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## **NACO Priorities 2017 Legislative Session**

*The Nevada Association of Counties is authorized by statute to submit five Bill Draft Requests for each legislative session. This interim, based on county legislative priorities, the NACO Board of Directors decided to submit three bills. Listed below is a summary of each.*

### **AB16 – Funding for Nevada’s Cooperative Extension Program**

*Requires the State to match the county contribution to the Cooperative Extension Program. It also requires NSHE and UNR to report to the Legislature about UNCE funding, work programs, and cooperative agreements with counties.* Cooperative Extension (UNCE) is an integral part of how the University carries out its land grant mission and brings research, programming, and knowledge to the citizens of Nevada. Though UNCE is a University program, counties are full partners in Extension and have been so since its inception nearly 100 years ago. UNCE provides many [programs](#) that benefit communities statewide – examples of just a few of those programs are: The Family Storyteller Literacy Program, 4-H, Healthy Eating on a Budget, Living with Fire, and Project MAGIC, which helps juvenile offenders leave the criminal justice system. Extension has programming and conducts research in every county in Nevada, its largest presence is in [Clark County](#). Currently, of the approximately \$20 million budget for UNCE, counties are the largest funder, providing 41% of dollars compared to only 18% from the State. Though counties now pay a disproportionate cost for the University’s Cooperative Extension program, this has not always been the case. During the recession, NSHE made funding cuts to Extension that equaled 70% and, while the University has restored many programs cut during the recession to 100% or more of pre-recession funding, UNCE has had the least funding restored of any remaining program at UNR. Simultaneously, while NSHE was cutting UNCE funding, counties, though also undergoing significant shortfalls in revenue and making severe cuts to other services, maintained their funding levels for Extension. Today, all but one county continues to fund UNCE at or above pre-recession levels. AB16 would require the State to match the county contributions that are made to UNCE. It would also increase the accountability of NSHE for UNCE by requiring annual reporting to the Legislature on UNCE funding, programming, and cooperative agreements with counties.

### **AB43 – Adjustments to the Property Tax Cap Secondary Calculation Formula**

Property taxes are Nevada’s second largest source of state and local government revenue, behind only sales and use tax. For counties and cities, a preponderance of these dollars are used for public safety. Due to the structure of Nevada’s property tax system, however, property tax revenues are not keeping pace with increases in population and the demand for services. For example, property tax revenues per housing unit in Clark County were



\$2,280 in 2006, but dropped to \$1,452 in 2016; and property tax revenues as a percentage of GDP in Clark County are less in 2016 than they were in 2006. There are similar examples throughout the State. This situation has been created in part by an unintended consequence of the abatements implemented by AB489 in 2005 which created the 3/8% caps on property taxes. ***In 2016 property tax bills for all properties were capped below the intended 3% in over half of Nevada's counties.*** This was the result of a mechanism, referred to as the "secondary cap," that was included as a late amendment to AB489. In six counties the caps for both residential and commercial properties are actually at .2%, while in three other counties they are below 3%. AB489 was passed in order to ensure that an extreme rise in property values would not translate into a similarly extreme rise in property tax bills and create an undue burden on property owners. AB489 has accomplished this; however, little analysis was done regarding how the secondary calculation would affect revenues over time, especially when compounded by a long recessionary period. This secondary calculation includes the average of the change in assessed value of all the property in a county, as well as twice the value of inflation (CPI). In 2016, because CPI was only .1% and the ten-year average change in assessed value was lower than that, this secondary calculation forced the caps down below the intended 3%. The purpose of AB43 is to correct how this secondary calculation is made so that, in FY 2017 and beyond, the caps never fall below 3%. *AB43 adds a floor of 3% below which the caps cannot fall, and adds a ten-year rolling average to the CPI portion of the formula.*

### **SB8 – Allocating an Equitable Share of the Cost to Produce PSIs to Counties**

*Rebalances the cost that counties pay for presentence investigation reports from 70% to 30%; and adds a provision to NRS allowing a county to either take over the production of the reports, or pay 100% of the cost of the reports in exchange for the State agreeing to produce the reports within a certain time frame.*

The Court Services units of the Nevada Department of Public Safety (DPS), Division of Parole and Probation conduct detailed investigations of persons convicted of felony or gross misdemeanor offenses and make sentencing recommendations to the District Court Judges through a legal document called a Presentence Investigation Report (PSI). During the 2011 Legislative Session Chapter 171 of NRS was changed to create an assessment to Nevada's counties for 70% of the cost of producing PSIs by the Department of Public Safety. Prior to 2011 the cost to produce PSIs was paid entirely by the State. Counties believe that the most equitable determination of the cost allocation for production of the reports should be based on their use by District Court Judges, which represents closer to 30% of the use of the reports. SB8 therefore proposes that the rate paid by counties to cover the costs of producing the reports reflect that and be changed from 70% to 30%. Additionally, in some counties, because of the length of time it takes to produce the PSIs, long wait times for sentencing incur significant additional costs to county jails. To remedy this, SB8 also includes provisions to allow a county to either take over the production of the PSIs entirely, or to pay 100% of the cost if DPS agrees to produce the reports within a certain timeframe.