

Section 805 Compliance

- A. A member state is in compliance with the Agreement if the effect of the state's laws, rules, regulations, and policies is substantially compliant with each of the requirements set forth in the Agreement.
- B. A member state found out of compliance with a requirement of the Agreement retains all of its rights under the Agreement, subject to any sanctions imposed by the Governing Board under section 809.
- C. A motion to find a member state is out of compliance with a requirement set forth in the Agreement shall require the affirmative vote of three-fourths of the entire Governing Board, excluding the member state that is the subject of the motion. The member state that is the subject of the motion shall not vote on such motion.
- D. A member state found out of compliance with a requirement of the Agreement shall clearly delineate on its taxability matrix, certificate of compliance, and annual recertification letter, as applicable:
 - 1. Which requirement of the Agreement it is out of compliance with, and
 - 2. Provide adequate notice to the public of how the member state's nonconforming provision differs.
 - 3. To the extent possible, a member state shall provide relief of liability to a seller or CSP that relied to its detriment on the member state's noncompliance with a requirement of the Agreement.