



To: Strategic Planning Committee
From: Gregory S. Matson
Date: August 6, 2019
Subject: Summary of Proposed Bylaw Changes

This is a summary explaining the purpose and effect of proposed bylaw changes related to improving and increasing Commission participation.

BACKGROUND

The Commission's sovereignty member states support the purposes of the Multistate Tax Compact (Compact) through regular participation in, and financial support for, the general activities of the MTC, but are states which have not enacted the Compact.

The concept of sovereignty membership for states was first discussed at an Executive Committee meeting in November of 1993. At the time, states could be a party to the Multistate Tax Compact by virtue of enacting it into their laws (compact member), or as an associate or project member. Only compact member states funded the Commission's general operations (e.g., uniformity efforts, legal support, and organizational matters). Compact members provided this funding through the mechanics of Article VI.4(b) of the Compact, which provides:

Each of the Commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the party States. The total amount of appropriations required under any such budget shall be apportioned among the party States as follows: one-tenth in equal shares; and the remainder in proportion to the amount of revenue collected by each party State and its subdivisions from income taxes, capital stock taxes, gross receipts taxes, sales and use taxes. ...

An equilibrium had settled in with respect to the number of compact member states (20-22 states), despite efforts to get states to enact the Compact. Sovereignty membership was a way for states whose tax administrations were supportive of the work of the MTC to join with the compact members states in funding the general operations and goals of the Commission. In other words, sovereignty states would share equally the apportionment of MTC funding with the compact member states.

Sovereignty membership was approved in 1994. The Commission's bylaws were revised to reflect sovereignty membership in 2001.

Florida became the first sovereignty member state in July 1997; Rhode Island is the most recent, in July 2018. There are currently eight sovereignty member states, the most at any given time. They are: Georgia, Kentucky, Louisiana, Michigan, Minnesota, New Jersey, Rhode Island, West Virginia.

WHY CHANGE?

Sovereignty member states are treated just as compact member states in every way possible, subject only to the limitations of the Compact. Thus, they shoulder the funding load for the general operations of the MTC with their compact member state siblings, but they cannot vote at Commission meetings and the head of their state tax agency cannot hold office or be a member of the Executive Committee. (They do have voting privileges and can have leadership positions in other MTC committees.)

By design, sovereignty members are accorded the same priority with respect to the Commission's staff resources and attention as compact members. And they are encouraged to participate just as compact members do at MTC meetings (though without a vote).

Sovereignty member states pay the same rate as compact member states when attending MTC training programs, which is a lesser rate than what other states pay.

Like compact members, sovereignty members do not pay the general operations support surcharge of 20% for participating in the Joint Audit and National Nexus Programs. Note that because of the Compact's funding apportionment mechanics, smaller states often save money by becoming sovereignty members when they participate in our Joint Audit Program.

But those same apportionment mechanics have driven away sovereignty member states and kept states from considering sovereignty membership because of a general membership assessment that is too daunting, given the state would not have a vote or be able to participate in the leadership of the Commission.

Notably, of the states currently paying the top-five highest general membership assessments, four of these are sovereignty member states.

How to enhance Commission participation in such a way as to retain, engage, and attract sovereignty member states has been an ongoing discussion among senior MTC staff for more than 10 years (with an admitted hiatus during the peak years of the *Gillette* litigation). More recently, a method of providing sovereignty member states with a vote has emerged.

PROPOSED CHANGES

Attached are proposed changes to Bylaw 5, *Quorum, Voting, and Minutes*, that provide for sovereignty membership voting. Because of the provisions on voting in Article VI of the Compact (which are statutory), the votes of sovereignty member states are added to the votes of compact members as a *secondary* majority requirement. Because a requisite majority of compact members is required for anything to pass,* and a second majority determination occurs which combines compact and sovereignty member votes, voting under the Compact is not vitiated. *No action can be approved by the Commission under new Bylaw 5 that would not have been approved under current Bylaw 5.*

But sovereignty member states' votes are meaningful, inasmuch as those votes also affect actions before the Commission. A secondary majority (a majority of compact AND sovereignty states) is also required for something to be approved. Thus, sovereignty member states are given an opportunity to participate in and affect the vote on actions before the Commission and Executive Committee.

