FLOST Model

Intergovernmental Agreement

2025

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ACCG 2025 MODEL[1] INTERGOVERNMENTAL AGREEMENT FOR IMPOSITION OF THE FLOATING HOMESTEAD LOCAL OPTION SALES TAX (FLOST)

This Intergovernmental Agreement (as hereinafter may be referred to as "this Agreement") is entered into this the ___ day of _______, 20___ by and between _____ County, Georgia (as hereinafter may be referred to as "the County") and the Municipalities of _________, _________, and ________ (as hereinafter may be referred to individually as "each Undersigned Municipality" and collectively referred to as "the Undersigned Municipalities") for the purpose of implementing the provisions of Article 2B of Chapter 8 of Title 48 of the Official Code of Georgia Annotated as they relate to imposition of a Floating Local Option Sales Tax (FLOST) within the special tax district (hereinafter sometimes referred to as the "Special Taxing District") established for and conterminous with ___________ County pursuant to O.C.G.A. § 48-8-109.30. The County and the Undersigned Municipalities that execute this Agreement may be collectively referred to as "the Parties".

WHEREAS, the Parties desire to impose a FLOST within the Special Taxing District that is conterminous with the borders of the County and which requires entering into an intergovernmental agreement calling for a FLOST; and

WHEREAS, the County and all municipalities[2] within the Special Taxing District that levy an ad valorem tax on property currently have in effect a base year value homestead exemption or adjusted base year value homestead exemption; and

WHEREAS, the Undersigned Municipalities collectively represent at least 50 percent of the Special Taxing District's total residents of municipalities that levy an ad valorem tax on property; and

WHEREAS, the County and the Municipalities of __________, __________, and ____________ voluntarily enter into this Agreement which, upon execution by the Parties, fully satisfies the conditions precedent to issue the call for the referendum to impose the FLOST within the Special Taxing District and, if approved by a majority of the voters, to levy and distribute said tax under the terms of this Agreement and state law; and

WHEREAS, the County and the Undersigned Municipalities are authorized to enter into this Agreement by Georgia law, specifically including Article IX, Section III, Paragraph I of the

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[1] This Model IGA cannot account for the specific set of circumstances that govern each County and Municipality desiring to enter into a FLOST IGA or to remain an Absent Municipality. In all instances, each local government must consult with its own lawyer to determine the legally appropriate IGA to be adopted by that entity. Because state law does not detail or provide guidance for many practical considerations regarding the FLOST process, where appropriate, the footnotes in this Model IGA describe the reason for the possible inclusion of specific wording or a particular provision, and such provisions should be carefully evaluated by each county, city or consolidated government in consultation with their staff and lawyers.

[2] Except those municipalities imposing taxes pursuant to O.C.G.A. § 48-8-200 *et seq.* (Water and Sewer Projects and Costs Tax) which are excluded by O.C.G.A. § 48-8-109.31(f) from participating in a FLOST.

Constitution of the State of Georgia and Article 2B of Chapter 8 of Title 48 of the Official Code of Georgia Annotated; and

WHEREAS, receipt of FLOST proceeds will allow the Parties to provide services and/or the joint or separate use of facilities or equipment and this Agreement deals with services or facilities the Parties and the Absent Municipality(ies) are authorized by law to undertake or provide; and

NOW, THEREFORE, in consideration of the mutual promises and understandings made in this Agreement, and for other good and valuable consideration, the Parties consent and agree as follows:

Article I

Absent Municipalities and Ineligible Municipalities[3]

1. The Parties agree that the Municipalities of _________, ________, and ______, which are located within the Special Taxing District, are considered absent municipalities as defined in O.C.G.A. § 48-8-109.31(e)(1) because each levies an ad valorem tax on property within their jurisdiction, but they have not executed this Agreement. Such municipalities may be referred to hereinafter individually as "each Absent Municipality" or collectively as "the Absent Municipalities".

2. The Parties agree that the Municipalities of ________, ________, and ________ , which are located within the Special Taxing District, are ineligible to enter into this Agreement and may not receive FLOST proceeds because these municipalities do not levy an ad valorem tax on property. Such municipalities may be referred to hereinafter individually as "each Ineligible Municipality" or collectively as "the Ineligible Municipalities".

