

Testimony of Opposition on Senate Bill 1

June 7th, 2023

Dear Legislators and Governor Lombardo,

Americans for Prosperity Nevada strives to advocate for policies that help create an economy that works for all—empowering people to earn success and realize their potential. Businesses, entrepreneurs, innovators, and individuals should be rewarded for the value their goods and services create for their customers. Although we welcome sports and all industries into our great State, we disagree with S.B.1 and the corporate welfare that it demands. Corporate welfare creates barriers for some businesses and entrepreneurs when politicians and government bureaucrats tilt the playing field by providing special benefits to specific industries, companies, activities, products, or services.

S.B.1 would inflict insidious harm on Nevada's the free market and reward special interest lobbying activities rather than creating value. Subsidies destroy economic value and corrupt our understanding of the benefits of free markets. Politicians and bureaucrats pick winners and losers, rather than consumers and free enterprise. Winning companies gain an unfair advantage over their competitors who then face significant barriers including higher costs.

Whereas, our state and local economies are still fiscally recovering from the COVID-19 related shut down, these types of economic development subsidies in S.B 1 would not lead to greater prosperity but rather threaten our state and local government's fiscal health with more financial burden. For example, we recently saw during the COVID-19 related shutdowns, due to significantly reduced revenue from the Las Vegas Raiders Allegiant Stadium, [Clark County Commissioners had to use more tax dollars](#) when they had to utilize their reserves to cover bond payments. Also, research by [the Mercatus Center at George Mason University](#) shows the economic growth, state per capita gross domestic product, or job growth do not fare better with such programs. The benefits typically go to large, well-known corporations, not local businesses unless it's to pay the fiscal deficit tab it would generate.

The most impactful way government can spur economic growth is by easing regulatory burden on enterprise, not providing subsidies. We should focus on eliminating regulatory barriers that prevent industries such as sports from coming into a state. For these reasons, we urge you to vote "No" on Senate Bill 1 during this 35th special session.

Sincerely,

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