

CRIC TELECONFERENCE CALL

October 11, 2011

Participating Members

Myles Vosberg (ND) Chair
Tim Jennrich (WA)
Craig Johnson (WI)
Tom Atchley (AR)
Richard Cram (KS)
Tony Mastin (OK)
Deb Peters (SD)

Chairman Myles Vosberg called the meeting to order at 10:01 AM Central. All Committee members were present and voting. Mr. Vosberg reminded the Committee of the requirements of Rule 905 (annual certification process) and after Committee discussion of a state a motion is needed to either find a state out-of-compliance or not out-of-compliance.

Nevada:

Mr. Chris Nielson (NV) reported that they are in transition with a new director and asked if Nevada could be discussed at another meeting. Mr. Vosberg said that Nevada would be deferred to October 27, 2011.

Kansas:

Mr. Richard Cram said the first two issues were typographical errors and they have issued a corrected Certificate of Compliance. Mr. Cram said the Business Advisory Council pointed out that they have a regulation that conflicts with their statute. He said the statute was correct, but the regulation no longer matched the statute and that it would take 6-9 months to amend the regulation. Mr. Fred Nicely questioned whether it might be presumptuous to find them in compliance before the regulations are changed. Mr. Cram said the statute would control until Kansas can address to two regulations. In response to a question from Mr. Vosberg, Mr. Cram said he was not aware of Kansas administering the statute differently because of the regulation. Mr. Nicely agreed that the statute is in compliance with the SSUTA and this would be easier to explain once the regulation is changed.

Mr. Tim Jennrich moved that Kansas is not out-of-compliance. Mr. Tony Mastin seconded the motion. Mr. Mark Nebergall asked that the Committee not find Kansas in compliance until the inconsistent regulation is changed. He said that finding Kansas out-of-compliance would not do any material harm since they are working on the problem, but at the present their issue is not cured. Mr. Craig Johnson noted that the statute governs, notwithstanding the rule, and he did not see that Kansas has a problem at the present. Mr. Vosberg agreed, commenting that the law is going to prevail and he did not see a compliance issue. The motion was approved unanimously on a roll call vote with Kansas abstaining.

Rhode Island:

Mr. Peter McVay reported that most of the issues in the preliminary report were errors in completing the certificate of compliance and taxability matrix and they have been corrected. Mr. McVay said the Section 313 direct mail issue required the adoption of a regulation. He said the

regulation has been noticed and posted to their website and they will hold a public hearing on November 4, 2011. In response to a question from Mr. Jennrich, Mr. McVay said he did not anticipate any difficulties that would hold up adoption of the regulation. In response to a question from Mr. Nicely, Mr. McVay said the regulation would cover all the outstanding issues. He said that if all goes as planned the regulation should be in place by the time the Governing Board reviews the compliance issues in December. Mr. Nicely said the BAC would be more comfortable if the issue was addressed before the Governing Board vote in December. In response to a question from Mr. Johnson, Mr. McVay said they haven't published any written guidance and they are not aware of Rhode Island applying the tax differently than in their proposed regulation. In response to a question from Mr. Mastin, Mr. McVay said they could publish a notice on their website to inform the public that they are administering it from the proposed rule. Mr. Vosberg suggested that the Committee defer further action on Rhode Island until October 20 to give Mr. McVay time to publish a notice.

Mr. Vosberg adjourned the meeting at 10:43 AM until Thursday, October 13, 2011.