[3] State law does not require the IGA to identify Absent or Ineligible Municipalities, but it may be helpful to do so in order to finalize the wording for the ballot and to calculate the distribution of FLOST proceeds. Further, the documentation required to determine if a city is an Ineligible Municipality is not specifically defined in state law. In determining whether a municipality does or does not levy an ad valorem tax on property, local government attorneys may consider whether 1) the municipality, in the most recent tax year issued an ad valorem property tax bill to and collected property taxes from property owners within its jurisdiction; 2) the Georgia Department of Revenue ("DOR") has a record for the most recent tax year, such as a PT-38 form executed by the municipality, demonstrating that the governing authority of the municipality levied a net millage rate of greater than zero; or 3) the most recent Georgia County Ad Valorem Tax Digest Millage Rates report from DOR shows that a millage rate of greater than zero was levied by the governing authority of the municipality on its own behalf (*See https://dor.georgia.gov/local-government-services/digest-compliance/property-tax-millage-rates*). The local government lawyer may want to consider adding exhibits to the IGA to support the classification of municipalities as either Absent Municipalities or Ineligible Municipalities.

Article II

Satisfaction of Homestead Exemption Requirements

The Parties agree that the conditions required by O.C.G.A. § 48-8-109.31(d)(1) are satisfied because the County and each municipality within the Special Taxing District that levies an ad valorem tax on property has in effect a base year value homestead exemption or adjusted base year value homestead exemption.

Article III

Required Signatories

The Parties agree that the conditions required by O.C.G.A. § 48-8-109.31(d)(2) are satisfied because this Agreement is executed by the County and by the Undersigned Municipalities of __________, __________, and ____________, which Undersigned Municipalities collectively represent at least 50 percent of the Special Taxing District's total residents of municipalities that levy an ad valorem tax on property.[4]

Article IV

Proposed Rate and Duration of the FLOST

1. In accordance with O.C.G.A. § 48-8-109.31(c), the proposed rate of the FLOST shall be ___ [*select rate of not less than 0.05% and not more than 1.0%, using 0.05% increments*].

2. In accordance with O.C.G.A. § 48-8-109.32(a), the proposed duration of the tax shall be _____ [*select duration of up to 5 years, using calendar-quarter or annual increments*].

Article V

Call for and Conduct of the Referendum

In accordance with O.C.G.A. § 48-8-109.32(b), the county election superintendent shall issue the call for an election for the purpose of submitting the question of the imposition of the tax to the voters of the county. The call for and conduct of the election shall be administered by the county

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[4] If there are Absent Municipalities, consider the following additional provision: "The Parties agree that the population data provided in the (*2020 federal decennial census / federal annual census estimate of 20__*) shall be the official population of each jurisdiction that is used to determine any calculation of population of any jurisdiction within the Special Taxing District for the term and duration of and for all purposes under this Agreement. (*See* Exhibit "__", the Parties' calculation of the applicable population figures for the term and duration and all other purposes in this Agreement, attached hereto and incorporated by reference.)." This setting of population figures in the IGA for the term and duration of the IGA could be necessary when there are Absent Municipalities: 1) to establish that at least 50 percent of municipal population has signed the IGA; and 2) when calculating the minimum share of municipal FLOST proceeds that Absent Municipalities must receive pursuant to O.C.G.A. § 48-8-109.31(e)(2).

election superintendent in the manner authorized for special elections to present questions to the voters under O.C.G.A. § 21-2-540. Said election shall be held on the following date, which is authorized for such purposes under O.C.G.A. § 21-2-540(c)(2): ____________________.

Article VI

Ballot Language

In accordance with O.C.G.A. § 48-8-109.32(c), the ballot language for the question of imposing the FLOST shall read as follows:

( ) YES Shall a special ____ percent sales and use tax be imposed for _____ [*years or calendar quarters*] within the special district of _______ County with

( ) NO the proceeds used exclusively to reduce property taxes imposed by _____ County and the Municipalities of __________, __________, and ___________?[5]

Article VII.

Initiation and Termination of the Tax

If approved in the election held on ____________, the imposition of the tax is expected to commence on ____________ [*the first day of the calendar quarter that begins at least 50 days following the election*]. The final day for imposition of the tax—without a renewal—is expected to occur on ______________.

Article VIII.

