

Statement on SB461
Before the Senate Revenue and Economic Development Committee
Michael Brown
Fellow, The Lincy Institute
May 22, 2025

My name is Michael Brown. I am a fellow with the Lincy Institute think tank at the University of Nevada, Las Vegas (UNLV). Today, I am pleased to highlight Nevada's national economic market position and data-driven strategies that can create a stronger, more resilient economy for Nevadans alongside the GOED team, who works with my successor, Executive Director Burns.

This bill results from 18 months of work by the Las Vegas Global Economic Alliance, GOED, the Lincy Institute, and the Southern Nevada Working Group, with critical input outlined within the bill from all of Nevada's regional development authorities in urban and rural areas. I will provide a brief policy perspective on economic development, focusing on Sections 19, the Community Infrastructure Grant Program, and Section 18, the Import Substitution provision.

In 2011, Brookings Mountain West and the Lincy Institute provided the foundational research, "Unify, Regionalize, Diversify: An Economic Development Agenda for Nevada" (November 2011), to guide Governor Sandoval and the Legislature in creating the Governor's Office of Economic Development (GOED) and the state's economic development system. In 2024, we released the "Southern Nevada Regional Industrial Study," documenting Southern Nevada's weaknesses when competing with the coordinated economic development regimes in Southern California, Utah's Wasatch Range, and Arizona's Sun Corridor. This weakness undercuts the region's ability to compete for federal resources available through the CHIPS and Science Act, the Inflation Reduction Act, and the Infrastructure Investment and Jobs Act.

PLACE-BASED ECONOMIC DEVELOPMENT

Even before the pandemic, experts were urging states to reform incentives and focus on place-based economic development, tying business growth to community development, workforce training, and infrastructure. Since then, states like Utah have led the way with this approach, while others continue to rely heavily on tax incentives. Based on my time leading GOED, crafting the State Plan, and studying at Lincy, SB461 offers the best path forward.

NATIONAL INDUSTRIAL POLICY

With free trade giving way to national industrial priorities, reshoring manufacturing is now a strategic imperative. Nevada's location, bordering California, the world's fourth-largest economy, and near Pacific ports, positions us to benefit significantly. The post-pandemic rise in logistics operations here reinforces that opportunity.

WHAT'S NOT IN SB461

- No change to 2019 reforms protecting Local School Support Taxes.
- No cash deal-closing fund like deployed in Texas or South Carolina.

SECTION 19 – Community Infrastructure Grants

Companies in the site selection process seek “shovel-ready” industrial park sites. We lost a significant manufacturing opportunity in APEX due to a lack of funding for simple industrial park infrastructure. Modeled after Virginia's successful program, this new grant would allow GOED to co-invest in industrial park infrastructure with local governments and the private sector.

SECTION 18 – Import Substitution

This section removes the “Export Test” and allows GOED to recruit suppliers and vendors for Nevada's existing industries, including critical services like healthcare. It revives a proven strategy from the 1970s and aligns with the modern shift toward full value chain development.

That concludes my remarks. I now turn it over to Shellie Hughes, director of Nevada's Department of Taxation, to walk through procedures, auditing measures, and more of the measures outlined within the Act.

Michael Brown
Fellow, The Lincy Institute
michael.brown1@unlv.edu