

INTERLOCAL AGREEMENT WITH THE CITY OF FRANKLIN AND THE FRANKLIN SPECIAL SCHOOL DISTRICT TO REDISTRIBUTE A PORTION OF THE HALF OF THE ONE-HALF PERCENT SALES AND USE TAX INCREASE THAT IS NOT ALLOCATED FOR SCHOOLS

THIS INTERLOCAL AGREEMENT ("Agreement") is entered into by and between Williamson County, Tennessee ("County") and the City of Franklin ("City"), and the Franklin Special School District ("FSSD") for the redistribution of a portion of the half of the one-half percent sales and use tax increase.

- WHEREAS,** Williamson County and the City determined that the influx of residential development within the jurisdiction of the City has resulted in the need for additional educational capital projects that will put a strain on the County's current revenue stream resulting in the County to consider raising property taxes on all real property owners in the County; and
- WHEREAS,** pursuant to Tennessee Code Annotated, Section 67-6-701, et. seq., the sales and use tax was raised by referendum from Two and One-Quarter Percent (2.25%) to Two and Three-Quarter Percent (2.75%); and
- WHEREAS,** Tennessee Code Annotated, Section 67-6-712 provides that a city, or town may without restriction contract with a county to provide for an alternative method of distribution of the One-Half Percent (0.5%) not allocated for school purposes; and
- WHEREAS,** the City and County executed an interlocal agreement to redistribute the non-educational portion of the sales and use tax ("Sales Tax Interlocal"); and
- WHEREAS,** the City of Franklin has informed the County that it was their original intent that an amount equal to the amount FSSD would receive based on the annual Average Daily Attendance ("ADA") percentage would be deducted from the City's portion prior to being redistributed to County; and
- WHEREAS,** the parties have agreed that one-half (½) of the amount based on the annual ADA in accordance with the City's intent would be paid by the City and the remaining one-half (½) would be paid by the County.

In consideration of the premises and the mutual covenants contained herein, the parties hereby agree to the following:

- I. Purpose of Agreement.** The purpose of this Agreement is to address the previous intent of the City that the ADA percent for FSSD would be deducted from the recent sales and use tax increase of One-Half Percent (0.5%) not allocated for school purposes prior to the amount being redistributed to the County. Each parties' chief administrative officer shall be authorized to act on behalf of their respective parties.
- II. Authority.** This Agreement is made and entered into pursuant to the authority granted by the parties under the Interlocal Cooperation Act, Tennessee Code Annotated, Sections 12-9-101, et seq., and the 1963 Local Option Revenue Act Tennessee Code Annotated, Section 67-6-712 and the parties agree that all approvals and filings required by the terms of said Act shall be achieved as reasonably possible prior to the execution of this Agreement.
- III. Term:** The term of this Agreement shall begin on the date this Agreement is fully executed and shall continue for the length of and shall terminate on the same day as the Sales Tax Interlocal terminates. The term of this Agreement shall not exceed the current term of the Sales Tax Interlocal. Should the legislative bodies of the City or the County or the governing body of FSSD fail to approve the terms of this Agreement, then this Agreement shall be void and of no effect and no party shall be bound by its terms.
- IV. Appropriation of Additional Funds to Franklin Special School District:** The additional appropriation of funds to FSSD for payment of educational debt service purposes shall be calculated on the 1) ADA percentage of FSSD on the number of students enrolled in public schools within Williamson County and 2) the sales and use tax increase redistributed to the County by the City of Franklin under the Sales Tax

Interlocal, as calculated by the County Trustee. The City shall distribute to FSSD an additional amount equal to one-half (½) of the ADA percentage of the One-Half Percent (0.5%) of the sales and use tax increase redistributed to the County under the Sales Tax Interlocal, as calculated by the County Trustee. The County shall distribute to FSSD an additional amount equal to the ADA percentage of the amount received from the City's redistributed non-educational portion of the One-Half Percent (0.5%) sales and use tax increase in accordance with the Sales Tax Interlocal as calculated by the County Trustee. Payments to FSSD shall be made in accordance with the biannual payment schedule as shown below. This Agreement shall not affect the current proceeds collected and distributed to the City from the current assessed Two and one quarter percent (2.25%) sales and use tax revenue.

For the period of sales occurring July 1, 2018-January 31, 2019, the City and County will respectively make payments to FSSD on or before April 15, 2019 (FY 2019)

For the period of sales occurring February 1, 2019- April 30, 2019, the City and County will respectively make payments to FSSD on or before July 15, 2019 (accrued to FY 2019)

For the period of sales occurring May 1, 2019-October 31, 2019, the City and County will respectively make payments to FSSD on or before January 15, 2020 (FY 2020)

For the period of sales occurring November 1, 2019-April 30, 2020, the City and County will respectively make payments to FSSD on or before July 15, 2020 (accrued to FY 2020)

For the period of sales occurring May 1, 2020-October 31, 2020, the City and County will respectively make payments to FSSD on or before January 15, 2021 (FY 2021)

For the period of sales occurring November 1, 2020-March 31, 2021, the City and County will respectively make payments to FSSD on or before July 15, 2021 (accrued to FY 2021)

V. Cost: Each party shall be responsible for the costs of fulfilling their obligations under this Agreement.

VI. Notices:

Notices to the County shall be sent to:

Williamson County
County Mayor
1320 West Main Street, Suite 125
Franklin, Tennessee 37064

Notices to the City shall be sent to:

City of Franklin
City Administrator
109 Third Avenue South
Franklin, Tennessee 37064

Notices to FSSD shall be sent to:

Franklin Special School District
Superintendent of Schools
507 New Highway 96 West
Franklin, Tennessee 37064

VII. Modification of Agreement: This Agreement may be modified only by written amendment executed by all parties and their signatories hereto.

VIII. Entire Agreement: This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and shall govern the respective duties and obligations of the parties.

IX. Binding: This Agreement shall be binding upon the parties and shall take effect from and after its ratification and signing by all parties after obtaining appropriate approval pursuant to the requirements of applicable law.

X. Severability: The parties agree that if any part, term, or provision of this Agreement is determined to be illegal or in conflict with any law of the State of Tennessee by any court with jurisdiction, the validity of the remaining portions or provisions shall not be affected. The rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

LAST ITEM ON PAGE
SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates recorded below.

CITY OF FRANKLIN:

Attest:

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

Approved as to form by:

Shauna R. Billingsley
City Attorney

WILLIAMSON COUNTY, TENNESSEE:

Attest:

Rogers Anderson
Mayor

Diane Giddens
Chief of Staff

Approved as to form by:

Williamson County Attorney

FRANKLIN SPECIAL SCHOOL DISTRICT

Attest:

Dr. David Snowden

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