INTERLOCAL AGREEMENT FOR IMPLEMENTATION
OF TAX ON TRANSIENT LODGING FOR
STATE GENERAL FUND AND K-12 EDUCATION FUNDING

This Interlocal Agreement ("Agreement") is executed to be effective the 1st day of July, 2009, by and between the COUNTY OF CLARK, a political subdivision of the State of Nevada (hereinafter referred to as "Clark County"), and the CITY OF LAS VEGAS, NEVADA, a municipal corporation of the State of Nevada (hereinafter referred to as "Las Vegas").

WITNESSETH:

WHEREAS, at the General Election on November 4, 2008, the electors of Clark County were presented the following question:

> "Do you support the imposition of an additional hotel and motels room tax of not more than 3 percent to be used in the first 2 years after imposition to avoid large cuts in the funding of education and other state programs and to be used thereafter to increase the funding of K-12 Education, specifically to improve student achievement and for salaries of non-administrative educational personnel?"

hereinafter referred to as "Question 5"; and

WHEREAS, the explanation to Question 5 stated in part that revenues outlined in the question would include an additional tax on transient lodging; and

WHEREAS, Question 5 was approved by a majority of the voters voting on the question at the General Election on November 4, 2008; and

WHEREAS, in order to implement Question 5, the Legislature of the State of Nevada has enacted Initiative Petition 1 of the Nevada State Legislature 2009 Session (hereafter referred to as "IP1") and pursuant to Nevada Constitution Article 4, Section 35 became law on March 18, 2009; and

WHEREAS, Section 3 of IP1 provides that the County shall impose a tax at the rate of 3 percent of the gross receipts, as applied by the provisions of IP1, from the rental of transient lodging upon all persons in the business of providing lodging within the County, including the incorporated cities; and

WHEREAS, NRS 277.180 authorizes the County and the Cities to contract with each other or with any one or more other public agencies for performance of any governmental services, activity or undertaking which the County or the Cities are authorized by law to perform; and

WHEREAS, the Clark County Board of County Commissioners, to implement the vote of its electors on Question 5 and the authority provided by the Legislature in IP1, approved an ordinance on June 2, 2009, to amend Clark County Code by adding Section 4.08.031, as a new section in Chapter 4.08 of Title 4, thereby imposing an additional tax on transient lodging; and

NOW, THEREFORE, in consideration of the mutual terms, conditions and covenants set forth below, the parties agree as follows:

SECTION 1: Education Tax.

(A) Except as otherwise provided in Subsection (B), in addition to all other taxes imposed on the revenues from the rental of transient lodging, there is imposed a tax, pursuant to an Ordinance adopted by Clark County on June 2, 2009, at the rate of 3% of the gross receipts from the rental of transient lodging in Clark County, including the incorporated cities within Clark County, upon all persons in the business of providing transient lodging. All taxes provided in this subsection are due and payable on the first day of the calendar month for the preceding month.

(B) If the sum of the rates of all other taxes existing on July 31, 2008, and imposed by the State of Nevada or any unit of local government on the gross receipts from the rental of transient lodging on any business providing transient lodging in Clark County, including the incorporated cities within Clark County, exceeds 10 percent, the tax imposed pursuant to this subsection on that business shall be imposed at a rate equal to the difference between 13 percent and the sum of the rates of the existing taxes. If the sum of the rates of the existing taxes on any business providing transient lodging in Clark County, including the incorporated cities within Clark County, is equal to or greater than 13 percent, no additional tax shall be imposed on that business pursuant to this subsection. All taxes provided in this subsection are due and payable on the first day of the calendar month for the preceding month.

(C) If the tax imposed pursuant to subsections (A) and (B) of this Section is not paid within the time set forth in the schedule for payment in Section 2 of this Agreement, the business shall pay in addition to the tax:

(1) Interest on the amount due at the rate of not more than one and five-tenths percent per month or fraction thereof from the date on which the tax became due until the date of payment, and

(2) A penalty of not more than ten percent of the amount due, exclusive of interest, or an administrative fee established by the Board of County Commissioners, whichever is greater.

