

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

3 A Nonprofit Corporation

4 Adopted October 1, 2005

5 (Amended April 19, 2006, August 30, 2006, June 23, 2007, September 20, 2007, May 12, 2009,  
6 October 6, 2011, and May 24, 2012)

7  
8 **Article One – Name and Purpose**

9 **Section 1. Name.** The name of this organization shall be the Streamlined Sales Tax  
10 Governing Board, Inc., and its membership shall be determined under these bylaws as set  
11 forth in Article Three.

12 **Section 2. Purpose.** The object and purpose of this organization shall be to  
13 administer and operate the Streamlined Sales and Use Tax Agreement as Amended (the  
14 “Agreement”) under authority conferred in the Agreement.

15 **Section 3. Powers.** The Streamlined Sales Tax Governing Board, Inc. (hereinafter  
16 referred to as “Governing Board”) may take any action that is necessary and proper to  
17 fulfill the purposes of the Agreement including but not limited to employing staff,  
18 advisors, consultants or agents and allocating the cost of administering the Agreement  
19 among the Member States. Procedures for amending the Agreement are contained in the  
20 Agreement.

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

24 *Compiler’s note: Section 4 was added October 6, 2011 via BL11001. This amendment became effective*  
25 *upon its adoption.*

26 **Article Two – Offices**

27 **Section 1. Offices.** The principal office of the Corporation shall be located  
28 within or without the State of Indiana at such place as the Board of Directors shall from  
29 time to time designate. The Corporation may maintain additional offices at such other  
30 places as the Board of Directors may designate. The Corporation shall continuously  
31 maintain within the State of Indiana a registered office at such place as may be  
32 designated by the Board of Directors.



1 compliance with the terms of the Agreement pursuant to Sections 801.2 and 801.3 respectively.” and the  
2 sentence “A state which is an Associate Member on January 1, 2007 will have until December 31, 2007 to  
3 come into compliance with the Agreement, at which time each such Associate Member’s compliance with  
4 the Agreement will be evaluated unless the state had earlier been determined to be in compliance with the  
5 Agreement.” was removed. This amendment became effective upon its adoption

6 **Section 7. Payment of Annual Cost Allocation.** Member, Contingent Member and  
7 Associate Member States must pay the annual cost allocation, hereafter referred to as  
8 dues, adopted at an annual meeting of the Governing Board in order to remain in good  
9 standing.

10 *Compiler’s note: “, Contingent Member” was added October 6, 2011 via BL11001 and became*  
11 *effective upon its adoption.*

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

16 *Compiler’s note: “, Contingent Member States” was added October 6, 2011 via BL11001 and*  
17 *became effective upon its adoption.*

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

24 *Compiler’s note: “, Contingent Member” and “, Contingent Member States” were added October 6,*  
25 *2011 via BL11001 and became effective upon its adoption.*

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

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

32 b. A Contingent Member State and an Associate Member State will not have access  
33 to the names of sellers or other data provided by volunteering sellers through the central

1 registration system unless the seller has determined that it will collect on sales into the  
2 Associate Member State.

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

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

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

10 *Compiler's note: "Contingent Member State" information was added October 6, 2011 via BL11001*  
11 *and became effective upon its adoption.*

12 **Section 11. Advisor States.** States that previously held status as Implementing  
13 States shall become non-member, Advisor States to the Governing Board upon the  
14 expiration of the duties of the Streamlined Sales Tax Implementing States. A state that  
15 was not previously an Implementing State may become an Advisor State by following the  
16 procedures set forth in SSUTA, Section 801.4(4). Any question over whether a state  
17 qualifies as an Advisor State shall be resolved by a majority vote of the Governing Board.

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

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

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

27 *Compiler's note: Section 4 was added October 6, 2011 and existing Sections 4, 5, 6, 7, 8, 9, and 10*  
28 *were renumbered accordingly via BL11001 and became effective upon its adoption.*

## 30 **Article Four - Meetings of the Governing Board**

31 **Section 1. Quorum.** A two-thirds majority of the membership shall constitute a  
32 quorum. A quorum is required to conduct the business of Governing Board at any

1 meeting. For the purposes of determining whether a quorum is established, at least one  
2 representative of a Member, Contingent Member or Associate Member State (hereinafter  
3 referred to as “State”) must be participating in the meeting, either in person or  
4 electronically.