The changes discussed above relate to new Bylaw 5(b) and (c): voting on regular items and voting on uniformity proposals, respectively (uniformity proposals require a 60 percent or better majority to pass, rather than a simple majority). Note that the population majority requirement for these votes has been dropped.

New Bylaw 5(d) creates a category of voting with respect to financial matters, the obvious example being the Commission's annual budget. The voting requirement is the same as for regular items, but retains the population majority requirement as a third majority determination. Population is serving as an easily determined proxy for the size of state's economy, which correlates to the amount of compact and sovereignty states' general membership assessment. Note that other than the new secondary majority requirement (a majority of compact and sovereignty states), there is nothing different from current voting.

New Bylaw 5(e) is a revamped provision for holding votes open to obtain votes from absent or abstaining compact and sovereignty members. The current version of this—existing Bylaw 5(d)—has never been used. But the ability to hold votes open for a short period becomes very important under new Bylaw 5 for one reason: A quorum is still determined by majority of compact members (a requirement of the Compact), so a meeting can be held, and actions voted on, without a majority of compact AND sovereignty member states participating.

The next section of this memo works through several examples to illustrate how voting would work under new Bylaw 5, using both current and hypothetical membership composition.

New Bylaw 5(f) provides an apportioning rule for purposes of the population majority required when voting on financial matters (new 5(d)(3)) that applies to states with multiple tax agencies that administer taxes to which the Compact applies, but not all tax agencies in the state participate as members of the MTC.

The remaining changes are in the nature of technical and conforming amendments, mostly to add precision to the word “members.” The changes to Bylaw 7(g) add sovereignty member states in the Bylaw 7 survey process. The changes to Bylaw 13(b)(2) apply the Compact’s determination of agency head to sovereignty member states and specifies that if a state has more than one tax agency that participates in and financially supports the Commission, the state determines which agency head serves as the state’s representative.

EXAMPLES OF VOTING UNDER NEW BYLAW 5

Hypotheticals Using Current Membership

We currently have 16 compact member and 8 sovereignty member states (24 combined).

Thus, a simple majority of compact members is 9, compact and sovereignty members 13, and the 60% of votes required for approval of uniformity proposals is 10 and 15, respectively.

1. Majority of compact states, minority of sovereignty states, all others abstaining:

Compact: 9 yes

Compact and Sovereignty: 13 yes (4 yes by sovereignty states)

Result: Passes (majority of compact states (9/16) and majority of compact and sovereignty states (13/24))

2. Minority of compact states and majority of compact and sovereignty states, the rest abstaining:

Compact: 8 yes

Compact and Sovereignty: 13 yes (5 yes by sovereignty states)

Result: Fails (minority of compact states (8/16) even though majority of compact and sovereignty states (13/24))

NOTE: Failure to garner a majority of compact member votes causes failure in all cases

* Article VI.1(c) of the Compact provides “(c) Each member shall be entitled to one vote. The Commission shall not act unless a majority of the members are present, *and no action shall be binding unless approved by a majority of the total number of members.*” (emphasis supplied)

3. Majority of compact states and but minority of compact and sovereignty states, the rest abstaining:

Compact: 9 yes

Compact and Sovereignty: 12 yes (3 yes by sovereignty states)

Result: Fails (majority of compact states (9/16) but not a majority of compact and sovereignty states (12/24))

NOTE: Failure to also garner a majority of compact and sovereignty member votes causes failure in all cases.

