

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, ~~and~~ September 20, 2007,
6 and May 12, 2009)

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
22 **Article Two – Offices**

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

29 **Section 2. Records.** Records of all transactions and meetings of the Governing
30 Board and Executive Committee, as well as all corporate records, shall be maintained at
31 the business office.

1
2 **Article Three - Membership**

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

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

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

13 **Section 4.** *Associate Member Status.* A state may be admitted to the Governing
14 Board as an Associate Member pursuant to terms and conditions adopted and made part
15 of the Agreement.

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

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

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

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

29 **Section 8.** *Expulsion or Withdrawal.* Any Member or Associate Member State
30 failing to properly comply with the terms of the Agreement or failing to pay the annual
31 cost allocation may be expelled upon action of the Governing Board. Member States or

1 Associate Member States may also be permitted to withdraw from the Governing Board.
2 Both expulsion and withdrawal are described in the Agreement, Section 808.

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

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

8 b. An Associate Member State will not have access to the names of sellers or other
9 data provided by volunteering sellers through the central registration system unless the
10 seller has determined that it will collect on sales into the Associate Member State.

11 c. An Associate Member State may not receive information from the Governing
12 Board on companies being audited by the Governing Board unless the State is a part of
13 the audit.

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

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

18 **Section 10. *Advisor States.***

19 States that previously held status as Implementing States shall become non-member,
20 Advisor States to the Governing Board upon the expiration of the duties of the Streamlined Sales
21 Tax Implementing States. A state that was not previously an Implementing State may become an
22 Advisor State by following the procedures set forth in SSUTA, Section 703 D.4. Any question
23 over whether a state qualifies as an Advisor State shall be resolved by a majority vote of the
24 Governing Board.

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

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

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

4 **Article Four - Meetings of the Governing Board**

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

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

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

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

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
30 days in advance by mail or electronically to each State entitled to vote at such meeting,
31 and the Executive Committee shall provide public notice not less than thirty days before

1 the date of such meeting. In the case of a special meeting, the notice shall contain a
2 statement of the purpose of the meeting. Notice of any meeting at which proposals to
3 amend the Agreement will be considered must follow the procedures outlined in Section
4 901 of the Agreement.

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

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

11 A three-fourths vote of the Governing Board is required to approve a state's petition
12 for membership. A three-fourths vote of only the Member States of the Governing Board
13 is required to amend the Agreement, or to act on a request for interpretation of the
14 Agreement or to adopt an Interpretive Rule. The adoption of a resolution to sanction a
15 State for noncompliance with the Agreement shall require the affirmative vote of three-
16 fourths of the entire Governing Board, excluding the state that is the subject of the
17 resolution.

18 **Section 7. *Amendment approval.*** ~~EFFECTIVE JANUARY 1, 2008.~~ Except as
19 provided in this section, amendments to the Agreement of a policy nature must first be
20 approved at a Governing Board meeting, subject to amendment, debate and roll call vote.
21 Final approval must occur at a subsequent Governing Board meeting. The amendment
22 must receive an affirmative vote at both meetings. The requirement for a second vote
23 may be waived after the first vote with the unanimous consent of those full members of
24 the Governing Board present. For the purposes of this section, a "policy" amendment is
25 one which imposes a requirement on a member state.

26 27 **Article Five – Officers**

28 **Section 1. *Titles and Duties.*** The officers of Governing Board shall be the
29 President, First Vice-President, Second Vice-President and Secretary/ Treasurer. The
30 President shall preside at all meetings of the Governing Board and Executive Committee.

1 The First Vice-President, the Second Vice-President and the Secretary/Treasurer shall
2 perform such duties as the President may from time to time assign or delegate to them.

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

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

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

8 The Secretary/Treasurer shall see that all records, reports, and certificates required
9 by law are properly kept or filed and shall see that the financial records of the
10 organization are kept in accordance with generally accepted accounting principals and
11 that an annual report of the finances of the organization is presented at the annual
12 meeting. The Secretary/Treasurer shall also chair the finance committee and shall assist
13 in the preparation of an annual budget.

14 **Section 2. *Election and Term of Office.*** The four officers shall be directly elected
15 by the Governing Board at the annual meeting from a slate put forth by the Nominating
16 Committee. They shall serve a one-year term, but may serve three additional one-year
17 terms as officers, but not more than four years consecutively in any office or combination
18 of offices. The term of office shall begin on January 1 following the annual meeting.