5 *Compiler’s note: “, Contingent Member” was added October 6, 2011 via BL11001 and became*  
6 *effective upon its adoption.*

7 **Section 2. Annual Meeting.** An annual meeting of the membership of the  
8 Governing Board shall be held once each year for the purpose of electing Officers and  
9 Executive Committee Directors, for approving an annual budget, and for the transaction  
10 of such other business as may come before the meeting. The annual meeting shall be  
11 held at such time and place as determined by the Executive Committee. Notice  
12 provisions in Section 5 of this Article apply.

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

18 **Section 4. Emergency Meetings.** Emergency meetings of the Governing Board may  
19 be called by the President, the Executive Committee, or by petition of forty percent of the  
20 Member States. Such meetings shall be held at such time and place as determined by  
21 those who called the meeting. The purpose of the meeting must be contained in the  
22 notice, and no other business may be transacted. Electronic participation will be allowed.  
23 The thirty day notice requirements in Section 5 may be waived, although each State must  
24 be notified, and public notice must be given as far in advance as possible.

25 *Compiler’s note: The word “membership” was changed to “Member States” October 6, 2011 via*  
26 *BL11001 and became effective upon its adoption.*

27 **Section 5. Notice of Meetings.** Except in the case of an emergency meeting, or a  
28 meeting in which the Agreement is to be amended, written notice stating the place, day,  
29 and hour of any special or annual meeting of the Governing Board shall be delivered  
30 thirty days in advance by mail or electronically to each State entitled to vote at such  
31 meeting, and the Executive Committee shall provide public notice not less than thirty  
32 days before the date of such meeting. In the case of a special meeting, the notice shall

1 contain a statement of the purpose of the meeting. Notice of any meeting at which  
2 proposals to amend the Agreement will be considered must follow the procedures  
3 outlined in Section 901 of the Agreement.

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

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

10 A three-fourths vote of the Member States and Contingent Member States is required  
11 to (1) approve a state's petition for membership, (2) amend the Agreement, (3) to act on a  
12 request for interpretation of the Agreement, (4) adopt an Interpretive Rule, (5) find a state  
13 not-in-compliance with the Agreement, excluding the state in question, and (6) act on a  
14 request that a tax is a prohibited tax, excluding the state in question. The adoption of a  
15 resolution to sanction a State for noncompliance with the Agreement shall require the  
16 affirmative vote of three-fourths of the entire Governing Board, excluding the state that is  
17 the subject of the resolution.

18 *Compiler's note: On October 6, 2011 this Section was amended to add "Contingent Member" everywhere*  
19 *it is listed, added the last two vote requirements in Section 6 and deleted the former Section 7, which was*  
20 *added to Governing Board Rule 901, via BL11001 and became effective upon its adoption.*

## 21 22 **Article Five – Officers**

23 **Section 1. Titles and Duties.** The officers of Governing Board shall be the  
24 President, First Vice-President, Second Vice-President and Secretary/ Treasurer. The  
25 President shall preside at all meetings of the Governing Board and Executive Committee.  
26 The First Vice-President, the Second Vice-President and the Secretary/Treasurer shall  
27 perform such duties as the President may from time to time assign or delegate to them.

28 The President shall prepare and present an annual report of the work of Governing  
29 Board to the States at the annual meeting. The President shall have such other powers  
30 that may be reasonably necessary to the performance of the office.

31 The First Vice-President shall serve in the President's absence.

32 The Second Vice-President shall coordinate such projects as the President assigns.

1           The Secretary/Treasurer shall see that all records, reports, and certificates required  
2 by law are properly kept or filed and shall see that the financial records of the  
3 organization are kept in accordance with generally accepted accounting principles and  
4 that an annual report of the finances of the organization is presented at the annual  
5 meeting. The Secretary/Treasurer shall also chair the finance committee and shall assist  
6 in the preparation of an annual budget.

