

## SUPPLEMENTAL GAS TAX INTERLOCAL AGREEMENT

**THIS INTERLOCAL AGREEMENT** is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2022 between Monroe County (MONROE COUNTY), a political subdivision of State of Florida, and the City of Key West (KEY WEST), a municipal corporation of the State of Florida.

**WHEREAS**, pursuant to Florida Statutes Section 336.025, the county and municipalities intend to enter into an interlocal agreement setting forth a distribution formula for dividing the entire proceeds of the tax among county government and all eligible municipalities within the county; and

**WHEREAS**, MONROE COUNTY and the cities of KEY WEST, KEY COLONY BEACH, VILLAGE OF ISLAMORADA, LAYTON, and MARATHON have tentatively agreed to enter into Amendment Two to the Local Option Gas Tax Sharing Interlocal Agreement to update the 5-cent gas tax distribution, which is based upon populations, with the 2020 census data and the 6-cent gas tax distribution, which is based on transportation expenditures, with transportation expenditures for the most recent past 5 fiscal years (FY) (FY 2017-FY 21); and

**WHEREAS**, while the 5-cent percentage distribution for Key West increases slightly, the 6-cent percentage distribution for Key West will decrease from 36.5 % to 28.33% resulting in a reduction of funds of approximately \$250,000 based upon current gas tax revenue proceeds; and

**WHEREAS**, in order to allow for Key West to absorb this reduction over the next 4 fiscal years, the County has agreed to enter into this Supplemental ILA whereby Monroe County will compensate Key West for the difference between the new 6-cent percentage and what Key West would have received if no percentage change were made and reducing it by 25% per year over 4 years; and

**WHEREAS**, the City of Key West, the most populous municipality in Monroe County, so long as this Supplemental Gas Tax Agreement is approved, will execute the Amendment Two to the Interlocal Agreement, rendering the agreement sufficient for purposes of the Department of Revenue (DOR) and setting the updated distributions contained therein; and

**WHEREAS**, the Board of County Commissioners of Monroe County decided at a meeting of June 15, 2022, to share a portion of its distribution from the Florida Department of Revenue to compensate Key West for the difference between the new 6-cent percentage and what the City would have received if no percentage change were made and reducing it by 25% per year over 4 years;

**NOW THEREFORE, IN CONSIDERATION OF** the mutual promises and conditions contained herein, the PARTIES agree as follows:

### **SECTION 1. TERM.**

This Agreement shall be effective on the date as first written above and will be for a term beginning September 1, 2022 and continue in force for four years, ending on September 1, 2026.

### **SECTION 2. PAYMENT AMOUNT SUPPLEMENTAL TO THE LOCAL OPTION GAS TAX SHARING ILA**

This agreement supplements the county-wide Amendment Two to the Local Option Gas Tax Sharing interlocal agreement approved by the County on \_\_\_\_\_, 2022, and is intended to compensate the City of Key West for the difference between the updated 6-cent distribution percentage of 28.3% and the amount the City of Key West would have received had no percentage change been made

(36.5%) and to reduce the compensation amount by 25% per year over 4 years. Monroe County will pay in arrears from the gas tax distributions it receives from the Florida Department of Revenue (DOR). The 6-cent gas tax is levied and imposed pursuant to *Ordinance No. 033-2019* with an effective date of September 1 to August 31.

For the period of September 1, 2022, through August 31, 2023, the Monroe County shall pay Key West in arrears in two installments on or about March 1, 2023, and September 1, 2023, 100% of the difference between the gas tax revenues percentage of 28.33% and 36.5% applied to the 6-cent gas tax revenue for that annual term.

For the period of September 1, 2023, through August 31, 2024, Monroe County shall pay Key West in arrears in two installments on or about March 1, 2024, and September 1, 2024, 75% of the difference between the gas tax revenues percentage of 28.33% and 36.5% applied to the 6-cent gas tax revenue for that annual term.

