

**FOR VOTE BY DECEMBER 31, 2009**



**IFTA FULL TRACK FINAL BALLOT PROPOSAL  
1-2009**

**Sponsor**

Jurisdiction of Alabama  
Jurisdiction of Connecticut  
Jurisdiction of Montana  
Jurisdiction of Oklahoma  
Jurisdiction of Virginia

**Date Submitted**

March 30, 2009

**Proposed Effective Date**

Upon passage

**Manual Sections to be Amended**

IFTA Articles of Agreement

(January 1996 Version, Effective July 1, 1998, as revised)

R1500 Membership

R1555 Compliance Matters

**Subject**

Disputes arising from findings of non-compliance in program compliance reviews.

**History/Digest**

At the Third Quarter 2003 meeting of the IFTA, Inc. Board of Trustees ("Board"), the Board reviewed a report from the Program Compliance Review Committee ("PCRC") and a subcommittee of the Attorneys' Section, which was formed to review the dispute resolution process. These groups offered a proposal to allow the PCRC to initiate a dispute against a jurisdiction that remains out of compliance with the IFTA following a Program Compliance Review and Reassessment. The Board agreed with this concept and asked the committees to continue their work toward accomplishing this goal.

During the remainder of 2003 and the first six months of 2004, the committees worked on and recommended changes to the Program Compliance Review Guide and the Dispute Resolution Process. The committees recommended that a Program Compliance Enforcement Process be added to the Dispute Resolution Process.

This idea was presented to the member jurisdictions at the 2004 Annual Business Meeting. Some concern was expressed regarding whether or not standards should be established to determine when the PCRC could bring a dispute action against a jurisdiction. The Board ultimately determined that rather than attempting to set standards, it would be prudent to review the IFTA Governing Documents to determine whether there were provisions affecting jurisdiction compliance that should be changed prior to amending the Dispute Resolution Process. The Board formed the Compliance Review Requirements Committee to conduct this review. After receiving the report of this committee, the Board formed the

Compliance Review Ballots Development Committee. This committee reviewed the report and relevant documents. As a result, the committee recommended certain ballot proposals to the Board. Several of these ballots were proposed in 2006. Ballots 1-2006, 2-2006, 4-2006, 5-2006, 6-2006, 8-2006 and 9-2006 were passed by the membership.

FTFBP 12-2006 would have allowed the PCRC to bring a non-compliant jurisdiction to the Dispute Resolution Committee, but the ballot narrowly failed.

Subsequently, the Board of Trustees polled the jurisdictions who voted against FTFBP 12-2006. While some jurisdictions expressed concerns with allowing any committee to bring disputes, other jurisdictions believed that the PCRC's authority to bring disputes should be limited to only those compliance issues affecting the timely and correct transmittal of fuel tax revenue between jurisdictions. The Board identified the article sections meeting these criteria and excluded those sections that had never been the basis for finding a jurisdiction out of compliance.

At the 2007 Annual Business Meeting, membership raised concerns as to when the PCRC could bring a compliance matter to dispute. After discussions, it was suggested that the ballot language be revised to state that a compliance matter could only be brought to dispute after the process outlined in the PCR guide (including the reassessment and follow up process) had been completed and a Final Determination Finding of Non-Compliance had been issued by the PCRC.

Ballot 2-2007 also failed. It appeared that the jurisdictions voting against the proposal were still concerned about allowing a committee to have essentially the same authority to bring a dispute as a member jurisdiction, regardless of limited scope of that authority.

After Ballot 2-2007 failed, the Board discussed an idea presented by Connecticut which involved instituting a process by which the PCRC would recommend to the membership that a dispute be initiated when a member jurisdiction has been subjected to the Program Compliance Review Process and is issued a Final Determination Finding of Non-Compliance. The membership at large would vote on the recommendation similar to the method utilized for amendments to the Agreement and Consensus Board Interpretations.

This concept was presented at the 2008 Annual Business Meeting and was favorably received by the membership. Representatives of the jurisdictions sponsoring this ballot agreed to further develop this concept. A survey was conducted to gain further input from the membership regarding how abstentions should be counted, what level of majority should be required in order for a dispute referral to occur, and whether the voting process should be confidential or open. This ballot is the result of this group's work.

### **Intent**

The intent of this ballot is to amend the IFTA Articles of Agreement to require the PCRC to recommend to the membership that a dispute be initiated against a member jurisdiction that: 1) has been found non-compliant on the subject articles of the governing documents following completion of the Program Compliance Review Process, including a follow-up and/or reassessment; and 2) has been issued a Final Determination Finding of Non-Compliance by the PCRC.

If ratified by the membership, the dispute is forwarded to the IFTA Dispute Resolution Committee for consideration pursuant to the IFTA Dispute Resolution Process.

1 **Interlining Indicates Deletion; Underlining Indicates Addition**

2  
3 **ARTICLES OF AGREEMENT**

4  
5 **R1500 MEMBERSHIP**

6  
7 ***[SECTIONS R1505 THROUGH R1550 REMAIN UNCHANGED]***

8  
9 **R1555 COMPLIANCE MATTERS**

10  
11 **.100 Dispute Resolution Process**

12  
13 Disputes concerning issues of compliance with the International Fuel Tax  
14 Agreement may be resolved pursuant to the IFTA Dispute Resolution Process.  
15 The IFTA Dispute Resolution Process may be utilized to resolve only:

16  
17 .005 Compliance disputes between member jurisdictions; ~~and~~

18  
19 .010 Compliance disputes between member jurisdictions and IFTA licensees  
20 in those matters where no administrative remedy to the IFTA licensee is  
21 available within the member jurisdiction involved in the dispute.

22 Compliance disputes subject to this section shall not include disputes  
23 between member jurisdictions and IFTA licensees over matters of  
24 substantive jurisdiction law, including but not limited to, laws governing  
25 the imposition, assessment, and collection of jurisdiction motor fuel use  
26 taxes collected pursuant to the International Fuel Tax Agreement; and

27  
28 .015 Compliance matters where (i) the Program Compliance Review Process,  
29 including follow-up and/or reassessment, has been completed; (ii) a Final  
30 Determination Finding of Non-Compliance has been issued by the  
31 Program Compliance Review Committee related to Sections R970,  
32 R1210, R1230, R1260, R1270, P1040, A310, A320, or A690; and (iii) a  
33 recommendation for initiation of a dispute from the Program Compliance  
34 Review Committee has been approved by the member jurisdictions as  
35 defined in Article R1555.300.

