

The Eureka Sentinel

Nevada Slipping in its Embrace of Personal and Economic Freedom

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Nevada ranking 12th in the nation in terms of economic and personal freedom, according to the Cato Institute, is not too shabby — until you notice that we've fallen from No. 5 in 2000.

Having legalized gambling and county-option legalized prostitution probably helps in the personal freedom category, but we've been marked down for continually raising taxes and having too many business regulations and license requirements.

But what is really frightening is that Cato only analyzed economic data through 2014, which fails to take into account that the 2015 Legislature passed, and the governor signed, a record-setting \$1.5 billion increase in taxes. Who knows how far Nevada will fall once that data is taken into account?

Cato analysts scored all 50 states on more than 200 standards including fiscal policies, as well as personal and regulatory freedom.

Cato points out that Nevada state-level taxes have risen from a low of 4.9 percent of personal income in 2009 to about 5.9 percent in 2014. Local taxes have also risen. Also government debt is well above average and rising — from 22 percent of income in 2000, state and local debt in 2014 stood at more than 26 percent of income. That is probably partly due to the \$40 billion in unfunded liability for the public employee pension fund.

The analysts mistakenly credited the state Supreme Court for some of the rise in taxation. “Nevada’s fiscal policy has worsened over time, a fact that might have something to do with a 2003 Nevada Supreme Court decision setting aside part of the state constitution, which required a supermajority for tax increases,” the Cato piece reports, neglecting to notice that the court repudiated that *Guinn v. Legislature* decision three years later. So we’ll just have to blame the lawmakers and executive branch.

We lost freedom points in the area of education, Cato notes, “Nevada was one of the worst states for educational freedom. Private schools are tightly regulated, facing mandatory state approval, mandatory teacher licensing, and detailed private school curriculum control. However, our index does not take account of the educational savings account plan passed in 2015, which in 2014 would have raised its educational freedom score to average.”

Cato did not note that the education savings accounts have yet to be implemented due to litigation questioning the law’s constitutionality.

Nevadans should be concerned about how we will rank in future analyses of our embrace of fundamental freedoms, because freedom requires equal applications of the laws and taxation. The Nevada Constitution dictates a “uniform and equal rate of assessment and taxation.”

But the state has been handing out tax breaks and tax credits and outright grants to companies that curry favor with public officials, leaving the rest of the taxpayers to foot the bill for public services needed by those favored few. Hardly conducive to freedom or equality.

Tesla Motors was given \$1.3 billion in tax breaks and credits for its new battery manufacturing plant near Sparks that opened recently with much fanfare and at a much smaller size than promised. One critic called it a Potemkin Village.

Then there were millions in similar credits for Chinese-financed Faraday Future, which says it will build an electric car manufacturing plant, though it does not even have a prototype.

And where’s the fairness in a \$1.2 million grant to solar panel installer SolarCity, which has since shutdown most operations in the state?

The Cato report can be read in its entirety at <http://www.freedominthe50states.org/>.

Nevada was once known as a live and let live state. We need to return to those values — letting people make choices for themselves and keep their own money, rather than send it to Carson City to dole out to others.