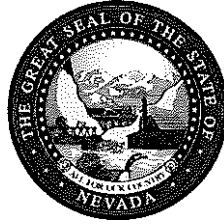


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## Office of the Governor

June 10, 2025

The Honorable Francisco Aguilar  
Nevada Secretary of State  
101 North Carson Street  
Carson City, Nevada 89701

**Re: Assembly Bill 226 of the 83rd Legislative Session**

Dear Secretary of State Aguilar:

I am forwarding to you, for filing within the time limit set forth in the Nevada Constitution and without my approval, Assembly Bill 226 ("AB 226"), which is titled as follows:

AN ACT relating to taxation; requiring an application for certain transferable tax credits and certain tax abatements to contain a certification that the applicant agrees to submit a community benefits agreement and collaborate with the community in which the business is located if the application is approved; and providing other matters properly relating thereto.

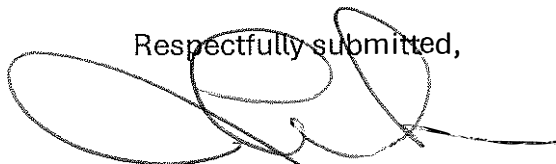
While it is certainly desirable for businesses relocating to Nevada to engage meaningfully with the communities in which they operate, AB 226 goes too far by mandating such engagement without clearly defining what that entails. The bill's most critical term—"community benefits"—is left vague and undefined, creating unnecessary uncertainty for businesses considering investment in the state. Because "community benefits" lack a standardized meaning, companies could face inconsistent expectations across different jurisdictions. A business might be required to enter into one type of agreement in one community and something entirely different in another, with no clear benchmark for what is sufficient or enforceable.

Moreover, Nevada law already imposes a robust set of requirements for businesses to qualify for tax abatements. See, e.g., Nev. Rev. Stat. §§ 360.750–.759. These include job

creation, capital investment, wage thresholds, and long-term commitments. Adding another loosely defined requirement only complicates the process and risks undermining the very purpose of abatements: to attract businesses and grow our economy. Finally, it is unclear how the state intends to monitor or enforce this provision. Will the Governor's Office of Economic Development ("GOED") be responsible for developing its own criteria for what qualifies as a valid "community benefit"? Or will it simply verify that some form of agreement exists, regardless of its substance? Either approach raises serious concerns about bureaucratic overreach or arbitrary enforcement.

AB 226 adds uncertainty, complexity, and potential regulatory burden without offering clear benefits—and it sends the wrong message about Nevada's commitment to maintaining a business-friendly environment. I cannot support it.

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 Steve Yeager, Speaker of the Assembly (without enclosure)  
Brendan Bucy, Secretary of the Senate (without enclosure)  
Bonnie Borda Hoffecker, Chief Clerk of the Assembly (without enclosure)  
Diane Thornton, Legislative Counsel Bureau, Director (without enclosure)  
Asher Killian, Legislative Counsel Bureau, Legislative Counsel (without enclosure)