36  
37 **.200 Submission of a Final Determination Finding of Non-Compliance to the**  
38 **Membership**

39  
40 A Final Determination Finding of Non-Compliance issued by the Program  
41 Compliance Review Committee related to Sections R970, R1210, R1230, R1260,  
42 R1270, P1040, A310, A320, or A690 shall be submitted to the membership to  
43 determine whether a dispute will be initiated.

44  
45 **.300 Initiation of a Dispute Based on a Final Determination Finding of Non-**  
46 **Compliance**

47  
48 .005 Member jurisdictions will have thirty (30) days to vote on the initiation of  
49 a dispute based on a Final Determination Finding of Non-Compliance.

50  
51 .010 Votes on the initiation of a dispute based on a Final Determination  
52 Finding of Non-Compliance must be cast by the IFTA commissioner or a  
53 delegate named in writing by the commissioner.

- 55                    .015    For purposes of this section, a vote submitted electronically through a  
56                    mechanism provided by the International Fuel Tax Association, Inc. is  
57                    deemed a vote in writing.  
58  
59                    .020    An affirmative vote in writing of at least two-thirds of the total written  
60                    votes cast is required to initiate a dispute based on a Final Determination  
61                    Finding of Non-Compliance.  
62  
63                    .025    If the member jurisdictions approve the initiation of a dispute based on a  
64                    Final Determination Finding of Non-Compliance, the Program  
65                    Compliance Review Committee shall forward the Final Determination  
66                    Finding of Non-Compliance to the IFTA Dispute Resolution Committee to  
67                    initiate a dispute.  
68  
69                    **.200.400**    **Expulsion Process**  
70  
71                    .005    The IFTA, Inc. Board of Trustees shall request a resolution to expel a  
72                    member jurisdiction which has failed to bring its IFTA program into  
73                    compliance one year following its loss of voting power under the penalty  
74                    provisions of the IFTA Dispute Resolution Process.  
75  
76                    .010    The Board shall issue a resolution of expulsion to the IFTA membership for  
77                    approval. A ballot by which a member jurisdiction may vote on the  
78                    resolution will be attached to the resolution. A copy of the resolution will be  
79                    sent to the jurisdiction which is the subject of the resolution, but said  
80                    jurisdiction will not be allowed to vote on the resolution.  
81  
82                    .015    A resolution expelling a member jurisdiction from the Agreement shall  
83                    require the affirmative vote in writing of three-fourths of the total member  
84                    jurisdictions, excluding the jurisdiction which is the subject of the resolution.  
85  
86                    .020    Member jurisdictions will have sixty (60) days from the date of issuance of  
87                    the resolution to vote on the resolution of expulsion. Failure of a member  
88                    jurisdiction to submit its vote shall be deemed a vote against the resolution  
89                    of expulsion.  
90  
91                    .025    If the member jurisdictions approve the resolution for expulsion, the Board  
92                    of Trustees will notify the subject jurisdiction of its expulsion from the  
93                    Agreement. A copy of the resolution will be forwarded to the Governor of  
94                    the subject United States jurisdiction or the Premier of the subject Canadian  
95                    Province and to the Secretary of Transportation of the United States.  
96

**NO REVISIONS FOLLOWING THE SECOND COMMENT PERIOD**

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 1-2009  
VOTING RESULTS**

| JURISDICTION         | LANGUAGE |    | EFFECTIVE DATE |    |
|----------------------|----------|----|----------------|----|
|                      | YES      | NO | YES            | NO |
| ALABAMA              | 1        |    | 1              |    |
| ALBERTA              | 1        |    | 1              |    |
| ARIZONA              |          | 1  |                | 1  |
| ARKANSAS             | 1        |    | 1              |    |
| BRITISH COLUMBIA     | 1        |    | 1              |    |
| CALIFORNIA           | 1        |    | 1              |    |
| COLORADO             | 1        |    | 1              |    |
| CONNECTICUT          | 1        |    | 1              |    |
| DELAWARE             | 1        |    | 1              |    |
| FLORIDA              | 1        |    | 1              |    |
| GEORGIA              | 1        |    | 1              |    |
| IDAHO                | 1        |    | 1              |    |
| ILLINOIS             |          | 1  |                | 1  |
| INDIANA              | 1        |    | 1              |    |
| IOWA                 | 1        |    | 1              |    |
| KANSAS               |          | 1  |                | 1  |
| KENTUCKY             | 1        |    | 1              |    |
| LOUISIANA            | 1        |    | 1              |    |
| MAINE                | 1        |    | 1              |    |
| MANITOBA             | 1        |    | 1              |    |
| MARYLAND             | 1        |    | 1              |    |
| MASSACHUSETTS        | 1        |    | 1              |    |
| MICHIGAN             | 1        |    | 1              |    |
| MINNESOTA            | 1        |    | 1              |    |
| MISSISSIPPI          | 1        |    | 1              |    |
| MISSOURI             | 1        |    | 1              |    |
| MONTANA              | 1        |    | 1              |    |
| NEBRASKA             | 1        |    | 1              |    |
| NEVADA               | 1        |    | 1              |    |
| NEW BRUNSWICK        | 1        |    | 1              |    |
| NEW HAMPSHIRE        | 1        |    | 1              |    |
| NEW JERSEY           |          | 1  |                | 1  |
| NEW MEXICO           | 1        |    | 1              |    |
| NEW YORK             |          | 1  |                | 1  |
| NEWFOUNDLAND         | 1        |    | 1              |    |
| NORTH CAROLINA       | 1        |    | 1              |    |
| NORTH DAKOTA         |          | 1  |                | 1  |
| NOVA SCOTIA          | 1        |    | 1              |    |
| OHIO                 |          | 1  |                | 1  |
| OKLAHOMA             | 1        |    | 1              |    |
| ONTARIO              | 1        |    | 1              |    |
| OREGON               |          | 1  |                | 1  |
| PENNSYLVANIA         |          | 1  |                | 1  |
| PRINCE EDWARD ISLAND | 1        |    | 1              |    |
| QUEBEC               | 1        |    | 1              |    |
| RHODE ISLAND         | 1        |    | 1              |    |
| SASKATCHEWAN         | 1        |    | 1              |    |

