

COOPERATIVE AGREEMENT BETWEEN CLARK COUNTY, THE CITY OF LAS VEGAS, THE CITY OF NORTH LAS VEGAS, THE CITY OF HENDERSON, THE CITY OF BOULDER CITY, THE CITY OF MESQUITE, THE UNINCORPORATED TOWNS OF BUNKERVILLE, ENTERPRISE, LAUGHLIN, MOAPA VALLEY, PARADISE, SEARCHLIGHT, SPRING VALLEY, SUMMERLIN, SUNRISE MANOR, WHITNEY, AND WINCHESTER, THE MT. CHARLESTON FIRE PROTECTION DISTRICT, THE MOAPA VALLEY FIRE DISTRICT, THE CLARK COUNTY FIRE SERVICE DISTRICT, THE LAS VEGAS CLARK COUNTY LIBRARY DISTRICT, THE HENDERSON DISTRICT PUBLIC LIBRARIES, AND THE BOULDER CITY LIBRARY DISTRICT PURSUANT TO NEVADA REVISED STATUTE §360.730 ESTABLISHING AN ALTERNATIVE FORMULA FOR THE DISTRIBUTION OF THE LOCAL GOVERNMENT TAX DISTRIBUTION ACCOUNT

This Cooperative Agreement (hereinafter referred to as the “Agreement”) is made and entered into on this 18 day of May, 2011, by and among Clark County, the City of Las Vegas, the City of North Las Vegas, the City of Henderson, the City of Boulder City, the City of Mesquite, the Unincorporated Towns of Bunkerville, Enterprise, Laughlin, Moapa Valley, Paradise, Searchlight, Spring Valley, Summerlin, Sunrise Manor, Whitney, and Winchester, the Mt. Charleston Fire Protection District, the Moapa Valley Fire District, the Clark County Fire Service District, the Las Vegas/Clark County Library District, the Henderson District Public Libraries, and the Boulder City Library District, all of which are political subdivisions of the State of Nevada. Each of the above-listed entities may hereinafter be referred to individually as a “Party” or collectively as the “Parties.”

RECITALS

1. In 1997, Senate Bill 254 was enacted, creating the Local Government Tax Distribution Account (the “Account”), codified at NRS §360.660, and its related distribution formula (the “Formula”), codified at NRS 360.690;
2. In 2001, Assembly Bill 653 was enacted, which removed language commonly referred to as the “one plus” factor from the Formula at NRS §360.690(4)(a)(1) and (4)(b)(1) for local governments and special districts. The removal of this language was due to the fact that, at that point in time, the faster growing communities were not, and would not, capture a share of Account “excess” proceeds proportionate with the rate at which those communities were growing, and the removal of that language permitted the faster growing cities to appropriately capture a proportionate share of the Account “excess” proceeds;
3. The economy has slowed dramatically between 2001 and 2011, and now the 2001 “fix” to the Formula permitting faster-growing communities to capture an appropriate proportionate share of their growth is affecting all communities in a disproportionate manner, and in conjunction with substantial reductions in state and county-wide assessed property valuation during the last three years, the result will be an unequal distribution of the “excess” proceeds of the Account of for all but a few recipients of the Account. This inequity will result in an allocation of 2012 Account “excess” proceeds to several local entities in Clark County that will be significantly higher than their actual rate of growth;

4. Because of this disparity and other significant issues concerning the Account and the Formula, the Nevada Legislature is currently considering Assembly Bill 71 requiring an interim study evaluating the appropriate allocation of money from the Account to Account recipients;

5. Based upon the filing of Assembly Bill 71, and the Nevada Legislature's concern regarding the appropriate proportionate allocation of Account proceeds, it is the Parties' understanding that certain members of the Nevada Legislature are supportive of a change to NRS §360.730(2), to permit local governments and special districts to enter into cooperative agreements establishing an alternate formula until May 31 of a current fiscal year, as long as the Parties to this Agreement approve a cooperative agreement establishing an appropriate alternative formula for distribution of Account proceeds for this fiscal year in a manner to which the Parties agree prior to May 31, 2011;

6. NRS §360.730(1) permits as follows:

The governing bodies of two or more local governments or special districts, or any combination thereof, may, pursuant to the provisions of NRS §277.045, enter into a cooperative agreement that sets forth an alternative formula for the distribution of the taxes included in the Account to the local governments or special districts which are parties to the agreement;

7. NRS 277.045 provides, in pertinent part, as follows:

[A]ny two or more political subdivisions of this State, including, without limitation, counties, incorporated cities and towns, unincorporated towns . . . and special districts, may enter into a cooperative agreement for the performance of any governmental function. Such an agreement may include . . . the payment of money;

8. Based upon the above, the Parties desire to enter into an agreement to establish an appropriate alternative formula to recreate the effect of adding back the "one plus" factor to the Formula to equalize the distribution of Account proceeds among the Parties.