Uniformity Examples

4. 60% majority of compact states and 60% majority of compact and sovereignty states, the rest abstaining:

Compact: 10 yes

Compact and Sovereignty: 15 yes (5 yes by sovereignty states)

Result: Passes (60% majority of compact states (10/16) and 60% majority of compact and sovereignty states (15/24))

5. Less than 60% majority of compact states and 60% of compact and sovereignty states, the rest abstaining:

Compact: 9 yes

Compact and Sovereignty: 15 yes (6 yes by sovereignty states)

Result: Fails (less than 60% majority of compact states (9/16) even though 60% majority of compact and sovereignty states (15/24))

NOTE: Failure to garner a 60% majority of compact member votes causes failure in all cases.

6. 60% majority of compact states and less than 60% of compact and sovereignty states, the rest abstaining:

Compact: 10 yes

Compact and Sovereignty: 14 yes (4 yes by sovereignty states)

Result: Fails (60% majority of compact states (10/16) but less than 60% majority of compact and sovereignty states (14/24))

NOTE: Failure to also garner a 60% majority of compact and sovereignty member votes causes failure in all cases.

Hypotheticals Using More Balanced Membership

For these examples, I use the existing 16 compact member states and a hypothetical 14 sovereignty member states, for 30 total.

Thus, a simple majority of compact members is 9, compact and sovereignty members is 16, and the 60% of votes required for approval of uniformity proposals is 10 and 18, respectively.

1. Majority of compact states, minority of sovereignty states, all others abstaining:

Compact: 9 yes

Compact and Sovereignty: 16 yes (7 yes by sovereignty states)

Result: Passes (majority of compact states (9/16) and majority of compact and sovereignty states (16/30))

2. Minority of compact states and majority of compact and sovereignty states, the rest abstaining:

Compact: 8 yes

Compact and Sovereignty: 16 yes (8 yes by sovereignty states)

Result: Fails (minority of compact states (8/16) even though majority of compact and sovereignty states (16/30))

3. Majority of compact states and but minority of compact and sovereignty states, the rest abstaining:

Compact: 9 yes

Compact and Sovereignty: 15 yes (6 yes by sovereignty states)

Result: Fails (majority of compact states (9/16) but not a majority of compact and sovereignty states (15/30))

Uniformity Examples

4. 60% majority of compact states and 60% majority of compact and sovereignty states, the rest abstaining:

Compact: 10 yes

Compact and Sovereignty: 18 yes (8 yes by sovereignty states)

Result: Passes (60% majority of compact states (9/16) and 60% majority of compact and sovereignty states (18/30))

5. Less than 60% majority of compact states and 60% of compact and sovereignty states, the rest abstaining:
Compact: 9 yes
Compact and Sovereignty: 18 yes (9 yes by sovereignty states)
Result: Fails (less than 60% majority of compact states (9/16) even though 60% majority of compact and sovereignty states (18/30))

6. Bare 60% majority of compact states and less than 60% of compact and sovereignty states, the rest abstaining:
Compact: 10 yes
Compact and Sovereignty: 17 yes (7 yes by sovereignty states)
Result: Fails (60% majority of compact states (10/16) but less than 60% majority of compact and sovereignty states (17/30))

Hypotheticals with Much More Sovereignty State Membership

For these examples, I again use the existing 16 compact member states and a hypothetical 24 sovereignty member states, for a total of 40.

Thus, a simple majority of compact members is 9, compact and sovereignty members is 21, and the 60% of votes required for approval of uniformity proposals is 10 and 24, respectively.

1. Majority of compact states, minority of sovereignty states, all others abstaining:
Compact: 9 yes
Compact and Sovereignty: 21 yes (12 yes by sovereignty states)
Result: Passes (majority of compact states (9/16) and majority of compact and sovereignty states (21/40))

2. Minority of compact states and majority of compact and sovereignty states, the rest abstaining:
Compact: 8 yes
Compact and Sovereignty: 21 yes (13 yes by sovereignty states)
Result: Fails (minority of compact states (8/16) even though majority of compact and sovereignty states (21/40))

3. Majority of compact states and but minority of compact and sovereignty states, the rest abstaining:

Compact: 9 yes

Compact and Sovereignty: 20 yes (11 yes by sovereignty states)

Result: Fails (majority of compact states (9/16) but not a majority of compact and sovereignty states (20/40))