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 1-2009  
VOTING RESULTS**

| JURISDICTION   | LANGUAGE  |           | EFFECTIVE DATE |           |
|----------------|-----------|-----------|----------------|-----------|
|                | YES       | NO        | YES            | NO        |
| SOUTH CAROLINA | 1         |           | 1              |           |
| SOUTH DAKOTA   |           | 1         |                | 1         |
| TENNESSEE      | 1         |           | 1              |           |
| TEXAS          | 1         |           | 1              |           |
| UTAH           | 1         |           | 1              |           |
| VERMONT        | 1         |           | 1              |           |
| VIRGINIA       | 1         |           | 1              |           |
| WASHINGTON     |           | 1         |                | 1         |
| WEST VIRGINIA  | 1         |           | 1              |           |
| WISCONSIN      | 1         |           | 1              |           |
| WYOMING        | 1         |           | 1              |           |
| <b>TOTALS</b>  | <b>47</b> | <b>11</b> | <b>47</b>      | <b>11</b> |

**Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.**

Failure to vote for the ballot language counts as a "No" vote.

Failure to vote for the alternative effective date counts as a "No" vote.

**Number of "YES" votes necessary to pass: 44**

**Effective Date: January 1, 2010**

**LANGUAGE:**

NUMBER OF "YES" VOTES RECEIVED: **47**

NUMBER OF "NO" VOTES RECEIVED: **11**

NUMBER OF VOTES NOT RECEIVED: **0**

**RESULT: PASSED**

**ALTERNATIVE EFFECTIVE DATE:**

NUMBER OF "YES" VOTES RECEIVED: **47**

NUMBER OF "NO" VOTES RECEIVED: **11**

NUMBER OF VOTES NOT RECEIVED: **0**

**RESULT: PASSED**

**Ballot Intent:**

The intent of this ballot is to amend the IFTA Articles of Agreement to require the PCRC to recommend to the membership that a dispute be initiated against a member jurisdiction that: 1) has been found non-compliant on the subject articles of the governing documents following completion of the Program Compliance Review Process, including a follow-up and/or reassessment; and 2) has been issued a Final Determination Finding of Non-Compliance by the PCRC.

If ratified by the membership, the dispute is forwarded to the IFTA Dispute Resolution Committee for consideration pursuant to the IFTA Dispute Resolution Process.

**FOR VOTE BY DECEMBER 1, 2009**



**IFTA SHORT TRACK FINAL BALLOT PROPOSAL  
STFBP #2-2009**

***MOVED TO SHORT TRACK AT THE ANNUAL BUSINESS MEETING***

**Sponsor**

IFTA Program Compliance Review Committee

**Date Submitted**

March 25, 2009

**Proposed Effective Date**

January 1, 2011

**Manual Sections to be Amended**

(January 1996 Version, Effective July 1, 1998, as revised)

IFTA Articles of Agreement  
IFTA Audit Manual  
IFTA Procedures Manual  
IFTA Procedures Manual

R1510 CONDITIONS FOR MEMBERSHIP  
A690 COMMUNICATION OF AUDIT FINDINGS  
P910 LICENSEE RECORDS  
P920 PRESERVATION OF RECORDS

**Subject**

Change the IFTA program compliance review cycle from four (4) to five (5) years.

**History/Digest**

One of the goals on the IFTA, Inc. Strategic Plan was to promote confidence and stability through partnerships between jurisdictions, industries, and other governments. One suggestion was to combine the IFTA Program Compliance Reviews and the IRP Peer Reviews. The first task was to identify jurisdictions operating IFTA & IRP in the same agency and then confirm interest with IRP and form a Committee. Careful planning was used to form the committee. Representatives with both IFTA and IRP audit and administrative backgrounds were sought.

Once the Committee was formed the IFTA and IRP memberships were surveyed. A survey was sent out to IFTA commissioners on August 25, 2005. Of the 56 jurisdictions that responded to the survey, 30

jurisdictions indicated that they would like a combined review. An additional 10 jurisdictions indicated that they would like an “audit only” combined review. The remaining 16 jurisdictions did not want any type of combined review.

The Committee compared the IFTA and IRP Review schedules for 2006 and 2007 to determine potential jurisdictions that could undergo a Combined IFTA / IRP Review. For the 2006 Review year, Minnesota was contacted about being the first test jurisdiction to undergo a Combined IFTA / IRP Review. Wyoming and Oregon were selected for the 2007 Review-year cycle. All agreed to participate in a Combined Review. Alabama requested a combined Review after the project had been completed. Both the IFTA and IRP boards approved the Review teams performing their Reviews at the same time. Nevada and Utah have also requested combined Reviews. Both have been approved and will be scheduled at either their next IFTA or IRP rotation.

The Minnesota Combined Review was conducted July 12-14, 2006. The Wyoming Combined Review was conducted May 16-18, 2007. The Oregon Combined Review was conducted September 18-20, 2007. The Alabama Combined Review was conducted March 12-14, 2008.

IFTA, Inc. representatives led the Reviews with the full support and cooperation of the IRP team. Both teams were copied on all correspondence and documentation with the Jurisdictions. Separate Administrative Licensee/Registrant listings were secured and samples were selected from each. A combined listing for Audit was secured with the assistance of both IFTA and IRP. One audit listing was used in all four Reviews.

Concluding the process, a Closing Conference was held. IRP Closing Conference Report/Remarks were presented by the IRP Review Representatives and the IFTA Closing Conference Report/Remarks were presented by the IFTA, Inc. Representative.

Jurisdictions and Team Surveys were completed and compiled. General Reviews Comments:

- A very positive experience.
- Beneficial for the jurisdictions.
- Overall excellent experience.
- Sign me up for future combined reviews.