Conditions

The Parties agree that the levy of the FLOST is conditioned upon the approval of the imposition of the FLOST by the voters of the Special Taxing District in a referendum to be held in accordance with the provisions of O.C.G.A. § 48-8-109.30 *et seq*. The Parties agree that the County's ability to comply with this Agreement is conditioned upon the collecting of the FLOST revenues by the State Revenue Commissioner and transferring same to the County in conformity with the requirements of O.C.G.A. § 48-8-109.30 *et seq*., as well as each Party's compliance with the conditions precedent set forth in O.C.G.A. § 48-8-109.31.

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[5] Each local government attorney will have to approve the exact ballot language to be used as the state law does not specify the exact wording to be used in the FLOST Context. *See* O.C.G.A. § 48-8-109.32(c). ACCG believes that the ballot question should include all Undersigned Municipalities and Absent Municipalities, without distinction or qualification, but Ineligible Municipalities should not be listed.

Article IX

Use of FLOST Proceeds

As required by O.C.G.A. § 48-8-109.42 and in conjunction with any further limitations provided in this Agreement, the Parties agree that each recipient of FLOST proceeds[6]:

(a) Is required to use FLOST proceeds exclusively to provide property tax relief; and

(b) Must ensure that the form used by the county tax commissioner or other tax collector to collect ad valorem property taxes for the Party clearly states the dollar amount by which the property tax levied by such Party was reduced as a result of the receipt of FLOST proceeds; and

(c) Must annually reduce its roll-back millage rate which is calculated in accordance with O.C.G.A § 48-5-32.1, by the millage equivalent of the net FLOST proceeds that it received in the prior taxable year.

Article X

Apportionment and Distribution of FLOST Proceeds

1. The net proceeds, including any interest thereon, of the FLOST received by __________ County from the State Revenue Commissioner shall be apportioned and distributed by the County to the Parties and any Absent Municipalities in the time and manner as provided in the Distribution Schedule. (*See* Exhibit "1", the Parties' Distribution Schedule for this Agreement, attached hereto and incorporated by reference.).

2. The Parties agree that the Distribution Schedule accounts for the minimum distributions to Absent Municipalities, which are required under O.C.G.A. § 48-8-109.31(e)(2).

Article XI

Accounting of FLOST Proceeds received by the County from the Department of Revenue[7]

The Parties agree that the County will create a separate account to be held in trust in behalf of the

[6] Absent Municipalities are not parties to a FLOST IGA but are subject to state law, so they should be encouraged to use FLOST proceeds in the same way and using the same forms, process, etc. as detailed in the Parties' FLOST IGA.

[7] O.C.G.A § 48-8-109.36 requires disbursement of all FLOST proceeds from DOR directly to the County, with the County then distributing those proceeds in accordance with the IGA's Distribution Schedule. While not expressly required in state law, the Parties may want to consider procedures for ensuring that FLOST funds are properly accounted for. As an example, this provision suggests a procedure for the County to hold the initial disbursement of FLOST proceeds from DOR in a special, interest-bearing account until the subsequent year whereupon the proceeds from the preceding year may be apportioned and distributed to accounts for the County and each municipality.

Special Taxing District for each year during which FLOST proceeds are collected and subsequently delivered to the County by the Georgia Department of Revenue. Such account shall be designated as the 20__ _______ County Special District FLOST Proceeds Fund ("Annual County SD FLOST Fund"). The County shall select a bank which shall act as a depository and custodian of each Annual County SD FLOST Fund upon such terms and conditions as may be acceptable to the County; provided, however, that each such account shall be interest bearing with interest paid into and retained within such account for later apportionment and distribution according to the Distribution Schedule. No funds other than the annual FLOST proceeds, and interest accrued thereon, shall be placed in such accounts. The funds within such accounts shall not be commingled with any other funds of the County. The funds within such accounts shall only be disbursed in the time and manner authorized under this Agreement.

Article XII

Distributions, Accounting, Record Keeping, and Audits[8]

1. The Parties agree that the County shall distribute FLOST proceeds to each Government Entity periodically as provided for in the Distribution Schedule.

2. The Parties agree that a separate account or fund shall be created by the County and by each Municipality individually, which corresponds with each year during which FLOST proceeds are to be distributed from the prior year's Annual County SD FLOST Fund. Each such account or fund shall be designated by the given Party as their 20__ "*county or municipality name"* Floating Local Option Sales Tax Fund ("Annual FLOST Tax Relief Fund").