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

14           **Section 3. *Vacancies.*** Should the office of President become vacant during a term  
15 or upon completion of the term, the First Vice-President shall fill the vacancy. Should  
16 the office of First Vice-President become vacant during a term, the Second Vice-  
17 President shall fill the vacancy. Should any of the other offices become vacant, the  
18 Executive Committee shall appoint a representative of a State of the Governing Board to  
19 fill the vacancy unexpired term. Officers who fill vacancies shall serve the unexpired  
20 portion of the term of the predecessor in that office and may be elected to the same office  
21 for a full term.

22           **Section 4. *Succession.*** When possible, the Nominating Committee shall put forth a  
23 slate of candidates for the offices of President, First Vice-President and Second Vice-  
24 President that allows for the succession of officers from Second Vice-President to First  
25 Vice-President to President, subject to election by the Governing Board. Nothing in this  
26 section shall prevent an officer from serving more than one term in the same office, but in  
27 no case shall an individual serve more than three additional years as provided in Section  
28 2. Nothing in this section shall prevent the Nominating Committee from altering this  
29 planned succession if circumstances require.

30           **Section 5. *Resignation.*** The Officers shall be deemed to have resigned if their state  
31 is no longer a Member, Contingent Member or Associate Member State. Officers may

1 resign from the office without having to resign as representatives to the Governing Board.  
2 They may not remain on the Executive Committee.

3 **Section 6. Compensation.** Officers shall not, by virtue of the office, be entitled  
4 to receive any salary or compensation from the Governing Board, but nothing shall be  
5 construed to prevent any officer from receiving reimbursement for any expenses incurred  
6 on behalf of Governing Board.

7 *Compiler's note: On October 6, 2011 "additional" was added to Section 4 and the "deemed" language*  
8 *was added to Section 5 via BL11001 and became effective upon its adoption.*

9

## 10 **Article Six – Executive Committee**

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

17

- 18 1. Appoint an executive director of the Governing Board for such term as the Executive  
19 Committee shall deem appropriate and to fix compensation for the executive director  
20 and any and all staff determined to be necessary to conduct the business of the  
21 Governing Board.
- 22 2. Fix the duties and responsibilities of the executive director, and through the executive  
23 director, the work, policies and compensation of subordinates.
- 24 3. Provide for the raising of revenue, other than dues, and the discharge of obligations  
25 incurred by its employees.
- 26 4. Provide for the regular dissemination of information to the membership, the  
27 Governing Board and to the public.
- 28 5. Enter into contracts and obligations for the attainment of the ends and purposes of the  
29 Governing Board in areas specifically delegated by the Governing Board and in  
30 accordance with their policies.



1           **Section 2. *Number and Terms.*** There shall be five Directors on the Executive  
2 Committee in addition to the four Officers. The term of office for a Director shall be two  
3 years. Directors and Officers will be elected annually at the annual meeting of the  
4 Governing Board. Three Directors will be elected in odd-numbered years, two directors  
5 in even-numbered years, except that in the year the Governing Board is formed, all five  
6 Directors will be elected, but the Directors whose terms would ordinarily expire the year  
7 following formation of the Governing Board will be elected for one-year terms. No  
8 Director may serve more than two complete two-year consecutive terms, except those  
9 Directors filling an unexpired term or an initial one-year term shall be eligible to serve a  
10 full term if elected. All Directors will serve until their respective successors are elected.

11           **Section 3. *Representation of States.*** The Nominating Committee shall assure  
12 geographic representation and diversity on the slate of Officers and Directors for the  
13 Executive Committee.

14           **Section 4. *Qualifications.*** Any duly appointed representative of a State is eligible to  
15 serve as a Director or Officer, except that no more than one Officer or Director shall be  
16 elected from a State at any given time.

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

22           **Section 6. *Special Meetings.*** Special meetings of the Executive Committee may be  
23 called by the President. The time and place of special meetings shall be fixed by the  
24 President, and if desirable, may be held via teleconference. Notice of special meetings  
25 must be given 10 days in advance to the public, Executive Committee and to the States.  
26 The meeting notice must include the items to be discussed, and no other business may be  
27 transacted. In case of an emergency meeting, the 10-day notice requirement may be  
28 waived, although every member of the Executive Committee must be notified, and notice  
29 to the States and the public must be given as far in advance as possible.

