

A motion by Wisconsin, South Dakota, Tennessee and Washington amend the bylaws of the Streamlined Sales Tax Governing Board:

Article One – Name and Purpose

Section 4. *Conflicts.* If there is a conflict between the bylaws and the Agreement, the Agreement controls. If there is a conflict between a rule to the Agreement and the bylaws, the rule controls.

Article Three - Membership

Section 1. *Composition of the Governing Board.* The Governing Board shall be composed of Member States, Contingent Member States and Associate Member States.

Section 4. *Contingent Member Status.* A state may be admitted to the Governing Board as a Contingent Member pursuant to the terms and conditions adopted and made part of the Agreement.

Section 4.5. *Associate Member Status.* A state may be admitted to the Governing Board as an Associate Member pursuant to terms and conditions adopted and made part of the Agreement.

Section 5.6. *Annual Recertification.* Each Member State shall annually re-certify that such state is in compliance with all terms of the Agreement pursuant to section 803. A state that is a Contingent Member State or an Associate Member States shall annually re-certify that such states is in compliance with the terms of the Agreement pursuant to sections 801.2 and 801.3 respectively.

~~Any state which is an Associate Member on January 1, 2007 will have until December 31, 2007 to come into compliance with the Agreement, at which time each such Associate Member's compliance with the Agreement will be evaluated unless the state had earlier been determined to be in compliance with the Agreement.~~

Section 6.7. *Payment of Annual Cost Allocation.* Member, Contingent Member and Associate Member States must pay the annual cost allocation, hereafter referred to as dues, adopted at an annual meeting of the Governing Board in order to remain in good standing.

Section 7 8. *Number of Representatives to Governing Board.* Each Member, Contingent Member or Associate Member State may appoint up to four representatives to the Governing Board as described in section 806 of the Agreement. Each Associate Member or Member State shall have only one vote.

Section 8 9. *Expulsion or Withdrawal.* Any Member, Contingent Member or Associate Member State failing to properly comply with the terms of the Agreement or failing to pay the annual cost allocation may be expelled upon action of the Governing Board. Member States, Contingent Member States or Associate Member States may also be permitted to withdraw from the Governing Board. Both expulsion and withdrawal are described in the Agreement, Section 808.

Section 9 10. *Restrictions on Contingent Member States and Associate Member States.* Contingent Member States and Associate Member States will have all the rights and privileges of Member States under the Agreement except the following restrictions shall apply:

a. An Associate Member State will not be allowed to vote on amendments to or interpretations of the Agreement.

b. ~~A~~ A Contingent Member State and an Associate Member State will not have access to the names of sellers or other data provided by volunteering sellers through the central registration system unless the seller has determined that it will collect on sales into the Associate Member State.

c. ~~A~~ A Contingent Member State and an Associate Member State may not receive information from the Governing Board on companies being audited by the Governing Board unless the State is a part of the audit.

d. A representative of an Associate Member State shall not be eligible to serve on the Compliance Review and Interpretations Committee.

e. An Associate Member State may not vote to determine if a petitioning state is in compliance with the Agreement.

Section 10 11. *Advisor States.*

States that previously held status as Implementing States shall become non-member, Advisor States to the Governing Board upon the expiration of the duties of the Streamlined Sales Tax Implementing States. A state that was not previously an Implementing State may become an

Advisor State by following the procedures set forth in SSUTA, Section 703 D.4. Any question over whether a state qualifies as an Advisor State shall be resolved by a majority vote of the Governing Board.

Advisor States shall serve in an *ex officio* capacity on the Governing Board with non-voting status, but may speak to any matter presented to the Governing Board for consideration. Each Advisor State may appoint up to four representatives to the Governing Board.

An Advisor State will not have access to the names of sellers, any seller information or other data provided by volunteering sellers through the central registration system. An ~~Advisor~~ Advisor State shall not receive information from the Governing Board or its Member States on companies being audited by the Governing Board.

An Advisor State may not participate in a closed session of the Governing Board or its committees unless invited by the committee chair.