3. The Parties agree that all records concerning funds and accounts established under Article XI and XII of this Agreement shall be kept by each Party so that the records may be audited, as may be necessary.

4. The Parties agree that the County shall distribute each Absent Municipality's share of FLOST proceeds into an account or fund established by the Absent Municipality for such purpose, unless otherwise directed by the Absent Municipality or required by state law.

5. The Parties agree that if an Undersigned Municipality or Absent Municipality ceases to exist as a legal entity or becomes an inactive municipality (as provided by law) before all funds are distributed or expended under this Agreement, that such municipality's share of the funds to be distributed subsequent to dissolution shall be paid to the County as part of the County's share to be applied against the countywide general maintenance and operations millage rate, unless an Act of the Georgia General Assembly provides otherwise within one year from the date on which funds were first unable to be distributed to such defunct or inactive municipality.

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[8] While not detailed in state law, the Parties may want to consider procedures to help ensure that each Party segregates and tracks the FLOST proceeds it receives each year because O.C.G.A §48-8-109.42(b)(2) requires an annual reduction in entity's roll-back millage rate as calculated under O.C.G.A §48-5-32.1, in the full amount of the net FLOST proceeds received by an entity during the prior taxable year.

Article XIII

Effective Date and Term of This Agreement

This Agreement shall commence upon the date of its execution by the last Party to this Agreement and shall terminate upon the later of:

(a) The official declaration by the _______ County Board of Registration and Elections of the failure of the election described in this Agreement; or

(b) The distribution to the County and all of the Municipalities of the last dollar of money collected from the FLOST after the expiration of the FLOST and the fulfilment of each Party's obligations to provide property tax relief with such money as required by state law.

Article XIV

Representations and Mutual Covenants

1. The County makes the following representations and warranties which may be specifically relied upon by all Parties as a basis for entering this Agreement:

   (a) The County is a political subdivision duly created and organized under the Constitution of the State of Georgia; and

   (b) The governing authority of the County is duly authorized to execute, deliver and perform this Agreement; and

   (c) This Agreement is a valid, binding, and enforceable obligation of the County; and

   (d) The County agrees that it is authorized to enter into this Agreement pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia and Article 2B of Chapter 8 of Title 48 of the Official Code of Georgia Annotated and that receipt of FLOST proceeds will allow the County to provide services and/or the joint or separate use of facilities or equipment which are services or facilities the County is authorized by law to undertake or provide; and

   (e) The County agrees that the terms of this Agreement, including but not limited to the Distribution Schedule are valid, comply with applicable law, and that all County FLOST proceeds will be used exclusively for property tax relief; and

(f) The County will take all actions necessary to direct the county election superintendent to call an election to be held in all voting precincts in the County on the ___ day of _______ for the purpose of submitting to the voters of the County, for their approval, the question of whether or not a FLOST shall be imposed in accordance with the provisions of this Agreement.

2. Each Undersigned Municipality that executes this Agreement, on its own behalf, makes the following representations and warranties, which may be specifically relied upon by all Parties as a basis for entering this Agreement:

   (a) The Municipality is a municipal corporation duly created and organized under the Laws of the State of Georgia; and

   (b) The governing authority of the Municipality is duly authorized to execute, deliver and perform this Agreement; and

   (c) This Agreement is a valid, binding, and enforceable obligation of the Municipality; and

   (d) The Municipality agrees that it is authorized to enter into this Agreement pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia and Article 2B of Chapter 8 of Title 48 of the Official Code of Georgia Annotated and that receipt of FLOST proceeds will allow the Municipality to provide services and/or the joint or separate use of facilities or equipment which are services or facilities the Municipality is authorized by law to undertake or provide; and

   (e) The Municipality agrees that the terms of this Agreement, including but not limited to the Distribution Schedule are valid, comply with applicable law and that the Municipality's FLOST proceeds will be used exclusively for property tax relief.

3. During the term of this Agreement, the Parties shall comply with all State law applicable to a FLOST, specifically including but not limited to Article 2B of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, and all provisions of this Agreement shall be construed in light of the applicable provisions of State law.

