

A motion by Wisconsin, South Dakota, Tennessee and Washington amend the rules of the Streamlined Sales Tax Governing Board:

## **Rule 806.2. Notice Requirements**

### **A. Forms of Notice**

**1. Written Notice.** All notices required or provided for in the Agreement shall be in writing. The writing may be incorporated in a paper document or it may be in electronic form posted on the Website or contained in electronic mail. Telephonic voice communications do not constitute written notice.

**2. Paper Form.** Written notice may be sent in paper form through first-class mail or any private mail delivery service accredited by the Internal Revenue Service for tax return filing purposes. Notices to the Governing Board are properly addressed to the Executive Director at the address indicated on the Website and as set forth below.

*Scott Peterson  
Executive Director  
Streamlined Sales Tax Governing Board, Inc.  
4205 4219 Hillsboro Pike, Suite 305 234  
Nashville, TN 37215*

*This name and address may be changed from time-to-time without amending these Rules of Procedure.]*

**3. Electronic Form.** Written notice may be sent in electronic form to parties who have supplied an e-mail address, or by sending an e-mail to the Executive Director at the e-mail address indicated on the Website.

**4. Facsimile transmission.** Written notice may be sent by facsimile transmission. The Governing Board may be contacted by sending a fax to the Executive Director at the fax number indicated on the Website.

### **B. Notice to the Public**

**1. Publication.** Notice to the public may be accomplished by publishing the notice on the Governing Board website (the "Website") at [URL], under the section identified for public notice. Until the Website is established, public notice may be accomplished by publishing the notice on the Streamlined Sales Tax website at [www.streamlinedsalestax.org](http://www.streamlinedsalestax.org). Public notices shall also be sent to registrants on the electronic mailing list.

**2. Electronic mailing list.** Interested parties may register with the Governing Board to be placed on an electronic mailing list, by sending a written request. The registration will be effective as soon as practicable, but in no event later than thirty days after the request is received. Any such registration will automatically terminate on December 31 of the first full

calendar year following the request for registration and at the end of each year thereafter if the party fails to respond to a request for renewal of the registration in writing.

### **C. Notice to a Member State and to Advisory Councils**

**1. Authorized Representative.** Each Member State shall designate the name, mailing address and electronic mail address of the person(s) authorized to receive written notice for that State on matters governed by the Agreement, referred to herein as the “authorized representative.” That name and address shall be published on the Governing Board Website.

**2. Governing Board Members.** Each Member State shall designate the name, mailing address and electronic mail address of the people (maximum of four) authorized to represent the Member State on the Governing Board. The name and address of such representatives shall be published on the Governing Board Website. Member States are responsible for updating their membership designations.

**3. Advisory Councils.** Each Member State shall designate the name, mailing address and electronic mail address of the person authorized to represent the Member State on the State and Local Advisory Council. That name and address shall be published on the Governing Board Website. Member States are responsible for updating their membership designations. Notice to the business advisory council shall be accomplished by providing same to the Chair and Vice Chair of the eCouncil. The name and address of the Chair and Vice Chair of the bBusiness aAdvisory eCouncil shall be published on the Governing Board Website. The Chair and Vice Chair of the bBusiness aAdvisory eCouncil are responsible for updating their names and addresses.

### **D. Written notice to a taxpayer, representative, or other non-governmental entity**

**1. Designation of address.** A taxpayer, representative, or other nongovernmental party who initiates a proceeding before the Governing Board (collectively referred to as an “interested party”) may designate in the document initiating the proceedings or communication whether it wishes to receive notices or other communications via regular mail, electronic mail, or facsimile transmission.

**2. Default rule.** If the interested party does not designate the manner of notice or a designated address, the Governing Board shall use the same form of written notice used by the party in initiating the proceeding and shall use the address or fax number used by the party in initiating its notice. If no address or fax number is included or can be determined from the party’s initial communication, the Governing Board shall have no obligation to provide a written response.

