

STREAMLINED SALES TAX GOVERNING BOARD

MEETING

April 29-30 and June 3, 2010

WASHINGTON, DC AND BY TELECONFERENCE

Call to Order and Roll Call:

President Jerry Johnson called the meeting to order at 1:00pm on April 29, 2010. All member states were present and voting except Rhode Island.

Approval of Minutes from March 31, 2010:

Secretary Virgil Helton moved the approval of the minutes from March 31, 2010. That motion was approved on a voice vote.

Referral of Introduced Proposals to Committees/Councils for Study:

- **Associate and Contingent Membership – AM10002**

President Johnson assigned the Associate and Contingent Membership amendment AM10002 to the State and Local Advisory Council (SLAC). Mr. Bill Riesenberger explained that they introduced this on behalf of the Business Advisory Council (BAC). Mr. Fred Nicely said that there some issues about the associate membership amendment that needed clarity.

- **Digital Product Definition – AM10004**

President Johnson assigned the Digital Product Definition AM10004 to SLAC. Mr. Larry Wilkie said that this amendment will provide a toggle for ringtones. He said that currently Minnesota taxes ringtones but not digital goods. He said that there is a real possibility that the legislature will end up taxing all digital goods if this isn't passed.

- **Healthy Food Definition – AM10005**

President Johnson assigned the healthy food definition AM10005 to SLAC. Secretary Helton said the point of the amendment is to allow a state to use this method as a way to help people eat healthier. Secretary Helton said people do not eat healthy and a definition of healthy foods will give the states the option to not tax it.

- **State Level Administration – AM10006**

President Johnson announced that he was moving the State Level Administration amendment AM10006 to today's agenda under proposed amendments because it is an alternative to AM09019A01.

- **Annual Recertification – RP10001**

President Johnson announced that he was moving the Annual Recertification rule amendment RP10001 to today's agenda under proposed amendment because it was necessary for the 2010 recertification process. Mr. Myles Vosberg said the amendment gives a little more time for public comment while the state is being reviewed.

- **Origin Sourcing of Rentals – AM10007**

President Johnson assigned the Origin Sourcing amendment AM10007 to SLAC. Mr. Riesenberger said the amendment is about the sourcing of short-term rentals in an origin state.

- **Voting Requirements – AM10008**

President Johnson assigned the Voting Requirements amendment AM10008 to the Executive Committee. Mr. Michael Eschelbach said that the amendment is meant to address the issue of membership status.

- **Substantial Compliance – RP10005**

President Johnson assigned the Substantial Compliance rule RP10005 to SLAC.

Final Action:

- **Administration of Exemptions AM09017A01**

Ms. Sherry Harrell-Hathaway said that AM09017A01 was up for its second vote after its first vote in December 2009. She said this was amendment introduced at the request of the Business Advisory Council (BAC). Ms. Sherry Harrell-Hathaway moved the second vote on this amendment. That motion was approved on a roll call vote, with eighteen states voting yes, and Arkansas and New Jersey abstaining.

Reports of Committees:

- **Executive Committee Report:**

President Johnson reported that the Executive Committee has voted down Wisconsin's amendment AM09012 relating to state and local sales tax rates. There are also some concerns relating to Wisconsin's amendment AM09015 relating to filing amendments. President Johnson said that it will be taken up again once those concerns are addressed.

President Johnson said that the Executive Committee held a closed session on April 29, 2010. He reported that there was no action taken in Executive Session.

- **Compliance Review and Interpretations Committee**
 - **Sourcing Rentals Interpretative Opinion – IO10003**

Mr. Vosberg explained that the interpretation request submitted by Mr. Tim Maloney on behalf of Canton Chair Rental was to determine whether origin sourcing could be applied to short-term rentals in origin states instead of using destination sourcing. Mr. Vosberg said that Section 310.1 of the Streamlined Sales and Use Tax Agreement (SSUTA) on origin sourcing only specifically excluded leases from the origin sourcing option. Ms. Valerie Pfeiffer, representing the BAC, reported that they agree with CRIC's finding. Mr. Eschelbach moved to accept CRIC's finding which disagrees with the requested interpretation. That motion was approved on a roll call vote with seventeen states voting yes and Kansas, Rhode Island and Vermont absent.

- **State and Local Advisory Council**

Ms. Jane Page summarized the meeting held by SLAC and the changes to amendments they were returning to the Governing Board.