### **Intent**

This change would promote combined IFTA and IRP program compliance reviews by aligning both the IFTA and IRP program compliance review cycles to five (5) years. Combined IFTA and IRP program compliance reviews would continue to be optional and would only be conducted upon request by the base jurisdiction. Jurisdictions would be required to retain IFTA records for an additional year. This proposal would not change the record retention requirements for licensees.

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 **R1500 MEMBERSHIP**

2  
3 **\*R1510 CONDITIONS FOR MEMBERSHIP**

4  
5 The applicant shall agree to abide by all terms, conditions, and requirements of the Articles of Agreement,  
6 Procedures Manual, Audit Manual and the Bylaws of the Association and to:

7  
8 ***[SECTION R1510.100 REMAINS UNCHANGED.]***

9  
10 **.200** Submit to a program compliance review to determine compliance with the Agreement. Such  
11 review shall be performed after one year of implementation and once every ~~four~~ five years  
12 thereafter unless a review is ordered as prescribed by this Agreement; and

13  
14 ***[SECTION R1510.300 REMAINS UNCHANGED.]***

15  
16 **A600 THE AUDIT PROCESS**

17  
18 **\*A690 COMMUNICATION OF AUDIT FINDINGS**

19  
20 ***[SECTIONS A690.100 AND A690.200 REMAIN UNCHANGED.]***

21  
22 **.300** Member jurisdictions may request copies of the audit reports and work papers. A copy of the audit  
23 report, work papers, supporting documentation and any pertinent post-audit communications must  
24 be maintained by the base jurisdiction as part of the audit file for ~~a period of four years from the~~  
25 date of completion of the audit the period set forth in P910.

26  
27 ***[SECTIONS A690.400 THROUGH A690.600 REMAIN UNCHANGED.]***

28  
29 **P900 BASE JURISDICTION RECORDKEEPING**

30  
31 **\*P910 LICENSEE RECORDS**

32  
33 The base jurisdiction shall maintain fuel tax records for licensees based in that jurisdiction for a period of  
34 five years or until they have been examined as part of a Program Compliance Review and the Final  
35 Report has been issued, whichever is later. The records shall contain, but not be limited to, the following:

36  
37 **.050** Tax returns;

38  
39 **.100** Applications;

40  
41 **.150** ~~Audit findings and work papers files;~~

42  
43 **.200** Refund requests;

44  
45 **.250** Notifications issued for debit or credit balances by the base jurisdiction;

46  
47 **.300** Payments of taxes made to the base jurisdiction;

48

- 49           **.350**   Funds received from and transmitted to other jurisdictions. Such records shall identify  
50           licensees and remittances from each licensee;  
51  
52           **.400**   Cancellation of licensee requests;  
53  
54           **.450**   Requests for hearing to resolve assessments made by the base jurisdiction; ~~and~~  
55  
56           **.500**   Results of administrative hearing process;  
57  
58           **.550**   Outgoing jurisdictions transmittals; and  
59  
60           **.600**   Incoming billing transmittals.  
61  
62   **\*P920   PRESERVATION OF RECORDS**  
63  
64           **.100**   These records, which may be kept on microfilm, microfiche, or any other computerized or  
65           condensed record storage system which meets the legal requirements of the base  
66           jurisdiction, shall be made available to any member jurisdiction upon request.  
67  
68           ~~**.200** — Tax returns shall be maintained for a minimum of four years.~~  
69  
70           ~~**.300** — Outgoing jurisdiction transmittals and incoming billing transmittals must be retained until~~  
71           ~~they have been examined as part of a Program Compliance Review and the Final Report~~  
72           ~~has been issued.~~  
73

**NO REVISIONS FOLLOWING THE SECOND COMMENT PERIOD**

**IFTA SHORT TRACK FINAL BALLOT PROPOSAL 2-2009  
VOTING RESULTS**

| JURISDICTION         | LANGUAGE |    | EFFECTIVE DATE |    |
|----------------------|----------|----|----------------|----|
|                      | YES      | NO | YES            | NO |
| ALABAMA              | 1        |    | 1              |    |
| ALBERTA              | 1        |    | 1              |    |
| ARIZONA              | 1        |    | 1              |    |
| ARKANSAS             | 1        |    | 1              |    |
| BRITISH COLUMBIA     | 1        |    | 1              |    |
| CALIFORNIA           | 1        |    | 1              |    |
| COLORADO             | 1        |    | 1              |    |
| CONNECTICUT          | 1        |    | 1              |    |
| DELAWARE             | 1        |    | 1              |    |
| FLORIDA              | 1        |    | 1              |    |
| GEORGIA              | 1        |    | 1              |    |
| IDAHO                | 1        |    | 1              |    |
| ILLINOIS             | 1        |    | 1              |    |
| INDIANA              | 1        |    | 1              |    |
| IOWA                 | 1        |    | 1              |    |
| KANSAS               | 1        |    | 1              |    |
| KENTUCKY             | 1        |    | 1              |    |
| <b>LOUISIANA</b>     |          |    |                |    |
| MAINE                | 1        |    | 1              |    |
| MANITOBA             | 1        |    | 1              |    |
| MARYLAND             |          | 1  |                | 1  |
| MASSACHUSETTS        | 1        |    | 1              |    |
| MICHIGAN             | 1        |    | 1              |    |
| MINNESOTA            | 1        |    | 1              |    |
| MISSISSIPPI          | 1        |    | 1              |    |
| MISSOURI             | 1        |    | 1              |    |
| MONTANA              | 1        |    | 1              |    |
| NEBRASKA             | 1        |    | 1              |    |
| NEVADA               | 1        |    | 1              |    |
| NEW BRUNSWICK        | 1        |    | 1              |    |
| NEW HAMPSHIRE        | 1        |    | 1              |    |
| NEW JERSEY           |          | 1  |                | 1  |
| NEW MEXICO           | 1        |    | 1              |    |
| NEW YORK             | 1        |    | 1              |    |
| <b>NEWFOUNDLAND</b>  |          |    |                |    |
| NORTH CAROLINA       | 1        |    | 1              |    |
| NORTH DAKOTA         | 1        |    |                | 1  |
| NOVA SCOTIA          | 1        |    | 1              |    |
| OHIO                 | 1        |    | 1              |    |
| OKLAHOMA             | 1        |    | 1              |    |
| ONTARIO              | 1        |    | 1              |    |
| OREGON               | 1        |    | 1              |    |
| PENNSYLVANIA         | 1        |    | 1              |    |
| PRINCE EDWARD ISLAND | 1        |    | 1              |    |
| QUEBEC               | 1        |    | 1              |    |
| RHODE ISLAND         | 1        |    | 1              |    |
| SASKATCHEWAN         | 1        |    | 1              |    |