Uniformity Examples

4. 60% majority of compact states and 60% majority of compact and sovereignty states, the rest abstaining:

Compact: 10 yes

Compact and Sovereignty: 24 yes (14 yes by sovereignty states)

Result: Passes (60% majority of compact states (9/16) and 60% majority of compact and sovereignty states (24/40))

5. Less than 60% majority of compact states and 60% of compact and sovereignty states, the rest abstaining —

Compact: 9 yes

Compact and Sovereignty: 24 yes (15 yes by sovereignty states)

Result: Fails (less than 60% majority of compact states (9/16) even though 60% majority of compact and sovereignty states (24/40))

6. 60% majority of compact states and less than 60% of compact and sovereignty states, the rest abstaining —

Compact: 10 yes

Compact and Sovereignty: 23 yes (13 yes by sovereignty states)

Result: Fails (60% majority of compact states (10/16) but less than 60% majority of compact and sovereignty states (23/40))

Hypotheticals Illustrating Holding Vote Open or Not

For voting patterns in these examples based on current membership. I use a hypothetical meeting with 12 compact member and 8 sovereignty member states participating. Remember, a simple majority of compact members is 9, and a simple majority of compact and sovereignty members 13.

1. Vote held open —

Compact: 5 yes, 7 no or abstain

Sovereignty: 6 yes, 2 no or abstain

Result: Did not attain simple majority of compact members, and did not attain simple majority of compact and sovereignty members. But did attain a greater number of votes in favor (11 – 9), so vote will be held open for 30 days to allow absent and abstaining members to submit a vote in writing.

2. Vote not held open —

Compact: 5 yes, 7 no or abstain

Sovereignty: 4 yes, 4 no or abstain

Result: Did not attain simple majority of compact members, and did not attain simple majority of compact and sovereignty members. Also, did not attain greater number of votes in favor (9 – 11), so vote will not be held open.

3. Vote not held open because result cannot change —

Compact: 4 yes, 8 no

Sovereignty: 7 yes, 1 no or abstain

Result: Did not attain simple majority of compact members, and did not attain simple majority of compact and sovereignty members. But did attain a greater number of votes in favor (11 – 9), however, the vote will not be held open because it is impossible that a majority of compact members can be achieved (9 minimum, and 8 of 16 already voted no).

RECOMMENDED AMENDMENTS TO BYLAW 5
(revised for 11/6/2019 meeting)

Bylaw 5: Quorum, Voting, and Minutes

(a) A quorum requires the presence of a majority of the compact members of the Commission or their alternates. For purposes of special commission meetings other than the annual meeting, presence includes participation by telephone, videoconference, or similar technological means that allows members or their alternates to participate in the discussions as the meetings occur. For the annual meeting, presence, for purposes of a quorum, means physical presence at the meeting. However, a compact member or their alternate and a sovereignty member or their alternate may participate and vote at the annual meeting by telephone, videoconference, or similar technological means. No voting by proxy is allowed.

(b) All actions taken by the Commission, except as otherwise provided, require an affirmative vote of ~~both~~ (1) a majority of the number of compact member states, and (2) a majority of the number of compact and sovereignty member states ~~member states reflecting a majority of the total population of all member states according to the current United States Statistical Abstract.~~

(c) Actions regarding the transmittal of recommendations relating to uniformity or compatibility of tax laws made pursuant to Article VI.3.(b) of the Compact require an affirmative vote of (1) at least 60 percent of the total number of compact member states, and (2) at least 60 percent of the combined total number of compact and sovereignty member states ~~member states reflecting a majority of the total population of all member states according to the current United States Statistical Abstract.~~ Statements of minority views, if any, will be transmitted together with the recommendations relating to uniformity or compatibility to which they apply.