- **Business Advisory Council**

Ms. Meredith Garwood said they are updating their website and summarized the issues they would discuss at the meeting.

- **Audit Committee**

Mr. Bruce Christensen thanked Washington, Indiana, West Virginia and Minnesota for donating an employee to serve on the Audit Core Team. He said that it took up a lot of their time and he appreciated that. He said the Audit Committee had been working on the process for a business to request a single audit and expressed concern if the concept would work as well for a big seller as it would for small remote seller. Mr. Christensen also said they had not yet determined how or to whom a seller would appeal a multistate audit, and that appealing the findings to every state didn't seem practical.

- **Certification Committee**

Mr. David Thompson reported that the Certification Committee had completed testing the two certified service provider applicants and would recommend that they be certified. He also reported that the registration system changes were done and would be implemented by April 30, 2010.

Proposed Rules for Discussion and Possible Action:

- **Annual Recertification RP10001**

Mr. Vosberg and Mr. Nicely explained how this rule would add clarity and certainty to the recertification process. Representative David Drovdal moved to accept the proposed amendment to the rule. That motion was approved on a roll call vote with twenty-one states voting yes and Rhode Island and Vermont absent.

- **Sourcing Services Performed on Tangible Personal Property – RP10002 and Receipt of Services for Sourcing Purposes – RP10003**

Mr. Riesenberger said these rules start the work on how Streamline sourcing rules apply to the sale of services. He said SLAC started with services performed on tangible personal property. He reported that there will be a set of rules dealing with other types of services. Senator Dwight Cook said he would like to see sourcing travel companies discussed. Mr. Nicely said that the BAC did not have a consensus position on these rules. He said the lack of consistent credit for other taxes lead some to be concerned that some transactions may be taxed more than once. He asked that this be deferred until that concern is addressed. Ms. Harrell-Hathaway said that we have a need for this rule and there is overwhelming support for these rules. Ms. Kathy Neggers with GE said that she's not sure how to interpret the language in 311.1 relating to 'first use'. Mr. Riesenberger said that he has no problem changing the language to read 'can potentially'. Representative Deb Peters moved to accept both rules RP10002 and RP10003 relating to sourcing services. That motion was approved on a roll call vote, with sixteen states voting yes and Kansas, Nevada, New Jersey and Vermont absent.

- **Governing Board Due Dates – RP10004**

Mr. Nicely said that there were some language changes to paragraph B 'a states' legal holiday are those provided by state law and may not conform to...". Commissioner Bruce Johnson moved to accept the rule RP10004. Mr. Nicely said that there is some concern that federal and state holidays should be included. The motion to adopt was tabled.

Proposed Amendments to SSUTA for Discussion and Possible Action:

- **Filing Returns and Making Remittances AM09016A01**

Mr. Nicely explained that AM09016A01 clarifies what happens when a filing or payment due date falls on a weekend or state holiday. He said it also affects Governing Board due dates that fall on a weekend or Federal holiday. Ms. Page said this will require South Dakota to change its law and President Johnson said it require a second vote.

Representative Peters moved to accept AM09016A01. That motion was approved on a roll call vote with seventeen states voting yes, Minnesota voting no, and Rhode Island and Vermont absent.

- **State Level Administration AM09019A02 and AM10006**

Ms. Page said that there are two proposals relating to state level administration and the two differ by only one sentence. She said AM09019A02 has “(3) the person is not paid on a contingent fee basis” in section B and AM10006 doesn’t. Ms. Page said that section B is the criteria for when someone other than the state conducts an audit.

Mr. Michael Bailey said that local governments support AM10006 because they are interested in being able to cooperate with their states. President Johnson said that both versions change the return and payment rules so that they apply to purchasers as well as sellers and changes the local government audit prohibition from applying to sellers registered with Streamline to all sellers and purchasers universally. He said in his opinion that was a significant change.

Mr. Nicely expressed the position of the BAC that auditors should not be paid on a contingent basis and said the BAC supported AM09019A02.

Mr. Steve Kranz stated that the business community did not look kindly on contingent fee audits. Mr. Terry Ryan said the states shouldn’t even be discussing allowing contingent fee audits. Mr. Mike Wasser said it was not fair to compare a contingent fee auditor with someone doing a reverse audit on a contingent fee. He said the state has the ability to impose penalty and interest, while the taxpayer generally only has the ability to recover their overpaid tax. He explained that this is going to cause a tremendous burden on tax payers.

Commissioner Bruce Johnson said that he supports the amendment and disagrees that a contingent fee auditor complicates things.

