

Executive Committee Meeting Minutes

January 16, 2015, 4:00 pm central – Teleconference

- **Welcome and Roll Call**

President Deb Peters called the Executive Committee Meeting to order via teleconference at 4:01 pm central. The roll of the Committee was called, present were President Deb Peters (SD), Richard Dobson (KY), Victoria Daniels (IA), Michael Eschelbach (MI), and Diane Hardt. Absent were Representative Reuven Carlyle (WA), Senator Dwight Cook (ND) and Representative Brian Kennedy (RI). The quorum was not initially established since only 5 Committee members present. President Peters and Craig Johnson discussed the agenda items that would not require Committee vote. Senator Cook joined the meeting late and that established the quorum so votes could be taken.

- **Proposed Executive Committee Meeting Schedule – President Deb Peters**

President Peters provided the Executive Committee Meeting Schedule. The dates are scheduled as tentative due to the possibility of unforeseen circumstances.

- March 20, 2015 – Teleconference (2:00 pm central)
- May 12, 2015 – Spring meeting, Burlington, Vermont (10:00 am eastern)
- July 31, 2015 – Teleconference (2:00 pm central)
- September 16, 2015 – Annual meeting, Louisville, KY (10:00 am eastern)
- December 11, 2015 – Teleconference (10:00 am central)
- January 15, 2016 – Teleconference (2:00 pm central)

- **Reports of Committees**

- State and Local Advisory Council (SLAC) – Tim Jennrich, Chair

In the absence of Tim Jennrich, Craig Johnson reported that the SLAC in-person meeting is scheduled on March 23-24 in St. Paul Minnesota. SLAC will discuss the topics in which they had worked on prior to the October 2014 meeting. He provided the tentative agenda and the final agenda will be noticed 30-days prior to the meeting.

- Best practices/disclosure of practices amendments and rule
- Sanctions and compliance amendments and rule
- Post transaction issues
- SLAC Issue Referral form

- Finance Committee – Victoria Daniels, Chair

Chair Victoria Daniels reported that the second quarter ended on December 31, 2014. The bylaws state that the Finance Committee is to meet prior to the next executive meeting for discussion and approval. She plans to provide the second quarter finance report at the next meeting in May. She said the electronic funds transfers approved at the October 2014 meeting have proved to speed up the payment process. Craig Johnson said Chair Daniels plans to appoint the 2015 members of the Finance Committee. Harry Fox's position is vacant due to his recent retirement. He encouraged anyone who is interested in serving on the Committee in the 1-year term to contact Chair Daniels or himself.

- Certification Committee – Tim Bennett, Chair

Chair Bennett reported that the Certification Committee will hold a meeting in St. Paul, Minnesota on March 26 and 27. The tentative agenda is available for travel approval. They have been working on the new Central Registration System and found that the approved schema has a field that was left off. He said a teleconference will be held next Tuesday, January 20 at 2:00 pm central for discussion of that correction. Craig Johnson said they are continuing to work through the CSP application process for IDMTS and are awaiting the formal application for another entity interested in becoming a CSP. The name of that vendor will be announced once the application is received, reviewed and determination is made that the vendor meets the qualifications.

- Audit Committee – Darrel Engen (ND)

Darrel Engen said the Audit Committee will meet in St. Paul Minnesota on March 24-25. He has emailed the tentative agenda to the Committee members. They plan to discuss the Audit Core Team Contract Compliance Audits, the state Tax Compliance Audits, and the new CSP Contract to determine if any changes need to be made. They will also discuss contingencies on changes to the CSP Contract if the Marketplace Fairness Act (MFA) is passed.

- Compliance Review and Interpretations Committee (CRIC) – Myles Vosberg, Chair

Chair Vosberg said the CRIC has not received any new interpretation review requests. He reported that the 2014 member state compliance reviews have been completed.

- Federal Legislative Implementation Committee – Richard Dobson, Chair

Chair Dobson reported that the Committee has worked based on the current language of the MFA. They have also worked on the Taxability Matrix which is on hold at this point. He said depending on how things go as Federal legislation is fully developed, the Committee is ready to take further action. There are no new developments as far as the Committee work.

