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Office of the Governor

June 8, 2017

The Honorable Barbara Cegavske
Nevada Secretary of State
101 North Carson Street
Carson City, NV 89701

RE: Senate Bill 106 of the 79th Legislative Session

Dear Secretary Cegavske:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Senate Bill ("SB 106"), which is entitled:

AN ACT relating to employment; requiring certain increases in the minimum wage paid to employees in private employment in the State; revising provisions governing a civil action brought by an employee whose employer violates the requirement to pay the minimum wage; and providing other matters properly related thereto.

Nevada's economy continues to recover from a historic downturn that affected tens of thousands of Nevada businesses, workers, and families. Our State was among the hardest-hit during the Great Recession, and at one point led the nation in unemployment, bankruptcies, and foreclosures. Today, Nevada is among the leading states for economic growth, with an economy that is diversifying and providing 21st century job opportunities for a new generation of workers. More than 600,000 small business jobs have been created since the recession, and average weekly wage levels in Nevada are at an all-time high. The engine behind our state's robust recovery has been, and continues to be, Nevada's private sector business community, which has overcome a turbulent and dramatic downturn through unrelenting persistence, innovation, and optimism.

SB 106, although commendable in its attempt to extend higher wages for Nevada workers, would place a significant burden on the State's small business employers at a time when they are emerging from a downturn that cost hundreds of thousands of jobs and closed the doors of businesses across the State. SB 106 would raise the minimum wage by more than 45% and 51% of current levels over the next several years. The testimony provided by small business

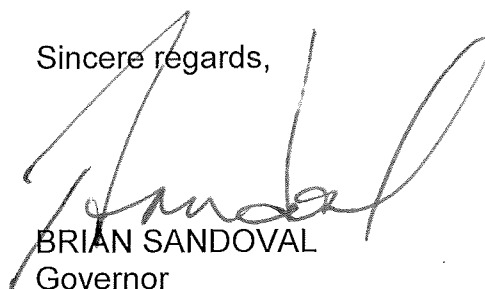
representatives stated that this increased cost of labor will unquestionably result in fewer available jobs for those who are entering the workforce or workers who have yet to attain skills for more advanced positions and occupations. Moreover, this wage increase will result in higher costs of goods and services that will be passed on to consumers. Such negative consequences threaten to undermine Nevada's economic recovery by making it harder for employers to fill positions and making it more difficult for entry-level workers to access jobs in which they can acquire skills for advancement.

It bears mentioning that Senate Joint Resolution 6, a proposal to increase the minimum wage through the approval by Nevada's voters of a constitutional amendment, was approved during the Legislative Session and will return for further consideration in 2019. Thus, the voters will decide if an increase in the minimum wage is appropriate if approved again by the Legislature in 2019.

Finally, it should be noted that opposition to the provisions of SB 106 was expressed by a number of concerned stakeholder groups. The bill is opposed by, among others, national organizations such as the National Federation of Independent Business and Americans for Prosperity, as well as all of Nevada's chambers of commerce and other local, private small business owners. These concerns are valid and should be considered in evaluating the merits and impacts of raising the minimum wage in Nevada.

For these reasons, I veto SB 106 and return it without my signature or approval.

Sincere regards,



BRIAN SANDOVAL
Governor

Enclosure

cc: *The Honorable Mark Hutchison, President of the Senate (without enclosure)*
 The Honorable Jason Frierson, Speaker of the Nevada Assembly (without enclosure)
 The Honorable Aaron Ford, Nevada State Senate Majority Leader (without enclosure)
 Claire J. Cliff, Secretary of the Senate (without enclosure)
 Susan Furlong, Chief Clerk of the Assembly (without enclosure)
 Brenda Erdoes, Esq., Legislative Counsel (without enclosure)