~~(d) If any proposed action receiving the vote of a majority of member states under subsection (b)(1) or (c)(1) above does not receive either an affirmative vote reflecting a majority of the total population of the member states or a negative vote reflecting a majority of the total population of the member states, then voting on the proposed action will be held open for 15 days to allow absent or abstaining members to submit a written vote.~~

(d) Actions regarding the financial matters of the Commission require an affirmative vote of (1) a majority of the number of compact member states, (2) a majority of the number of compact and sovereignty member states, and (3) compact and sovereignty member states reflecting a majority of the total population of all compact and sovereignty member states according to the current United States Statistical Abstract.

(e) If, when a vote is taken, any action does not achieve the required majority but otherwise receives a greater number of votes in favor, then voting on the proposed action will be held open for 30 days to allow absent or abstaining compact and sovereignty members to submit a vote in writing. But if votes from absent or abstaining compact and sovereignty member states cannot change the result, then voting will not be held open.

(f) When a compact or sovereignty member state has more than one agency charged with the administration of the type of taxes to which the compact applies but not all of those agencies regularly participate in and provide financial support for the general activities of the Commission, the amount of population used for the state under subsection (d) (3) is determined by taking the population of the state and multiplying it by a ratio of the type of taxes to which the compact applies that are administered and collected by that agency to the type of taxes to which the compact applies that are collected by the state.

~~(g)~~ (e) Any matter not contained in the original agenda sent pursuant to Bylaw 4(c) and considered at a regular meeting of the Commission or a special meeting of the Commission becomes effective only upon a determination by a two-thirds vote of the compact and sovereignty members or their alternates, or, if less than two-thirds of the compact and sovereignty members or their alternates are present, a unanimous vote of those present at such meeting. Such matters which do not receive a sufficient vote of those present at the meeting will be placed on the agenda of the next regular meeting as “Unfinished Business” or of any special meeting when specified on the agenda set forth in the notice thereof.

~~(h)~~ (f) The vote on any matter before the Commission will be taken in such manner as to show how each ~~Commissioner~~ compact and sovereignty member voted, and a record thereof is to appear in the minutes of the meeting. Minutes of all meetings will be made by the executive director and drafts thereof ~~circulated~~ made available to all ~~commissioners,~~ compact members, sovereignty members, alternates, attorneys general of the party states, their designees or other counsel not less than 30 days prior to the next regular meeting. In the case

of a special meeting, the draft minutes should be ~~circulated~~ made available as soon as practicable after the meeting.

TECHINCAL AND CONFORMING BYLAW AMENDMENTS

Bylaw 3: Officers and Personnel

(a) Election. The Commission annually elects from among its compact members a chair, vice chair, treasurer, and four other members of the Executive Committee who serve for terms of one year, such term to coincide with the fiscal period of July 1 to June 30 of the following year, and until their successors are elected and qualified; except that, when the annual meeting is held after June 30, the term begins immediately and runs until the following June 30 or until successors are elected and qualified, whichever be the later. Such elections are held at the annual meeting of the Commission.

...

(c) Vacancies. ...

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2. A vacancy in the office of vice chair or treasurer is filled for the unexpired term by the Executive Committee no later than its next meeting following the occurrence of the vacancy. If the chair finds that the vacancy in the office of treasurer is interfering with the efficient financial management of the Commission, he or she may appoint a compact member of the Commission to serve as acting treasurer or may assign the duties of the treasurer to the Executive Director until the vacancy is filled pursuant to this paragraph. If not already a member of the Executive Committee, an acting treasurer is a member of the Executive Committee during the time when he or she is so acting.

...

(f) Alternates. Alternates to the individual commissioners may be selected and serve as provided pursuant to Article VI.1.(a) of the Compact. However, no alternate will be recognized as such or permitted to perform any of the duties of an alternate unless there has been filed with the Commission a written communication from and subscribed by the appropriate

appointing authority fully identifying the alternate and setting forth such information as may be necessary to enable the Commission to determine his or her entitlement to act for a commissioner. No alternate is entitled to vote if his or her principal is present. In the absence of the chair and vice chair, the alternate to the chair presides at meetings of the Commission; or, in the absence of the chair's alternate, the vice chair's alternate presides. In the absence of all of the foregoing, compact and sovereignty members ~~of the Commission~~ who are present will select a presiding officer from among ~~their number~~ the compact members of the Commission present. Subject to the limitations contained in this paragraph, an alternate, in the absence of his or her principal, represents his or her state to the same extent as his or her principal. Any attorney general, designee or other counsel who, pursuant to Article VI.1.(a) of the Compact, is entitled to attend meetings of the Commission without vote, may be selected as an alternate and, if so selected, has all of the powers of an alternate when acting in that capacity, including the power to vote.

