



MULTISTATE TAX COMMISSION

BYLAWS

As amended July 29, 2020

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Bylaw 1: Definitions

The terms defined or referred to in the Compact have the same meanings when used in these bylaws as they have when used in the Compact. As used in these bylaws, “day” means a calendar day.

Bylaw 2: Purpose and Status

It is the purpose of these bylaws to govern and facilitate the business of the Multistate Tax Commission. These bylaws are supplementary to the Compact pursuant to which the Commission functions. The provisions of the Compact, wherever relevant, govern all proceedings of the Commission whether or not specifically set forth in these bylaws.

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.

(b) Policy. It is the policy of the Commission that its chair, vice chair, treasurer and members of the Executive Committee be chosen on the basis of their ability to serve the Commission, without regard to geographic considerations, regional distribution, or the states which they represent on the Commission. Officers and other Executive Committee members are eligible to succeed themselves.

(c) Vacancies. In the event of the death, resignation, or inability to serve for any reason of the chair, vice chair, or treasurer, the vacancy in any such office is filled as follows:

1. A vacancy in the office of chair is filled by the vice chair, who serves as chair until the next election of officers.

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.

3. Subject to the provisions of paragraphs 1 and 2 above, any vacancy on the Executive Committee or in any office should be filled as soon as possible. The chair appoints members to fill such vacancies until the next meeting of the Executive Committee, at which time the Executive Committee votes on filling the vacancy for the remainder of the term established by subparagraph (a).

(d) Chair. The chair presides at all meetings. He or she appoints such committees as may be necessary and acts as an ex officio member of each such committee, except that his or her presence or absence is not counted in determining any quorum requirement therefor. Nothing in this paragraph prevents the Commission from providing by resolution for the establishing and functioning of any particular committee or committees which it believes to be appropriate or from specifying a different method of selection therefor.

(e) Vice Chair. The vice chair performs the duties of the chair in the event that the chair is unable to perform them by reason of illness, absence or any cause.

(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.

(g) Executive Director. The executive director is selected by the chair with the approval of the Executive Committee and serves at the pleasure of the chair and Executive Committee. The executive director is in general administrative charge of the affairs of the Commission. Subject to any directions given by the Commission and within its policies, he or she hires, promotes, supervises, discharges, and fixes the duties of members of the Commission staff. The executive director prepares the annual report required by Article VI.1.(l) of the Compact in time for it to be submitted to the members on or before December 31 and transmitted to the governors and legislatures of the party states as soon as practicable thereafter. In addition, the executive director has such other duties as are conferred upon him or her elsewhere in these bylaws and by action of the Commission. During any time when the Commission does not have an executive director, the chair may act as such on a temporary basis or may select an acting executive director.

(h) Personnel Policies. The personnel policies of the Commission are determined by the Executive Committee and implemented by the executive director.

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.

(c) A written agenda of business to be transacted must accompany all notices given of regular meetings of the Commission or special meetings of the Commission pursuant to subparagraph (a) and (b) hereof.

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 amount 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.

Bylaw 6: Committees

(a) Executive Committee

1. The chair and vice chair of the Commission are, respectively, chair and vice chair of the Executive Committee. The Executive Committee meets on the call of the chair or executive director and, except as provided in Bylaw 7 and 12, and subject to ratification by the Commission as provided herein, may act for the Commission in any matter other than the submission to the party States of requests for appropriations. Any and all actions by the Executive Committee require a majority of those present and eligible to vote.
2. The Executive Committee is composed of the seven (7) members elected pursuant to Article VI.2.(a) of the Multistate Tax Compact.
3. A quorum requires the presence of four (4) members of the Executive Committee or their alternates. No voting by proxy is allowed. 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.
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.

(b) Other Committees

1. To further the purposes of the Compact, advisory and technical committees are established that support the Commission's uniformity mission, audit program, and efforts to facilitate state and local tax compliance.

2. Additional committees necessary to conduct the business of the Commission or that support the goals of the Compact may be established by the Executive Committee.

(c) Ad Hoc Groups. Committees are authorized to establish and utilize ad hoc groups having a terminable existence that are tasked with accomplishing a specified objective or serving a specific purpose.

