



Nevada Home Builders Association

April 2, 2025

The Honorable Elaine Marzola
Chair, Assembly Commerce and Labor
Nevada Legislature
Room 4100, Legislative Building
Carson City, NV 89701

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Dear Chair Marzola,

The Nevada Homebuilders Association (NVHBA) is a statewide advocacy organization for the homebuilding industry and is governed by the Southern Nevada Homebuilders Association and the Builders Association of Northern Nevada. Collectively, the NVHBA represents the overwhelming majority of homebuilders throughout the state.

This letter is submitted in opposition to Assembly Bill 200. While we recognize the bill's intent to enhance protections for injured employees, the unintended consequences will lead to significant increases in workers' compensation costs and negatively impact home construction affordability.

AB 200 mandates that compensation for injured construction workers be based on the higher of their actual wage or the prevailing wage. Lump-sum payments for permanent partial disabilities would also follow this method. Because prevailing wage rates apply even when the worker was not employed on a public project at the time of injury, in nearly all cases, prevailing wage will exceed actual wages. This will lead to significantly higher payouts and a substantial increase in compensation costs.

By basing workers' compensation on prevailing wages, home builders face the risk of paying more in claims than they pay in wages. This financial strain will put home builders at a disadvantage, potentially leading to workforce reductions, hiring delays, and an increased reliance on subcontractors to mitigate liability. Subcontractors, facing the same elevated costs, will in turn raise their rates, further driving up construction expenses.

The broad language of AB 200 will result in increased workers' compensation premiums and overall costs throughout the homebuilding industry. Unlike government-funded public works projects that anticipate prevailing wage costs, home builders often do not factor these additional expenses into their budgets. Larger builders may have the resources to absorb these unexpected costs, but smaller builders will face greater financial challenges. Ultimately, the added financial burden imposed by AB 200 will result in higher home prices and reduced housing affordability.

Respectfully,

Gregory Peek, President

