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Office of the Governor

June 1, 2023

The Honorable Steve Yeager Speaker of the Nevada State Assembly Nevada Legislature 401 South Carson Street Carson City, Nevada 89701

Re: Assembly Bill 235 of the 82nd Legislative Session

Dear Speaker Yeager:

I am forwarding to you, for filing within the time limit set forth in the Nevada Constitution and without my approval, Assembly Bill 235 ("AB 235"), which is titled as follows:

AN ACT relating to governmental administration; requiring the payment of prevailing wages to workers who perform custom fabrication on a public work or for certain performance contracts of local governments or state agencies; and providing other matters properly relating thereto.

AB 235 significantly expands Nevada's prevailing wage definition in a manner that will only serve to increase costs on prefabrication projects – with all those costs inevitably being absorbed by Nevadan taxpayers.

One of AB 235's most glaring issues is that most prefabricated components come from vendors from out-of-state or, at the very least, away from the project site. Local governments here, imposing Nevada's prevailing wage standards on workers from other states, or even other countries, is untenable due to the difficulties associated with verifying various worker's classifications and hours worked in those jurisdictions. It is untenable to expose local governments to potential costly litigation because of difficulties associated with other locales.

Since AB 235 primarily serves to make it more difficult to build and efficiently manage certain critical infrastructure projects in Nevada, I cannot support it.

For these reasons, I veto this bill and return it to without my signature or approval.

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Respectfully submitted

JOE LOMBARDO Governor of Nevada

Enclosure

cc: The Honorable Stavros Anthony, President of the Senate (without enclosure)

The Honorable Nicole Cannizzaro, Senate Majority Leader (without enclosure)

The Honorable Francisco Aguilar, Secretary of State (without enclosure)

Brendan Bucy, Secretary of the Senate (without enclosure) Susan Furlong, Chief Clerk of the Assembly (without enclosure) Brenda Erdoes, Esq., Legislative Counsel (without enclosure)