Bylaw 7: Hearings and Procedures for Uniformity Recommendations

(a) The Commission, or the Executive Committee, acting on behalf of the Commission, on due notice, may hold hearings on any matter related to the function or responsibilities of the Commission under the Compact.

(b) The Commission, or the Executive Committee, as the case may be, may appoint a hearing officer or committee to conduct any hearing on behalf of the Commission.

(c) Any hearing held pursuant to Article VII.(2) of the Compact will be on no less than 30 days written notice. Such notice will be given to the party states and to such subdivisions as may be affected by the subject matter of the hearing, and to persons who have made written request for notice at least 60 days in advance of the hearing date.

(d) All hearings are open to the public and, in addition to any other notice required, announced no less than 30 days in advance of such hearings, in a mailing to the names on the mailing list maintained by the office of the Multistate Tax Commission, and in such other manner as the executive director deems appropriate. In counting the 30-day notice period, the day after the day that the notice is issued is day one. In the event that the hearing is not properly noticed pursuant to this bylaw, and upon timely complaint of any person, the hearing will be rescheduled to provide for proper notice. A complaint of improper notice must be made within 30 days of the completion of the hearing or within 15 days of the date of the report described in section (e), whichever is earlier, and must be made pursuant to Section 24 of the Commission's Public Participation Policy. In

counting the period for submitting a timely complaint, the day after the completion of the hearing or the date of the report, as the case may be, is day one.

(e) In the event that the hearing is held by the Executive Committee, the Committee will submit to the Commission a report containing a synopsis of the hearing proceedings, and a detailed recommendation for Commission action. In the event that the hearing is held by another committee or a hearing officer on behalf of the Commission, the committee or hearing officer, as the case may be, will submit to the Executive Committee a report containing a synopsis of the hearing proceedings, and a detailed recommendation for Commission action. The Executive Committee will consider the report and may either direct further study and consideration of its subject matter or submit the report, with its own recommendation for action, to the Commission.

(f) Any item not subject to a hearing, but relating to uniform or compatible tax laws, regulations, or administrative practices must be considered and approved by the Executive Committee prior to the item being recommended to the Commission for action.

(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 8: Financial Affairs

(a) All checks, drafts or other documents for the withdrawal of funds of the Commission are to be signed by the executive director or, in his or her absence and if specifically authorized in writing approved by the Executive Committee, by an employee

specifically designated by the executive director. Any such check, draft, or other document which is not related to the payroll and is in excess of \$10,000 must be countersigned by the chair or the vice chair. Endorsement of checks to be deposited to the credit of the Commission is made by either the treasurer, the executive director, an employee designated as previously in this paragraph, the chair, or the vice chair.

(b) The officers of the Commission and the executive director each are to be bonded in a minimum amount of \$10,000. Other Commission employees regularly handling or having access to the funds of the Commission (other than such accounts as may be kept in the office of the Commission as petty cash not to exceed \$300) may be bonded in such amounts as the Commission determines. The Commission may secure either a blanket bond or individual bonds.

(c) The fiscal year for the Commission commences on the first day of July and conclude on the thirtieth day of the following June.

Bylaw 9: Seals

The seal of the Commission will be affixed to or imprinted on official reports and orders of the Commission, certifications of copies of papers or records, official copies of minutes of meetings, and any other instruments which by law are required to be under seal.

Bylaw 10: Order of Business

The order of business at regular meetings of the Commission:

- (1) Roll Call of the States
- (2) Public Comment Period and Other Communications
- (3) Approval of Minutes of the last regular meeting and of any special meetings held since the last regular meeting.
- (4) Report of the Treasurer
- (5) Report of the Executive Director
- (6) Report of the Executive Committee and Other Committees
- (7) Unfinished Business
- (8) New Business
- (9) Report of the Resolutions Committee
- (10) Report of the Nominating Committee (at annual meeting)

- (11) Election of Officers and Executive Committee (at annual meeting)
- (12) Report of Chair
- (13) Comments by Chair-Elect (at annual meeting)
- (14) Adjournment

The Commission may order any matter placed on the agenda for any meeting as special business or, in his or her discretion, the chair may place upon the agenda any matter which he or she deems of sufficient or pressing importance.

