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For Immediate Release

City of Renton - 1055 South Grady Way
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Renton City Council Opposes Initiative 1033

Renton, WA – The Renton City Council unanimously adopted a resolution on September 28, 2009, expressing opposition to Initiative Measure No. 1033 (I-1033), which will appear on the November 3, 2009, general election ballot as “Initiative Measure No. 1033 concerns state, county, and city revenue.”

The City Council held a public hearing inviting speakers and the public to present pro and con positions on the initiative. This measure will appear on the November 3 ballot for all Washington voters and, if passed, would limit 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.

As part of the public hearing, the city’s Chief Administrative Officer Jay Covington explained that the initiative would place broad annual limits on the growth of state, county and city general fund revenues received from taxes, fees, and other charges not expressly approved by the voters. Revenues above the limit would be rebated through property tax reductions. Using 2009 as the base year, Initiative 1033 would limit the rate of growth in deposits to a jurisdiction’s general fund to no more than the sum of the jurisdiction’s population growth for that year and the national rate of consumer price inflation (CPI). The initiative excludes new voter-approved revenue from the growth limit. The Office of Financial Management has estimated the fiscal impact of this initiative to be at least an \$8.1 billion loss to the state general fund, \$3.0 billion to city general funds, and \$.09 billion to county general funds.

Covington stated that if I-1033 passes it will significantly impact the city’s ability to invest in infrastructure and to support economic growth and vitality.

“When we invested \$23 million in infrastructure for The Landing, we planned to use the increased sales tax revenue from that development to pay for our investment,” Covington said. “If voters approve I-1033, those revenues will likely be diverted to reduce property taxes, severely impacting the city’s ability to afford future investments in infrastructure.”

He also stated that the Growth Management Act emphasizes high density development in cities like Renton. Under the rules of I-1033, there would be no incentive or benefit for cities accepting that growth. Opponents to the initiative included Bill Taylor, President of the Renton Chamber of Commerce, and another Renton resident. Despite being invited, none of the proponents of the initiative came to the Council meeting.

“This initiative would result in our inability to fund education,” said Bill Taylor. “It takes away any incentive for economic development or annexation, and severely impacts economic recovery. They couldn’t have picked a worse year than 2009 as the baseline. This year we’ve experienced one of the worst recessions in 70 years.”

“I-1033 will have a tremendous impact on the level of service that we can provide to our community,” said Councilmember King Parker. “At a time when we are already cutting government services due to this recession, we would be forced to cut even more. The most basic and critical services would be impacted.”

Renton City Council President Randy Corman emphatically opposed the initiative and had the unanimous support of all the Councilmembers.

The Washington State Office of Financial Management (OFM) estimates that I-1033 would 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. For more information on the City of Renton visit rentonwa.gov.

