

EXECUTIVE COMMITTEE OPEN MEETING MINUTES

December 12, 2014

- **Call to Order and Roll Call**

President Diane Hardt called the open Executive Committee Meeting to order via teleconference at 10:32 am central. The roll of the Committee was called, present were President Hardt (WI), Richard Dobson (KY), Victoria Daniels (IA), Jerry Johnson (OK), and Michael Eschelbach (MI). Absent were Senator Luke Kenley (IN), Senator Wayne Harper (UT), Representative David Drovdal (ND) and Senator Deb Peters (SD). Others participants were Randi Reid (DC), Larry Molnar (IN), Tom Atchley (AK) Chad Paulson (MN), Tim Bennett (KY); Kim Conroy (NE) Guy Childers (NV), Paulina Oliver (NV), and Tommy Cooper (GA).

- **Report on Closed Session**

President Hardt reported that she's happy to announce that Craig Johnson will be continuing in the Executive Director position. A new contract is in place for the next year.

- **President's Update**

President Hardt reported that since October the Executive Committee's focus has been working on Federal Legislation, working with Congressman Jason Chaffetz with his proposal and with the Senate sponsors, and meetings with Congressional members in DC. Craig Johnson, Senator Deb Peters, Senator Wayne Harper, Richard Dobson and President Hardt have met with House and Senate members in DC. President Hardt reported that when she was in DC in early December, she came back feeling more positive. She said they had a lot of good meetings with Congressional Members and feels confident that Congressmen Chaffetz and Womack are determined to get something done in 2015. President Hardt stated that the Governing Board will continue the hard work to make something happen next year.

- **Reports of Committees**

- **Federal Legislation Update**

Randi Reid provided an update since the last calls and meeting in October. In the House Congressman Chaffetz has been working on a Legislative proposal on e-Fairness. He reviewed the MFA passed in the Senate in 2013. With the assistance of the Governing Board and several other stakeholders, Congressman Chaffetz has made several language changes, such as audit procedures, 3rd party liability and a modification of the small business exemption. In recent months he has been working with Congressman Steve Womack, the primary House sponsor on the MFA on this proposal. The Legislative language that Congressman Chaffetz has been working on is in draft form and has not been made public. She reported that the next steps will likely not occur until 2015. Congressman Womack led a meeting with House Speaker John Boehner and 25 House Republicans in early December. They discussed a version of the MFA and the final Appropriations Bill being considered right now. Speaker Boehner said the MFA will not be included this year and they will continue to work on this issue in the next Congress. Ms. Reid said we are appreciative of Congressman Womack leading the charge. House Judiciary Chair Bob Goodlatte remains interested in a Hybrid Origin Sourcing. His staff continues to work on the Legislative proposal which has not been made public at this time either. The information that has been shared around the idea and proposal would be a true tax increase. They met with Chair Goodlatte's staff in early December as well. Speaker Boehner, Chair Goodlatte, Womack

and Chaffetz all discussed how to move forward with the e-fairness issue in 2015. Ms. Reid said the Governing Board is definitely playing a part as they move forward.

The Governing Board remains involved in offering guidance to the Senate and House leaders. The Governing Board is interested in making sure that something that passed is easily administered from the state and consumer perspective.

President Hardt said the Governing Board appreciates Randi Reid's efforts. Craig Johnson echoed Diane's comments and said Ms. Reid continues to provide us with information and the direction in which we should go. Along with the Senate sponsors and their staff, they have kept us involved and informed, contacting us for input. He said if anyone on this call has a chance to thank them for moving forward, please do so. President Hardt said she appreciates the Governing Board's relationship with NCSL and all the state Legislators who have been going to DC. Senator Wayne Harper, Senator Deb Peters, Senator Dwight Cook, Senator Curt Bramble and many of the Governing Board members have been pounding the pavement and talking to people.

- Registration System Update – Craig Johnson

Craig Johnson reported that the new Central Registration System will be more robust than the system that is in place currently. The new Central Registration System team of various state members and a couple of the CSP's has identified all the schema changes which have been approved by Tigers. Seventeen Governing Board states were present and the CSPs also supported it. The next step is to get the new schema approved by the Governing Board at its December 19 Meeting. Azavar Technologies has developed wireframes that show the payout of the registration system screens and how they will function. The registration system team has had several meetings to review these wireframes and made numerous suggested changes. The goal is to make the system as user friendly as possible. The team is trying to incorporate into the new system as many of the ideas received as possible. Last week in Nashville several of the committee team members met in person. The CSP's were unable to make it to that meeting. The team discussed the business rules and state rules and what they can and cannot enter. This is a tedious process and everything is being reviewed. The team is handling the reviews from the SST standpoint. The non-SST states that are interested in using the system will look at it from their perspective as well. The draft is expected to be ready in the very near future and will be sent to the Executive Committee and Governing Board delegates for review and feedback. Changes from the CSPs will be discussed next week. The system is being set up to require the CSPs to have the bulk registration system process in place. Some CSP's already have the bulk registration but all of them will be required to. The new registration system is anticipated to be in place by July 1, 2015. Craig Johnson thanked the team that has been working on the system for their continued efforts.

President Hardt said at the October meeting there was discussion of the states requiring notice when they wanted computer program and she asked for the block of time. Craig Johnson said presuming the Governing Board approves the schema changes next Friday, we will know at that point. The states will need that information in order to make the changes in their systems. The team will continue to make changes to the layout and the way the screens may look, but that will not affect the states since it will not change the schema.

David Thompson said Terri with Tigers will post the schema on their website with a disclaimer stating that it has not been approved by the Governing Board to date. President Hardt asked how extensive the changes are. Mr. Thompson said the changes are not that extensive because by going to the MEF format which the states are familiar with.

- Finance Committee – Victoria Daniels, Chair
 - Audited Financial Statements

Chair Daniels said essentially nothing has changed with the final statements. There are no issues or concerns. Craig Johnson said the formal audit and financial statements are available on the SST website. A positive report was received from the contracted Watkins-Meegan auditors. The taxes are currently being prepared by Watkins-Meegan and will be submitted on time.

- Audit Committee - None
- Certification Committee – None
- Compliance Review and Interpretations Committee - None
- State and Local Advisory Council (SLAC) - None

- **Executive Director Updates**

- Annual Report of Changes to the SSUTA.

Craig Johnson reported that the draft summary will be ready before Christmas for review.

- Governing Board Meeting

The next Governing Board Meeting will be held via teleconference on Friday, December 19 at 2:00 pm central. The Governing Board will be taking the formal votes on each member state's compliance with the requirements of the Agreement. Chair Myles Vosberg will walk through the compliance of those states. Mr. Johnson reported that overall we are in very good shape and no new issues came up. He thanked the states for their continued work.

- Spring Meeting, May 11-13, 2015, Doubletree by Hilton, South Burlington, Vermont
- Annual Meeting, September 15-17, 2015, The Brown Hotel, Louisville, Kentucky

- **Old Business** - None

- **New Business** - None

- **Next Executive Committee Meeting** - TBD (January 2015)

- **Adjournment**

With no further business, the meeting adjourned at 11:02 am central.