30           **Section 7. *Notice.*** The Executive Committee members shall be given at least 30  
31 days notice prior to any regular meeting. Public notice shall also be given 30 days in

1 advance of the meeting. Any Officer or Director may waive notice of a meeting. Notice  
2 requirements for special meetings are included in Section 6.

3 **Section 8. Voting.** Each Officer or Director shall have one vote. Since Officers and  
4 Directors are elected as individuals, not representatives of states, voting by a proxy  
5 delegate from the Officer or Director's state is not allowed when the Officer or Director  
6 is absent.

7 **Section 9. Manner of Acting.** Five affirmative votes shall be required to approve  
8 any action of the Executive Committee.

9 **Section 10. Vacancies.** When any Officer or Director's position becomes vacant  
10 between annual meetings due to resignation or loss of position as a duly appointed  
11 representative of a State to the Governing Board, the vacancy shall be filled by the  
12 Executive Committee from recommendations of the Nominating Committee. In the case  
13 of incapacity or inability to serve of any Officer or Director, the President (or in the case  
14 of the President, the First Vice-President) shall declare that a vacancy exists, and the  
15 Executive Committee shall act to confirm the vacancy and fill the position as described in  
16 Article V, Section 3, and Article VII, Section 1.

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

21 *Compiler's note: On October 6, 2011 the former subdivision 4 of Section 1 (dealing with the budget) was*  
22 *repealed and Section 11 was added via BL11001 and became effective upon its adoption.*

## 24 **Article Seven – Standing Committees of the Governing Board**

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

1 Nominating Committee once elected and shall be a member of the Nominating  
2 Committee.

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

5 The Nominating Committee shall actively seek candidates for nomination as Officers  
6 and Directors. The Nominating Committee shall present a single slate of Officers and  
7 Directors of the Executive Committee to the members voting at the annual meeting.  
8 Candidates for Officers or Directors may also be nominated from the floor at the annual  
9 meeting, with the consent of the person being nominated, and are not limited to those  
10 recommended by the Nominating Committee. Any nomination from the floor must be in  
11 accordance with Article VI, Section 4 (Qualifications).

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

17 *Complier's Note: On October 6, 2011 Section 1 was amended by replacing "multiple" with "single*  
18 *and adding the second and third sentences via BL11001 and became effective upon its adoption.*

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

29 The President, with the approval of the Executive Committee, shall annually appoint  
30 a Committee Chair, a Vice Chair and five committee members from the Member States  
31 of the Governing Board. Committee members must be executive or legislative branch

1 employees of the Member State but are not required to be a delegate to the Governing  
2 Board. The Committee Chair will serve on the Executive Committee as an *ex officio*  
3 member without vote.

4 *Complier's Note: On October 6, 2011 Section 2 was amended by adding a "vice chair" via BL11001*  
5 *and became effective upon its adoption.*

6 **Section 3. Finance Committee.** The Finance Committee has the responsibility to  
7 prepare an annual budget, monitor finances, review contracts, establish banking  
8 procedures and other financial policies, and to recommend cost allocations for States for  
9 the Governing Board's approval. The Secretary-Treasurer shall act as Finance Chair.  
10 The Chair shall annually select four additional committee members to serve on the  
11 Finance Committee from the membership of the Governing Board.

12 **Section 4. Issue Resolution Committee.** The Issue Resolution Committee has the  
13 responsibility to promulgate rules and to implement the issue resolution process in Article  
14 X of the Agreement. The President, with the approval of the Executive Committee, shall  
15 annually appoint an Issue Resolution Committee Chair and four committee members  
16 from the Member States of the Governing Board. Committee members must be  
17 executive or legislative branch employees of the Member State but are not required to be  
18 a delegate to the Governing Board. The Committee Chair will serve on the Executive  
19 Committee as an *ex officio* member without vote.

20 **Section 5. Other Committees.** The President, with the approval of the Executive  
21 Committee, may establish such other standing or ad hoc committees as from time to time  
22 are deemed necessary or desirable, and may, with the approval of the Executive  
23 Committee, appoint Chairs to such Committees. These Chairs of Standing Committees  
24 will serve on the Executive Committee as an *ex officio* member without vote.