SECTION 2: Payment Schedule.

The following schedule shows the tax imposed by the County on businesses that provide transient lodging and the interest and the penalty or administrative fee that is assessed for late payments:

COMBINED TRANSIENT LODGING TAX RATE*
("LVCC" means the Las Vegas Convention Center)

	Current Combined Room Tax	State Education Room Tax	New Combined Room Tax
UNINCORPORATED CLARK COUNTY			
Resort Hotel	9%	3%	12%

Other transient lodging establishments within 35 miles of LVCC	9%	3%	12%
Other transient lodging establishments more than 35 miles from LVCC	7%	3%	10%
LAS VEGAS			
Transient lodging establishments in Area A	11%	2%	13%
Transient lodging establishments in Area B	10%	3%	13%
Transient lodging establishments outside improvement district	9%	3%	12%

LATE PAYMENT CHARGES*

	CLARK COUNTY	LAS VEGAS
Maximum number of days after calendar month before late charges are assessed	15 days	15 days
Penalty or Administrative Fee	11%	10%
Interest on amount due, per month or fraction thereof	1.5%	1.5%

* The Current Combined Room Tax rates stated above were in effect on July 31, 2008. The New Combined Room Tax rates and late payment charges stated above are effective as of July 1, 2009, as stated in the Clark County Code and the City of Las Vegas Municipal Code and may be subject to change by the applicable jurisdiction. However, the rates and late charges cannot exceed the limits set forth in IP1. The terms "Area A", "Area B" and "improvement district" are as defined in the City of Las Vegas Municipal Code.

SECTION 3: Collection of tax.

(A) The tax imposed pursuant to Section 1 applies throughout the County, including the incorporated cities in the County. It will be collected together with the taxes imposed pursuant to NRS 244.3352 and NRS 268.096 by the governmental entities collecting those taxes. The government entities collecting the tax will transfer all collections of the tax imposed by Section 1 to the County and will not retain any part of the tax as a collection or administrative fee.

(B) The proceeds of the tax imposed pursuant to this section and any applicable penalty will be remitted by the County to the State Treasurer for credit to the State General Fund pursuant to Section 4 of IP1 through June 30, 2011, and be remitted by the County to the State Treasurer for credit to the State Supplemental School Support Fund effective July 1, 2011, pursuant to Section 6 of IP1.

SECTION 4: Term.

This Agreement shall be effective on July 1, 2009, and shall continue in full force and effect until action by the Nevada Legislature or Clark County changes the imposition of the tax on transient lodging.

SECTION 5: Notice.

Any time under this Agreement that notice must be given to a party hereto, notice shall be deemed given when deposited in the U.S. Mail, postage prepaid, or when hand delivered, and directed to the appropriate party as follows:

Clark County	County Manager 500 S. Grand Central Pky., 6th Floor Las Vegas, NV 89155
Las Vegas	City Manager 400 East Stewart Avenue Las Vegas, NV 89101

SECTION 6: Governing law.

This Agreement shall be interpreted under the laws of the State of Nevada.

SECTION 7: Modification of Agreement.

This Agreement may not be modified or amended except by express written agreement, duly authorized and executed by the appropriate representatives of the governing bodies of each of the parties hereto. Any other attempt at modification or amendment shall have no force or effect, and may not be relief upon by any of the parties hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and effective the day and year first above written.

City of Las Vegas	Attest: DATE 6/17/09	Approved as to form:
By ______________	______________	______________ FOR
Oscar B. Goodman Mayor	Beverly Bridges City Clerk	Brad Jerbic City Attorney
Clark County	Attest: DATE 6/2/09	Approved as to form:
By ______________	______________	______________
Rory Reid Chairman	Shirley B. Parraguirre County Clerk	Jeffrey Trull Deputy District Attorney