

A motion by Wisconsin to amend the bylaws relating to committee processes and general administration:

**BYLAWS OF THE STREAMLINED SALES
TAX GOVERNING BOARD, INC.**

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 5. Annual Recertification. Each Member and Associate 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 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.~~

Article Four - Meetings of the Governing Board

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

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 majority of the entire Governing Board presenting and voting, excluding the state that is the subject of the resolution.

Article Five – Officers

Section 2. *Election and Term of Office.* The four officers shall be directly elected by the Governing Board at the annual meeting from a slate put forth by the Nominating Committee. They shall serve a one-year term, but may serve three additional one-year terms as officers, but not more than four years consecutively in any office or combination of offices. The term of office shall begin on January 1 following the annual meeting. They shall hold office until their successors are selected, notwithstanding the term limits set forth herein. At least one officer shall be from the legislative branch of a state.

Section 5. *Resignation.* The Officers shall be deemed to have resigned if their state is no longer a member or an 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.
7. If adequate funds exist, affirm the appointment of a general counsel selected by the executive director. The general counsel shall provide an analysis on any concerns with the constitutionality of the Agreement, including its rules and interpretations, the Agreement's compliance with any pending or enacted federal legislation related to remote sellers collecting the member state taxes, and assist the Governing Board and its committees on any legal issues, including serving as a legal liaison for the Compliance Review and Interpretations Committee.

Section 3. *Representation of States.* The Nominating Committee shall assure geographic representation and diversity on the slate of Officers and Directors for the Executive Committee. The Committee shall also, to the extent possible, have equal representation between the legislative and executive branches of the states.

Section 10. *Vacancies.* When any Officer or Director's position becomes vacant between annual meetings due to resignation or loss of position as a duly appointed representative of a State to the Governing Board, the vacancy shall be filled by the Executive Committee from recommendations of the Nominating Committee. In the case of excessive absence, incapacity or inability to serve of any Officer or Director, the President (or in the case of the President, the First Vice-President) shall declare that a vacancy exists, and the executive committee shall act to confirm the vacancy and fill the position as described in Article V, Section 3, and Article VII, Section 1. "Excessive absence" exists when an Officer or Director fails to participate in at least two-thirds of all meetings in a calendar year.

Section 11. *Quorum.* At least two-thirds of the executive committee shall be present, in person or electronically, to constitute a quorum and must exist when voting. A quorum is not required to discuss business of the executive committee, but it is required for the committee to vote.

Article Seven – Standing Committees of the Governing Board

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 and six 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. The Committee members shall, to the extent possible, have equal representation between the legislative and executive branches of the states.

Section 4. *Issue Resolution Committee.* The Issue Resolution Committee has the responsibility to promulgate rules and to implement the issue resolution process in Article X of the Agreement. The President, with the approval of the Executive Committee, shall annually appoint an Issue Resolution Committee Chair and four 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. The Committee members shall, to the extent possible, be attorneys with at least ten years experience in state taxation.

Section 8. Voting. All members of committees under this Article are elected as individuals, not representatives of states, therefore, using a proxy delegate to determine a quorum or vote is not allowed.

Section 9. Vacancies. When any committee member position becomes vacant between annual meetings due to resignation or loss of position as a duly appointed representative of a State to the Governing Board, the vacancy shall be filled by the Executive Committee. In the case of excessive absence, incapacity or inability to serve of any committee member, the President (or in the case of the President, the First Vice-President) shall declare that a vacancy exists, and the executive committee shall act to confirm the vacancy and fill the position. "Excessive absence" exists when a committee member fails to participate in at least two-thirds of all meetings in a calendar year.

Section 11. Quorum. At least two-thirds of the committee's members shall be present, in person or electronically, to constitute a quorum and to vote. A quorum is not required to discuss business of the committee, but it is required for the committee to vote.

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 of the Streamlined Sales Tax Project, designated by the state as outlined in the Agreement~~ member, an associate member or an advisor state.

In addition, the Governing Board shall appoint three representatives 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 7. Quorum. At least one-half 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 it is required for the Council to vote.