Article Four - Meetings of the Governing Board

Section 1. *Quorum.* A two-thirds majority of the membership shall constitute a quorum. A quorum is required to conduct the business of Governing Board at any meeting. For the purposes of determining whether a quorum is established, at least one representative of a Member, Contingent Member or Associate Member State (hereinafter referred to as “State”) must be participating in the meeting, either in person or electronically.

Section 3. *Special Meetings.* Special meetings of the Governing Board may be called by the Officers, the Executive Committee, or by petition of forty percent of the Member States. Such meetings shall be held in a State at such time and place as determined by the Executive Committee. Notice provisions in Section 5 of this Article apply.

Section 4. *Emergency Meetings.* Emergency meetings of the Governing Board may be called by the President, the Executive Committee, or by petition of forty percent of the ~~membership~~ Member States. Such meetings shall be held at such time and place as determined by those who called the meeting. The purpose of the meeting must be contained in the notice, and no other business may be transacted. Electronic participation will be allowed. The thirty day notice requirements in Section 5 may be waived,

although each State must be notified, and public notice must be given as far in advance as possible.

Section 6. *Voting Rights.* Each State of the Governing Board shall be entitled to one vote on each matter submitted to a vote at a meeting. For a vote for Officers and Executive Committee Directors, each State shall have one vote for each Officer or Director to be elected.

All actions taken by the Governing Board, except as otherwise provided in the Agreement, shall require an affirmative vote of a majority of those present and voting.

A three-fourths vote of the ~~Governing Board~~ Member States and Contingent Member States is required to (1) approve a state's petition for membership, ~~A three-fourths vote of only the Member States of the Governing Board is required to~~ (2) amend the Agreement, ~~or~~ (3) to act on a request for interpretation of the Agreement, (4) ~~or to~~ adopt an Interpretive Rule, find a state not-in-compliance with the Agreement, excluding the state in question, and (5) act on a request that a tax is a prohibited tax, excluding the state in question. The adoption of a resolution to sanction a State for noncompliance with the Agreement shall require the affirmative vote of three-fourths of the entire Governing Board, excluding the state that is the subject of the resolution.

~~**Section 7. *Amendment approval.***~~ Except as provided in this section, amendments to the Agreement of a policy nature must first be approved at a Governing Board meeting, subject to amendment, debate and roll call vote. Final approval must occur at a subsequent Governing Board meeting. The amendment must receive an affirmative vote at both meetings. The requirement for a second vote may be waived after the first vote with the unanimous consent of those full members of the Governing Board present. For the purposes of this section, a "policy" amendment is one which imposes a requirement on a member state.

Article Five – Officers

Section 4. *Succession.* When possible, the Nominating Committee shall put forth a slate of candidates for the offices of President, First Vice-President and Second Vice-President that allows for the succession of officers from Second Vice-President to First Vice-President to President, subject to election by the Governing Board. Nothing in this

section shall prevent an officer from serving more than one term in the same office, but in no case shall an individual serve more than three additional years as provided in Section 2. Nothing in this section shall prevent the Nominating Committee from altering this planned succession if circumstances require.

Section 5. Resignation. The Officers shall be deemed to have resigned if their state is no longer a Member, Contingent Member or Associate Member State. Officers may resign from the office without having to resign as representatives to the Governing Board. They may not remain on the Executive Committee.

Article Six – Executive Committee

Section 1. Powers and Duties. The general affairs of the Governing Board shall be managed by an Executive Committee in accordance with policies approved by the Governing Board. The immediate past president of the Governing Board shall be an *ex officio* member of the Executive Committee with voting rights. The executive director of the Governing Board shall be an *ex officio* member of the Executive Committee with no voting rights. The Executive Committee is granted authority to:

1. Appoint an executive director of the Governing Board for such term as the Executive Committee shall deem appropriate and to fix compensation for the executive director and any and all staff determined to be necessary to conduct the business of the Governing Board.
2. Fix the duties and responsibilities of the executive director, and through the executive director, the work, policies and compensation of subordinates.
3. Provide for the raising of revenue, other than dues, and the discharge of obligations incurred by its employees.
- ~~4. Prepare an annual budget for the operation of the organization and submit it to the Governing Board for approval.~~
5. Provide for the regular dissemination of information to the membership, the Governing Board and to the public.

