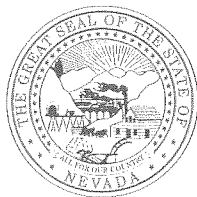


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Office of the Governor

June 3, 2017

The Honorable Aaron Ford
Nevada State Senate Majority Leader
The Nevada Legislature
401 South Carson Street
Carson City, NV 89701

RE: Senate Bill 397 of the 79th Legislative Session

Dear Leader Ford:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Senate Bill 397 ("SB 397"), which is entitled:

AN ACT relating to employment; requiring certain penalties and fines imposed by the Nevada Equal Rights Commission for certain unlawful discriminatory practices to be deposited in the State General Fund; requiring civil penalties imposed by the Nevada Equal Rights Commission for certain unlawful employment practices to be deposited in the Nevada Equal Rights Commission Gift Fund for certain purposes; making it an unlawful employment practice for an employer, employment agency or labor organization to discriminate against a person for inquiring about, discussing or disclosing information about wages in certain circumstances; revising provisions relating to unlawful employment practices; revising provisions governing the filing of complaints of employment discrimination with the Nevada Equal Rights Commission; revising the relief that the Commission may order if it determines that an unlawful employment practice has occurred; authorizing a person who has been injured by an unlawful employment practice relating to discussing or disclosing information about wages to file a complaint with the Nevada Equal Rights Commission; revising provisions relating to the time in which an employee may seek relief in district court for a claim of unlawful employment practices; and providing other matters properly relating thereto.

The purpose behind SB 397 is good. I too support efforts to end gender-based employment discrimination wherever it exists. There are provisions in the bill, such as prohibiting employees from being punished for inquiring about their coworker's pay, that are good policy. But SB 397 goes too far. It expands the authority and jurisdiction of the Nevada Equal Rights Commission (the "Commission") beyond that which is necessary and encroaches upon matters better reserved with the courts.

SB 397 builds upon protections against discrimination already in place. Currently, Nevada law makes such gender-based discrimination unlawful and provides a process by which aggrieved persons can receive redress through the Commission. Existing law also empowers the Commission to order a cease and desist of unlawful employment discrimination, and to restore certain rights and benefits that were lost due to the discriminatory conduct.

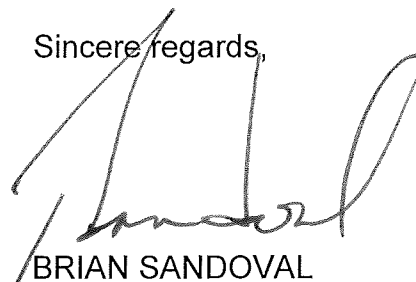
SB 397 preserves this process, but it also substantially increases the amount of damages and penalties at stake, and extends the time frame by which these claims can be made. In particular, the Commission may impose civil penalties up to \$25,000 on top of compensatory damages and attorney's fees for repeated and willful conduct.

In certain cases, such relief may be called for, but the Commission is not the proper venue to make those determinations. Instead, such disputes should be resolved through the courts where a defendant's due process rights are fully protected and a proper forum for higher stakes litigation can be adjudicated.

It was concern over the Commission's expanded disciplinary powers, enhanced penalties, and the uncertainty of an increase in the filing of frivolous complaints that generated significant opposition to this bill from Nevada's broad business community. The opposition included the Las Vegas Metro Chamber of Commerce, the Henderson Chamber of Commerce, the Reno-Sparks Chamber of Commerce, the Nevada Accountability Inc., the Nevada Franchised Auto Dealers Association, the Retail Association of Nevada, the Nevada Restaurant Association, the Nevada Chapter of Associated General Contractors of America, and the Nevada Contractor's Association.

For these reasons, I veto SB 397 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 Barbara Cegavske, Nevada Secretary of State (without enclosure)
 Claire J. Clift, Secretary of the Senate (without enclosure)
 Susan Furlong, Chief Clerk of the Assembly (without enclosure)
 Brenda Erdoes, Esq., Legislative Counsel (without enclosure)