

**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)	Maximum Allowable GF Revenue Growth Under I-1033	Forecasted Growth in GF Revenues* (Note 3)	Current GF Forecast w/out I-1033 (Note 3)	Estimated GF Revenues w/I-1033 limitation (Note 4)	Estimated Cash Flow under I-1033 Limitation (Note 5)	Property Tax Levy Reduction for Subsequent Year (Amount to be placed in "Lower City Property Taxes Account")	Difference in Estimated GF Revenues
CY 2009	0.50%	1.17%	1.67%	-1.60%	100,776,513	100,776,513	100,776,513	0	0
CY 2010	1.80%	1.00%	2.80%	-0.16%	100,617,624	100,617,624	100,617,624	0	0
CY 2011	2.00%	1.00%	3.00%	3.22%	103,856,924	103,636,153	103,856,924	220,771	0
CY 2012	1.80%	1.00%	2.80%	2.50%	106,449,248	106,222,966	106,222,966	0	226,282
CY 2013	1.80%	1.00%	2.80%	3.47%	110,142,618	109,197,209	109,908,485	711,276	234,133
CY 2014	1.70%	1.00%	2.70%	3.05%	113,506,100	112,145,534	112,531,821	386,287	974,279
CY 2015	1.70%	1.00%	2.70%	4.00%	118,046,344	115,173,463	116,631,355	1,457,892	1,414,989

- 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 should omit exempt revenues. Revenue growth should reflect current forecasts without I-1033
  - (4) Estimated Cash Flow Under I-1033 Limitation = Prior year revenues less any property tax reduction from prior year multiplied by forecasted growth in GF revenues. For simplicity, the same forecasted growth rate is assumed with or without passage of I-1033.
  - (5) Estimated GF Revenues with I-1033 Restriction = If the forecasted growth rate is greater than the restricted growth rate, it multiplies the prior year's Estimated Cash Flow under I-1033 Limitation less the prior year's Property Tax Levy Reduction (if any) by the restricted rate. If the forecasted growth rate is less than or equal to the restricted rate, it selects the current year Estimated Cash Flow Under I-1033 Limitation result.

**OFM GENERAL ASSUMPTIONS**

CY 2010 GF revenue growth limit calculated as: IPD % Change + Population Growth % Change  
 GF revenues exceeding revenue limit are transferred into "Lower City Property Tax Account"  
 First potential 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:  
 Federal and state direct and indirect grants  
 State shared taxes or revenues  
 Charges for contracted services performed  
 Charges for enterprise activities or charges that are not governmental in nature  
 Inter-fund and inter-department charges  
 Interest and investment earnings

**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.