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Bylaw 4: Meetings

(a) The annual meeting of the Commission should be held during July of each year or within 10 days before the beginning of July or within 10 days after the end of July, unless otherwise specified by the Executive Committee. All regular meetings of the Commission are held on dates and at places to be fixed by the Executive Committee unless otherwise ordered by the Commission. Special meetings may be called at any time and place by the chair or, if the chair is incapacitated, by the vice chair. The chair or vice chair, ~~as the case may be~~, is required to call a special meeting, upon reasonable notice, on the request in writing of one fourth or more of the ~~Commission membership~~ compact and sovereignty members.

(b) In addition to the notice of regular meetings of the Commission afforded by subparagraph (a) hereof, the chair or the executive director provides specific notice of each regular meeting by written communication to all compact and sovereignty members ~~of the Commission~~, all alternates, the attorneys general of the party states, and any designees of such attorneys general or other counsel who are entitled to be present pursuant to Article VI.1.(a) of the Compact. Such notice must be sent at least 20 days in advance of the meeting to which it refers. Wherever practicable, notice of a special meeting should be in accordance with that required for regular meetings but, if the chair or the executive director determines that greater urgency exists, he or she may give

notice by any means of communication sufficient to afford actual notice to all persons entitled to receive it at least 5 days in advance of the meeting. Notice of a special meeting, in addition to setting forth the time and place thereof, must detail the reason for its being called and enumerate the matter or matters intended for discussion and Commission action.

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Bylaw 6: Committees

(a) Executive Committee

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2. The Executive Committee is ~~comprised~~ composed of the seven (7) members elected pursuant to Article VI.2.(a) of the Multistate Tax Compact.

...

4. Each compact member, as defined under Article VI.1.(a) of the Compact, or his or her duly authorized alternate, and sovereignty member, as defined under Bylaw 13(b), or his or her duly authorized alternate, when present, has full voting power at any meeting of the Executive Committee.

5. Except for actions to which Bylaw 12 applies, any and all actions taken by the Executive Committee take effect at the time of the vote, or as otherwise specified in the vote, unless at the time of the vote any compact or sovereignty member state invokes the provisions of Bylaw ~~6(f)~~ 6(a)6.

6. If any compact or sovereignty member invokes this subparagraph at the time of an Executive Committee vote, that action of the Executive Committee will take effect and be ratified by the Commission on the twentieth (20) day after written notice thereof to all compact and sovereignty member states unless within said twenty (20) days the Executive Director receives a written objection by a majority of compact member or compact and sovereignty member states. If the Executive Director receives written objection by a majority of compact member or compact and sovereignty member states, the action of the executive committee will be subject to ratification at the next annual meeting or at a special Commission meeting called by the chair for that purpose.

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Bylaw 7: Hearings and Procedures for Uniformity Recommendations

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(g) Any recommendation for action submitted by the Executive Committee to the Commission relating to uniform or compatible tax laws, regulations or administrative practices, regardless of whether such matters required hearings, will be circulated to the compact and sovereignty members by the executive director for not less than 30 days to determine if the affected compact and sovereignty members will consider adoption of the recommendation within their respective jurisdictions. The survey of the compact and sovereignty members will include, as specified by the Executive Committee, the time period and manner in which the compact and sovereignty members are requested to consider adoption of the item. The results of the survey of the compact and sovereignty members will be reported to the chair, who will determine if a majority of the compact and sovereignty members affected by the recommended item have agreed to consider its adoption. If a majority have agreed, the chair will direct the consideration of the item at the next meeting of the Commission, with proper notice provided according to Bylaw 4. If a majority of affected compact and sovereignty members have not agreed to consider adoption of the item, the chair will refer the recommendation for Commission action back to the Executive Committee for further consideration.