NOW, THEREFORE, in consideration of the foregoing recitals, the promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

A. Establishment of Alternative Formula.

1. Intent of Alternative Formula. The Parties to this Agreement agree that the alternative formula as provided herein shall be utilized by the Executive Director of the Nevada Tax Commission to determine a Party's share of the Clark County Account proceeds. Specifically, the Parties agree that the effect of the "one plus" factor on the Parties removed from the Formula by Assembly Bill 653 from NRS §390.690(4) is intended to be recreated by this Agreement for purposes of Account allocation to the Parties, after giving the city of Mesquite the first \$435,000 of Account distribution in excess of the base distribution, to the extent there is any.

An extract of NRS §390.690(4) with the "one plus" language inserted is attached hereto at Exhibit "1."

2. Alternative Formula Allocation Method. The mathematical method by which the Executive Director of the Nevada Tax Commission shall process the Alternative Formula and allocate Account proceeds to the Parties is described as follows:

- a. Step 1 - To the extent there is any Account distribution in excess of the base distribution, the first \$435,000 of such excess shall be distributed to the city of Mesquite.
- b. Step 2 - Any Account distribution in excess of the base distribution plus the \$435,000 identified in Step 1 shall be distributed to all the recipients as if the "one plus" language was included in:
 - i. NRS §360.690(4)(a)(1) by multiplying one-twelfth of the amount allocated to local governments pursuant to NRS 360.680 by one plus the sum of the population and assessed value growth factors; and
 - ii. NRS §360.690(4)(b)(1) by multiplying one-twelfth of the amount allocated to special districts pursuant to NRS 360.680 by one plus the assessed valuation growth factors.

A numerical depiction of the Alternative Formula is attached hereto at Exhibit "2."

B. Miscellaneous Provisions.

1. Term of Agreement. This Agreement shall terminate at 11:59 p.m. on June 30, 2013 (i.e., the Alternative Formula will only apply to fiscal years 2012 and 2013).
2. Extension of Agreement. If the 2013 Legislature does not make any amendments to the Account distribution formula, the Agreement shall extend one additional year to June 30, 2014 (i.e., fiscal year 2014).
3. Amendment of this Agreement. This Agreement may only be amended pursuant to the provisions of NRS 360.690(6).
4. Termination of this Agreement. This Agreement may only be terminated pursuant to the provisions of NRS 360.690(7).
5. Special Districts not a Party to this Agreement. The Parties acknowledge that NRS 360.690(5) mandates that any "special district" as defined by NRS 360.650 not a party to this Agreement "must continue to receive money from the Account pursuant to the provisions of NRS 360.680 and 360.390."
6. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the Parties with respect to all of any part of the subject matter hereof.
7. Headings; Exhibits. The recitals, headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to construe, interpret, expand or limit the terms of this Agreement. All exhibits attached to this Agreement are incorporated herein. Any term used in an exhibit hereto shall have the same meaning as in this Agreement unless otherwise defined in such exhibit. All references in this Agreement to sections and exhibits shall be to sections and exhibits to this Agreement, unless otherwise specified.

8. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and upon delivery to the City of Las Vegas shall constitute an original of this Agreement, but all the counterparts shall together constitute the same agreement. No counterpart shall be effective until each Party has executed at least one counterpart.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties on the day and year first above written (the "Effective Date").

BOARD OF CLARK COUNTY
COMMISSIONERS

By: Susan Brager
Susan Brager, Chair

ATTEST:

By: Diana Alba
Diana Alba, Clark County Clerk

UNINCORPORATED TOWNS OF
BUNKERVILLE, ENTERPRISE, LAUGHLIN,
MOAPA VALLEY, PARADISE, SEARCHLIGHT,
SPRING VALLEY, SUMMERLIN, SUNRISE MANOR,
WHITNEY, AND WINCHESTER

By: Susan Brager
Susan Brager, Chair

ATTEST:

By: Diana Alba
Diana Alba, Clark County Clerk

CLARK COUNTY FIRE SERVICE DISTRICT

By: Susan Brager
Susan Brager, Chair

ATTEST:

By: Diana Alba
Diana Alba, Clark County Clerk

MOAPA VALLEY FIRE DISTRICT

By: Susan Brager
Susan Brager, Chair

ATTEST:

