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## Office of the Governor

June 2, 2025

The Honorable Nicole Cannizzaro  
Majority Leader of the Nevada State Senate  
401 South Carson Street  
Carson City, Nevada 89701

**Re: Senate Bill 327 of the 83rd Legislative Session**

Dear Leader Cannizzaro:

I am forwarding to you, for filing within the time limit set forth in the Nevada Constitution and without my approval, Senate Bill 327 ("SB 327"), which is titled as follows:

AN ACT relating to contractors; revising certain bond requirements for certain licensed contractors and certain applicants for a contractor's license; and providing other matters properly relating thereto.

SB 327 offers no clear or compelling improvement over current law, raising questions about the need for such a change. First, the bill would reduce competition by narrowing the range of acceptable bonds. Current Nevada law permits bonds from any issuer with an "A" or better rating from a nationally recognized rating agency, but this bill would limit that to sureties listed in Treasury Circular 570 ("T-listed"). With fewer bonding companies meeting this narrower requirement, contractors may face higher costs due to reduced market competition. Additionally, there is no clear rationale for excluding sureties with strong credit ratings simply because they are not T-listed—often due to their focus on state or private projects rather than federal ones. Replacing broadly recognized financial standards with a restrictive federal designation that may not align with Nevada's needs is an unnecessary and potentially harmful change.

This bill could also force contractors to switch bonding companies or renegotiate terms, potentially causing project delays. Additionally, reduced eligibility among bond providers may lead to higher premiums, increasing costs for both contractors and Nevada taxpayers.

Because SB 327 offers little to no improvement over current law while reducing competition and increasing costs, I cannot support it.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'Joe Lombardo', written over the phrase 'Respectfully submitted,'.

JOE LOMBARDO  
*Governor of Nevada*

Enclosure

cc: The Honorable Stavros Anthony, President of the Senate (without enclosure)  
The Honorable Steve Yeager, Speaker of the Assembly (without enclosure)  
The Honorable Francisco Aguilar, Secretary of State (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)