### **Rule 810.2. SLAC Membership, Officers and Steering Committee Membership.**

#### **A. State Membership:**

1. Each state that is a participating member of the Streamlined Sales Tax Project (SSTP)

will be a member of the Council. Each ~~member~~ participating state shall designate one representative who is a state employee to represent that state in decisions and votes. States may have more than one state employee attend and participate in the Council meetings and committees but will only have one vote as explained in Rule 810.3.A.2.

2. "Participating States" are those States that support the mission of the project and for which an elected official or body of elected officials has committed the State to participate in the Streamlined Sales Tax Project. A State may become a Participating State at any time. A commitment by a State to participate is evidenced by one or more of the following actions:

- a. Enactment of legislation authorizing the State's participation in interstate discussions to develop a simplified sales and use tax system;
- b. Passage of a legislative resolution expressing the intent of the State to participate in interstate discussions to develop a simplified sales and use tax system;
- c. Issuance of an executive order, letter of intent or similar written document by a governor expressing the intent of the State to participate in interstate discussions to develop a simplified sales and use tax system;
- d. Execution of a memorandum of understanding or similar written document by a governor and legislative leaders expressing the intent of the State to participate in interstate discussions to develop a simplified sales and use tax system;
- e. Issuance of a resolution, executive order, letter of intent or similar written document by an elected official or body of elected officials charged under a State Constitution with the administration of the tax laws expressing the intent of the State to participate in interstate discussions to develop a simplified sales and use tax system;
- f. Action by the Mayor or City Council of the District of Columbia comparable to any of the above actions.

3. Any question over whether or not a State qualifies as a Participating State shall be resolved by a majority vote of the Governing Board.

#### **B. Local Government Membership:**

1. The Governing Board shall appoint ~~three representatives~~ one representative from each of the following organizations to represent local government on the Council: U.S Conference of Mayors, National League of Cities, National Association of Counties, and the Government Finance Officers Association.

2. The representatives of these local government organizations will be local government employees, employees of the organizations, or employees of their state counterpart organizations.

3. Local governments or the local government organizations identified in this subsection may have additional employees attend and participate in the Council meetings and committees but will only have votes as identified in Rule 810.3.A.2.

**C. Other Membership.** The Governing Board may appoint other state and local officials to serve on the Council as the Governing Board deems appropriate or necessary.

**D. Officers.** The President of the Governing Board, with the consent of the Executive Committee of the Governing Board, shall appoint from among the membership described above a Chair and Vice Chair of the Council (the "Officers") to serve a one-year term. An individual may serve no more than two consecutive terms as Chair or Vice-Chair, except to fill an unexpired term. The Chair and Vice-Chair will serve as *ex officio* members of the Governing Board, without a vote. The Officers shall preside over all Steering Committee and Council meetings, shall ensure that public notice of meetings is provided in accordance with these rules, and shall fulfill such other responsibilities as delegated to them by the Governing Board.

**E. Steering Committee.**

1. The Council shall have a Steering Committee comprised of no more than nine (9) members. The Officers shall be members of and shall preside over the Steering Committee meetings. The Council shall annually elect from among the representatives of the membership the remaining members of the Steering Committee. At least two (2) and no more than three (3) of the nine Council Steering Committee members will be local government representatives.

2. Duties of Committee

- a. Planning agendas for meetings,
- b. Recommending to the Council the organization of work groups or project committees,
- c. Recommending to the Council such actions and procedures as are necessary for the Council to fulfill its mission, and
- d. Assisting and advising the Officers in fulfilling their responsibilities.

**Rule 810.3. SLAC Meetings**

A. Composition; Quorum; Authority and Voting Procedures

1. Quorum. A majority of the voting membership constitutes a quorum for a meeting of the Council. Any recommendations of Council work groups or committees are advisory to the Council and are not binding on the Council except as may be specifically delegated or approved by a vote of the Council.

2. Voting. All matters shall be decided by a majority vote of the members with representatives present and voting at a Council meeting. In voting, each ~~member~~ participating state shall have one (1) vote and each representative of the local government organizations identified in Rule 810.2.B.1 shall have one (1) vote. In reporting votes to the Governing Board, the Council shall report votes by each ~~member~~ participating state and by each local government organization member.