Ms. Pfeiffer said that contingent fee auditors are a bad idea. She asked how the Governing Board can condone bounty hunters to do audits when a lot of sellers are on a volunteer basis. Commissioner Bruce Johnson said he rejected the idea that because the Governing Board doesn’t prohibit contingent audits in the SSUTA that it was endorsing them or that they were a good idea.

In response to a question from President Johnson about the effect of neither version being adopted, Ms. Harrell-Hathaway said a lot of discussion points would just be implied. Mr. Bailey said that once the workgroup got into it they realized there were a lot of different opinions.

Mr. Kranz moved to adopt the Wisconsin motion AM09019A02. Ms. Page made a substitute motion to adopt the South Dakota and Tennessee version AM10006. That motion was approved on a roll call vote, with seventeen states voting yes, Arkansas and Indiana voting no, and Minnesota abstaining. President Johnson ruled that the amendment does not require a second vote.

- **Definition of bottled water – AM10001A01**

Mr. Russ Brubaker said that the amendment relating to bottled water would create a definition for bottled water so that states could tax it differently than food. He said that Streamline was never intended to put a straight jacket on legislative tax policy, but is to create certainty for retailers.

Mr. Robert Smith said that taxing bottled water would not make much of a difference in state revenue, but would create considerable effort for retailers. He said it was a bad idea for states to move forward on this.

Mr. Joe Doss said bottled water was often not a matter of choice, but a necessity in and after a hurricane, earthquake or a disaster. He felt that it would be a bad idea to move forward on this.

Mr. Warren Townsend said that he has a product codes for water and adoption of this amendment doesn't mean a state will charge tax on it.

Ms. Maureen Riehl said that she has been getting comments from her members, and while Washington went through the right process now isn't the time for Streamline to be building enemies.

Ms. Harrell-Hathaway said that while Tennessee was a cosponsor of the amendment her state had no intention of changing how it taxed the product. She said this is an example of the balance between sovereignty and simplification and uniformity.

Representative Ross Hunter said that while this does annoy some businesses, if this action isn't taken it sends a negative message to legislators and governors about how they are restricted in balancing their budgets.

Mr. Dan Felton with IBWA said they had not participated in the discussion but said the definition does not meet the definition of bottled water. He said that it needs much more consideration.

Mr. Brubaker moved to adopt the amendment. That motion was approved on a roll call vote, with sixteen states voting yes, Nevada, North Carolina, and South Dakota voting no and New Jersey abstaining.

- **Software Maintenance Contracts – AM09011A01**

Ms. Harrell-Hathaway said this amendment would allow a state to tax software maintenance contracts provided by someone other than the person that sold the software.

Ms. Harrell-Hathaway moved to adopt this amendment. That motion was approved on a roll call vote with Kansas, Nevada, New Jersey, Rhode Island, and Vermont absent. President Johnson ruled that this amendment does not require a second vote.

- **Administration of Exemptions – AM09023A01**

Mr. Riesenberger said that this amendment was introduced on behalf of the BAC to require every state to post the Streamline exemption certificate on their website. He said that they found that many of the states did not post the exemption certificate and it seems to some that some states aren't making it easy to use the Streamline Exemption Certificate. Mr. Riesenberger moved to adopt the amendment. That motion was approved on a roll call vote, with Kansas, Nevada, New Jersey, Rhode Island, and Vermont absent. President Johnson ruled that this amendment does not require a second vote.

- **Other Communication Taxes – AM09002A01**

President Johnson said he wanted a discussion of the other communication tax amendment, but was going to create a task force of states, local governments and the cable, satellite, and telecommunications industries to go into detail on the amendment.

Ms. Deborah Bierbaum from AT&T explained the history of the industry's effort to simplify communication taxes. She explained the long history and how it had included several different groups who have taken up this issue. She reminded the Board of the many studies done that looked at the burden on the industry and its customers. She said that when she started in 1997 the plan was to develop uniform definitions and uniform sourcing rules which were included in the Streamline Agreement. The states did not include other communication taxes in the Agreement when it passed in 2002 and the industry asked that it be included in the 2003 Federal legislation.

Mr. Kranz explained that it was important for both the industry and the states that communications taxes are included in the Federal legislation. He explained that the complexity that exists in communications tax is a nightmare for the industry and the other communications taxes have all the same problems as exist in sales taxes. He explained that each of the sales tax

simplification taxes should apply to the other communication taxes, like having a single rate in all of the jurisdictions. In response to a question from Ms. Christie Comanita about when locals have a franchise fee and the state doesn't, Mr. Kranz said there was no requirement for either the state to impose a franchise fee or for the locals to give up their fee.

