



City of Kirkland  
**NEWS RELEASE**

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## **Kirkland City Council Opposes Initiative 1033**

**Kirkland, WA** – The Kirkland City Council unanimously adopted a resolution on September 15, 2009, expressing opposition to Initiative Measure No. 1033 (I-1033) which will appear on the November 3 general election as “Initiative Measure No. 1033 concerns state, county, and city revenue.” The City Council held a public hearing; no member of the public addressed the Council. I-1033 seeks to limit the growth of state, county and city general fund revenues received from taxes, fees and other charges not expressly approved by the voters. Recognizing the negative impacts of I-1033 to the State, King County and City budget, which are currently experiencing financial difficulties, the City Council approved the resolution.

As part of the public hearing, the City Council received information from the Finance Department about the financial impact to the City's general fund, which supports essential services such as police, fire, and parks and street maintenance. Using a six year forecast, the City's general fund would experience a reduction of \$12-14 million in the first five years which equates to a reduction in revenues from property taxes from \$9.2 million (2009 level) to \$6.7 million in year 5, increasing the City's dependence on sales tax, a more volatile revenue source. The City receives 14.5% of the property taxes collected from City residents, which is used to support general fund services.

I-1033 would apply starting with general revenues received in 2010 with the limit not to exceed the cap based on 2009 revenues, adjusted annually based on any change in population and inflation. For the City of Kirkland, I-1033 would limit any revenue received from a recovery from the current economic recession and new revenue from future redevelopment of Totem Lake Mall, resulting in no new revenues to support City services that would be needed to serve the new major retail concern.

The Washington State Office of Financial Management (OFM) estimates that I-1033 will reduce state general fund revenues that support education; social, health, and environmental services; and general government activities by \$5.9 billion by 2015. To view OFM's "Fiscal Impact Statement of Initiative 1033" visit [www.ofm.wa.gov](http://www.ofm.wa.gov).

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