DRAFT PROPOSAL FOR UNIFORMITY PROJECT SELECTION

Report to the MTC Uniformity Committee’s New Project Selection Work Group

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Introduction

The MTC Uniformity Committee established the new project selection work group to consider creating a more systematic process for identifying, evaluating, and selecting potential uniformity projects.

After its initial discussions, the work group instructed MTC staff to study the issue and propose a process for the work group to further consider. The MTC staff looked at other groups that do similar work (drafting model laws and regulations) and has proposed the process outlined in this presentation.
New Project Selection - Elements

- Identify
- Evaluate
- Scope
- Prioritize
- Initiate
Identify Potential Projects

- Existing models that need updating
- Issues arising from litigation or audit issues that show a lack of guidance
- New or existing state (or local/national/international) laws that may suit as models
- Suggestions from business community
- Administrative problems lacking a good solution
Evaluate Attributes

Possible criteria – does the proposed project:

- Fall within the Commission’s general expertise and mission
- Build on work done previously (e.g. existing models)
- Address a pervasive issue affecting a number of states/taxpayers
- Require a model law (designed to address an issue that is not generally addressed currently) or a uniform law (designed to create more state uniformity in existing laws), and if so, how difficult it would be for states to change their laws.
- Require legislation or could be accomplished by agency action (regulation, directive, etc.)
- Likely face strong political opposition in a number of states
Example of how we might conceptualize the criteria for evaluating whether the potential project is within the commission’s general expertise and mission.
Scope of Work

• Specific issues to be addressed or not addressed

• One or more activities or products produced:
  • Holding discussions of the issue by interested states and the public
  • Providing analysis of the issue and possible solutions
  • Surveying the states for alternative approaches
  • Considering best practices and making general recommendations
  • Drafting model provisions including alternatives
  • Drafting a model law (for those states that wish to adopt it)
  • Drafting a uniform law to reduce compliance/enforcement burdens or the possibility of duplicative taxation
Prioritize List of Potential Projects

• Maintain ongoing list of proposed projects along with data and analysis
• Determine availability of needed resources and possible timeline for completion
• Determine whether particular projects can be deferred
• Possible ranking system
Initiate and Provide Direction

• Work (or major elements of that work) to be done by:
  • Staff (with input from the committee)
  • A work group formed for the purpose
  • The committee as a whole

• Specific direction:
  • Scope of project
  • Desired timeline
  • Specific issues to be addressed (or not addressed)
  • Identification of interested parties to consult
What does the process look like?

1. Before each uniformity committee meeting, MTC staff will:
   - Solicit ideas for projects internally, from states, and from the public.
   - Confer and consult with audit committee on possible projects.
   - Make a report to the uniformity committee.

2. At each uniformity committee meeting, the committee will:
   - Discuss staff report and any other proposed projects, and for each:
     - Decline the project,
     - Take up the project (see 6 below), or
     - Refer (with any direction) to standing subcommittee.

3. Regularly, the standing subcommittee on new projects will:
   - Consider projects referred by the uniformity committee.
   - Direct staff to analyze or gather data needed.
   - Discuss analysis, data, or other input and evaluate the projects based on a set of criteria.
   - Consider the potential scope of the projects.
What does the process look like?

4. At each uniformity committee meeting, the standing subcommittee will:
   - Make a report with recommendations as to the projects assigned.
   - Take questions and assist in committee discussion of possible new projects.

5. At each uniformity committee meeting, the committee will:
   - Consider the list of potential projects.
   - Prioritize and make changes to the list.
   - Consult with staff on the availability of resources.

6. At meetings of the uniformity committee when resources are available, the committee will:
   - Initiate a new project and provide direction on scope, timeline, and other matters.
   - Adjust direction on ongoing projects as necessary.
Finally

- The uniformity committee may, as always, terminate a project if it no longer meets the criteria that originally recommended that project (e.g. where the problem has been resolved by other means, where another model law essentially addresses the problem, etc.), and elect to pursue another project instead.