



NEVADA POLICY Research Institute

SENATE REVENUE AND ECONOMIC DEVELOPMENT

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Chair Neal and Members of the Senate Committee on Revenue and Economic Development,

Nevada Policy opposes Senate Bill 181 which would increase the threshold for the projected value of a partial abatement that is deemed approved by the Office: (1) upon approval by the Board of Economic Development from \$250,000 or more to \$500,000 or more; or (2) upon approval by the Executive Director from less than \$250,000 to less than \$500,000. State-directed economic development is inefficient.

When production decisions are shaped by politicians instead of market forces – i.e., consumer decisions – society's capital stock is likely to be invested in ways that serve the best interests of politicians, not consumers. It is important to remember tax giveaways force higher tax burdens onto nonprivileged businesses who are not fortunate enough to be politically connected.

Nevada Policy recommends this committee clarify and restrict the mission of the Office of Economic Development. Nevada does not need a cabinet-level agency to dole out patronage. Rather the Office of Economic Development could take meaningful steps to ensure future economic development if its mission is changed to identify and correct policies that unnecessarily impede new business formation.

Sincerely,

*Marcos Lopez
Outreach & Coalitions Director
Nevada Policy*