6. Enter into contracts and obligations for the attainment of the ends and purposes of the Governing Board in areas specifically delegated by the Governing Board and in accordance with their policies.

Section 5. *Regular Meetings.* The Executive Committee shall meet each calendar quarter unless the President of the Governing Board determines that more frequent meetings are needed. These meetings shall be at such times and at such places as designated by the President of the Governing Board. Notice of meetings shall be given in accordance with Section 7 in these bylaws.

Section 11. *Quorum.* More than fifty percent of the Executive Committee shall be present, in person or electronically, to constitute a quorum and to vote. A quorum is not required to discuss business of the Executive Committee, but is required for the Executive Committee to vote.

Article Seven – Standing Committees of the Governing Board

Section 1. *Nominating Committee.* The Governing Board shall elect a Nominating Committee of eight persons who are delegates to the Governing Board at the annual meeting from a ~~multiple~~ single slate of nominees representative of the States. Candidates for members of the Nominating Committee may also be nominated from the floor at the annual meeting with the consent of the person being nominated, and are not limited to those recommended by the Nominating Committee. Any person nominated from the floor must also be a delegate to the Governing Board. The President shall chair the Nominating Committee once elected and shall be a member of the Nominating Committee.

Nominating committee members serve a one-year term, and may serve no more than three consecutive terms.

The Nominating Committee shall actively seek candidates for nomination as Officers and Directors. The Nominating Committee shall present a single slate of Officers and Directors of the Executive Committee to the members voting at the annual meeting. Candidates for Officers or Directors may also be nominated from the floor at the annual meeting, with the consent of the person being nominated, and are not limited to those

recommended by the Nominating Committee. Any nomination from the floor must be in accordance with Article VI, Section 4 (Qualifications).

In the event of a vacancy between annual meetings, the Nominating Committee shall make recommendations to the Executive Committee to fill vacant Director positions. Vacant Officer positions shall be filled in accordance with Article V, Section 3. Vacancies occurring in the Nominating Committee between annual elections shall not be filled.

Section 2. *Compliance Review and Interpretations Committee.* The Compliance Review and Interpretations Committee has the dual responsibility for: (1) recommending rules to the Governing Board to respond to statements of non-compliance, making recommendations to the Governing Board on applications of states for compliance with the Agreement, maintaining a Compliance Review Guide, reviewing all compliance review reports to determine any needs for reassessment, recommending findings of ~~compliance~~ or non-compliance to the Governing Board, and fulfilling such other responsibilities as specified in the Agreement or assigned to them by the Executive Committee; and (2) making recommendations to the Governing Board on matters involving interpretations, definitions, revisions or additions to the Agreement.

The President, with the approval of the Executive Committee, shall annually appoint a Committee Chair, a Vice Chair and ~~six~~ five committee members from the Member States of the Governing Board. Committee members must be executive or legislative branch employees of the Member State but are not required to be a delegate to the Governing Board. The Committee Chair will serve on the Executive Committee as an *ex officio* member without vote.

Section 8. Voting. All members of the Compliance Review and Interpretations Committee and the Issue Resolution Committee under this article are selected as individuals, not representatives or states, therefore, using a proxy delegate to determine quorum or to vote is not allowed.

Article Eight – Advisory Councils and Public Participation

A. State and Local Advisory Council.

Section 2. *Membership.* The membership shall consist of one representative from each state that is a participating ~~member~~ state of the Streamlined Sales Tax Project, ~~designated by the state~~ as outlined in the Agreement and Rule 810.2.A.

In addition, the Governing Board shall appoint ~~three representatives~~ one representative nominated from each of the following organizations to represent local government on the Council: U.S Conference of Mayors, National League of Cities, National Association of Counties, and the Government Finance Officers Association.

The Governing Board may appoint other state and local officials to serve on the Council as it deems appropriate or necessary.

Section 6. *Relationship to Business Advisory Council.* The State and Local Advisory Council shall seek the advice of and respond to the ~~b~~B~~usiness~~ ~~a~~A~~dvisory~~ ~~c~~C~~ouncil~~ recognized pursuant to these bylaws on any item pertaining to the business community, prior to formulating a recommendation to the Governing Board or its committees.

