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For Immediate Release:

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**The Alliance of Concerned Taxpayers (A.C.T.) received a rejection letter from the Kenai Peninsula Borough Clerk's office denying the ACT-CAP initiative petition. The borough cited legal reasons for their denial. A.C.T. officials had expected the rejection and have begun a fund raising effort so the borough's decision can be challenged in court.**

**Soldotna, Alaska (May 15, 2006)** -- The "Alliance of Concerned Taxpayers (A.C.T.) has received notice from the Kenai Peninsula Borough Clerk's office that their initiative petition called "ACT-CAP" has been denied. ACT-CAP would have created a baseline limiting the total revenue that can be levied by the borough without voter approval.

Last year A.C.T. initiatives placed Proposition 4 and 5 on the ballot where they both passed. Proposition 4 reduced the limit on capital projects from \$1.5 to \$1.0 million and Proposition 5 capped the borough wide sales tax at 2% and require future sales tax increases be approved by 60% of the voters. According to the borough administration, Proposition 5 has saved taxpayers about \$7 million a year by capping the sales tax rate at 2%. As a result of an A.C.T. referendum, the "Revenue Enhancement" ordinance 2005-09 will be on the October, 2006 ballot for voter consideration.

"I hear stories all the time from borough residents angry about their taxes. A.C.T. has provided a tool for citizens to finally gain some control of their tax bills. Now it is time for those citizens to take action by getting behind ACT-CAP," said Fred Sturman, ACT member.

“Our legal advisors have assured us the borough’s stated reasons for rejecting the ACT-CAP initiative would likely be overturned in court. We urge citizens to go to our website at [www.act-kpb.org](http://www.act-kpb.org) and help support this costly legal challenge” said Mike McBride, ACT-CAP President.

“It is the goal of A.C.T. to promote sustainable fiscal policy by requiring voter approval for large tax increases or major capital spending. I am confident, that if tax increases or capital projects are justified, voters will support them”, said Vicki Pate, ACT Vice President and ACT-CAP prime sponsor.

“ACT-CAP is very similar to a successful initiative the Mat-Su Taxpayers Association ([www.taxcap.org](http://www.taxcap.org)) use to control their borough’s spending. By limiting the amount of total revenue the borough can collect, ACT-CAP will provide property tax relief for honest, hard-working citizens who have seen their tax bills skyrocket in recent years. This should eliminate the need for further borough action against our senior citizen and disabled veteran exemptions”, McBride continued.

“Every dollar the borough gets comes directly from us. It reduces the money we can spend for things like groceries, gasoline, house and car payments, the kids allowance and clothing. ACT-CAP will encourage the Mayor and Assembly to rethink their spending habits”, said Ruby Kime, A.C.T. member.

A copy of the ACT-CAP initiative, rejection letter and a power point presentation are available for public inspection on the A.C.T. website: [www.act-kpb.org](http://www.act-kpb.org).

“ACT-CAP” will put the public back into the process in a meaningful way by requiring future tax revenue increases be approved by a vote of the people who pay all the bills”, McBride concluded.

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