**IFTA SHORT TRACK FINAL BALLOT PROPOSAL 2-2009  
VOTING RESULTS**

| JURISDICTION   | LANGUAGE  |          | EFFECTIVE DATE |          |
|----------------|-----------|----------|----------------|----------|
|                | YES       | NO       | YES            | NO       |
| SOUTH CAROLINA | 1         |          | 1              |          |
| SOUTH DAKOTA   | 1         |          | 1              |          |
| TENNESSEE      | 1         |          | 1              |          |
| TEXAS          | 1         |          | 1              |          |
| UTAH           | 1         |          | 1              |          |
| VERMONT        | 1         |          | 1              |          |
| VIRGINIA       | 1         |          | 1              |          |
| WASHINGTON     | 1         |          | 1              |          |
| WEST VIRGINIA  | 1         |          | 1              |          |
| WISCONSIN      | 1         |          | 1              |          |
| WYOMING        | 1         |          | 1              |          |
| <b>TOTALS</b>  | <b>54</b> | <b>2</b> | <b>53</b>      | <b>3</b> |

**Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.**

Failure to vote for the ballot language counts as a "No" vote.

Failure to vote for the alternative effective date counts as a "No" vote.

**Number of "YES" votes necessary to pass: 44**

**Effective Date: January 1, 2011**

**LANGUAGE:**

NUMBER OF "YES" VOTES RECEIVED: **54**

NUMBER OF "NO" VOTES RECEIVED: **2**

NUMBER OF VOTES NOT RECEIVED: **2**

**RESULT: PASSED**

**ALTERNATIVE EFFECTIVE DATE:**

NUMBER OF "YES" VOTES RECEIVED: **53**

NUMBER OF "NO" VOTES RECEIVED: **3**

NUMBER OF VOTES NOT RECEIVED: **2**

**RESULT: PASSED**

**Ballot Intent:**

**This change would promote combined IFTA and IRP program compliance reviews by aligning both the IFTA and IRP program compliance review cycles to five (5) years. Combined IFTA and IRP program compliance reviews would continue to be optional and would only be conducted upon request by the base jurisdiction. Jurisdictions would be required to retain IFTA records for an additional year. This proposal would not change the record retention requirements for licensees.**

**FOR VOTE BY DECEMBER 1, 2009**



**IFTA SHORT TRACK FINAL BALLOT PROPOSAL  
3-2009**

***MOVED TO SHORT TRACK AT THE ANNUAL BUSINESS MEETING***

**Sponsor**

Agreement Procedures Committee

**Date Submitted**

February 19, 2009

**Proposed Effective Date**

Upon Passage

**Manual Sections to be Amended**

(January 1996 Version, Effective July 1, 1998, as revised)

IFTA Articles of Agreement

R345.100

**Subject**

License renewal provisions to ensure that a licensee who is in a suspended status is not renewed.

**History/Digest**

A renewal license and decals should only be renewed for the following calendar year if the licensee is not in a revoked, suspended or cancelled status. The current wording in the Agreement does not include the term 'suspended'. This ballot amends the current language to include 'suspension'.

**Intent**

The intent of this ballot is to provide greater clarity and amend the current language by adding the term "suspension" and therefore ensuring that a licensee is not renewed if they are in a suspended status.

1 **Interlining Indicates Deletion; Underlining Indicates Addition**

2  
3 **ARTICLES OF AGREEMENT**

4  
5 **APPLICATION AND RENEWAL**

6  
7 **\*R345 LICENSE RENEWAL**

8  
9 **.100** A renewal license and decals for the following calendar year will be issued upon  
10 application if the license is not revoked, suspended or canceled, all tax returns  
11 have been filed, and all motor fuels use taxes, penalties and interest due have  
12 been paid and the applicant is in compliance with the base jurisdiction's laws.  
13

**NO REVISIONS FOLLOWING THE SECOND COMMENT PERIOD**

**IFTA SHORT TRACK FINAL BALLOT PROPOSAL 3-2009  
VOTING RESULTS**

| JURISDICTION         | LANGUAGE |    | EFFECTIVE DATE |    |
|----------------------|----------|----|----------------|----|
|                      | YES      | NO | YES            | NO |
| ALABAMA              | 1        |    | 1              |    |
| ALBERTA              | 1        |    | 1              |    |
| ARIZONA              | 1        |    | 1              |    |
| ARKANSAS             | 1        |    | 1              |    |
| BRITISH COLUMBIA     | 1        |    | 1              |    |
| CALIFORNIA           | 1        |    | 1              |    |
| COLORADO             | 1        |    | 1              |    |
| CONNECTICUT          | 1        |    | 1              |    |
| DELAWARE             | 1        |    | 1              |    |
| FLORIDA              | 1        |    | 1              |    |
| GEORGIA              | 1        |    | 1              |    |
| IDAHO                | 1        |    | 1              |    |
| ILLINOIS             | 1        |    | 1              |    |
| INDIANA              | 1        |    | 1              |    |
| IOWA                 | 1        |    | 1              |    |
| KANSAS               | 1        |    | 1              |    |
| KENTUCKY             | 1        |    | 1              |    |
| <b>LOUISIANA</b>     |          |    |                |    |
| MAINE                | 1        |    | 1              |    |
| MANITOBA             | 1        |    | 1              |    |
| MARYLAND             | 1        |    | 1              |    |
| MASSACHUSETTS        | 1        |    | 1              |    |
| MICHIGAN             | 1        |    | 1              |    |
| MINNESOTA            | 1        |    | 1              |    |
| MISSISSIPPI          | 1        |    | 1              |    |
| MISSOURI             | 1        |    | 1              |    |
| MONTANA              | 1        |    | 1              |    |
| NEBRASKA             | 1        |    | 1              |    |
| NEVADA               | 1        |    | 1              |    |
| NEW BRUNSWICK        | 1        |    | 1              |    |
| NEW HAMPSHIRE        | 1        |    | 1              |    |
| NEW JERSEY           | 1        |    | 1              |    |
| NEW MEXICO           | 1        |    | 1              |    |
| NEW YORK             | 1        |    | 1              |    |
| <b>NEWFOUNDLAND</b>  |          |    |                |    |
| NORTH CAROLINA       | 1        |    | 1              |    |
| NORTH DAKOTA         | 1        |    |                | 1  |
| NOVA SCOTIA          | 1        |    | 1              |    |
| OHIO                 | 1        |    | 1              |    |
| OKLAHOMA             | 1        |    | 1              |    |
| ONTARIO              | 1        |    | 1              |    |
| OREGON               | 1        |    | 1              |    |
| PENNSYLVANIA         | 1        |    | 1              |    |
| PRINCE EDWARD ISLAND | 1        |    | 1              |    |
| QUEBEC               | 1        |    | 1              |    |
| RHODE ISLAND         | 1        |    | 1              |    |
| SASKATCHEWAN         | 1        |    | 1              |    |