19 They shall hold office until their successors are selected, notwithstanding the term limits
20 set forth herein.

21 **Section 3. *Vacancies.*** Should the office of President become vacant during a term
22 or upon completion of the term, the First Vice-President shall fill the vacancy. Should
23 the office of First Vice-President become vacant during a term, the Second Vice-
24 President shall fill the vacancy. Should any of the other offices become vacant, the
25 Executive Committee shall appoint a representative of a State of the Governing Board to
26 fill the vacancy unexpired term. Officers who fill vacancies shall serve the unexpired
27 portion of the term of the predecessor in that office and may be elected to the same office
28 for a full term.

29 **Section 4. *Succession.*** When possible, the Nominating Committee shall put forth a
30 slate of candidates for the offices of President, First Vice-President and Second Vice-
31 President that allows for the succession of officers from Second Vice-President to First

1 Vice-President to President, subject to election by the Governing Board. Nothing in this
2 section shall prevent an officer from serving more than one term in the same office, but in
3 no case shall an individual serve more than three years as provided in Section 2. Nothing
4 in this section shall prevent the Nominating Committee from altering this planned
5 succession if circumstances require.

6 **Section 5. Resignation.** The Officers may resign from the office without having to
7 resign as representatives to the Governing Board. They may not remain on the Executive
8 Committee.

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

13 14 **Article Six – Executive Committee**

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

- 21
22 1. Appoint an executive director of the Governing Board for such term as the Executive
23 Committee shall deem appropriate and to fix compensation for the executive director
24 and any and all staff determined to be necessary to conduct the business of the
25 Governing Board.
- 26 2. Fix the duties and responsibilities of the executive director, and through the executive
27 director, the work, policies and compensation of subordinates.
- 28 3. Provide for the raising of revenue, other than dues, and the discharge of obligations
29 incurred by its employees.
- 30 4. Prepare an annual budget for the operation of the organization and submit it to the
31 Governing Board for approval.

- 1 5. Provide for the regular dissemination of information to the membership, the
2 Governing Board and to the public.
- 3 6. Enter into contracts and obligations for the attainment of the ends and purposes of the
4 Governing Board in areas specifically delegated by the Governing Board and in
5 accordance with their policies.

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

16 **Section 3. *Representation of States.*** The Nominating Committee shall assure
17 geographic representation and diversity on the slate of Officers and Directors for the
18 Executive Committee.

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

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

27 **Section 6. *Special Meetings.*** Special meetings of the Executive Committee may be
28 called by the President. The time and place of special meetings shall be fixed by the
29 President, and if desirable, may be held via teleconference. Notice of special meetings
30 must be given 10 days in advance to the public, Executive Committee and to the States.
31 The meeting notice must include the items to be discussed, and no other business may be

1 transacted. In case of an emergency meeting, the 10-day notice requirement may be
2 waived, although every member of the Executive Committee must be notified, and notice
3 to the States and the public must be given as far in advance as possible.

4 **Section 7. Notice.** The Executive Committee members shall be given at least 30
5 days notice prior to any regular meeting. Public notice shall also be given 30 days in
6 advance of the meeting. Any Officer or Director may waive notice of a meeting. Notice
7 requirements for special meetings are included in Section 6.

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

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

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

22 **Article Seven – Standing Committees of the Governing Board**

23 **Section 1. Nominating Committee.** The Governing Board shall elect a Nominating
24 Committee of eight persons who are delegates to the Governing Board at the annual
25 meeting from a multiple slate of nominees representative of the States. The President
26 shall chair the Nominating Committee once elected and shall be a member of the
27 Nominating Committee.
28

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

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

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

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

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

29 **Section 3. Finance Committee.** The Finance Committee has the responsibility to
30 prepare an annual budget, monitor finances, review contracts, establish banking
31 procedures and other financial policies, and to recommend cost allocations for States for

1 the Governing Board’s approval. The Secretary-Treasurer shall act as Finance Chair.
2 The Chair shall annually select four additional committee members to serve on the
3 Finance Committee from the membership of the Governing Board.

