

## **Lake Washington PTSA Council Board of Directors Passes Resolution Opposing I-1033**

Tim Eyman's latest initiative takes aim at government income as a way to reduce property taxes. This initiative's plan is already a proven failure. It is based on Colorado's TABOR Law, which devastated Colorado's economy, plummeted education funding to 49<sup>th</sup> in the nation and reduced social and health care services to the extent that Colorado suspended mandatory vaccinations for school children because there was no money to purchase the vaccines. Colorado's citizens, realizing the crisis caused by this legislation, voted to suspend the law in 2005.

I-1033 would limit government revenue growth to the previous year's revenue plus an amount determined by a rigid formula based on inflation and population growth. This same formula would be applied to all levels of government – city, county and state, compounding the effect of this initiative. The baseline upon enacting this formula would be 2009, a major recession year. I-1033 would lock in the current budget cuts for years to come, with no federal stimulus money to ease the burden. The Washington State Office of Financial Management determined that by 2015 there would be an additional state revenue shortage of 5.9 billion dollars and a 2.8 billion dollar shortage for counties and cities.

I-1033 requires that all government revenue exceeding the amount determined by the formula be set aside in a special account. The fund thus created would be used to reduce property taxes in the following year (beginning in 2011). Since state property tax revenues are directly applied to schools, the cumulative effects of this reduction in tax income would be devastating to education.

Only property owners would benefit from this tax reduction. State revenue is generated in four categories:

- 53% Sales and Use Tax
- 19% Business and Occupation Tax
- 18% Miscellaneous (sin taxes, estate taxes, public utility taxes, etc. + timber sales and lottery revenues.
- 10% Property Tax

It is evident that the bulk of state's taxes are paid by all segments of the population, yet only those who own property would see a reduction of their tax burden. It is estimated that at least 35% of residences are not owner occupied. Furthermore, those who rent are those most likely to need government assistance for social services, health, and emergency care. Not only would this sector see no tax benefit, they would be severely impacted by a \$5.9 billion reduction in the state revenues that support education, health and social services.

Superintendent Dr. Chip Kimball has determined that, if I-1033 were enacted, Lake Washington School District would see an additional 17.5 million dollar budget reduction by 2015. In terms of application, this would mean eliminating @220 teachers and increasing class sizes by an average of 7 students across the district.

Washington State cannot afford to copy Colorado's TABOR Law. I-1033 is an ill-conceived initiative that will impact our government's ability to provide essential services to its citizens, further reduce educational services and shortchange our children's future opportunities.

Additional information may be found at:

[http://www.wastatepta.org/advocacy/I\\_1033/index.html](http://www.wastatepta.org/advocacy/I_1033/index.html)

<http://www.educationvoters.org/ballot-measures/lev-statement-on-initiative-1033/>

<http://www.no1033.com/>

**VOTE NO ON I-1033!**

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