**IFTA SHORT TRACK FINAL BALLOT PROPOSAL 3-2009  
VOTING RESULTS**

| JURISDICTION   | LANGUAGE  |          | EFFECTIVE DATE |          |
|----------------|-----------|----------|----------------|----------|
|                | YES       | NO       | YES            | NO       |
| SOUTH CAROLINA | 1         |          | 1              |          |
| SOUTH DAKOTA   | 1         |          | 1              |          |
| TENNESSEE      | 1         |          | 1              |          |
| TEXAS          | 1         |          | 1              |          |
| UTAH           | 1         |          | 1              |          |
| VERMONT        | 1         |          | 1              |          |
| VIRGINIA       | 1         |          | 1              |          |
| WASHINGTON     | 1         |          | 1              |          |
| WEST VIRGINIA  | 1         |          | 1              |          |
| WISCONSIN      | 1         |          | 1              |          |
| WYOMING        | 1         |          | 1              |          |
| <b>TOTALS</b>  | <b>56</b> | <b>0</b> | <b>55</b>      | <b>1</b> |

**Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.**

Failure to vote for the ballot language counts as a "No" vote.

Failure to vote for the alternative effective date counts as a "No" vote.

**Number of "YES" votes necessary to pass: 44**

**Effective Date: December 2, 2009**

**LANGUAGE:**

NUMBER OF "YES" VOTES RECEIVED: **56**

NUMBER OF "NO" VOTES RECEIVED: **0**

NUMBER OF VOTES NOT RECEIVED: **2**

**RESULT: PASSED**

**ALTERNATIVE EFFECTIVE DATE:**

NUMBER OF "YES" VOTES RECEIVED: **55**

NUMBER OF "NO" VOTES RECEIVED: **1**

NUMBER OF VOTES NOT RECEIVED: **2**

**RESULT: PASSED**

**Ballot Intent:**

**The intent of this ballot is to provide greater clarity and amend the current language by adding the term "suspension" and therefore ensuring that a licensee is not renewed if they are in a suspended status.**



The CAC will provide quality control on a regular basis. Because of the added and increased responsibilities the CAC membership will be expanded. The Committee meets on a monthly basis via conference call and this will continue. Additional calls may be added as responsibilities increase.

**Intent**

The intent of this ballot is to create the Clearinghouse Advisory Committee as a standing committee of the International Fuel Tax Agreement and to authorize the committee to propose ballots.

**Interlining Indicates Deletion; Underlining Indicates Addition**

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**ARTICLES OF AGREEMENT**

**\*R1600 AMENDMENTS**

Proposals for amendment of the Agreement, Procedures Manual, or Audit Manual may be made by any member jurisdiction, the Audit Committee, the Agreement Procedures Committee, the Clearinghouse Advisory Committee, the Law Enforcement Committee, the Program Compliance Review Committee or the Board of Trustees of the Association.

**ARTICLES OF AGREEMENT**

**R1800 ADMINISTRATION**

**\*R1810 INTERNATIONAL FUEL TAX ASSOCIATION, INC.**

***[SECTION .100 REMAINS UNCHANGED]***

***[SECTIONS .200.010 THROUGH .060 REMAIN UNCHANGED]***

**.070 Clearinghouse Advisory Committee**

There is established a Clearinghouse Advisory Committee which has the responsibility of advising the Board and the Executive Director of IFTA, Inc. of business rules for the operation of the Clearinghouse, ensuring the Clearinghouse operates within the IFTA requirements, suggesting enhancements to the Clearinghouse, proposing ballots, and serving as a technical resource for membership.