Mr. Damon Stewart with DirecTV said that Streamline is meant to simplify, not complicate; to level the playing field, not pick winners and losers. He further stated that the term 'other communications taxes' cannot include an expense such as a fee for the use of the public right of way. He said that it's bad policy and despite what the cable industry has said, franchise fees are not a tax, but are an expense. He said if a hot dog vendor wants to run his stand on the streets of NYC, there is a fee for that privilege, but the fee is not a tax. He said the proposed other communication tax amendment is unhelpful politics. He expressed concern that this amendment would conflict with another piece of Federal legislation. He said he liked the idea of the task force made up of industry folks and supported holding off on voting on this amendment. Mr. Scott Bridge with Orrick, Herrington and Sutcliffe echoed what Mr. Stewart said and included that this will end up raising taxes on those who use satellite television. He further stated that the DirecTV subscribers will have to pay extra on their bill because of someone else's expense.

Ms. Lisa Schoenthaler with NCTA said that they want to preserve the status quo. She said nothing in this forces the states to do anything and allows the locals to get the benefit as opposed to what is in the Federal legislation mentioned by Mr. Stewart.

Mr. Brian Smith from DirecTV said this isn't a new issue for them and while they support the simplification of sales tax, they don't like having to include a fee that someone privately negotiates.

Mr. Bridge said franchise fees are for the right to use the public right-of-way and are often negotiated between the company and the government. He said it was not correct to compare them with taxes imposed for specific purposes, such as a motor fuel tax imposed to pay for highways. He said franchise fees are generally imposed on the cable television company that then passes it on to the subscriber.

Delegate John Doyle said that often it is difficult to distinguish between a fee and a tax and there are different types of taxes. He said the consumer doesn't negotiate the fee and it acts like a tax to them.

Senator Curt Bramble said the debate cannot hinge on whether it is called a fee or a tax as everyone pays fees and taxes at every turn.

Ms. Schoenthaler said that this acts as a tax but they are willing to have this debate at the state level.

Mr. Bailey said the debate should be about the future. He said that most would like to simplify all user fees and taxes. He said it was important that every state respond to the survey sent out earlier in the year relating to this. He said generally local governments are in support of dealing with this issue.

Mr. Mike Edwards said that he appreciates the suggestion of the task force. He explained that short of a constitutional amendment, in Virginia there is a distinction between franchise fees and taxes.

Mr. Neal Osten said that the draft Main Street Fairness Act includes simplification of communications taxes along with the sales and use tax simplification. He said the Governing Board should remember the communication tax problems Ms. Bierbaum explained and said the Board's commitment to simplification means nothing if this issue isn't addressed.

Senator Luke Kenley moved to create a special task force to take on the communications taxes amendment AM09002A01. That motion was approved on a voice vote.

- **Vendor Compensation Amendment – AM09003A01 and AM09003A03**

President Johnson explained that during the last year a workgroup of legislators, tax administrators and members of the business community worked to come up with a proposal that would get broad support from both government and business. He said a number of compensation variations were evaluated in an effort to find consensus on the total amount of compensation and how to determine the rates. He said the analysis included the different cost factors such as debit and credit card fees. He said the proposal being submitted to the Governing Board would have states without local taxes paying .9% of total sales and use tax collections in compensation and states with local taxes would pay 1% of total sales and use tax collection in compensation. He said that states with different rates on food and clothing would pay slightly more.

President Johnson said that something that was important to states, but not popular with business, was the ability of a state to impose a cap on the amount of compensation paid to large sellers. He said without the cap states would not be able to provide greater compensation to small retailers. He said some states and NGA still had concerns with this proposal, but he felt that most of those concerns have been addressed. He said all of the compensation details would be in the Streamline Agreement and not in federal law. He also said the Governing Board would ask that the federal legislation declare that what is in the Streamline Agreement meets the requirement to be reasonable. He reminded everyone that this proposal is the minimum compensation a state must pay, that it isn't intended to be a static amount, and the states will try to further reduce the burden on retailers who collect sales taxes.

President Johnson said that he doesn't intend to take a vote on this proposal at this meeting but instead to have a vote to move on to NGA and NCSL for their input. He clarified that we want

every state that has a problem with this proposal to speak up so that we understand these concerns.

