



To: Multistate Tax Commission
From: Gregory S. Matson, Executive Director
Date: July 22, 2020
Subject: Recommended Amendments to Bylaws

Attached are recommended amendments to the Commission Bylaws. Following development of these amendments by the Strategic Planning Committee, these proposed changes were introduced to the Executive Committee on November 7, 2019, and were approved by them during their meeting on January 15, 2020. Pursuant to bylaw 12, the 60-day prior notice that the Commission would consider these amendments at its July 2020 meeting was provided to the public and states on April 30, 2020.

The recommended amendments are the following:

Bylaw 5 – The amendments to this bylaw:

- Clarify quorum requirements;
- Revise the following voting requirements:
 - Commission actions will require the affirmative vote of a majority of compact members and a majority of compact and sovereignty members, with the elimination of a population majority requirement;
 - Uniformity recommendations will require the affirmative vote of at least 60% of compact members and 60% of compact and sovereignty members, with the elimination of a population majority requirement;
 - Financial matters will require the affirmative vote of a majority of compact members, a majority of compact and sovereignty members, and retains the population majority requirement for compact and sovereignty members;
- Revise procedures for holding open a vote if an item does not receive the required majority;
- Specify how to calculate the population requirement when a state has more than one agency administering the applicable taxes under the Compact; and
- Make technical and conforming amendments.

Bylaw 3 – The amendments to this bylaw are technical and conforming changes made necessary by the proposed amendments to Bylaw 5.

Bylaw 4 – The amendments to this bylaw are technical and conforming changes made necessary by the proposed amendments to Bylaw 5.

Bylaw 6 – The amendments to this bylaw are technical and conforming changes made necessary by the proposed amendments to Bylaws 5 and 13.

Bylaw 7 – The amendments to this bylaw are technical and conforming changes made necessary by the proposed amendments to Bylaw 5.

Bylaw 13 – The amendments to this bylaw are technical and conforming changes made necessary by the proposed amendments to Bylaw 5.

A clean version these Bylaws after amendment is attached and is followed by a redline version that shows the amendments.

For a detailed report of the background, purpose, and design of these amendments—including many examples of how these new voting rules would work—please see my memo to the Strategic Planning Committee, Summary of Proposed Bylaw Changes, dated August 6, 2019, with a revision to the amendments on November 6, 2019.

- - - AMENDED - - -

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 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. If the Executive Committee has directed an annual meeting be held exclusively by telephone, videoconference, or similar technological means, then physical presence is not required. No voting by proxy is allowed.

(b) All actions taken by the Commission, except as otherwise provided, require an affirmative vote of (1) a majority of the number of compact member states, and (2) a majority of the number of compact and sovereignty member states.

(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. Statements of minority views, if any, will be transmitted together with the recommendations relating to uniformity or compatibility to which they apply.

(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) 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) The vote on any matter before the Commission will be taken in such manner as to show how each 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 made available to all 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 made available as soon as practicable after the meeting.

TECHINCAL AND CONFORMING 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. ...

...

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 who are present will select a presiding officer from among 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.

...

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 is required to call a special meeting, upon reasonable notice, on the request in writing of one fourth or more of the 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, 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 composed of the seven (7) members elected pursuant to Article VI.2.(a) of the Multistate Tax Compact.

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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(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 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 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 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 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 ...

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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 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 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 compact and sovereignty members. Project members have not yet assumed the duties or obligations of associate, sovereignty or 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 members.

- - - REDLINE - - -

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 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. If the Executive Committee has directed an annual meeting be held exclusively by telephone, videoconference, or similar technological means, then physical presence is not required. 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 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.

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(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.

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(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.

...

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.

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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.

...

Bylaw 7: Hearings and Procedures for Uniformity Recommendations

...

(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

...

(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~~ 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~~ 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.