101 North Carson Street
Carson City, Nevada 89701
Office: (775) 684-5670
Fax No.: (775) 684-5683

555 East Washington Avenue, Suite
5100 Las Vegas, Nevada 89101
Office: (702) 486-2500
Fax No.: (702) 486-2505

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 520 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 520 ("AB 520"), which is titled as follows:

> AN ACT relating to state financial administration; making appropriations from the State General Fund and the State Highway Fund for the support of the civil government of the State of Nevada for the 2023-2025 biennium; providing for the use of the money so appropriated; making various other changes relating to the financial administration of the State; and providing other matters properly relating thereto.

AB520 appropriates State General Fund and Highway Fund dollars to support the civil government of the State of Nevada. These appropriations fund a wide range of services from health care to K-12 and higher education to public safety as well as the administration of the three branches of State government. This budget largely reflects the priorities I proposed in my recommended budget, and I am grateful for the hard work of the Legislature. With that said, I made it clear in my State of the State address that fiscal balance and responsibility would be paramount in my administration. AB 520 falls short in a number of important areas.

It spends more and saves less. It utilizes one-time money to fund recurring programs, and it creates the potential for Nevada to face a fiscal cliff. These undisciplined budgeting practices create an unacceptable level of risk for the people of Nevada.

I acknowledge that the Legislature's recommended budget will reflect legislative priorities, some of which may differ from my own. Among the additions included in AB 520 is 78 percent increase in funding for the Legislative Branch of government. Perhaps more troubling than the absolute value of this increase is a lack of detail around the Legislature's proposed spending

increase. I believe accountability and transparency should not only be imposed, but embraced, by our state's lawmakers.

I am also mindful that there are critical budget policy issues that remain unresolved and are beyond the scope of AB 520. This includes the need to increase the Account to Stabilize the Operations of State Government, or the State Rainy Day Fund, from 20 percent to 30 percent of operating appropriations. Fully funding this account is necessary to ensure we have the reserves needed to manage the State through the inevitable cycles of the economy.

In the short time remaining in the 2023 Session, I encourage the Legislature to revisit the elements of AB 520 and forward a revised budget that better balances our wants for today with our needs of tomorrow.

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

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)
Bryan Fernley, Esq., Legislative Counsel (without enclosure)