Secretary Joan Wagon explained the details of amendment AM09003A03. She said the definitions are the first item in the amendment. She said that section D is the trigger which establishes when states must start paying compensation. She said that it would require compensation for new remote sellers upon collection and authority and a delay in compensation to existing retailers. She explained the section detailing how the small seller exception is established. She said the proposal currently sets the small seller exclusion at \$100,000 and she reminded the Board that as amount of the small seller exclusion goes up the amount of sales tax collected goes down.

Senator Kenley said that he had two amendments. He said that Indiana does not provide compensation to utilities and his first amendment would allow a state to treat utilities differently. He said it will give each state the option to have a different or not compensation for utilities. Representative Pete Anderson said the proposed federal legislation requires states to pay compensation to all retailers and asked Senator Kenley how this amendment fits within that requirement. Senator Kenley said the proposed federal legislation will have to be changed if this amendment passed. Ms. Bierbaum asked if telecommunications could be stricken from the list of utilities in the amendment.

Mr. Richard Dobson moved to amend Senator Kenley's first amendment by striking "telecommunications". That motion was approved on a voice vote.

Senator Kenley moved adoption of the utilities amendment amended. That motion was approved on a voice vote.

Senator Kenley said the second amendment was designed to address how total compensation is determined. He said states without local taxes generally had lower tax rates and that by using the average sales tax collected across the country to establish the 1% and .9% it has the effect of overstating the cost in single rate states. Mr. Brubaker said that he appreciates the desire to reduce the effect of the local rates but he doesn't feel it accurately reflects the reality that there are all the local taxes. He said this would be hard for Washington to support. Secretary Helton said that it seemed to him that one effect of this amendment is that the total compensation amount would have to be recalculated every time a new state joined. Senator Kenley said that a way needs to be found to address this only annually. Mr. Rick Anthony said that state rate changes would also impact the calculation. Senator Kenley agreed, but said that the 1% exactly triples the current compensation in Indiana. Mr. Anthony said he wasn't sure that the proposed amendment would solve the problem in Indiana.

Senator Cook said he would like propose an amendment (AM09003A04) that would make compensation a requirement regardless of how a state got collection authority. He said if compensation should be paid, it should not just be limited to the passage of federal legislation.

He said there are Governors that would like to try something different than federal legislation because of their concern with the compensation language. He said the recommendation from North Dakota legal counsel is to use the phrase “under federal authority” in place of “federal legislation”. President Johnson said that this amendment follows a previous amendment proposed by Kansas and we need to go through and make sure it tracks. Senator Cook said the amendment would also eliminate the automatic compensation repeal section.

Representative Wayne Harper suggested adding ‘federal authority has not been obtained’. Senator Cook supported the change and moved to accept the change. That motion was approved on a voice vote. Mr. Scott Peterson said he added the words “sales and use” to the amendment to conform it to the Kansas amendment. Senator Cook moved to accept the amendment with the change. That motion was approved on a voice vote.

Senator Cook moved to add “be decreased as more states come into compliance and begin paying compensation”.

Ms. Maureen Riehl suggested that the Board could always reduce the minimum compensation and didn’t see a need for the amendment. Senator Cook said he didn’t realize that was an option without it being in the language.

President Johnson reported that the language with the ability to go up or down will be in federal legislation. He said he doesn’t expect that it will be in the bill that’s being introduced. He said that we can work with NGA, NCSL, and the business community to get all the issues addressed. He further stated that he isn’t comfortable with this language but we should talk about it over the next few weeks. Senator Cook moved to accept the amendment to the amendment. The motion passed on a voice vote with Oklahoma voting.

Mr. Peterson recommended striking ‘goods and services’. There was no objection.

Senator Cook said that while there has been a lot of progress that in North Dakota this compensation amount in this proposal is not reasonable and needs to be lower. He said that he believes compensation is needed but we need to have a discussion on what is reasonable.

Delegate Doyle said that West Virginia believes that this is a good proposal to be negotiated with the NGA and NCSL and urged that we adopt it.

Mr. Richard Dobson said that from Kentucky’s perspective, they are ready to vote on a compensation package but there are some concerns about Senator Kenley’s proposal. He said that he was ok with Senator Cook’s proposal but he would like to see the automatic compensation repeal section remain because he believes it will put pressure on Congress to act quickly.