Article XV

Notices

All notices, consents, waivers, directions, requests or other instruments or communications provided for under this Agreement shall be deemed properly given when delivered personally or sent by registered or certified United States mail, postage prepaid to the following addresses: ____________ for the County, _______________ for the Municipality of ________________, _______________ for the Municipality of ________________, and _______________ for the Municipality of ________________. The Parties agree to give each other non-binding duplicate email notice. Future changes in address shall be effective upon written notice being given by the City to the County

Manager or by the County to the City Manager via certified first-class U.S. mail, return receipt requested.

Article XVI

Entire Agreement

This Agreement, including any attachments or exhibits, constitutes all of the understandings and agreements existing between the County and the Municipalities with respect to the distribution and use of the proceeds from the FLOST. Furthermore, this Agreement supersedes all prior agreements, negotiations and communications of whatever type, whether written or oral, between the Parties hereto with respect to distribution and use of said FLOST proceeds. No representation oral or written not incorporated in this Agreement shall be binding upon the County or the Municipalities.

Article XVII

Severability, Non-Waiver, Applicable Law, and Enforceability

If a decision of a court of competent jurisdiction renders any provision of this Agreement (or portion of a provision) invalid or otherwise unenforceable, that provision or portion of the provision will be severed and the remainder of this Agreement will continue in full force and effect as if the invalid provision or portion of the provision were not part of this Agreement. No action taken pursuant to this Agreement should be deemed to constitute a waiver of compliance with any representation, warranty, covenant, or agreement contained in this Agreement and will not operate or be construed as a waiver of any subsequent breach, whether of a similar or dissimilar nature. This Agreement is governed by the laws of the State of Georgia without regard to conflicts of law principles. Should any provision of this Agreement require judicial interpretation, it is agreed that the arbitrator or court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the same, it being agreed that the agents of all parties have participated in the preparation hereof.

Article XVIII

No Consent to Breach

No consent or waiver, express or implied, by any party to this Agreement, to any breach of any covenant, condition, or duty of another party shall be construed as a consent to or waiver of any future breach of the same.

Article XIX

Counterparts

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the authorized representatives of the Parties have hereunto set their hands and affixed the seals of the respective Government Entities as of the date above first written.[9]

_________ COUNTY BOARD OF COMMISSIONERS

By: _______________
Chairman

Attest: _____________
Clerk

THE CITY OF _________

By: _________________
Mayor

Attest: _________________
Clerk

THE CITY OF _________

By: _________________
Mayor

Attest: ______________
Clerk ______________

[9] Consider having each Undersigned Municipality and the County sign separate signature pages for ease of exchange, distribution and recording/filing of an original IGA in the minutes of each Governing Authority.

EXHIBIT 1
DISTRIBUTION SCHEDULE

1. Timing of distribution of proceeds:[10]

The County shall disburse all funds from the prior year's Annual County SD FLOST Fund into the Annual FLOST Tax Relief Fund for each Party by ___________ of each year and to each Absent Municipality by _______ of each year.

2. Apportionment and Distribution of FLOST Proceeds:[11]

(a) For the term and duration of this Agreement, the Parties agree that FLOST proceeds shall be apportioned and distributed among the Parties in such a manner so as to provide for broad property tax relief for the taxpayers of the Special Taxing District and not result in a net increase in revenue for any jurisdiction.

To such end, the Parties agree that the FLOST proceeds shall be apportioned to result in the reduction, by an equal percentage, of each millage rate that was levied by the governing authority of any Party on taxable property within the Special Taxing District at the rates shown in *(the Georgia Department of Revenue's 2024 Georgia County Ad Valorem Tax Digest Millage Rates report, published April 30, 2025,* *https://dor.georgia.gov/local-government-services/digest-compliance/property-tax-millage-rates; or the PT-35 or PT-38 form executed by the governing authority of each Party and filed with the Georgia Department of Revenue for the 2024 property tax year)*.

(b) The distribution percentages shall be calculated using the following formula:

[Describe the Formula]

(c) The distribution percentages shall be *(applicable for the term and duration of this Agreement OR annually recalculated by the County on the basis of the most recently completed tax year and applied prospectively to apportion the FLOST proceeds collected in the year during which such recalculation occurred)*: [12]

[10] State law does not specify the timing of disbursements, so the Parties may agree that the County will disburse FLOST proceeds on an annual basis or more frequently. Regardless of the selected timing for disbursements, it would be prudent for each Government Entity to hold its FLOST proceeds in an interest-bearing account until their subsequent fiscal year, which is when the proceeds would provide a dollar-for-dollar offset against the jurisdiction's roll-back rate for that year.