For the period of September 1, 2024, through August 31, 2025, the Monroe County shall pay Key West in arrears in two installments on or about March 1, 2025, and September 1, 2025, 50% difference between the gas tax revenues percentage of 28.33% and 36.5% applied to the 6-cent gas tax revenue for that annual term.

For the period of September 1, 2025, through August 31, 2026, the Monroe County shall pay Key West in arrears in two installments on or about March 1, 2026, and September 1, 2026, 25% of the difference between the gas tax revenues percentage of 28.33% and 36.5% applied to the 6-cent gas tax revenue for that annual term.

Upon expiration of this ILA on September 1, 2026 or upon payment of the final amount by Monroe County, the percentage distribution in Amendment 2 to the ILA will apply and the County shall not pay any additional funds from gas tax distributions after August 31, 2026.

### **SECTION 3. NO ADJUSTMENT; MAINTENANCE OF RECORDS**

No adjustment to the distributions specified in Section 2 above shall be made except in a written document executed by all parties affected by the adjustment.

The City of Key West shall maintain adequate fiscal control and fund accounting procedures that comply with generally accepted government accounting principles in order to assure that the funds are spent for the purposes permitted by state statute. Any funds transferred by the COUNTY to the municipality under this agreement and which are determined by the County Clerk, an auditor employed by the COUNTY or employed by the State to have been spent for a purpose not permissible under state law must be paid back to the COUNTY with interest calculated pursuant to S. 55.03(1), FS, from the date of any report that the funds were spent for an impermissible purpose.

### **SECTION 4. TERMINATION.**

This Agreement shall terminate on or about September 1, 2026, or after the final payment is made for the period of 9/1/25 to 8/31/26 in accordance with Section 2 above, whichever occurs first. This agreement will automatically terminate with no further action needed by either party.

#### **SECTION 5. ASSIGNMENT.**

No Party may assign this Agreement or assign or subcontract any of its obligations under this Agreement without the approval of the governing boards of the other Parties. All the obligations of this Agreement will extend to and bind the legal representatives, successors and assigns of all Parties.

#### **SECTION 6. SUBORDINATION.**

This Agreement is subordinate to the laws and regulations of the United States, and the State of Florida, whether in effect on commencement of this agreement or adopted after that date.

#### **SECTION 7. GOVERNING LAWS AND VENUE.**

This Agreement is governed by the laws of the State of Florida and the United States. Venue for any dispute arising under this Agreement must be in Monroe County, Florida. In the event of any litigation, the prevailing party is entitled to a reasonable attorney's fee and costs.

#### **SECTION 8. NOTICES.**

Notices in this Agreement, unless otherwise specified, must be sent by certified mail to the following:

##### **COUNTY:**

County Administrator  
1100 Simonton Street  
Key West, FL 33040  
&  
County Attorney  
P. O. Box 1026  
Key West, FL 33041

##### **KEY WEST:**

City Manager &  
City Attorney  
P. O. Box 1409  
Key West, FL 33041

#### **SECTION 9. FULL UNDERSTANDING.**

This Agreement is the parties' final mutual understanding regarding the subject matter hereof. It replaces any earlier agreements or understandings, whether written or oral. This Agreement cannot be modified or replaced except by another written and signed agreement.

#### **SECTION 10. EXECUTION IN COUNTERPARTS.**

This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original, all of which taken together shall constitute one and the same instrument and any of the parties hereto may by signing any such counterpart.

**In Witness Whereof**, each party has caused this Agreement to be executed by its authorized representative.

(SEAL)  
KEVIN MADOK, CLERK

BOARD OF COUNTY COMMISSIONERS  
OF MONROE COUNTY, FLORIDA

By \_\_\_\_\_  
As Deputy Clerk

By: \_\_\_\_\_  
Mayor/Chairperson

(SEAL)  
ATTEST:

CITY OF KEY WEST

By: \_\_\_\_\_  
Clerk

By: \_\_\_\_\_  
Mayor

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