

**CLARK COUNTY BOARD OF COMMISSIONERS
AGENDA ITEM**

Petitioner: Steven B. Wolfson, District Attorney

Recommendation:

Retain the law firm of Clark Hill to represent Clark County and pursue claims the County may have in the matter of State of Nevada, Ex. Rel Mark Fierro and Sig Rogich v. Orbitz Worldwide, LLC, et al., Eighth Judicial District Court Case Number A-20-814111, and authorize the District Attorney to execute the retainer agreement and associated documents. (For possible action)

FISCAL IMPACT:

Fund #:	N/A	Fund Name:	N/A
Fund Center:	N/A	Funded PGM/Grant:	N/A
Amount:	N/A		
Description:	N/A		
Additional Comments:	N/A		

BACKGROUND:

The Plaintiffs in the above-referenced case have instituted a qui tam action against various online travel companies (“OTCs”) for failing to pay municipal hotel room taxes. Generally, under an OTC merchant business model, an OTC negotiates with a hotel for a block of rooms at a discounted “wholesale” room rate. The OTC then provides the rooms to individual consumers at a marked up “retail” rate, which includes the wholesale rate, the hotel occupancy tax applied to the wholesale rate, and a service fee. When a consumer books a hotel room online, the consumer pays the hotel tax to the OTC upon booking. The OTC then forwards the tax, which is the amount based off of the wholesale rate, to the hotels. The OTCs, however, keep the difference between the retail rate and the wholesale rate as a service charge. The litigation centers on whether the OTCs should be paying the hotel room tax on the full amount, including the amount OTCs keep as their service fees.

Approval of the recommended action would allow the County to participate in recovery efforts. Recipients of the tax collected within unincorporated Clark County include the Las Vegas Convention and Visitors Authority, the Clark County School District, local transportation districts, the Nevada Department of Tourism, the State Supplemental School Fund, and the Clark County General Fund. The tax benefits Nevada residents by funding education and other projects, such as the stadium and transportation initiatives.

Cleared for Agenda

04/06/2021

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