

## **A motion by Oklahoma to amend the bylaws relating to Associate Members**

### **Article Three - Membership**

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

**Section 2.** *Eligibility and Requirements.* Membership on the Governing Board shall be open to any state of the United States of America and the District of Columbia that is in compliance with the Agreement as provided in Section 805. Any such entity desiring membership must submit a petition for membership and a Certificate of Compliance to the Governing Board. The application must be in accordance with Sections 801 through 804 of the Agreement.

**Section 3.** *Member Status.* After approval of a state's petition for membership, such state shall be called a Member State.

**Section 4.** *Associate Member Status.* A petitioning state that is found not to be in compliance with the Agreement may be admitted to the Governing Board as an Associate Member if:

- a) the changes to their statutes, rules, regulations or other authorities necessary for compliance are scheduled to take effect on or before ~~January 1, 2008~~;
- b) ~~a majority of the Petitioning states find that the state has achieved substantial compliance with the terms of the Agreement taken as a whole, but not necessarily each provision as required by Section 805, and there is a reasonable expectation that the state will achieve compliance by January 1, 2008.~~ a date which is no more than eighteen months after the date on which petition is considered by the Governing Board.

~~No state may be an Associate Member after December 31, 2007.~~

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**Section 5.** *Annual Recertification.* Each Member State shall annually re-certify that such state is in compliance with all terms of Agreement pursuant to section 803.

Any state which is an Associate Member on June 30, 2007, ~~Associate Member States~~ 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.** *Payment of Annual Cost Allocation.* 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.** *Number of Representatives to Governing Board.* Each 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.** *Expulsion or Withdrawal.* Any 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 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.** *Restrictions on Associate Member States.* Associate Member States will have all the rights and privileges of Member States under the Agreement except the following restrictions shall apply:

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

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.

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.