Bylaw 11: Parliamentary Authority

Except where inconsistent with the provisions of the Compact or these bylaws, *Mason's Manual of Legislative Procedure* is the parliamentary authority for all meetings of the Commission.

Bylaw 12: Amendment

The bylaws or any part thereof may be amended, repealed, or replaced by other bylaws at any regular meeting of the Commission; provided that notice of the proposed amendment, repeal or replacement is given at the next preceding regular meeting. Such notice will include the full text of the motion or resolution by which the amendment, repeal or replacement is proposed to be made. Such text will include verbatim the proposed amendment or replacement, if any. The notice will be carried in full in the draft minutes of the meeting. Nothing contained herein should be construed to limit action amendatory of a proposed amendment at any regular meeting of the Commission, except that any amendment in the nature of a substitute will not be in order. Notwithstanding anything contained herein to the contrary, the bylaws or any part thereof may be amended, repealed or replaced by other bylaws at any meeting of the Commission upon 60 days prior notice from the Executive Committee.

Bylaw 13: Affiliated Membership by States

(a) The Commission provides opportunities for sovereignty, associate, and project membership to those states that have not effectively enacted the Compact. Consistent with these bylaws, the Executive Committee may grant sovereignty, associate, or project membership to a state that has, through its governor or through a statutorily established

state agency charged with the administration of taxes, requested membership in one of these categories.

(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 are states that share the purposes and goals of the Compact by participating in commission meetings and otherwise consulting and cooperating with the Commission and its member states or that seek to evaluate becoming a sovereignty or commission member, but have not yet assumed the duties or obligations of a sovereignty or commission member.

1. Subject to rules pertaining to closed sessions, representatives of associate members are entitled to participate without a vote in any meeting of the Commission, its Executive Committee, or committees reporting to the Executive Committee or Commission. Representatives of associate members are not eligible to serve in any commission office or leadership position on a committee except as provided in these bylaws.

2. Representatives of associate members may participate in, vote, and serve in leadership positions in subcommittees and work groups of committees reporting to the Executive Committee or Commission, and may also vote in the committee meetings concerning matters resulting from such participation.

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.

Bylaw 14: Voluntary Alternative Dispute Resolution

(a) General; Tax Controversies and Matters Subject to Multistate Tax Commission Alternative Dispute Resolution Processes. Under the general conditions set forth in this bylaw and under such specific procedures as may be established from time to time by resolution of the Executive Committee (to be referred to initially as the “Statement of Specific Procedures for Initiation and Conduct of Multistate Tax Commission Alternative Dispute Resolution Processes”), the Commission is authorized to sponsor voluntary alternative dispute resolution processes (hereafter “ADR”). ADR processes may include arbitration (binding or non-binding at the election of the parties), mediation, or any variation thereof as may be unanimously agreed upon by the parties to the particular ADR process. Subject to the general conditions and requirements of this bylaw, the Executive Committee is authorized to adopt and maintain such specific ADR procedures and processes that it determines reasonably required to achieve any of the stated purposes of the Commission under the Multistate Tax Compact.

(b) Voluntary Nature of Alternative Dispute Resolution Process. No taxpayer or state is required to participate in any commission ADR process and all such processes engaged in will be conducted by the Commission only upon the voluntary and written agreement of all parties to the process.

(c) Confidentiality of Process. Unless waived in writing by all parties to the ADR process and upon such further limitations as may be specifically adopted by the

Executive Committee, the conducting of such process and the results thereof remain confidential to the parties and to the Multistate Tax Commission and treated as such under the confidentiality laws of the respective states party to such process.

(d) Qualification of Mediators or Arbitrators; Maintenance of Registry.

1. Mediators or Arbitrators for Matters of Multistate Impact. The Executive Committee is to establish minimum qualifications for persons applying to act as mediators or arbitrators under the commission ADR program in matters or controversies that have a multistate impact; and no person is authorized to act as such under the program unless he or she has met such minimum qualifications. In establishing such qualifications, the Executive Committee should consider, among other qualification, the required minimum amount of (a) education, knowledge, and experience in matters of state taxation of interstate and foreign commerce; and (b) training in ADR processes. The executive director will maintain a list of such qualified mediators and arbitrators and make it available to the states and taxpayers.

