

# TESTIMONY TO SENATE COMMITTEE ON FINANCE



May 13<sup>th</sup>, 2025

Anahit Baghshetsyan

Research Assistant

Nevada Policy

Chair Dondero Loop and Members of the Senate Committee on Finance,

Nevada Policy is in support of SB 240. Nevada's small businesses are the backbone of our economy, accounting for 99.2% of all businesses and employing over 42% of Nevada's workforce.<sup>1</sup> However, despite their significant contribution, Nevadan entrepreneurs continue to face high operational costs and excessive regulatory hurdles, particularly when it comes to business licensing fees. SB 240 takes a step toward addressing this challenge by reducing the state business license fee to \$100 for businesses with 50 or fewer employees.

According to the 2024 Small Business Challenges Survey conducted by Nevada Small Business Development center, 23% of all start-up founders cited navigating business licensing requirements as a major obstacle, while the number grew to 38% for both healthcare and manufacturing responders. When it came to rural businesses, 45% of responders saw licensing as a major hurdle.<sup>2</sup> Evidently, these fees disproportionately impact startups, family-owned businesses, as well as entrepreneurs from historically disadvantaged communities.

Furthermore, small businesses, particularly in rural communities and minority-owned enterprises, struggle to access capital at the same level as larger corporations. In 2021, banks issued \$715 million in loans to small businesses with revenues of \$1 million or less, but that total remains far below what is needed to meet the demand for affordable credit. Lowering initial licensing fees would free up capital for these businesses to invest in equipment, marketing, and workforce development, fostering economic stability and job creation.

By making it easier for new businesses to enter the market, Nevada can stimulate competition, innovation, and overall economic prosperity. SB 240 is a small but impactful change that will benefit small businesses across all industries. Hence, we strongly urge the committee to support SB 240 and take this critical step toward creating a more business-friendly Nevada.

<sup>1</sup> U.S. Small Business Administration Office of Advocacy, "Nevada 2023 Small Business Profile", <https://advocacy.sba.gov/wp-content/uploads/2023/11/2023-Small-Business-Economic-Profile-NV.pdf>

<sup>2</sup> Nevada Small Business Development Center, "2024 Nevada Small Business Challenges Survey," <https://nevadashdc.org/wp-content/uploads/2024/11/2024NevadaSmallBusinessChallengesSurvey.pdf>