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

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

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

20 **Section 7. Committee Vacancies.** Unless otherwise stated in these bylaws,
21 whenever any standing committee chair’s position becomes vacant between annual
22 appointments due to resignation or loss of position within the legislative or executive
23 branch of government, the vacancy shall be filled by the President, with the approval of
24 the Executive Committee. In the case of incapacity or inability to serve, the President
25 shall declare that a vacancy exists, and the executive committee shall act to confirm the
26 vacancy and fill the position in the manner provided in these bylaws.

27
28 **Article Eight – Advisory Councils and Public Participation**
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30 **A. State and Local Advisory Council.**

31 **Section 1. Purpose.** The Governing Board shall create a State and Local
32 Advisory Council to advise it on matters pertaining to the administration of the

1 Agreement, including but not limited to, admission of states into membership,
2 noncompliance, interpretations, and revision or additions to the Agreement. The
3 Governing Board, working through its committees, shall solicit and consider Council
4 positions on these matters.

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

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

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

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

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

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

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

29 **Section 6. *Relationship to Business Advisory Council.*** The State and Local
30 Advisory Council shall seek the advice of and respond to the business advisory council

1 recognized pursuant to these bylaws on any item pertaining to the business community,
2 prior to formulating a recommendation to the Governing Board or its committees.

3
4 **B. Business Advisory Council.**

5 **Section 1. Purpose.** The Governing Board shall recognize a business advisory
6 council to advise it on matters pertaining to the administration of the Agreement,
7 including but not limited to, admission of states into membership, noncompliance,
8 interpretations, and revision or additions to the Agreement. The Governing Board and its
9 committees shall solicit and consider council positions on these matters. The council also
10 provides a forum for the private business sector to express its ideas and concerns and to
11 have a formal process to bring those concerns to the Governing Board.

12 **Section 2. Membership.** The council must demonstrate that its membership is
13 recruited from businesses of all sizes and industry types and is therefore representative of
14 the national business community. The council shall establish requirements for
15 membership and shall be open to any business, association, or practitioner meeting those
16 requirements. The council's membership requirements shall be written in a manner that
17 allows for diverse representation of the business community. The council shall not
18 prohibit the admittance of any person or persons on the basis of race, religious creed,
19 color, national origin, ancestry, sexual orientation or sex.

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

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

29 **Section 5. Agenda Setting.** The business advisory council will consider and respond
30 to those matters referred to it from the Governing Board and its committees. In addition,
31 the council may recommend items to the Governing Board for consideration and

1 response. The Governing Board shall give due consideration to the positions of the
2 council.

3 **Section 6.** *Relationship to State and Local Advisory Council.* The business advisory
4 council shall seek the advice of and respond to the State and Local Advisory Council on
5 any item pertaining to the business community or tax administration prior to formulating
6 a recommendation to the Governing Board or its committees.

7
8 **C. Public Participation.** The rules of the Governing Board shall provide that
9 members of the public, who are not members of the council, shall have the opportunity to
10 be heard in public hearings and may submit comments to the Governing Board.

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

12 **Section 1.** *Adoption of Bylaws.* The Governing Board may be formed by adopting
13 these bylaws at an annual meeting, as described in Article Four, when at least ten states
14 comprising at least twenty percent of the total population of all states imposing a state
15 sales tax have petitioned the Streamlined Sales Tax Implementing States (hereinafter
16 referred to as SSTIS) and are either found to be in compliance with the Agreement
17 pursuant to Section 805, or found to be an Associate Member. Associate Member States
18 shall be included in determining whether the requisite number of states and the required
19 population thresholds have been met.

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

26 **Article Ten — General Powers**

27
28 **Section 1.** *Indemnification.* The Governing Board and Executive Committee is
29 authorized to provide for the indemnification of damages and expenses incurred by
30 Directors, Officers, employees of the corporation which may arise out of their defense of
31

1 a legal proceeding brought against them as a result of their duties with the Governing
2 Board.

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

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

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

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

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

19 **Section 7. *Parliamentary Authority.*** Mason's Rules of Parliamentary Procedure
20 shall be the parliamentary authority for all matters of procedure not specifically covered
21 by the bylaws or by specific rules of procedure adopted by the Corporation.

22

23

Article Eleven – Dissolution

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