#### B. Meetings

1. Open Meetings: Rule 807.1 shall govern meetings of the Council. Meetings of a work group, committee, or the Steering Committee are not required to be open to the public unless a quorum of the Council is present at the meeting.
2. Regular Meetings: The Council shall meet as often as is necessary to fulfill its mission. The Officers shall determine the time and place for regular meetings. The Steering Committee shall prepare an agenda for distribution to the Council Members. Written notice of the meeting must be given at least 30 days in advance of the meeting and must include the agenda, purpose of the meeting and all pertinent materials for discussion. Council Members wishing to add action or discussion items to the agenda may do so if submitted 10 days in advance of the meeting to the Officers. Those additional action or discussion items shall be considered by the Council and with the approval of a majority of those present and voting at the meeting.
3. Emergency Meetings: Emergency meetings of the Council may be called by the Officers, the Steering Committee, or by petition of forty percent of Council Members at a time and place determined by those who called the meeting. The purpose of the meeting and the agenda must be contained in the written notice and no other business may be transacted. The 30 day notice may be waived, but in no case shall less than 10 days notice be given. Electronic participation will be allowed.
4. Rules of the Governing Board concerning Notice and Public Comment periods apply to the Council.
5. The Council may meet electronically.

### **Rule 901. Amendments to Agreement**

**A. Requests of Amendments to the Agreement.** Pursuant to Section 901 of the Agreement, any Member State may propose an amendment to the Agreement by submitting the proposed amendment, in writing and in electronic form, to the Executive Director. The proposed amendment will be considered at the next annual meeting or special meeting occurring so that at least 30 days notice of the proposed amendment has been provided in the manner provided herein.

**B. Notice of Request.** The Executive Director shall provide notice of the proposed amendment and the date of the meeting at which the proposed amendment will be considered to the following parties:

- (a) ~~the Governor and the presiding officer of each house of each Member State;~~
- (b) the authorized representative of each Member State;
- (c) the Chair of the State and Local Advisory Council;
- (d) the Chair of the ~~h~~Business ~~a~~Advisory ~~e~~Council;
- (e) the Chair of the Compliance Review and Interpretations Committee; and
- (f) the general public as provided in Rule 806.1.

**C. Revisions to noticed amendments.** Any person intending to revise a proposed amendment to the Agreement shall submit such revisions to the Executive Director no later than ten days prior to the Governing Board meeting at which such amendment will be discussed. The Executive Director shall provide notice of such revisions in the same format as required for amendments to the Agreement. Failure to provide revisions to the Executive Director as provided in this section may be used by the President to refer such revisions to a committee or advisory council for their recommendation for action at a future Governing Board meeting. The Governing Board may override the President's decision by a two-thirds vote of the Governing Board.

#### **D. Public Comment**

1. **Written Comments.** Any party may comment on the proposed amendment by sending written comments to the Executive Director with a copy to the authorized representative of the requesting state. Any such comments must be submitted ~~at least 30 days prior to~~ by the date of the meeting at which the proposed amendment will be considered.
2. ~~**Response by Requesting State.** The requesting state has the option of responding to any written comments by submitting the response to the Executive Director in electronic form, at least 10 days prior to the hearing date, with a copy, either in electronic form or in paper form, to the party originating the comments.~~
3. **Posting of Comments.** The Executive Director shall post all written comments received in electronic form and any response submitted by the requesting state to the Governing Board website. ~~The Executive Director may also post comments not received in electronic form to the extent resources are available.~~

- ~~4. **Request to Testify.** Any party submitting written comments may include in its comments a request to testify before the Governing Board. The Executive Director shall grant those requests to the extent practicable but may limit the time for any single presentation. The Executive Director may limit total public testimony to a reasonable time, not to be less than one hour.~~

