

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 16, 2023

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

Re: Assembly Bill 498 of the 82nd 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 498 ("AB 498"), which is titled as follows:

AN ACT relating to public employees' retirement; revising the calculation of contribution rates to the Public Employees' Retirement System from state employees and employers; revising the contribution rates for the separate retirement program provided by the Board of Regents of the University of Nevada; making appropriations; and providing other matters properly relating thereto.

While it is important to properly compensate our State employees, AB 498 marks a dramatic departure from the existing law regarding the split of retirement contributions between the employer and the employee. As a result, the additional costs to the State budget associated with this change are unknown and present a permanent and potentially unsustainable increase that could result in the inability to fund other important programs going forward.

I signed AB 522, the employee-pay bill ("Unclassified Pay Bill"), which included a 7% cost of living adjust in Fiscal Year 2025 if AB 498 is not approved. That increase is on top of the 10% to 13% increase in Fiscal Year 2024 and the 4% increase I initially included in my budget for Fiscal Year 2025. Those increases, along with the other benefit changes made in the Unclassified Pay Bill, will go a long way in making State employee compensation competitive with local governments and the private sector.

Given the uncertainty around the costs associated with AB 498 and the pay increases included in AB 522, I cannot support this bill.

For these reasons, I veto this bill and return it to you 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)
Susan Furlong, Chief Clerk of the Assembly (without enclosure)
Brenda Erdoes, Esq., Legislative Counsel Bureau, Director (without enclosure)
Bryan Fernley, Esq., Legislative Counsel (without enclosure)