By: Diana Alba
Diana Alba, Clark County Clerk

MT CHARLESTON FIRE PROTECTION DISTRICT

By: Larry Brown III
Larry Brown, Chair

ATTEST:

By: Diana Alba
Diana Alba, Clark County Clerk

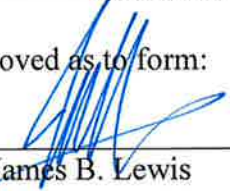
Approved as to form:

By: Mary-Anne Miller
Mary-Anne Miller
County Counsel

CITY OF LAS VEGAS

By: 
Oscar B. Goodman, Mayor

Approved as to form:

By: 
James B. Lewis
Deputy City Attorney

CITY OF NORTH LAS VEGAS

By: _____
Shari L. Buck, Mayor

Approved as to form:

By: _____
Nicholas G. Vaskov,
Acting City Attorney

CITY OF HENDERSON

By: _____
Andy Hafen, Mayor

Approved as to form:

By: _____
Elizabeth Macias Quillin
City Attorney


CITY OF BOULDER CITY

By: _____
Roger Tobler, Mayor

Approved as to form:

By: _____
Dave Olsen
City Attorney

ATTEST:

By: 
Beverly K. Bridges, MMC
City Clerk

ATTEST:

By: _____
Karen Storms, CMC
City Clerk

ATTEST:

By: _____
Sabrina Mercadante, CMC
City Clerk

Approved as to amount:

By: _____
Richard A. Derrick
Finance Director

ATTEST:

By: _____
Lorene Krumm, City Clerk

CITY OF LAS VEGAS

By: _____
Oscar B. Goodman, Mayor

Approved as to form:

By: _____
James B. Lewis
Deputy City Attorney

CITY OF NORTH LAS VEGAS

By: Shari Buck
Shari L. Buck, Mayor

Approved as to form:

By: [Signature]
Nicholas G. Vaskov,
Acting City Attorney

CITY OF HENDERSON

By: _____
Andy Hafen, Mayor

Approved as to form:

By: _____
Elizabeth Macias Quillin
City Attorney

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Roger Tobler, Mayor

Approved as to form:

By: _____
Dave Olsen
City Attorney

ATTEST:

By: _____
Beverly K. Bridges, MMC
City Clerk

ATTEST:

By: Jennifer Granger
Karen Storms, CMC
City Clerk

ATTEST:

By: _____
Sabrina Mercadante, CMC
City Clerk

Approved as to amount:

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Finance Director

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Lorene Krumm, City Clerk

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Approved as to form:

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James B. Lewis
Deputy City Attorney

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Dave Olsen
City Attorney

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City Clerk

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By: _____
Karen Storms, CMC
City Clerk

ATTEST:

By:  _____
Sabrina Mercadante, CMC
City Clerk

Approved as to amount:

By:  _____
Richard A. Derrick
Finance Director

ATTEST:

By: _____
Lorene Krumm, City Clerk

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Deputy City Attorney

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City Attorney

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Roger Tobler, Mayor

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Dave Olsen
City Attorney

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City Clerk

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By: _____
Karen Storms, CMC
City Clerk

ATTEST:

By: _____
Sabrina Mercadante, CMC
City Clerk

Approved as to amount:

By: _____
Richard A. Derrick
Finance Director

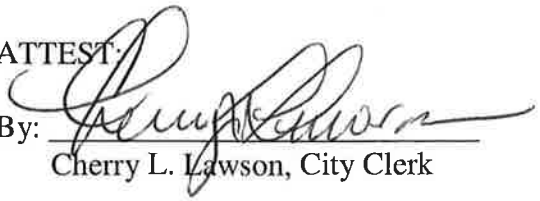
ATTEST:

By: Lorene Krumm
Lorene Krumm, City Clerk

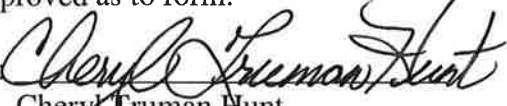
CITY OF MESQUITE

By: 
Susan Holecheck, Mayor

ATTEST:

By: 
Cherry L. Lawson, City Clerk

Approved as to form:

By: 
Cheryl Truman Hunt,
City Attorney

LAS VEGAS CLARK COUNTY LIBRARY DISTRICT

ATTEST:

By: _____
Kelly Benavidez, Vice-Chair

By: _____
Ron Kirsh, Secretary

By: _____
Jeanne Goodrich, Executive Director

Approved as to form:

By: _____
Gerry Welt
Attorney at Law

HENDERSON DISTRICT PUBLIC LIBRARIES

ATTEST:

By: _____
Thomas F. Fay
Executive Director

By: _____
Diana Alba, Clark County Clerk

By: _____
Colleen Bell
Board Chair

BOULDER CITY LIBRARY DISTRICT

ATTEST:

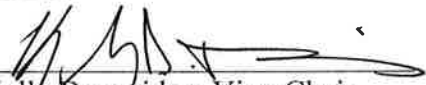
By: _____
Amy Carvalho, Chair


By: _____
S. Lynn Schofield-Dahl,
Director

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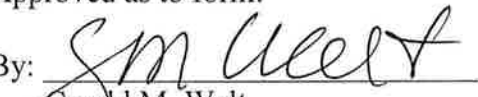
IN WITNESS WHEREOF, this Agreement has been executed by the Parties on the day and year first above written (the "Effective Date").

LAS VEGAS CLARK COUNTY LIBRARY
DISTRICT

By: 
Kelly Benavidez, Vice-Chair

By: 
Jeanne Goodrich, Executive Director

Approved as to form:

By: 
Gerald M. Welt
Attorney at Law

ATTEST:


By: 
Ron Kirsh, Secretary

CITY OF MESQUITE

By: _____
Susan Holecheck, Mayor

Approved as to form:

By: _____
Cheryl Truman Hunt,
City Attorney

LAS VEGAS CLARK COUNTY LIBRARY
DISTRICT

By: _____
Kelly Benavidez, Vice-Chair

By: _____
Jeanne Goodrich, Executive Director

Approved as to form:

By: _____
Gerry Welt
Attorney at Law

HENDERSON DISTRICT PUBLIC LIBRARIES

By: _____
Thomas F. Fay
Executive Director

By: _____
Colleen Bell
Board Chair

BOULDER CITY LIBRARY DISTRICT

By: _____
Amy Carvalho, Chair

ATTEST:

By: _____
Cherry L. Lawson, City Clerk

ATTEST:

By: _____
Ron Kirsh, Secretary

ATTEST:

By: N/A
~~Diana Alba, Clark County Clerk~~

ATTEST:

By: _____
S. Lynn Schofield-Dahl,
Director

CITY OF MESQUITE

By: _____
Susan Holecheck, Mayor

Approved as to form:

By: _____
Cheryl Truman Hunt,
City Attorney

LAS VEGAS CLARK COUNTY LIBRARY
DISTRICT

By: _____
Kelly Benavidez, Vice-Chair

By: _____
Jeanne Goodrich, Executive Director

Approved as to form:

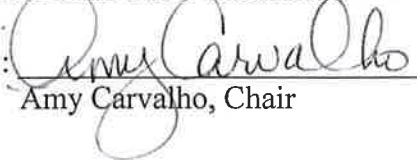
By: _____
Gerry Welt
Attorney at Law

HENDERSON DISTRICT PUBLIC LIBRARIES

By: _____
Thomas F. Fay
Executive Director

By: _____
Colleen Bell
Board Chair

BOULDER CITY LIBRARY DISTRICT

By: 
Amy Carvalho, Chair

ATTEST:

By: _____
Cherry L. Lawson, City Clerk

ATTEST:

By: _____
Ron Kirsh, Secretary

ATTEST:

By: _____
Diana Alba, Clark County Clerk

ATTEST:

By: 
S. Lynn Schofield-Dahl,
Director

Exhibit 1

NRS 360.690, Section 4, with “one plus” language highlighted for calculation Step 2:

4. Except as otherwise provided in subsections 5 to 8, inclusive, if the Executive Director determines that there is money remaining in the county’s subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, he or she shall immediately determine and allocate each:

(a) Local government’s share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to [NRS 360.680](#) by **one plus** the sum of the:

(I) Average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to [NRS 360.285](#), except as otherwise provided in subsection 9; and

(II) Average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency but excluding the portion attributable to the net proceeds of minerals, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount; and

(b) Special district’s share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to [NRS 360.680](#) by **one plus** the average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency but excluding the portion attributable to the net proceeds of minerals, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each special district an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (a), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount.