- **2015 Governing Board Meeting Schedule – Craig Johnson**

Craig Johnson provided the schedule of the 2015 Governing Board and Committees Meetings:

- Spring Meeting, May 11-13, 2015 – Burlington, VT
- Annual Meeting, September 15-17, 2015, Louisville, KY
- Teleconference Meeting, December 18, 2015

- **Agenda discussion for January 19, 2015 Planning Meeting, Minneapolis, MN**

President Peters announced that the SSTGB Planning Meeting with representatives of the Business Advisory Council (BAC) is scheduled on January 19 in St. Paul, Minnesota to discuss the upcoming 2015 plan for the year as well as strategies related to the origin sourcing proposal. Craig Johnson said earlier this week a discussion draft of the hybrid origin sourcing proposal was disbursed by the House Judiciary Committee Chair, Bob Goodlatte, to the retail community who has distributed the draft more widely. Mr. Johnson said the proposal does not “level the playing field” and creates a tax increase and there may also be some constitutional concerns. He reported that from the Governing Board’s perspective, the goal is to find a solution that is fair to all parties involved - the sellers, purchasers and states. The Executive Committee will continue

to analyze, discuss, and answer questions and will continue to keep the Governing Board informed going forward.

Senator Dwight Cook (ND) joined the meeting and the quorum was established with 6 of 8 Executive Committee members present.

- **Approval of Executive Committee Members to Fill Vacant Positions – President Peters**

Senator Peters reported that two vacancies exist on the Executive Committee since the elections held during the October 2014 annual meeting. Representative David Drovdal retired in November and Jerry Johnson has stepped down from the Committee. In accordance with Section X, Article 6 of the bylaws, the vacancies shall be filled by the Executive Committee based on recommendations of the Nominating Committee. The Nominating Committee met and recommended Eric Wayne of North Carolina and Representative Kelly Linck of Arkansas to fill these vacancies. She said by appointing one tax administrator and one Legislator, it maintains the balance on the Executive Committee between the elected officials and administrators. President Peters asked for discussion, there were no comments and she requested a motion for approval.

Senator Dwight Cook motioned the approval of Representative Kelley Linck (AR) and Eric Wayne (NC) to fill the Executive Committee vacancies, replacing Representative David Drovdal (ND) and Jerry Johnson (OK). The roll of the Committee was called, 6-voted yes and the motion passed. The two newly appointed Committee members were not present on the call.

- **Discussion and Approval of Committee Appointments – President Deb Peters**

President Deb Peters appointed and reappointed the 2015 Chairs, Vice Chairs, Co-Chairs and as necessary members to the following Committees of the Streamlined Sales Tax Governing Board. Prior to the vote on each appointment, she asked for discussion and there were no comments.

- State and Local Advisory Council (SLAC)
 - Chair reappointment – Tim Jennrich (WA)
 - Vice-Chair reappointment – Phyllis Shambaugh (OH)

Diane Hardt motioned to approve the President's appointments to the SLAC Committee. The roll of the Executive Committee was called, 6-voted yes and the motion passed.

- Compliance Review and Interpretations Committee (CRIC)
 - Chair reappointment – Myles Vosberg (ND)
 - Vice Chair reappointment – Tim Jennrich (WA)
 - Member appointments and reappointments - Dan Noble (WY), Tom Atchley (AR), Richard Cram (KS), David Steines (WI), and Senator Wayne Harper (UT).

Richard Dobson motioned to approve the President's appointments to the Compliance Review and Interpretations Committee. The roll of the Committee was called, 6-voted yes and the motion passed.

- Issue Resolution Committee
 - Chair appointment - Michael Eschelbach (MI)

- Member appointments and reappointments - Larry Molnar (IN), Gina Dougherty (AR), Tony Mastin (OK), and Commissioner John Valentine (UT).

Richard Dobson motioned to approve the President's appointments to the Issues Resolutions Committee. The roll of the Committee was called, 5-voted yes, Michael Eschelbach abstained and the motion passed.

- Audit Committee
 - Co-Chair appointment – Darrel Engen (ND)
 - Co-Chair appointment – Ellen Auger (MN)

Diane Hardt motioned to approve the President's appointments to the Audit Committee. The roll of the Committee was called, 6 voted yes and the motion passed.

- Certification Committee
 - Chair reappointment – Tim Bennett (KY)

Richard Dobson motioned to approve the President's appointment to the Certification Committee. The roll of the Committee was called, 6-voted yes and the motion passed.

- Federal Legislative Implementation Committee
 - Chair reappointment – Richard Dobson (KY)

Senator Dwight Cook motioned to approve the President's appointment to the Federal Legislative Implementation Committee. The roll of the Committee was called, 5-voted yes, Richard Dobson abstained and the motion passed.

- **Old Business**
 - None
- **New Business**
 - None
- **Adjournment**

With no further business, President Deb Peters adjourned the meeting at 4:34 pm central.