

**LOCAL OPTION FUEL TAX
INTERLOCAL AGREEMENT BETWEEN
CITY OF MISSOULA
AND MISSOULA COUNTY**

This Interlocal Agreement (Agreement) is made and entered into between the City of Missoula (the “City”) and Missoula County (the “County”), both political subdivisions of the State of Montana. The purpose of this agreement is to define roles and responsibilities of the County and the City in the collection, administration, and distribution of revenues from the Local Option Fuel Tax (LOFT).

WHEREAS, Montana state law authorizes the people of a Montana County to impose up to a two (2) cents per gallon motor fuel excise tax, pursuant to Title 7, Chapter 14, Part 3 of the Montana Code Annotated entitled “LOCAL OPTION MOTOR FUEL EXCISE TAX”.

WHEREAS, June 2, 2020 the people of Missoula County pursuant to vote of the Missoula County electorate adopted a two (2) cent per gallon motor fuel excise tax to be imposed within Missoula County;

WHEREAS, it is estimated that the LOFT will generate \$1,100,000 annually.

Based on the foregoing, the parties agree as follows:

- 1. DURATION.** The duration or term of this Agreement shall be indefinite unless terminated pursuant to section 6 of this Agreement.
- 2. ORGANIZATION, COMPOSITION AND NATURE OF ANY SEPARATE LEGAL ENTITY CREATED BY THE CONTRACT.** The parties agree that a separate legal entity is not created by this Agreement. This Agreement does not void or supersede any other existing agreements involving the parties. Both the City and the County are independent units of local government with separate governing bodies.
- 3. PURPOSE OF INTERLOCAL CONTRACT.** The purpose of this Agreement is to clearly define roles and responsibilities of the City and County related to the collection, administration, and distribution of revenues from the LOFT.
- 4. MANNER OF COOPERATIVE UNDERTAKING AND ESTABLISHMENT OF BUDGET.** The parties agree to the following financial considerations:
 - 4.1.** The City is responsible for all City expenses unless otherwise provided for in this Agreement or by operation of law.
 - 4.2.** The County is responsible for all County expenses unless otherwise provided for in this Agreement or by operation of law.
 - 4.3.** The County will create a motor vehicle excise tax account as required by Mont. Code Ann. § 7-14-303(2).
 - 4.4.** Revenue from the County’s LOFT account will be dispersed to the City and County twice a year in accordance with Section 5.

4.5. City payments will be sent to:

City of Missoula Finance Department

435 Ryman St.
Missoula, MT 59802

5. MANAGEMENT AND ADMINISTRATION. The parties are responsible for the following management and administrative activities:

5.1. The Missoula County Treasurer, or his or her designee, will be responsible for collecting and dispersing LOFT revenue.

5.2. As required by Mont. Code Ann. § 7-14-302(2), one percent (1%) of the total revenue generated from the LOFT will be reimbursed or otherwise credited to retail sellers for the cost of complying with the requirements of the Missoula County Treasurer.

5.3. The City and County agree that should the Missoula County Treasurer determine that an administrative fee is needed, they will meet to determine a method for funding that request.

5.4. The City and County agree to split the cost of annual audits.

5.5. The Missoula County Treasurer will establish procedures to provide a refund to a person who has paid the tax but who can substantiate that the motor fuel was purchased for a use other than on the public roads and highways of this state.

5.6. The City and County will split the LOFT revenues equally after reimbursing 1% to the retail sellers and providing refunds to consumers in section 5.5.

6. TERMINATION. This Agreement may be terminated by either party unilaterally by giving notice of termination in writing at least thirty (30) days prior to the date of the intended termination. If for any reason the LOFT is terminated, the Agreement will automatically be terminated. In the event the Agreement is terminated any remaining revenues will equally be dispersed between the City and the County.

7. MANNER OF ACQUIRING, HOLDING AND DISPOSING REAL AND PERSONAL PROPERTY USED IN THE JOINT UNDERTAKING. No personal or real property shall be acquired, held and disposed of by the County or City in fulfillment of this Agreement.

8. RETIREMENT SYSTEM REPORTING. Each party is respectively responsible for any reports or payments of retirement system contributions for its employees.

9. INDEMNIFICATION. The City shall defend, indemnify and hold harmless the County, its employees and agents, from all claims, liabilities, causes of action or judgments, including costs and attorney fees, asserted by or awarded to third parties as a result of any negligent action or omission or willful misconduct of the City, its employees or agents in performance of work or services.

The County shall defend, indemnify and hold harmless the City, its employees and agents, from all claims, liabilities, causes of action or judgments, including costs and attorney fees, asserted by or awarded to third parties as a result of any negligent action or omission or willful misconduct of the County, its employees or agents in performance of work or services.

10. FILING OF INTERLOCAL AGREEMENT. The County shall file this agreement with the Missoula County Clerk and Recorder and with the Secretary of State.

11. AUTHORIZATION TO APPROPRIATE FUNDS. In accordance with Montana Code Annotated Section 7-11-108 the City and the County may appropriate funds for the purpose of performance of this Agreement and provide such personnel or services therefore as may be within its legal power to furnish.

Signed this _____ day of _____, 2020

MISSOULA BOARD OF COUNTY
COMMISSIONERS

CITY OF MISSOULA

BY:

BY:

Josh Slotnick
Chair

John Engen
Its: Mayor

David Strohmaier
Commissioner

ATTEST:

Marty Rehbein, City Clerk

Juanita Vero
Commissioner

ATTEST:

Tyler Gernant, Clerk and Recorder