## **E. Public Meeting.**

- 1. Vote at Open Meeting.** The vote on the proposed amendment shall be held at an open meeting convened in accordance with Rule 807.
- 2. Testimony by Advisory Councils.** The State and Local Advisory Council and the ~~b~~Business ~~a~~Advisory ~~e~~Council shall have the right to present oral testimony if they choose. ~~The Executive Director may limit the time for each Council to testify to a reasonable time, not to be less than 15 minutes each.~~
- 3. Comments by Member States.** Any Member State has the right to make oral comments to the extent it deems appropriate, subject only to a motion by the Governing Board to cut off debate. Any Member State has the right to propose revisions to the proposed amendments to the extent those revisions are germane.
- 4. Vote on Revisions to Proposed Amendments.** After discussion and receipt of testimony, the Governing Board shall vote on any revisions to the proposed amendment. Approval of the proposed revisions shall be by a simple majority vote of those Member States present
- 5. Vote on Final Amendment.** After discussion and receipt of testimony, the Governing Board shall vote on adoption of the proposed amendment, whether or not revised. The proposed amendment will be adopted only if approved by a three-fourths vote of the entire Governing Board. Amendments to the Agreement of a policy nature must be approved at two separate Governing Board meetings. However, the requirement for a second vote may be waived after the first vote with the unanimous consent of those full members of the Governing Board present. For the purposes of this section, a "policy" amendment is one which imposes a requirement on a member state.

*Compiler's note: On December 13, 2010 subsection A was amended by deleting 60 and inserting 30.*

## **Rule 902.1. Interpretive Rules.**

**A. Purpose.** Interpretive rules are distinguished from interpretive opinions in section 902 of the Streamlined Sales and Use Tax Agreement ("Agreement"). The intent of this procedural rule is to prescribe procedures applicable only to interpretive rules.

~~**B. Intent.** Section 902 of the Agreement provides that interpretations of the Agreement, including interpretive rules, can only be accomplished by action of the Governing Board. Article~~

~~VIII A, Section 1 of the Bylaws of the Streamlined Sales Tax Governing Board, Inc. provides for establishment of the State and Local Advisory Council (“SLAC”) to advise the Governing Board on matters pertaining to the administration of the Agreement, including interpretations. Section 1 continues by stating that the Governing Board may work through its committees to solicit and consider SLAC positions on matters. SLAC is uniquely qualified and positioned to develop draft interpretive rules.~~

~~Article VII of the Bylaws of the Streamlined Sales Tax Governing Board, Inc. provides for establishment of Standing Committees of the Governing Board. Section 2 of Article VII establishes the Compliance Review and Interpretations Committee (“CRIC”). Among the responsibilities given to CRIC is “... making recommendations to the Governing Board on matters involving interpretations ...”. CRIC is uniquely qualified and positioned to provide commentary and recommendations to the Governing Board on interpretive rules developed and proposed by SLAC.~~

~~Article VIII B, Section 1 of the Bylaws of the Streamlined Sales Tax Governing Board, Inc. provides for establishment of a Business Advisory Council (“BAC”) to advise the Governing Board on matters pertaining to the administration of the Agreement, including interpretations. Section 1 continues by stating that the Governing Board and its committees shall solicit and consider BAC positions. Section 6 provides that BAC shall seek the advice of and respond to SLAC prior to formulating a recommendation to the Governing Board or its committees.~~

**CB. Requests for Interpretive Rules.** Pursuant to Section 902 of the Agreement, the Governing Board shall act on requests for interpretation of the Agreement, including interpretive rules, brought by any member state or any other person within a reasonable period of time and in a manner prescribed in the Governing Board rules. The Governing Board may choose to not issue an interpretive rule or it may choose to not act on a request for an interpretive rule. Where the Governing Board chooses to act on a request for an interpretive rule it will initiate the interpretive rule process by making a request of SLAC to develop a draft interpretive rule.

**DC. State and Local Advisory Council.**

1. Upon initiation of the interpretive rules process, the SLAC chair will provide public notice of the formation of an interpretive rule workgroup and will invite participation from all interested parties. SLAC will establish a workgroup comprised of interested state, local and business representative who will, using experts and assistance of the SLAC Steering Committee prepare a draft interpretive rule.

2. The SLAC Chair will provide the draft interpretive rule to SLAC delegates and the BAC with a reasonable opportunity for review, comment, and participation in continued development of the draft interpretive rule.

