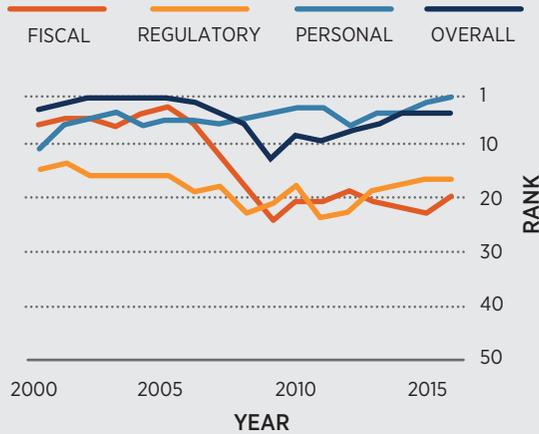


NEVADA

2016 RANK
5th



POLICY RECOMMENDATIONS

- Fiscal:** Cut air transportation, employment security administration, public buildings, and parks and recreation. Use the proceeds to trim sales and miscellaneous minor taxes. Nevada spends far more than the national average on police, but this may be warranted given the nature of its social and economic model.
- Regulatory:** Deregulate occupations such as epidemiologists, environmental health specialists, title plant personnel, interior designers, sign language interpreters, clinical laboratory technologists, pharmacy technicians, veterinary technologists, opticians, athletic trainers, massage therapists, security guards, landscaping contractors, child-care workers, bill and account collectors, well drillers, alarm installers, taxi drivers, and crane operators.
- Personal:** Abolish private school teacher licensing, state approval of private schools, and detailed curriculum requirements.



Population, 2017
2,998,039

Net Migration Rate
25.1%



State Taxes, Percent of Personal Income, FY 2017
5.76%

Local Taxes, Percent of Personal Income, FY 2015
3.49%

Partisan Lean, 2016
R +1.2



Real Per Capita Personal Income, 2016, in 2009 \$
\$40,510

Real Personal Income Growth, CAGR, 2000-15
2.7%

ANALYSIS

Unsurprisingly, Nevada is consistently one of the top states for personal freedom. However, the Great Recession, which was more severe only in Illinois and North Carolina, greatly damaged Nevada's fiscal position.

Nevada's fiscal policy has worsened since 2002, a fact that might have something to do with a 2003 state supreme court decision setting aside part of the state constitution, which required a supermajority for tax increases.¹²³ State-level taxes have gone up from a low of 5.1 percent of adjusted personal income in FY 2009 to about 5.8 percent today, while local taxes have remained steady at 3.4 to 3.5 percent of income. Nevadans have virtually no choice of local governments, given the importance of territorially vast counties. Government employment and consumption are now well below average after spiking during the recession, and government debt is coming down, though still well above average (and above where it was in 2000) at 24.1 percent of income. Cash and security assets are a bit below average at about half of the level of state and local debt.

After years of deterioration, Nevada's regulatory policy rebounded in 2013 because of a variety of factors. As one of the sand states attracting huge net immigration in the 1990s and early 2000s, Nevada has retained an admirable degree of land-use freedom. However, renewable portfolio standards are quite high and rising, affecting the cost of electricity. Nevada does have a right-to-work law but also has a minimum wage, which was hiked further in 2015. Cable and telecommunications have been liberalized. Occupational freedom declined dramatically between 2000 and 2006 because of the expansion of licensing, but in 2013 nurse practitioners gained the right of independent practice with full prescription authority. Insurance freedom

is low because of prior approval of rates and forms, but the state joined the Interstate Insurance Product Regulation Compact in 2011-12. The state has certificate-of-need requirements for hospitals and household goods movers. Direct auto sales were partially legalized in 2013. The court system is about average and improved in 2013 and 2015 as the state gradually moved off the "judicial hellhole" list.

Nevada is number one for gambling freedom (no surprise), and it is the only state with legal prostitution (local option). However, on criminal justice policy Nevada is more of a mixed bag. Nondrug victimless crime arrests are high but have fallen over time, and it is possible that they are overstated because of Nevada's high tourist population. The incarceration rate is about average for its crime prevalence. The civil asset forfeiture regime is mediocre following a small reform in 2015. Marijuana was legalized in 2016 by initiative. Gun rights are extensive and have generally gained over time. Nevada is one of the top states for alcohol freedom, with fully private wholesaling and retailing, low taxes, no blue laws, legal direct wine shipping, and wine and spirits in grocery stores. In 2013, the state enacted a law giving illegal immigrants access to driver's licenses, which outweighs its 2011 move to ban handheld cell phone use in increasing overall travel freedom. Nevada is now mediocre for educational freedom. Private schools are tightly regulated, facing mandatory state approval, mandatory teacher licensing, and detailed private school curriculum control. However, the state has a broad tax credit scholarship, enacted in 2015. Even tobacco is not as tightly controlled as one would expect from a state with the ballot initiative, although taxes were raised in 2015. Nevadans may still light up in bars with permission of the owner.

123. Michael J. New, "Judicial Nonsense in Nevada," Cato Institute, August 8, 2003, <http://www.cato.org/publications/commentary/judicial-nonsense-nevada>.