

ONE HUNDRED ONE 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 6, 2013

The Honorable Ross Miller
Secretary of State
Capitol Building
101 South Carson Street
Carson City, NV 89701

RE: Assembly Bill 218 of the 77th Legislative Session

Dear Secretary Miller:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Assembly Bill 218, which is entitled:

AN ACT relating to public works; defining the term "bona fide fringe benefit" for certain provisions applicable to the payment of wages for public works; revising the requirements pursuant to which a contractor or subcontractor engaged on a public work may discharge his or her obligation to pay prevailing wages to workers; and providing other matters properly relating thereto.

Assembly Bill 218 refines the definition of "bona fide fringe benefit," enhances administrative and possible criminal sanctions for violations, and caps benefit contributions at 25 percent of the hourly rate of pay and requires such benefit payments to be annualized.

Assembly Bill 218 has merit. Providing a consistent and clear definition of "bona fide fringe benefit" is good for Nevada workers and would help prevent the abuse of these benefits. In fact, much of the bill is consistent with the Labor Commissioner's application of NRS 338.035 and federal labor law.

However, section 4, subsection 5 of the bill provides for an exemption from this more protective definition, stating "(t)he provisions of this section do not apply with regard to a

worker whose benefits are determined pursuant to a collective bargaining agreement.” This provision entirely exempts union contracts from the fringe benefit definition.

All workers in Nevada deserve to be paid fairly, just as all contractors in Nevada deserve to be treated fairly. By exempting benefits determined pursuant to a collective bargaining agreement, the law would hold union contractors to a less restrictive standard than non-union contractors.

Defining bona fide fringe benefits and creating a penalty system for violations is a worthy cause. Unfortunately, Assembly Bill 218 only targets non-union contractors and therefore creates an unfair distinction among Nevada workers. Because of these concerns, I veto this bill and return it to you without my signature and without my approval.

Sincere regards,



BRIAN SANDOVAL
Governor

Enclosure

cc: *The Honorable Brian Krolicki, President of the Assembly (without enclosure)*
 The Honorable Moises Denis, Assembly Majority Leader (without enclosure)
 The Honorable Marilyn Kirkpatrick, Speaker of the Assembly (without enclosure)
 David A. Byerman, Secretary of the Assembly (without enclosure)
 Susan Furlong, Chief Clerk of the Assembly (without enclosure)
 Brenda Erdoes, Esq., Legislative Counsel (without enclosure)