Representative Hunter said that Washington was uncomfortable with the total cost because in Washington it will cost almost one third of the expected new revenue and he is uncomfortable with the accuracy of the amount of new money they might receive.

Senator Kenley said that there is a lack of fairness in this situation and it's working against our brick and mortar businesses. He said he is concerned that this compensation proposal would work against our states.

Commissioner Bruce Johnson said that Utah is in a good place because they will actually end up saving some money. He said this is an excellent proposal and he would support it.

Mr. Dale Vettel explained that Michigan currently compensates sellers so they have less of a jump to meet compensation this proposal. He said they have a single state wide rate but he has some concerns with Senator Kenley's proposal because it will cause them to pay more money in compensation.

Ms. Page said that South Dakota doesn't pay compensation right now. She said that her Governor had concerns initially but the task force addressed those concerns. She said the taskforce's compromises resulted in a proposal that the South Dakota Governor could agree with.

Ms. Diane Hardt said that Wisconsin is more on board with Senator Cook's proposal because they are also concerned about the cost.

Mr. Rick Anthony said that Ohio is in support of the proposal.

Mr. Steve DelBianco said that he has been following Streamline for 8 years and in that time he has seen a lot of trends come and go. He said businesses are concerned about comments that the amount of compensation needs to be reduced. He reminded the Board that the Joint Cost of Collection Study said that for small retailers the cost of collection was 13% of collections and the rates in this proposal are far from reimbursing retailers for their actual cost.

President Johnson moved to amend RP09010A01 to match the Agreement amendment. That motion was approved on a voice vote, with Wisconsin voting no.

Ms. Riehl thanked President Johnson and said that she thinks sending it to NCSL and NGA is the appropriate next step and she intends to speak with them on where they stand.

Ms. Beth Ann Kendzierski said that she didn't feel that the compensation package was high enough and it doesn't come close to covering the administrative costs.

Mr. Roger Geiger said two of NFIB's three issues were addressed. He said the NFIB strongly supported the tier concept and encouraged the Board to increase the rates and lower the caps.

Mr. Pat Reynolds of JC Penney said they appreciate all of the work on compensation and thinks it is close to something the BAC can support. He is concerned that states think that the

compensation is too high just because business thinks it's too low. He said if the amount of compensation is cut it may lose the support of the business community.

Senator Kenley stated that while some have reservations and concerns, it is important to remember that states are letting Congress require that states do something they have choice to do today. He said he agrees with the idea of sending this to NGA and NCSL. He also said everyone should remember the cost this imposes on the states not sitting at the table and that it might be another barrier that keeps them from joining.

Senator Cook introduced a resolution from the Governing Board (MC10007) that requests that Congress give the states collection authority and he asked that it move forward with the compensation amendment.

President Johnson moved to accept AM09003A03, RP09010, and MC10007 and to forward them to NCSL and NGA.

That motion was approved on a roll call vote with seventeen states voting yes, Indiana, North Carolina, North Dakota, and Wyoming voting no, and Iowa and New Jersey abstaining.

New Business:

- **Nevada's compliance with the Agreement**

Commissioner Bruce Johnson explained that at the last Governing Board meeting the Board adopted the Issue Resolution report that Nevada was out of compliance because they do not currently accept ACH payments. Mr. Dino DiCianno said that the finding is correct and they are currently doing everything they can to fix the issue.

Delegate Doyle said that Nevada is clearly guilty and should be found guilty but given a very light punishment. Mr. Nicely said that the BAC isn't looking to get Nevada kicked out of the agreement and they should be given a reasonable amount of time to address the issue.

Representative Peters moved to find Nevada out of compliance. That motion was approved on a roll call vote with eighteen states voting yes, and Nevada and New Jersey abstaining.

Announcements:

Mr. Peterson said that Georgia's legislation has passed in the Senate and the House and awaiting the Governor's signature. He also reminded the Board of the annual meeting October 5-7, 2010 in Indianapolis, Indiana.

President Jerry Johnson presented Delegate Doyle with his plaque for all of his efforts as president in 2009.

President Johnson congratulated Mr. Riesenberger from Ohio and Mr. Wilkie from Minnesota on their upcoming retirement.

President Johnson thanked Ms. Harrell-Hathaway for all of her work as the chair of SLAC.

Secretary Helton welcomed Commissioner Craig Griffith to the Board.

President Johnson welcomed Commissioner John Eckart from Indiana and Mr. Tim Casper from Wisconsin to their first meeting.

President Johnson moved to adjourn the meeting at 11:00 AM.