↪ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

Exhibit 2

SAMPLE CALCULATION ONLY												
Expected FY 2012 Revenues (Note 1) 770,109,304												
Growth Factors			Base Allocation			Excess Distribution			Final Distribution			
Pop	AV	Sum	1+ Sum	Dollars	%	Combined Growth Amt	%	Mesquite Adj.	One Plus	Final Distribution	% over Base	
KYLE CANYON WATER DISTRICT												
				10,346						10,346		
CLARK COUNTY	0.0180	-0.0597	-0.0416	0.9584	259,887,648	0.3463	249,070,742	0.3485	6,654,775	266,542,422	2.6%	
CITIES												
BOULDER CITY	0.0041	-0.0402	-0.0361	0.9639	7,953,963	0.0106	7,666,964	0.0107	204,849	8,158,812	2.6%	
HENDERSON	0.0216	-0.0644	-0.0428	0.9572	73,064,255	0.0973	69,938,362	0.0979	1,868,642	74,932,897	2.6%	
LAS VEGAS	0.0065	-0.0803	-0.0737	0.9263	210,064,047	0.2799	194,573,364	0.2723	5,198,691	215,262,739	2.5%	
MESQUITE	0.0443	0.0453	0.0896	1.0896	6,595,003	0.0088	7,185,943	0.0101	495,000	7,222,000	9.5%	
NORTH LAS VEGAS	0.0382	-0.0591	-0.0209	0.9791	35,546,303	0.0474	34,803,200	0.0487	929,886	36,476,189	2.6%	
UNINCORPORATED TOWNS												
BUNKERVILLE	0.0102	-0.0624	-0.0522	0.9478	505,980	0.0007	479,549	0.0007	12,813	518,793	2.5%	
ENTERPRISE	0.1080	-0.0467	0.0613	1.0613	2,905,146	0.0039	3,083,312	0.0043	82,381	2,987,527	2.8%	
LAUGHLIN	-0.0071	-0.0107	-0.0178	0.9822	5,686,656	0.0076	5,585,495	0.0078	149,236	5,835,891	2.6%	
MOAPA VALLEY	0.0247	-0.0115	-0.0132	1.0132	680,631	0.0009	689,646	0.0010	18,426	699,057	2.7%	
PARADISE	-0.0077	-0.0210	-0.0287	0.9713	54,943,282	0.0732	53,367,356	0.0747	1,425,891	56,369,173	2.6%	
SEARCHLIGHT	-0.0730	0.0123	-0.0607	0.9393	356,184	0.0005	334,567	0.0005	8,939	365,124	2.5%	
SPRING VALLEY	0.0130	-0.0821	-0.0691	0.9309	15,415,522	0.0205	14,350,978	0.0201	383,435	15,798,958	2.5%	
SUMMERLIN	0.0793	-0.0848	-0.0054	0.9946	124,540	0.0002	123,862	0.0002	3,309	127,849	2.7%	
SUNRISE MANOR	-0.0094	-0.0826	-0.0920	0.9080	7,594,835	0.0101	6,896,318	0.0097	184,259	7,779,093	2.4%	
WHITNEY	0.0710	-0.0637	0.0073	1.0073	594,252	0.0008	598,588	0.0008	15,993	610,246	2.7%	
WINCHESTER	-0.0003	0.0145	0.0141	1.0141	12,129,717	0.0162	12,301,013	0.0172	328,664	12,458,381	2.7%	
SPECIAL DISTRICTS												
BOULDER LIBRARY DISTRICT	-0.0215	-0.0215	0.9785	477,760	0.0006	467,504	0.0007	12,491	490,251	490,251	2.6%	
CLARK COUNTY FIRE PROTECTION	-0.0495	-0.0495	0.9505	37,994,616	0.0505	36,019,988	0.0504	962,397	38,857,013	38,857,013	2.5%	
HENDERSON LIBRARY DISTRICT	-0.0644	-0.0644	0.9356	1,711,968	0.0023	1,601,653	0.0022	42,794	1,754,761	1,754,761	2.5%	
LAS VEGAS/CLARK CO LIBRARY DIST.	-0.0590	-0.0590	0.9410	15,654,481	0.0209	14,731,388	0.0206	393,599	16,048,080	16,048,080	2.5%	
MOAPA FIRE PROTECTION	-0.0237	-0.0237	0.9763	658,084	0.0009	642,503	0.0009	17,167	675,250	675,250	2.6%	
MT CHARLESTON FIRE PROTECTION	-0.0914	-0.0914	0.9086	125,409	0.0002	113,940	0.0002	3,044	128,453	128,453	2.4%	
TOTAL CLARK COUNTY				750,580,626	1.0000	714,626,235	1.0000	435,000	19,093,678	770,109,304	2.6%	

Note 1 - State Dept. of Taxation assumed a 1.0% growth rate in FY 2011 and a 1.5% growth rate in FY 2012. For purposes of this **SAMPLE** calculation, it is assumed that the Account distribution grows by 3.8% in FY11 (currently 3.9% through February) and 3.0% in FY 2012.