***[SECTIONS .300, .400 AND .500 REMAIN UNCHANGED]***

**NO REVISIONS FOLLOWING THE SECOND COMMENT PERIOD**

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 4-2009  
VOTING RESULTS**

| JURISDICTION         | LANGUAGE |    | EFFECTIVE DATE |    |
|----------------------|----------|----|----------------|----|
|                      | YES      | NO | YES            | NO |
| ALABAMA              | 1        |    | 1              |    |
| ALBERTA              | 1        |    | 1              |    |
| ARIZONA              | 1        |    | 1              |    |
| ARKANSAS             | 1        |    | 1              |    |
| BRITISH COLUMBIA     | 1        |    | 1              |    |
| CALIFORNIA           | 1        |    | 1              |    |
| COLORADO             | 1        |    | 1              |    |
| CONNECTICUT          | 1        |    | 1              |    |
| DELAWARE             | 1        |    | 1              |    |
| FLORIDA              | 1        |    | 1              |    |
| GEORGIA              | 1        |    | 1              |    |
| IDAHO                | 1        |    | 1              |    |
| ILLINOIS             | 1        |    | 1              |    |
| INDIANA              | 1        |    | 1              |    |
| IOWA                 | 1        |    | 1              |    |
| KANSAS               | 1        |    | 1              |    |
| KENTUCKY             | 1        |    | 1              |    |
| LOUISIANA            | 1        |    | 1              |    |
| MAINE                | 1        |    | 1              |    |
| MANITOBA             | 1        |    | 1              |    |
| MARYLAND             | 1        |    | 1              |    |
| MASSACHUSETTS        | 1        |    | 1              |    |
| MICHIGAN             | 1        |    | 1              |    |
| MINNESOTA            | 1        |    | 1              |    |
| MISSISSIPPI          | 1        |    | 1              |    |
| MISSOURI             | 1        |    | 1              |    |
| MONTANA              | 1        |    | 1              |    |
| NEBRASKA             | 1        |    | 1              |    |
| NEVADA               | 1        |    | 1              |    |
| NEW BRUNSWICK        | 1        |    | 1              |    |
| NEW HAMPSHIRE        | 1        |    | 1              |    |
| NEW JERSEY           |          | 1  |                | 1  |
| NEW MEXICO           | 1        |    | 1              |    |
| NEW YORK             | 1        |    | 1              |    |
| NEWFOUNDLAND         | 1        |    | 1              |    |
| NORTH CAROLINA       | 1        |    | 1              |    |
| NORTH DAKOTA         | 1        |    | 1              |    |
| NOVA SCOTIA          | 1        |    | 1              |    |
| OHIO                 | 1        |    | 1              |    |
| OKLAHOMA             | 1        |    | 1              |    |
| ONTARIO              | 1        |    | 1              |    |
| OREGON               | 1        |    | 1              |    |
| PENNSYLVANIA         | 1        |    | 1              |    |
| PRINCE EDWARD ISLAND | 1        |    | 1              |    |
| QUEBEC               | 1        |    | 1              |    |
| RHODE ISLAND         | 1        |    | 1              |    |
| SASKATCHEWAN         | 1        |    | 1              |    |

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 4-2009  
VOTING RESULTS**

| JURISDICTION   | LANGUAGE  |          | EFFECTIVE DATE |          |
|----------------|-----------|----------|----------------|----------|
|                | YES       | NO       | YES            | NO       |
| SOUTH CAROLINA | 1         |          | 1              |          |
| SOUTH DAKOTA   | 1         |          | 1              |          |
| TENNESSEE      | 1         |          | 1              |          |
| TEXAS          | 1         |          | 1              |          |
| UTAH           | 1         |          | 1              |          |
| VERMONT        | 1         |          | 1              |          |
| VIRGINIA       | 1         |          | 1              |          |
| WASHINGTON     | 1         |          | 1              |          |
| WEST VIRGINIA  | 1         |          | 1              |          |
| WISCONSIN      | 1         |          | 1              |          |
| WYOMING        | 1         |          | 1              |          |
| <b>TOTALS</b>  | <b>57</b> | <b>1</b> | <b>57</b>      | <b>1</b> |

**Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.**

**Failure to vote for the ballot language counts as a "No" vote.**

**Failure to vote for the alternative effective date counts as a "No" vote.**

**Number of "YES" votes necessary to pass: 44**

**Effective Date: January 1, 2010**

**LANGUAGE:**

NUMBER OF "YES" VOTES RECEIVED: **57**

NUMBER OF "NO" VOTES RECEIVED: **1**

NUMBER OF VOTES NOT RECEIVED: **0**

**RESULT: PASSED**

**ALTERNATIVE EFFECTIVE DATE:**

NUMBER OF "YES" VOTES RECEIVED: **57**

NUMBER OF "NO" VOTES RECEIVED: **1**

NUMBER OF VOTES NOT RECEIVED: **0**

**RESULT: PASSED**

**Ballot Intent:**

**The intent of this ballot is to create the Clearinghouse Advisory Committee as a standing committee of the International Fuel Tax Agreement and to authorize the committee to propose ballots.**



observed and that a calculated credit must be honored regardless of its basis. There are other members who believe that jurisdictional tax should not be refunded or credited when the records do not permit a verification of the true tax liability in said jurisdiction. The general opinion within the auditing community is that the Agreement does not make clear the authority of a member jurisdiction to deny generated tax credits which are the result of a review of records that are either inadequate or do not comply with the Agreement. There are sections of the governing documents that either define recordkeeping requirements or allude to such authority (R700, R1100, R1210.100.015, P160, P530, P670.500, A540.200, A550, A730). Although several of the aforementioned sections provide for the withholding of refunds when the payment of tax is deficient or delinquent, the sections do not make it clear that such withholding may take place as a result of an audit.

While there are substantial differences between the International Registration Plan (IRP) and the International Fuel Tax Agreement (IFTA), there is sufficient commonality in the records maintenance requirements placed upon the licensee (registrant); particularly in the area of distance accrual recordkeeping. The IRP has clearly stated provisions that allow a member jurisdiction to deny generated credits that are the result of a review of records that are deemed inadequate or non-compliant. It cannot be denied that the distance records used as the basis for vehicle apportionment fees (IRP) are the same records that are used to accrue distance for total and jurisdictional distance for IFTA. Moreover, these same records ultimately are used in the calculation of the fleet miles per gallon or kilometers per liter factor; thus, impacting the tax liability due each member jurisdiction. If the miles per gallon or a kilometer per liter factor is based on inadequate or non-compliant records, the accuracy of the resultant tax due becomes questionable. Inasmuch as the records are deemed inadequate under the IRP, thereby allowing a member jurisdiction to deny any calculated credits, should not the IFTA member jurisdictions have the same authority?

#### **Intent**

The intent of this ballot is to amend the IFTA governing documents to clarify the member jurisdictions authority to deny any calculated credits that are the result of a review of inadequate, non-compliant, or absent records.

1 Interlining Indicates Deletion; Underlining Indicates Addition

2  
3 **AUDIT MANUAL**

4  
5 **\*A550 INADEQUATE LICENSEE RECORDS/ASSESSMENT**

6  
7 *[Sections A550.100 through A550.200 remain unchanged]*

8  
9 **A550.300 Non-Compliant Distance Records**

10  
11 If the licensee's records are non-compliant with the recordkeeping provisions stated in Procedures  
12 Manual Sections P500 through P670, or are unable to support any tax return filed by the licensee, the  
13 base jurisdiction shall have the authority to hold the member jurisdictions harmless by accepting the  
14 individual jurisdictional taxes as reported by the licensee.

