



MULTISTATE TAX COMMISSION

To: Commission
From: Executive Director
Date: July 17, 2015
Subject: Suggested Amendment to Bylaw 7(g)

Attached is a suggested amendment to Commission Bylaw 7(g). Bylaw 7, Hearings and Procedures for Uniformity Recommendations, governs the process by which the Commission ultimately adopts uniformity recommendations to the states. Section (g) specifically deals with Commission's handling of proposed uniformity matters, and most notably contains the so-called Bylaw 7 survey process. Section (g) also specifies that uniformity proposals can only be considered by the Commission at *regular* meetings. This is a restriction that I recommend changing.

Regular meetings of the Commission have a set order of business, contained in Bylaw 10 and recognizable to many as the formal structure of the Commission's annual meeting each summer. And under the terms of Bylaw 5, a quorum for a regular Commission meeting arguably requires the actual presence of a majority of the members or their alternates. In contrast, special Commission meetings can be called and presence for purposes of a quorum achieved through "participation by telephone, videoconference, or similar technological means." By striking the word "regular," as shown in the amendment, the Commission will be afforded the flexibility to hold special meetings (subject to the provisions governing such meetings) specifically to handle uniformity proposals.

These suggested amendments were approved by the Executive Committee at its meeting on May 7, 2015. Pursuant to bylaw 12, the 60-day prior notice that the Commission would consider these amendments at its July 29, 2015, meeting was provided to the public and the states on May 28, 2015.

A clean version of Bylaw 7(g) after amendment follows, and is followed by a redline version that shows the amendment.

Recommended Amendment to MTC Bylaw 7(g)

July 17, 2015

----- AMENDED -----

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, shall be circulated to the members by the executive director for not less than 30 days to determine if the affected members will consider adoption of the recommendation within their respective jurisdictions. The survey of the members shall include, as specified by the Executive Committee, the time period and manner in which the members are requested to consider adoption of the item. The results of the survey of the members shall be reported to the chairman, who shall determine if a majority of the members affected by the recommended item have agreed to consider its adoption. If a majority have agreed, the chairman shall 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 members have not agreed to consider adoption of the item, the chairman shall refer the recommendation for Commission action back to the Executive Committee for further consideration.

----- REDLINE -----

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, shall be circulated to the members by the executive director for not less than 30 days to determine if the affected members will consider adoption of the recommendation within their respective jurisdictions. The survey of the members shall include, as specified by the Executive Committee, the time period and manner in which the members are requested to consider adoption of the item. The results of the survey of the members shall be reported to the chairman, who shall determine if a majority of the members affected by the recommended item have agreed to consider its adoption. If a majority have agreed, the chairman shall direct the consideration of the item at the next ~~regular~~ meeting of the Commission, with proper notice provided according to Bylaw 4. If a majority of affected members have not agreed to consider adoption of the item, the chairman shall refer the recommendation for Commission action back to the Executive Committee for further consideration.