3. The SLAC Chair will have sole discretion to call for final comments on draft interpretive rules from states, BAC and other interested parties. Notice of such call for final comment shall be in accordance with Rule 806.2. Final comments shall be submitted to the SLAC Chair and Vice Chair within the specified time but in no case shall the period for submitting final comments be less than 20 days from the date of the notice for final comments on



the draft interpretive rule. SLAC will finalize the draft interpretive rule and forward it to the Governing Board and CRIC at least 35 days prior to the Governing Board meeting in which it will be considered.

**~~E. Compliance Review and Interpretations Committee.~~**

~~1. CRIC will place the proposed interpretive rule on its next regularly scheduled public meeting agenda for discussion by CRIC members and for public comment by other interested parties. It is the intent of this rule that the time period for CRIC review be held to a minimum in light of the extensive review, discussion and comment previously provided through the SLAC process.~~

~~2. CRIC may prepare advisory written commentary and recommendations for submission to the Governing Board for its consideration.~~

**~~F. Business Advisory Council.~~**

~~1. BAC may participate in the review and comment process undertaken by SLAC concerning development and finalization of a draft interpretive rule to be forwarded to the Governing Board and CRIC.~~

~~2. BAC may provide comments on a draft interpretive rule to CRIC for consideration during its review.~~

~~3. BAC may provide written comments directly to the Governing Board on draft interpretive rules and comments forwarded to the Governing Board by CRIC.~~

**GD. Agenda.** A proposed interpretive rule together with all written comments shall be presented to the Governing Board and placed on the agenda of the Governing Board for either a regular or a special meeting. At least thirty days notice to the member states and the public is required by Section 902 of the Agreement.

**Rule 903.1. Requests for Additional Definitions.**

**~~A. Requests for Additional Definitions.~~**—Any Member State or person may request an additional definition in the Agreement by submitting the proposed definition, in writing, to the Executive Director.

**~~B. Compliance Review and Interpretations Committee.~~**

~~1. **Initial Evaluation.**—The Executive Director shall circulate place the proposed definition to the Compliance and Interpretations Committee on the next Governing Board agenda for an initial evaluation and assignment.—The Compliance Review and Interpretations Committee shall review the proposed definition to determine if further action is warranted.~~

~~2. **Determination as Unnecessary.** If the Compliance Review and Interpretations Committee determines that the definition is inappropriate, unwarranted or~~

~~unnecessary for any reason, it shall notify the Executive Director who shall notify the requestor that the Governing Board declines to adopt the proposed definition. This action shall be reported to the Executive Committee and the Governing Board. If the requestor disagrees with the initial evaluation, the requestor may invoke the dispute resolution process provided for in Article X of the Agreement.~~

- ~~3. **Formal Definition.** If the Compliance Review and Interpretations Committee determines that additional consideration of the proposed definition is warranted, the Committee shall inform the Executive Director who shall publish the request for definition on the Website and solicit comment. The Compliance Review and Interpretations Committee shall consult with the State and Local Advisory Council and the business advisory council and shall formulate a recommendation to the Governing Board.~~

~~**C. Public Notice.** If the Compliance Review and Interpretations Committee has notified the Executive Director that additional consideration of the proposed definition is warranted, the Executive Director shall provide a copy of the request for definition to and shall solicit comment from the following parties:~~

- ~~(a) the authorized representative of each Member State;~~
- ~~(b) the Chair of the State and Local Advisory Council;~~
- ~~(c) the Chair of the business advisory council; and~~
- ~~(d) the general public as provided in Rule 806.1.~~

~~**D. Public Meeting.** No sooner than 60 days after solicitation of comment, the Compliance Review and Interpretations Committee shall meet in a public meeting convened in accordance with Rule 807 to consider the request and shall issue a written recommendation. The decision may be in the form of (1) a recommendation of a proposed definition or (2) a determination not to propose a new definition. The recommendation shall be in writing and shall provide the Committee's rationale for the decision. A copy of the decision shall be sent to the requesting party, the Executive Committee and the Governing Board.~~

~~**E. Agenda.** Actions on definitions recommended by the Compliance Review and Interpretations Committee shall be placed on the agenda of the Governing Board for either a regular or a special meeting.~~

