A motion by Indiana and Oklahoma to amend Section 705 of the Agreement relating to extension of Associate Membership because of Section 310:

VERSION 2

Section 705: ASSOCIATE MEMBERSHIP

A. An associate member shall have all the rights and privileges of a member state except that:
   1. An associate member may not vote on amendments to or interpretations of the Agreement when the provisions of Section 701 have been met without the use of associate members; and
   2. An associate member may not vote to determine if a petitioning state is in compliance with the Agreement pursuant to Section 804 of the Agreement.
   3. A representative of an associate member state shall not be eligible to serve on the compliance review and interpretations committee.

B. A state which is an associate member on January 1, 2007, shall retain such status until the Governing Board finds such state to be in compliance pursuant to Section 805 or December 31, 2007, whichever is earlier, without regard to whether the population requirement of Section 701 has been met. Any associate member that has not been found in compliance by December 31, 2007, June 30, 2008, shall forfeit its status as an associate member. Provided, such associate member may be granted continuing associate member status, if the Governing Board, by a three-fourths vote, determines that such state’s only issue of noncompliance is with Section 310 of the Agreement. Such states shall be subject to the annual recertification requirement set forth in Section 803 of this Agreement for all issues other than compliance with the provisions of Section 310. The president of the governing board shall provide an associate member state with the reasons why such state is not in compliance with the Agreement. Forfeiture of its status as an associate member does not preclude a state from re-petitioning for membership pursuant to Section 801.

C. Notwithstanding any provision of this Agreement to the contrary, a seller may, but is not required to collect sales or use tax on sales into an associate member state unless the seller is otherwise required to collect such taxes under applicable law. Notwithstanding the provisions of Section 401 (B), a seller that volunteers to collect tax in an associate member state is not required to collect tax in any other associate member state. An associate member shall be responsible for
payment of costs as provided in Article VI for those sellers that volunteer to collect tax in an associate member state.

D. Neither the Governing Board nor a member state may share or grant access to an associate member state any seller information from the seller's registration pursuant to Section 401. Neither the Governing Board nor a member state may share or grant access to an associate member state any seller information from an audit conducted by the Governing Board or a member state on behalf of the Governing Board unless the associate member state is a party to the audit.

E. An associate member shall be responsible for the payment of the petition fee and the annual cost allocation as determined by the Streamlined Sales Tax Implementing States or Governing Board.

F. An associate member state shall provide amnesty pursuant to the provisions of Section 402, provided, the amnesty shall be in effect from the date the associate member status is attained until 12 months after the associate member state becomes a full member state.

Section 801: ENTRY INTO AGREEMENT

A. After the effective date of the Agreement, a state may apply to become a party to the Agreement by submitting a petition for membership and certificate of compliance to the governing board. The petition for membership shall include such state’s proposed date of entry. The petitioning state’s proposed date of entry shall be on the first day of a calendar quarter. The proposed date of entry shall be a date on which all provisions necessary for the state to be in compliance with the Agreement are in place and effective.

B. The petitioning state shall provide a copy of its petition for membership and the certificate of compliance to each member state when the petitioning state submits its petition for membership to the governing board. A petitioning state shall also post a copy of its petition for membership and certificate of compliance on that state’s web site.
C. A state that petitions for membership after January 1, 2007, that is found to be in compliance pursuant to Sections 804 and 805 of the Agreement except that the changes to their statutes, rules, regulations or other authorities necessary to bring them into compliance are not yet in effect, shall be designated an Associate Member effective on the first day of the calendar quarter that is not more than twelve months before its proposed date of entry as a member state. Such twelve month period may be extended to eighteen months if the Governing Board, by a unanimous vote approves such extension. Such states shall be subject to the annual recertification requirement set forth in Section 803 of this Agreement for all issues other than the delayed effective date issues identified at the time the state becomes an Associate Member. Extensions of effective date delays beyond those identified at the time the state becomes an Associate Member shall require the state to submit a statement of non-compliance pursuant to Section 803. Provided the statutes, rules, regulations or other authorities remain in effect, the state shall automatically become a Member State on the state’s proposed date of entry.

D. A state which becomes an associate member after January 1, 2007 pursuant to subsection C of this section shall forfeit its status as an associate member on the date provided for compliance pursuant to subsection C of this section, if the state’s laws are not in compliance at that time. A state that forfeits its status as an associate member because it has extended its effective date for required law changes beyond the date set forth in its petition for membership may not file another petition for membership for a period of twelve months after such state forfeits its status as an associate member.

E. A state may petition solely for associate member status. The procedure for consideration of such petition shall be the same as consideration of a petition for full membership except as provided in this subsection. If such state is found to be in compliance pursuant to Sections 804 and 805 of the Agreement except for the provisions of Section 310 of the Agreement, it shall be designated an associate member effective on the proposed date of entry in its petition for membership or the first day of the calendar quarter after its petition is approved by the governing board, whichever is later, and is at least sixty days after its petition is approved. If the changes to the statutes, rules, regulations or other authorities necessary to bring such state into compliance with all other Sections of the Agreement are not yet in effect, such state shall be designated an
August 29, 2007

Associate Member effective on the first day of the calendar quarter that is not more than twelve months before such changes are scheduled to become effective. Such twelve month period may be extended to eighteen months if the Governing Board, by a unanimous vote approves such extension.

States which become Associate Members pursuant to the provisions of this subsection shall be subject to the annual recertification requirement set forth in Section 803 of this Agreement for all issues other than compliance with the provisions of Section 310 and the delayed effective date issues identified at the time the state becomes an Associate Member. Extensions of effective date delays beyond those identified at the time the state becomes an Associate Member shall require the state to submit a statement of non-compliance pursuant to Section 803.