15  
16 This does not preclude the ability of the base jurisdiction to make pre or post audit adjustments for  
17 differences between reported and audited distance in jurisdictions where verifiable differences in distance  
18 is found; or the use of additional actions as provided for in Section A550.100 and A550.200.

19  
20  
21  
**WITHDRAWN**



**IFTA FULL TRACK FINAL BALLOT PROPOSAL  
6-2009**

**Sponsor**

IFTA, Inc. Audit Committee

**Date Submitted**

March 10, 2009

**Proposed Effective Date**

Upon passage

**Manual Sections to be Amended**

IFTA Procedures Manual

(January 1996 Version, Effective July 1, 1998, as revised)

P500 Recordkeeping

P540 Distance Records

P600 Electronic Data Recording Systems

P640 Data Collection Requirements

**Subject**

Waiver(s) of routes of travel, beginning and ending odometer readings of the trip, or both.

**Overview:**

In 2007-2008 a survey was conducted among the IFTA Commissioners in each jurisdiction by the Audit Procedures Subcommittee for the IFTA Audit Committee. The purpose of the survey was two-fold. 1) Identify specific areas of the IFTA where ambiguity exists; and 2) Identify what, if any, changes would be supported by the member jurisdictions. Overwhelmingly, the responding Commissioners supported a change to the language regarding the waivers of odometers and/or routes of travel. This proposed ballot responds to the specific concerns and proposed solution identified by the Commissioners.

**History/Digest**

The recordkeeping requirements for distance (i.e. miles or kilometers) defined in Sections P540.200 and P640.100 of the IFTA Procedures Manual provide for the base jurisdiction to waive "route of travel", "beginning and ending odometer or hub-odometer readings of the trip", or both. Member jurisdictions may elect to either enforce the requirement(s) or waive them. Such waivers may be the result of a jurisdictional regulation or policy or on a case by case basis. However, it appears that "written" waivers prior to an audit are rarely, if ever, granted by any jurisdiction.

Therefore, auditors are in essence granting "waivers" during a Best Information Available (BIA) audit. This results in an inequitable enforcement of Agreement standards and mandates within the members'

audit programs; and ultimately results in licensees subject to the same tax laws, accruing fuel use tax liabilities in the same jurisdiction(s) being treated differently.

The use of odometers or hub-odometers to measure distance has a lengthy history. The integrity of the miles per gallon/kilometers per liter factor is dependent on the accuracy of the reported total distance and fuel. Without the maintenance of odometers or hub-odometers, the calculation of the miles per gallon/kilometers per liter factor may not truly reflect the usage rate of fuel thereby compromising the fleet's fuel use, and ultimately the fuel use tax liability in the member jurisdictions. Routes of travel are critical to providing a complete and thorough trail of where the qualified motor vehicle went and how (routes used) they completed the trip itinerary. Using pre-determined routes of travel to complete the tax return does not provide the licensee with a "free pass" for reporting true jurisdictional distance. Routing software is to be used as a tool and failure to use actual routes of travel when completing a tax return subjects the licensee to reporting errors. The routes provide a cross referencing with the accrued and reported distance. The routes taken and the accrued distance of the trip are equally important components of a compliant distance recordkeeping system.

### **Intent**

The intent of this ballot is to amend the IFTA Procedures Manual to require that the licensee maintain either the routes of travel or the beginning and ending odometer/hub-odometer or life to date meter readings of the trip, thereby making the recordkeeping requirements uniform with the IRP Audit Procedures Manual.

It is also intended to establish the difference between compliant records and non-compliant records by the licensee. It is not intended to preclude the base jurisdiction from conducting a Best Information Available (BIA) audit.

WITHDRAWN

1 Interlining Indicates Deletion; Underlining Indicates Addition

2  
3 **PROCEDURES MANUAL**

4  
5 **P500 RECORDKEEPING**

6  
7 **\*P540 DISTANCE RECORDS**

8  
9 ***[Section P540.100 remains unchanged]***

10  
11 **P540.200** An acceptable distance accounting system is necessary to substantiate the information  
12 reported on the tax return filed quarterly or annually. A licensee's system at a minimum  
13 must include distance data on each individual vehicle for each trip and be recapitulated in  
14 monthly fleet summaries. The base jurisdiction may waive either item (.015 or .020), but  
15 may not waive both items (.015 and .020). Supporting information ~~should~~ shall include:

- 16  
17 .005 Date of trip (starting and ending);  
18 .010 Trip origin and destination;  
19 .015 Route of travel (may be waived by base jurisdiction);  
20 .020 Beginning and ending odometer or hubodometer, or other perpetual life to date  
21 reading of the trip (may be waived by base jurisdiction);  
22

23 ***[Section P540.200.025 through P540.200.050 remain unchanged]***

24  
25 **\*P600 ELECTRONIC DATA RECORDING SYSTEMS**

26  
27 **\*P640 DATA COLLECTION REQUIREMENTS**

28  
29 To obtain the information needed to verify fleet distance and to prepare the "Individual Vehicle Distance  
30 Record", the device must collect the following data on each trip. The base jurisdiction may waive either  
31 item (.015 or .020), but may not waive both items (.015 and .020).  
32

33 **P640.100 Required Trip Data**

- 34  
35 .005 Date of trip (starting and ending);  
36  
37 .010 Trip origin and destination (location code is acceptable);  
38  
39 .015 Routes of travel or latitude/longitude positions used in lieu thereof (may be  
40 waived by base jurisdiction). If latitude/longitude positions are used, they must  
41 be accompanied by the name of the nearest town, intersection or cross street. If  
42 latitude/longitude positions are used, jurisdiction crossing points must be  
43 calculated or identified;  
44  
45 .020 Beginning and ending odometer or hubodometer, or other perpetual life to date  
46 readings of the trip (may be waived by base jurisdiction);  
47

48 ***[Section P640.100.025 through P640.100.045 remain unchanged]***

WITHDRAWN FOLLOWING THE SECOND COMMENT PERIOD

WITHDRAWN