25 **Section 6. Open Meetings, Notice Provisions.** Except in circumstances permitted by  
26 the Agreement, all meetings of standing or *ad hoc* committees of the Governing Board  
27 shall be open meetings and shall provide for public comment.

28 **Section 7. Committee Vacancies.** Unless otherwise stated in these bylaws,  
29 whenever any standing committee chair's position becomes vacant between annual  
30 appointments due to resignation or loss of position within the legislative or executive  
31 branch of government, the vacancy shall be filled by the President, with the approval of

1 the Executive Committee. In the case of incapacity or inability to serve, the President  
2 shall declare that a vacancy exists, and the Executive Committee shall act to confirm the  
3 vacancy and fill the position in the manner provided in these bylaws.

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

8 *Complier's Note: On October 6, 2011 Section 8 was added via BL11001 and became effective upon its*  
9 *adoption.*

## 10 **Article Eight – Advisory Councils and Public Participation**

### 11 **A. State and Local Advisory Council.**

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13  
14 **Section 1. Purpose.** The Governing Board shall create a State and Local  
15 Advisory Council to advise it on matters pertaining to the administration of the  
16 Agreement, including but not limited to, admission of states into membership,  
17 noncompliance, interpretations, and revision or additions to the Agreement. The  
18 Governing Board, working through its committees, shall solicit and consider Council  
19 positions on these matters.

20 The Council also provides a forum for state and local government officials not  
21 represented on the Governing Board to express their ideas and concerns and to have a  
22 formal process to bring those concerns to the Governing Board.

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

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

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

32 *Compiler's Note: On October 6, 2011 Section 2 was amended to add the rule reference and to change*  
33 *“three” to “one” via BL11001 and became effective upon its adoption.*

1       **Section 3. Officers.** The President, with the consent of the Executive Committee,  
2 shall appoint from among this group a Chair and Vice Chair of this Advisory Council to  
3 serve a one-year term. An individual may serve no more than two consecutive terms as  
4 Chair or Vice-Chair, except to fill an unexpired term. The Chair and Vice-Chair will  
5 serve as *ex officio* members of the Governing Board, without a vote.

6       **Section 4. Rules of Operation.** The Council will operate under Rules of Procedure  
7 as adopted by the Governing Board which may include establishment of committees or  
8 workgroups, decision-making processes and setting the Council agenda.

9       **Section 5. Agenda Setting.** The Council will consider and respond to those matters  
10 referred to it from the Governing Board or its committees. In addition, the Council may  
11 recommend items to the Governing Board for consideration. The Governing Board shall  
12 give due consideration to the positions of the Council.

13       **Section 6. Relationship to Business Advisory Council.** The State and Local  
14 Advisory Council shall seek the advice of and respond to the Business Advisory Council  
15 recognized pursuant to these bylaws on any item pertaining to the business community,  
16 prior to formulating a recommendation to the Governing Board or its committees.

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

20       *Compiler's Note: On October 6, 2011 Section 7 was added via BL11001 and became effective upon its*  
21 *adoption.*

## 22

### 23 **B. Business Advisory Council.**

24       **Section 1. Purpose.** The Governing Board shall recognize a Business Advisory  
25 Council to advise it on matters pertaining to the administration of the Agreement,  
26 including but not limited to, admission of states into membership, noncompliance,  
27 interpretations, and revision or additions to the Agreement. The Governing Board and its  
28 committees shall solicit and consider Council positions on these matters. The Council  
29 also provides a forum for the private business sector to express its ideas and concerns and  
30 to have a formal process to bring those concerns to the Governing Board.

1           **Section 2. Membership.** The Council must demonstrate that its membership is  
2 recruited from businesses of all sizes and industry types and is therefore representative of  
3 the national business community. The Council shall establish requirements for  
4 membership and shall be open to any business, association, or practitioner meeting those  
5 requirements. The Council’s membership requirements shall be written in a manner that  
6 allows for diverse representation of the business community. The Council shall not  
7 prohibit the admittance of any person or persons on the basis of race, religious creed,  
8 color, national origin, ancestry, sexual orientation or sex.

