

A motion by Wisconsin to amend the rules relating to sanctions:

Rule 809 Determination of Sanctions

A. Governing Board to Consider Sanctions. When the Governing Board makes a final determination that a member state is not in compliance with the terms of the Agreement, the Governing Board shall consider what sanctions should be imposed pursuant to the procedures set out in this rule.

B. Comments. Prior to imposing sanctions, the Governing Board shall allow for public comment.

C. Public Meeting. At the meeting when a state is found not in compliance with the Agreement or a meeting held not more than 60 days after such determination, the Governing Board shall determine appropriate sanctions to be imposed on the state. The state that has been determined to be in noncompliance shall not participate in the vote on the recommendation. The meeting shall provide an opportunity for public comments. The subject state shall be afforded an opportunity to be heard by the Committee at such meeting.

D. Possible Recommendations. In arriving at a recommendation for sanction the Governing Board shall consider the action which resulted in noncompliance and the burden noncompliance puts on sellers and purchasers. Sanctions which may be imposed by the Governing Board include, but are not limited to:

1. Relieving sellers registered under the Agreement which do not have a legal requirement to collect in such state from their agreement to collect in such states. Unless otherwise specifically provided by the Governing Board, sellers relieved by the Governing Board from collecting tax for a sanctioned state shall be required to begin collection again on the first day of a calendar month after a minimum 60 day notice by the Governing Board that the state is back in compliance.
2. Suspension of the state's right to vote on amendments to the Agreement;
3. Suspension of the state's right to vote to determine if a petitioning state is in compliance with the Agreement;
4. Suspension of the State's right to have any delegates serve on the Governing Board or to vote on any matter which may come before the Governing Board;
5. Requiring the state to provide compensation to sellers burdened by the state's noncompliance with the Agreement; or
6. Expulsion.

E. Effective date of Sanction. The Governing Board shall determine the effective date of any sanction it imposes. It may provide for a conditional effective date for a sanction which would result in the sanction being imposed only if the subject state failed to come into compliance by a date certain. Any sanctions must be imposed within the time restraints provided for in Section 809 of the Agreement.

F. Publication of Decision. Once the decision on sanctions is made by the Governing Board, the decision shall be sent to the subject state and a copy of the decision shall be posted on the Governing Board's website.