A motion by Arkansas and Utah to amend Section 805 of the SSUTA relating to compliance by a member state and creating Section 805.1 relating to finding a member state out of compliance to read as follows:

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. Unless the governing board specifies a different time period, no member state shall be found out of compliance under subsection A. for failing to substantially comply with any amendment to the Agreement adopted under section 901 of the Agreement or an interpretation or interpretive rule adopted under section 902 of the Agreement, if substantial compliance with the amendment, interpretation or interpretive rule requires the state to make a statutory change, until the later of the first day of January at least two years after the adoption of the amendment, interpretation or interpretive rule or the first day of a calendar quarter following the end of one full session of the state's legislature.

C. During the annual compliance recertification process set forth in section 803, the Compliance Review and Interpretation Committee in its annual report to the governing board ~~shall~~ may notify a member state of any future compliance issues it may have if the effect of the state's laws, rules, regulations, and policies does not substantially comply with any amendment to the Agreement adopted under section 901 of the Agreement or an interpretation or interpretive rule adopted under section 902 of the Agreement.[DLT1]

D. Unless the governing board specifies a different time period, no member state shall be found out of compliance under subsection A above ~~for failing to be in compliance with any term of the Agreement that the state has adopted, in substantially identical form, in its statutes~~ if its noncompliance is a result of a judicial ruling in that state that interprets that term of the Agreement in a manner inconsistent with an interpretation by, or interpretive rule of, the governing board adopted under section 902 of the Agreement and the member state comes into substantial compliance with the interpretation of the governing board by amending its statutes before the later of the first day of January at least two years after the issuance of the judicial decision or the first day of a calendar quarter following one full session of the state's legislature.

Section 805.1 Finding a State Out of Compliance

A. A motion to find a member state is out of compliance shall identify which requirement the member state is alleged to not have complied with, including the applicable section of the Agreement. For the motion to pass it shall require the affirmative vote of three-fourths of the entire Governing Board, excluding the member state that is the subject of the motion.

A motion by Arkansas and Utah to amend Section 805 of the SSUTA relating to compliance by a member state and creating Section 805.1 relating to finding a member state out of compliance to read as follows:

B. The Executive Director shall promptly notify the Governing Board delegates of each member state, the Chair of the Executive Committee, the Chair of the Compliance Review and Interpretation Committee, the Chair of the State and Local Advisory Council, the Chair of the Business Advisory Council and the general public as provided in Rule 806.2(B) when the Governing Board has found a member state out of compliance.

C. A member state found out of compliance with the Agreement retains all of its rights and responsibilities under the Agreement, subject to any sanctions imposed by the Governing Board under section 809.

D. A member state found out of compliance within 30 days of the Governing Board finding the member state out of compliance shall submit to the Executive Director a statement of non-compliance, or if applicable an amended statement of non-compliance, consistent with section 803. The Executive Director shall post the statement of non-compliance on the Streamlined Sales Tax Governing Board's website. If the member state intends to file a petition for reconsideration pursuant to Rule 1001, it shall note that fact on its amended statement of non-compliance. The statement shall be further amended if the petition is not filed or, if applicable, to address the outcome of the petition. The state shall also revise the state's taxability matrix, and certificate of compliance, as applicable, to clearly describe how the member state's nonconforming provision differs from the requirement of the Agreement.

E. 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 the specifically identified requirement of the Agreement with which the member state is out of compliance.