[11] The Parties to a FLOST IGA must negotiate the Distribution Schedule, as no revenue split is provided in state law. Thus, the Parties will have to determine the appropriate methodology to calculate the distribution percentages for the County, each Undersigned Municipality, and each Absent Municipality. One approach would be to use a formula that provides taxpayers with an equal percentage reduction in each net millage rate levied by the governing authority of any Party to this agreement. Such a proportional share for distributing FLOST proceeds could be determined by dividing the net revenue generated by each Party from its ad valorem property taxes by the total net revenue generated by all Parties collectively from ad valorem property taxes.

[12] These calculations could be performed a single time based upon the most recent completed tax year prior to

(d). Table of distribution percentages:

[Insert Table]

3. <u>Absent Municipalities:</u> *(If there are Absent Municipalities in the Special Taxing District)*

(a) The Parties agree that the Absent Municipalities within the Special Taxing District, which are not Parties to this Agreement, remain eligible to receive FLOST proceeds. The Absent Municipalities are limited to the Municipalities of ____________, ___________, and _________.

(b) The Parties agree that such Absent Municipalities are bound to use and account for FLOST proceeds in accordance with state law.

(c) In accordance with O.C.G.A. § 48-8-109.31(e)(2), the distribution percentage established for any municipality through the formula and table in Paragraph 2 of this Exhibit shall be subject to adjustment as necessary to ensure that each Absent Municipality's distribution percentage meets or exceeds its minimum municipal population share ratio as determined in Paragraph 5 of Exhibit 2. No such adjustment shall affect a County's distribution percentage or dollar share.[13]

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the first year of the Agreement and such distribution percentages would remain unchanged for the term and duration of the Agreement. Alternatively, the distribution percentages could be recalculated more frequently (such as annually) for the term and duration of the Agreement.

[13] The calculations for ensuring Absent Municipalities receive a certain minimum share should not affect the County's share of FLOST proceeds. State law requires the proceeds payable to municipalities be adjusted, as necessary, to ensure that each Absent Municipality receives the minimum percentage share of the total *municipal* allocation; any funds used to account for Absent Municipalities should come from the municipalities' collective pot and not the County's share. *See* O.C.G.A. § 48-8-109.31(e)(2).

Use if there are one or more Absent Municipalities:

EXHIBIT 2

Minimum Municipal Population Share Ratios for Absent Municipalities

1. The Parties have agreed that the (*2020 federal decennial census / federal annual census estimate of 20__*) shall be used to determine the population for the duration and term of and all other purposes of this Agreement.

2. The Parties agree that within the Special Taxing District there are _______ total residents of municipalities that levy an ad valorem tax on property.[14]

3. The Parties agree that the Undersigned Municipalities collectively represent ___% and the Absent Municipalities collectively represent ___% of the Special Taxing District's total residents of municipalities that levy an ad valorem tax on property.

4. The Parties agree that each Absent Municipality must receive a percentage of those FLOST proceeds apportioned among the municipalities within the Special Taxing District, which is not less than the Absent Municipalities' municipal population share ratio.

5. The Parties agree that:

(a) The Absent Municipality of __________ represents __% of the Special Taxing District's total residents of municipalities that levy an ad valorem tax on property and thus has a minimum municipal population share ratio of ___%; and

(b) The Absent Municipality of __________ represents __% of the Special Taxing District's total residents of municipalities that levy an ad valorem tax on property and thus has a minimum municipal population share ratio of __%; and

(c) The Absent Municipality of __________ represents __% of the Special Taxing District's total residents of municipalities that levy an ad valorem tax on property and thus has a minimum municipal population share ratio of __%.

6. As necessary, the Parties agree that the Distribution Schedule shall be adjusted proportionately among municipalities to ensure that each Absent Municipality receives its minimum population share ratio using the collective share of FLOST proceeds apportioned to municipalities; provided, however, that while adjusting the share allotted among municipalities, it should not result in any other Absent Municipality's distribution percentage dropping below its minimum municipal population share ratio. No such adjustment shall affect a County's distribution percentage or dollar share.

[14] Do not include the populations of the unincorporated areas of the County, any Ineligible Municipalities, or residents of municipalities that do not reside within the Special Taxing District.