

A motion by Kansas to amend the Agreement relating to sanctions:

Section 809: DETERMINATION OF NONCOMPLIANCE AND SANCTIONS OF MEMBER STATES

A. A. The determination of a member state not being in compliance with the Agreement shall be based on an affirmative vote of three-fourths of the entire governing board, excluding the state that is the subject of the compliance vote. The Governing Board shall by rule establish the criteria for determining noncompliance.

B.1. If a member state is found to be ~~not in~~-compliance with the Agreement pursuant to division A of this section, the governing board ~~may consider~~shall sanctions ~~against~~ the state. The sanctions that the governing board may impose include expulsion from the Agreement, or other penalties as determined by the governing board. The adoption of a resolution to sanction a member state for noncompliance with the Agreement shall require an ~~the~~ affirmative vote of a majority of the governing board present and voting (with requisite quorum present). ~~three-fourths of the entire governing board, excluding the state that is the subject of the resolution.~~ The member state that is the subject of the resolution shall not vote on such resolution. Resolutions seeking sanctions shall be acted upon by the governing board ~~within a reasonable period of time as set forth in the governing board's rules~~ in compliance with the Agreement. The governing board shall provide an opportunity for public comment when a member state is found not in compliance at the meeting prior to taking action on a proposed sanction.

2. Regardless of the terms of any sanctions, any member state found not in compliance that does not cure its compliance issues before the later of the first day of January at least two years after the member state was found not in compliance or the first day of a calendar quarter following the end of one full session of the state's legislature shall automatically be expelled as a member state on the latter of those two dates.

3. Within ten days, the Executive Director shall post such finding on the Governing Board's website and provide (1) notice and the reasons for a finding of noncompliance and (2) sanctions and, if applicable, timeline for the sanctions imposed to the following parties:

- a. the head of the state's department of revenue or similar office;
- b. the state's governor;
- c. the heads of the state's legislative houses;
- d. the chairs of the state's appropriate revenue or taxation committees; and
- e. the general public as provided in Rule 806.2.

CB. No member state shall be ~~found not in compliance sanctioned~~ for failing to comply with any amendment to the Agreement adopted under section 901 of the Agreement or an interpretation or interpretative rule adopted under section 902 of the Agreement, if 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 or interpretive rule or the first day of a calendar quarter following the end of one full session of the state's legislature.

DC. No member state shall be ~~sanctioned~~found not in compliance 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 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.