS, the limit established by I-1033 would apply to city general fund (current expense fund) revenues in 2010, with the limit set at 2009 general fund revenues adjusted for inflation and population growth; and,

WHEREAS, the rate of inflation and population would be determined annually by the Washington State Office of Financial Management (OFM); and,

WHEREAS, inflation is defined as the OFM report of the Bureau of Economic Analysis calculation of the implicit price deflator (IPD) on March 27th of each year; and,

WHEREAS, general fund revenue is defined as the aggregate of revenue from taxes, fees, and other governmental charges received by the city that is deposited in the current expense fund; and,

WHEREAS, I-1033 would require a reduction in property taxes when general fund revenues exceed the limit and makes no changes to the property tax levy limit originally established by Initiative 747; and,

WHEREAS, if in the future voters approve a property tax levy lid lift, the only portion of that revenue that would be exempt from the revenue limit would be the additional increase in property tax revenue and not the base levy; and,

WHEREAS, cities would be able to use existing and future reserve funds to supplement general fund revenue when revenue is below their revenue limit; and,

WHEREAS, the financial impact of I-1033 is substantial in that OFM calculates revenue losses for calendar years 2011 through 2015 will be \$5.9 billion for the State of Washington general fund, \$694 million for counties, and \$2.1 billion for cities; and,

WHEREAS, the effect of the limitation is exacerbated during a recession because I-1033 does not provide for recovery in the event of an economic downturn; and,

WHEREAS, property tax growth on existing construction is already capped at 1% annually in Washington while neighboring states Oregon and Idaho are allowed to increase property tax by up to 3% annually; and,

WHEREAS, under RCW 42.17.130 a City Council is authorized at an open public meeting to vote upon a resolution to support or oppose a ballot resolution; and,

WHEREAS, the required notice of this council meeting included the title and number of the ballot proposition, and members of the council and the public were afforded approximately equal opportunity to express opposing views at the meeting; and,

WHEREAS, the negative financial consequences of the passage of I-1033 upon already strapped state, county, and city budgets is significant;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF CONNELL, WASHINGTON HEREBY RESOLVES that it expresses opposition to Initiative 1033.

PASSED AND ADOPTED by the City Council of the City of Connell and

APPROVED by the Mayor this 19th day of October, 2009.

ATTEST:



Maria Peña, City Clerk Treasurer



Garland D. Walton, Mayor

APPROVED AS TO FORM:



Dan F. Hultgren, City Attorney

INTRODUCED:

ADOPTED:

APPROVED:

10/19/09
10/19/09
10/19/09