Bylaw 13: Affiliated Membership by States

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(b) Sovereignty members are states that support the purposes of the Multistate Tax Compact and work with the Commission and its member states to fulfill those purposes through regular participation in and financial support for the general activities of the Commission. The Commission or its Executive Committee may, consistent with these bylaws, provide opportunities beyond those specified below for sovereignty members to contribute to the fulfillment of the purposes of the Multistate Tax Compact.

1. Sovereignty members pay a fee equal to and determined on the same basis as the membership assessment for ~~commission compact~~ members under Article VI.4.(b) of the Compact.
2. A sovereignty member is represented by the head of the state tax agency charged with the administration of the types of taxes to which the Compact applies. When there is more than one agency charged with the administration of the type of taxes to which the Compact applies, only an agency that regularly participates in and provides financial support for the general activities of the Commission may act as the sovereignty member. If more than one agency regularly participates in and provides financial support for the general activities of the Commission, the state provides for the selection of the sovereignty member representative from the heads of the relevant agencies. An alternate for a sovereignty member representative may be selected and serve if there is on file with the Commission written notification of the designation and identity of the alternate. Representatives of sovereignty members or his or her alternate are entitled to participate ~~without a~~ and vote in meetings of the Executive Committee or the Commission, but are not eligible to serve as an elected member of the Executive Committee.
3. Representatives of sovereignty members are entitled to participate as a voting member and are eligible to serve in a leadership position on any committee reporting to the Executive Committee or Commission whose work primarily involves activities funded by the membership assessment paid by ~~commission compact and sovereignty~~ members.
4. Subject to rules pertaining to closed sessions, representatives of sovereignty members are entitled to participate in a committee whose work primarily involves a Commission program, project or activity funded by a specific charge, fee, or reimbursement other than the membership assessment paid by ~~commission compact and sovereignty~~ members. In addition, a representative of a sovereignty member is entitled to vote and is eligible to serve in a leadership position on such a committee if the sovereignty member participates in that program, project or activity by paying the charge, fee, or reimbursement for its support.
5. Sovereignty members are charged the same fee as party states to the Multistate Tax Compact for any program, project, training session,

conference, or other fee-supported activity and are exempt from any surcharges or higher fees required of associate or project states.

(c) Associate members ...

...

3. Associate members may choose to participate in a commission program project or activity for which a specific fee, charge or reimbursement is required other than the membership assessment paid by ~~commission~~ compact and sovereignty members. Representatives of associate members are entitled to participate as a voting member and are eligible to serve in a leadership position on a committee whose work primarily involves such a program, project, or activity if the associate member participates by paying the charge, fee, or reimbursement for its support.

4. Associate members may be charged an amount for a program, project, training session, conference, or other fee-supported activity that includes a surcharge or higher fee than is charged to compact or sovereignty ~~or~~ ~~commission~~ members. The Commission or its Executive Committee may provide additional opportunities for associate members to consult and cooperate with the commission and its member states in general furtherance of the purposes of the Multistate Tax Compact.

(d) Project Members are states that choose to participate in commission programs, projects or activities for which a specific fee, charge, or reimbursement is required other than the membership assessment paid by ~~commission~~ compact and sovereignty members. Project members have not yet assumed the duties or obligations of associate, sovereignty or ~~commission~~ compact members. Representatives of project members are entitled to participate as a voting member on a committee for a program, project, or activity in which the project member participates by paying the charge, fee, or reimbursement for its support. Representatives of project members are eligible to serve as a leader of such committee or a subcommittee and work group of such committee. Project members may be charged an amount for a program, project, training session, conference, or other fee-supported activity that includes a surcharge or higher fee than is charged to compact or sovereignty ~~or~~ ~~commission~~ members.