

NEVADA TAXPAYERS ASSOCIATION

NEWS RELEASE

For Release: August 16, 2004 - Immediate

For Additional Information Contact: Fred Gibson, Chairman 702/251-2650 or

Carole Vilardo President, 775/882-2697

NTA Chairman, Fred Gibson today announced that the Association has filed a lawsuit in the District Court of Carson City challenging the Constitutionality of the Axe the Tax referendum petition. The suit filed by attorney Thomas "Spike" Wilson of the law firm of McDonald, Caranno, Wilson asks the Court to find that the petition does not procedurally qualify to appear on the ballot and further the verification process should be stopped.

Gibson also stated that the Association's Board of Directors adopted the following policy statement regarding the use of initiative and referendum petitions.

STATEMENT OF THE ASSOCIATION

" It is Sir, the people's constitution, the people's government, made for the people, made by the people and answerable to the people."

Daniel Webster

The above quote, better than most, reflects the intent of Article 19 of the Nevada Constitution. That article provides a process by which the people of Nevada can circulate an initiative petition to amend the State's constitution or create a statute, or circulate a referendum petition to approve a statute. They are not processes to be taken lightly and used frivolously. They are important processes, supported by the Nevada Taxpayers Association Board of Directors when judiciously used.

We are a republican form of government whereby we elect officials to represent us and our views. The unbridled use of petitions particularly in the area of taxes and spending, if they are approved by the voters, will put us on the same course as California. Can we afford that in the long run? The Association does not think so.

Unfortunately in this year's election cycle, we seemed to have succumbed to the California syndrome of government by petition. A fact that is evidenced by the number of petitions which were and are being circulated.

THE CONSTITUTION

A Constitution is a policy document that establishes the framework under which laws are created. Unfortunately, in this election cycle some of the initiatives being circulated to amend the Nevada Constitution are not policy statements.

THE INITIATIVE PETITION

These petitions to amend the Constitution contain as much or more detail than some of the Nevada Revised Statutes. While subjects contained in the initiatives may appeal to the general public, in fact the changes proposed may prove to be unworkable and not stand the test of time. In these instances, the Constitution will have to be amended which effectively means that for five years we will have to live with unintended consequences. (Under the provisions governing amendments to the Constitution, it takes five years to make necessary changes.)

THE REFERENDUM PETITION

The process by which an existing statute is approved or a statute is created poses its own set of problems. An initiative petition which proposes a statute may be changed after 3 years by the Legislature. This provides the opportunity to address any problems identified by Legislative action. A referendum to approve a statute, if it is successful, can only be changed by a vote of the people. Over a period of time, a statute approved through the referendum process, will require changes. These changes can frequently be complex and difficult at best to explain to the voters who may have no direct familiarity with the statute and therefore no frame of reference as to the need for the change.

IN CONCLUSION

It is for these reasons that the Association has expressed its concerns and in some cases opposition to some of the petitions being circulated. These concerns and opposition are based in some cases on procedural defects and in others because of the amount of detail that may ultimately prove unworkable.

The petition process is a valuable tool when used properly. However, when it is used in such a way that the petition may bring about unintended consequences and is a potential disaster waiting to happen, the citizens of Nevada are shortchanged. The citizens of Nevada deserve better.

END