# TESTIMONY TO ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS

May 9th, 2025

Anahit Baghshetsyan

Research Assistant

Nevada Policy

Chair Considine and Members of the Assembly Committee on Government Affairs,

Nevada Policy is in opposition of Senate Bill 443, which proposes extending prevailing wage requirements to contractors working on significant natural gas infrastructure projects awarded by public utilities. While the bill aims to enhance public safety and ensure high-quality work, it would inadvertently lead to increased costs, reduced competition, and potential delays in critical infrastructure development.

Prevailing wage laws in Nevada have historically resulted in labor costs significantly exceeding market rates. Our research indicates that these mandated wages are, on average, 45% higher than those in the private sector, leading to inflated expenses on public projects. For instance, between 2009 and 2010, such mandates cost Nevada taxpayers nearly $1 billion.[1]

The approximate magnitude of the wage premium can be determined by comparing prevailing wage rates with wage rates paid in the local marketplace, as reported by the Nevada Department of Employment, Training and Rehabilitation. These figures show that, on average, workers receive a 44.2% wage premium in Northern Nevada and a 45.8% wage premium in Southern Nevada.[2] These are inflated costs that will fall directly onto businesses, entrepreneurs and taxpayers.

In conclusion, the extension of prevailing wage requirements to natural gas infrastructure projects may lead to unintended economic consequences. I urge the committee to consider alternative measures that ensure public safety and work quality without imposing additional financial burdens on taxpayers or limiting market competition.

Thank you for your time.

---

[1] Geoffrey Lawrence, "Prevailing wage", Solutions Sourcebook, Nevada Policy, 2024, https://learn.nevadapolicy.org/courses/solutions-sourcebook-for-nevada-policymakers/

[2] Ibid.