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

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

18           **Section 5. Agenda Setting.** The Business Advisory Council will consider and  
19 respond to those matters referred to it from the Governing Board and its committees. In  
20 addition, the Council may recommend items to the Governing Board for consideration  
21 and response. The Governing Board shall give due consideration to the positions of the  
22 Council.

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

27  
28 **C. Local Advisory Council.**

29           **Section 1. Purpose.** The Governing Board shall recognize a Local Advisory Council  
30 to advise it on matters pertaining to the administration of the Agreement, including but  
31 not limited to, interpretations and revision or additions to the Agreement. The Governing

1 Board and its committees shall solicit and consider Council positions on these matters.  
2 The Council also provides a forum for the local governments to express its ideas and  
3 concerns and to have a formal process to bring those concerns to the Governing Board.

4 **Section 2. Membership.** The Council membership shall be established by  
5 Governing Board rule. The Council shall not prohibit the admittance of any person or  
6 persons on the basis of race, religious creed, color, national origin, ancestry, sexual  
7 orientation or sex.

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

13 **Section 4. Officers.** The Board of Directors of the Council, in accordance with its  
14 Bylaws, will appoint such officers as it deems necessary to carry out its functions.

15 **Section 5. Agenda Setting.** The Local Advisory Council will consider and respond  
16 to those matters referred to it from the Governing Board and its committees. In addition,  
17 the Council may recommend items to the Governing Board for consideration and  
18 response. The Governing Board shall give due consideration to the positions of the  
19 Council.

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

25  
26 **D. Public Participation.** The rules of the Governing Board shall provide that  
27 members of the public, who are not members of either Council, shall have the  
28 opportunity to be heard in public hearings and may submit comments to the Governing  
29 Board.

30 *Compiler's Note: On May 24, 2012 Subsection C was added and the previous Subsection C was*  
31 *renumbered D by BL12001. This amendment became effective upon its adoption.*



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**Article Nine – Procedures for Adopting/Amending Bylaws**

**Section 1.** *Adoption of Bylaws.* The Governing Board was formed and adopted these bylaws on October 1, 2005.

*Compiler’s Note: On October 6, 2011 Section 1 was amended via BL11001 to eliminate how the Board could be formed to that it was formed 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 Business Advisory Council and the State and Local Government Advisory Council.

**Article Ten — General Powers**

**Section 1.** *Indemnification.* The Governing Board and Executive Committee is authorized to provide for the indemnification of damages and expenses incurred by Directors, Officers, employees of the corporation which may arise out of their defense of a legal proceeding brought against them as a result of their duties with the Governing Board.

**Section 2.** *Fiscal Year.* The Fiscal Year of the Corporation shall commence on the first day of July and end on the 30<sup>th</sup> day of June. The books and accounts of the Corporation for each fiscal year shall be examined and audited by Certified Public Accountants selected by the Executive Committee.

**Section 3.** *Waiver of Notice.* Whenever notice is required under the provisions of these bylaws, the Articles of Incorporation or the Agreement, a written waiver signed by three-fourths of the States is sufficient to supersede the requirement.

**Section 4.** *Non-discrimination.* The Governing Board, Officers and Directors, committee members, employees and persons served by the Corporation shall be selected entirely on a non-discriminatory basis.

1 **Section 5. *Contracts.*** The Executive Committee may authorize any officer to enter  
2 into any contract or execute and deliver any instrument in the name of and on behalf of  
3 Governing Board and such authority may be general or confined to specific instances.

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

7 **Section 7. *Parliamentary Authority.*** Mason’s Rules of Parliamentary Procedure  
8 shall be the parliamentary authority for all matters of procedure not specifically covered  
9 by the bylaws or by specific rules of procedure adopted by the Corporation.  
10

11 **Article Eleven – Dissolution**

12 In the event of the dissolution of this Corporation, the assets shall be distributed to  
13 the States in a manner to be determined by the Governing Board, or distributed to  
14 organizations whose exempt purposes are specified in Section 501(c) of the Internal  
15 Revenue Code and amendments thereto.