2. Mediators or Arbitrators for Matters Not of Multistate Impact. The executive director also will maintain a registry or listing of those persons desiring to provide mediation or arbitration services to states and taxpayers in tax controversies and matters that do not have a multistate impact. Such registry will not be limited to those persons that have met the minimum set of qualifications described in paragraph (d)(1) and the recipients of such registry will be clearly so notified.

(e) Creation of Special Advisory Committee. A special advisory committee may be established by the chair of the Commission to advise the executive director on all matters of concern to the Commission's ADR processes, as well as those other matters as may be determined by the chair. The special advisory committee will be structured and have such responsibilities as may be specifically determined by the Executive Committee.

(f) Biannual Review. The Executive Committee should review the operation of the Commission's ADR program biannually and report the results thereof to the Commission, along with any recommendations the Executive Committee may have.

(g) Statement of Intent and Effect. It is the intent of the Commission to authorize the Executive Committee to develop and sponsor a system of voluntary alternative dispute resolution processes. It is not the intent in any manner to adopt or implement any of the provisions of Article IX of the Multistate Tax Compact. That Article, which requires the Commission's adoption of a regulation for its implementation, authorizes and

requires non-voluntary and binding arbitration for the resolution of certain tax disputes. The implementation of such a binding and involuntary process is not intended to be the subject of this bylaw. Therefore, should a court of competent jurisdiction ever determine that Article IX were somehow placed into effect or otherwise authorized to apply to the member states by virtue of the adoption of this bylaw, then this bylaw is automatically repealed effective as of midnight of the day immediately preceding the day such final judgment was entered.

Bylaw 15: Resolutions and Policy Statements

(a) General. The Commission may adopt resolutions or policy statements concerning aspects of state taxation relevant to the purposes of the Compact, including any pending federal legislation affecting state taxation. The Commission may also adopt resolutions related to such subjects as commission bylaws, commission uniformity recommendations, internal administration and governance of the Commission, procedures and policies to guide the Commission's taxpayer compliance and service programs, and resolutions honoring persons who have contributed significantly to fulfilling the purposes of the Multistate Tax Compact.

(b) Policy Statements. The Commission's position on aspects of state taxation relevant to purposes of the Compact and pending federal legislation are made public through written policy statements. The Commission may amend these statements as the need arises. The statements should be viewed as expressing the Commission's position on such matters until the earlier of such time as—

1. They are explicitly withdrawn by subsequent Commission action;
2. They lapse by virtue of an expiration date set out in the statement; or
3. The event occurs that is the subject of the policy statement.

Policy statements expressing the Commission's position on a pending piece of federal legislation generally should expire at the first annual meeting of the Commission occurring after the end of the term of Congress in which the bill has been introduced. If such legislation is enacted, the policy statement expires at the first annual meeting of the Commission to occur subsequent to the date of enactment. All other policy statements generally should expire no later than the fifth annual meeting of the Commission occurring after the Commission meeting at which the policy statement is adopted.

(c) Resolutions. Unless an expiration date is specified within its terms, a resolution is normally adopted without an expiration date and remains in effect until explicitly

withdrawn by subsequent Commission action. Resolutions without an expiration date generally include those related to: commission bylaws, commission uniformity recommendations, internal administration and governance of the Commission, procedures and policies to guide the Commission's taxpayer compliance, honoring persons who have contributed significantly to fulfilling the purposes of the Multistate Tax Compact, and any other matter that in the judgment of the Commission should be the subject of a resolution of continuing applicability.

(d) Honorary Resolutions. The Commission may choose to recognize persons who have contributed significantly to fulfilling the purposes of the Multistate Tax Compact. Such resolutions may be adopted for —

1. Persons who served the Commission in a leadership capacity, including but not limited to, commission chair, Executive Committee, and standing committee chairs.
2. Persons serving in state government, as recommended by the top tax administrator of the state, who have significantly participated in and contributed to the work of the Commission during their tenure other than in a formal leadership capacity. Examples of such contributions include diligent and constructive participation in a standing committee over an extended period of time, or the development of important innovations or proposals that further the purposes of the Compact.
3. Other persons not serving in state government who, in the judgment of the Commission, have contributed significantly to the fulfillment of the purposes of the Multistate Tax Compact.