~~**F. Appeal.** If the decision is not to propose a new definition and the requestor disagrees with the decision, the requestor may invoke the appeals process provided for in Article X of the Agreement.~~

~~**G. Publication of Decision.** Once the decision becomes final, either because no appeal is filed or because the appeal procedures have been exhausted, the decision shall be sent to the requesting party and a copy of the decision shall be posted on the Website.~~

~~**H. Proposal of Amendment.** If the Compliance Review and Interpretations Committee proposes a new definition, it shall propose an Amendment to the Agreement and the provisions of Section 901 shall be followed.~~

## **Rule 1001. Rules and Procedures for Appeals.**

### **A. Petition for Reconsideration**

1. **Request for Reconsideration.** Any party dissatisfied with a decision of the Governing Board may file an appeal with the Governing Board to request reconsideration of the decision.
2. **Contents of the petition.** A petition shall set forth in reasonable detail the basis for the request being made, containing all facts, evidence and legal discussion necessary to allow for a disposition of the matter; a statement as to whether the petition relates to any matter pending in any state or local administrative or judicial process; a statement as to whether a hearing is requested; and an affidavit or affirmation that the facts contained therein are true and correct.
3. **Timing of the petition.** Unless otherwise stated in these rules, a petition for reconsideration shall be filed within sixty (60) days after the decision is issued.
4. **Fee.** There shall be no fee or charge for the initial filing of any petition, although the Governing Board retains the discretion to allocate the costs incurred by the Governing Board and the Issues Resolution Committee in determining the petition to the petitioner in whole or in part, and/or to other persons who have participated in the issue resolution process.

**B. Publication of the Petition.** On receipt of the petition, the Executive Director shall publish the petition on the website, and provide a copy of the petition to and solicit comment from the following parties:

- (a) the authorized representative of each Member State;
- (b) the Chair of the State and Local Advisory Council;
- (c) the Chair of the ~~b~~Business ~~a~~Advisory ~~e~~Council; and
- (d) the general public as provided in Rule 806.1.

**C. No Hearing Requested.** If the petitioner has not requested a hearing, the Issues Resolution Committee shall meet to consider the petition and any comment received, and shall issue a recommendation to the Governing Board, no sooner than 60 days, and no later than 120 days, after solicitation of comment. The recommendation shall be in writing and shall provide the Issues Resolution Committee's rationale for the recommendation.

**E. Hearing Requested.** If the petitioner has requested a hearing, the Issues Resolution Committee shall, no sooner than 60 days, and no later than 120 days, after solicitation of comment, schedule a hearing on the petition and mail notice of the hearing to

- (a) the petitioner;
- (b) any other person who has submitted a comment on the petition;
- (c) the authorized representative of each Member State;
- (d) the Chair of the State and Local Advisory Council;
- (e) the Chair of the ~~b~~Business ~~a~~Advisory ~~e~~Council; and
- (f) the general public as provided in Rule 806.1.

The hearing shall take place at the office of the Governing Board, or another location designated by the Issues Resolution Committee. At the hearing, the Issues Resolution Committee will designate the amount of time the petitioner will be allotted to speak, with a minimum of fifteen minutes to be allotted. Other persons whose written requests to speak at the hearing have been received by the Issues Resolution Committee prior to the day of the hearing will be allotted time to speak at the discretion of the Issues Resolution Committee. Within 60 days of the hearing, the Issues Resolution Committee shall meet to consider the petition and any comment received and shall issue a recommendation to the Governing Board. The recommendation shall be in writing and shall provide the Issues Resolution Committee's rationale for the recommendation.

**F. Governing Board Action.** Within 60 days of receipt of a recommendation from the Issues Resolution Committee, the Governing Board shall meet to consider the recommendation and issue a decision. The decision shall be in writing and shall provide the Governing Board's rationale for the decision. The decision shall be sent to the petitioner and a copy of the decision shall be posted on the website.

**G. Expedited Appeal.** The time limitations in this rule may be shortened if the petitioner asks for expedited consideration in its request. In that case, the notice to interested parties shall request written comment within 10 days. The Issues Resolution Committee may meet any time after that 10-day period has expired.