Section 7. *Quorum.* A majority of the membership shall be present, in person or electronically, to constitute a quorum and to vote. A quorum is not required to discuss business of the Council, but is required for the Council to vote.

B. Business Advisory Council.

Section 1. *Purpose.* The Governing Board shall recognize a ~~b~~B~~usiness~~ ~~a~~A~~dvisory~~ ~~c~~C~~ouncil~~ to advise it on matters pertaining to the administration of the Agreement, including but not limited to, admission of states into membership, noncompliance, interpretations, and revision or additions to the Agreement. The Governing Board and its committees shall solicit and consider ~~c~~C~~ouncil~~ positions on these matters. The ~~c~~C~~ouncil~~ also provides a forum for the private business sector to express its ideas and concerns and to have a formal process to bring those concerns to the Governing Board.

Section 2. *Membership.* The ~~c~~C~~ouncil~~ must demonstrate that its membership is recruited from businesses of all sizes and industry types and is therefore representative of the national business community. The ~~c~~C~~ouncil~~ shall establish requirements for membership and shall be open to any business, association, or practitioner meeting those requirements. The ~~c~~C~~ouncil~~'s membership requirements shall be written in a manner that

allows for diverse representation of the business community. The eCouncil shall not prohibit the admittance of any person or persons on the basis of race, religious creed, color, national origin, ancestry, sexual orientation or sex.

Section 3. *Rules of Operation and Organizational Structure.* The eCouncil shall adopt Bylaws and Rules of Procedure that shall include establishment of a Board of Directors, and may include committees or workgroups, decision-making processes and setting the eCouncil agenda. The Board of Directors of the council shall be representative of the diversity of its membership.

Section 4. *Officers.* The Board of Directors of the eCouncil, in accordance with its Bylaws, will appoint such officers as it deems necessary to carry out its functions. The Board of Directors will also appoint two individuals to serve as *ex officio* members of the Governing Board, without vote.

Section 5. *Agenda Setting.* The ~~b~~Business ~~a~~Advisory eCouncil will consider and respond to those matters referred to it from the Governing Board and its committees. In addition, the eCouncil may recommend items to the Governing Board for consideration and response. The Governing Board shall give due consideration to the positions of the eCouncil.

Section 6. *Relationship to State and Local Advisory Council.* The ~~b~~Business ~~a~~Advisory eCouncil shall seek the advice of and respond to the State and Local Advisory Council on any item pertaining to the business community or tax administration prior to formulating a recommendation to the Governing Board or its committees.

C. Public Participation. The rules of the Governing Board shall provide that members of the public, who are not members of ~~the council~~ either Council, shall have the opportunity to be heard in public hearings and may submit comments to the Governing Board.

Article Nine – Procedures for Adopting/Amending Bylaws

Section 1. *Adoption of Bylaws.* The Governing Board ~~may be~~ was formed by ~~adopting and adopted~~ these bylaws ~~at an annual meeting, as described in Article Four,~~ when at least ten states comprising at least twenty percent of the total population of all

~~states imposing a state sales tax have petitioned the Streamlined Sales Tax Implementing States (hereinafter referred to as SSTIS) and are either found to be in compliance with the Agreement pursuant to Section 805, or found to be an Associate Member. Associate Member States shall be included in determining whether the requisite number of states and the required population thresholds have been met on October 1, 2005.~~

Section 2. *Bylaw Amendments.* These bylaws may be amended, repealed or altered in whole or in part by a majority of those present and voting at any annual or special meeting of the Governing Board, providing that the amendment, repeal or alteration has been presented in writing not less than thirty days prior to giving notice of the meeting to Member States, the ~~h~~Business ~~a~~Advisory ~~e~~Council and the State and Local Government Advisory Council.

Article Ten — General Powers

Section 6. *Loans.* No loans shall be contracted on behalf of the Governing Board and no evidence of indebtedness shall be issued in its name unless authorized by the Governing Board. Such authority may be general or confined to specific instances.