

## 2025 ABM Meeting Materials Index

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**IFTA Annual Business Meeting Agenda**  
**Salt Lake City, Utah – August 19-20, 2025**

Pre-Meeting Day – August 18 (Monday)			
9:00 AM	4:00 PM	3Q2025 Board of Trustees Meeting	Salon 1
1:00 PM	5:00 PM	Meeting Check-In and Assistance	Grand Ballroom Foyer
5:30 PM	7:30 PM	Opening Reception Sponsored by Solara Explore	Trofi Restaurant & Patio
Day 1 – August 19 (Tuesday)			
Start	End	Description	Presenter
6:30 AM	8:00 AM	Breakfast Buffet Sponsored by i3 Verticals	Grand Ballroom A/B
7:30 AM	8:15 AM	Welcome New Attendees Session (optional) This session is open to all attendees. Please plan to attend if you are a new Commissioner, new to IFTA, or you just need a refresher!	Seminar Theater Ms. Chewning, Mr. Daniels & Mr. Guzman
8:30 AM	9:00 AM	Assemble *Welcome and Call to Order *National Anthems *Roll Call of Voting Delegates *Welcome to our Sponsors, Industry, & Partners	Grand Ballroom C Mr. Richard TBD Mr. Martorana
9:00 AM	9:15 AM	Welcome to Salt Lake City  Approval of 2024 ABM Minutes (Vote Required)	Jennifer Hanson (UT)  Mr. Richard
9:15 AM	9:30 AM	President's Report	Mr. Richard
9:30 AM	9:45 AM	Election Committee Report  Election of Board (Vote Required)	Michael Romeo (CT), Election Committee Chair Mr. Martorana
9:45 AM	10:00 AM	IFTA, Inc. Financial presentation and FY26 Budget (Vote Required)	Mr. Martorana and Mr. Wisyanski (PA)
10:00 AM	10:15 AM	Ballot 5-2024 Reminder -Volume Effective 1/1/2026	Mr. Wisyanski (PA)
10:15 AM	10:30 AM	IFTA, Inc. Updates	Mr. Martorana
10:30 AM	10:45 AM	Beverage Break	
10:45 AM	11:00 AM	IFTA TRUedu update	Mr. LaRose
11:00 AM	11:30 AM	IFTA Committee Updates/ Board Charges Progress * AAC Legislation Project * AFC Sustainability Project * CAC The Cost of Non-Compliance	Sarah Kamhi (IN) - Elisa Amezcua (CA) Alicia Ruiz (CA)
11:30 AM	12:00 PM	Strategic Plan Working Group	Mr. Martorana
12:00 PM	12:15 PM	Breakout Assignments Overview	Ms. Meise & Ms. Alvey
12:15 PM	1:30 PM	Richard L. Reeves IFTA Leadership Award Presentation/Lunch – Sponsored by FAST Enterprises Grand Ballroom A/B	
1:30 PM - 2:30 PM 2:45 PM - 3:45 PM 3:45 PM - 4:00 BREAK 4:00 PM - 5:00 PM	<b>Breakout Topics:</b> <b>#1 Ballot Overviews:</b> ✓ Ballot 1-2025 PCRC ✓ Ballot 2-2025 PCRC ✓ Ballot 3-2025 AC ✓ Ballot 9-2025 PCRC and AC ✓ Proposed PCRC Process  <b>#2 Ballot Overviews:</b> ✓ Ballot 4-2025 CA, MD, MA, IN, TX, RI, KS, NY, CT ✓ Ballot 10-2025 MS - Withdrawn ✓ Ballot 11-2025 MA, MD, CT, AL  <b>#3 Ballot Overviews:</b> ✓ Ballot 5-2025 LEC ✓ Ballot 6-2025 BOT ✓ Ballot 7-2025 BOT ✓ Ballot 8-2025 CAC		<b>Alpine East</b> Jody Isaak (ND) and Bille Pierson (ID)        <b>Seminar Theater</b> Elisa Amezcua (CA), Brian Kimsey (CA), John Panza (NC) & Christie Chewning (NC)  TBD  <b>Alpine West</b> Billy Johnson (VA) LEC Chair Stephen Wisyanski (PA) & Debbie Lopez (WY) Stephen Wisyanski (PA) & Debbie Lopez (WY) Alicia Ruiz (CA)
Breakout Session Ends at 5:00 PM			
4:45 PM	6:00 PM	IAC Meeting	Salon 2

**IFTA Annual Business Meeting Agenda**  
**Salt Lake City, Utah – August 19-20, 2025**

<b>Day 2 – August 20 (Wednesday)</b>			
<b>7:00 AM</b>	<b>8:30 AM</b>	<b>Breakfast Buffet Sponsored by i3 Verticals</b>	<b>Grand Ballroom A/B</b>
8:30 AM	8:45 AM	<b>Assemble</b> Call to Order - Roll Call of Voting Delegates	<b>Grand Ballroom C</b> Mr. Richard & Mr. Martorana
8:45 AM	9:15 AM	<b>PCR Ratification (Vote Required)</b>	Jody Isaak (ND)
9:15 AM	10:00 AM	<b>CBID Discussions</b> APC LEC <b>CBID Ratification (Votes Required)</b> APC LEC	Darrin Gerry (SD) Darrin Gerry (SD)  Mr. Martorana
<b>10:00 AM</b>	<b>10:15 AM</b>	<b>Beverage Break</b>	
10:15 AM	11:30 AM	<b>2025 Ballot Follow-up:</b> <b>#1 Ballots:</b> ✓ Ballot 1-2025 PCRC ✓ Ballot 2-2025 PCRC ✓ Ballot 3-2025 AC ✓ Ballot 9-2025 PCRC and AC ✓ Proposed PCRC Process <b>#2 Ballots:</b> ✓ Ballot 4-2025 CA, MD, MA, IN, TX, RI, KS, NY, CT ✓ Ballot 10-2025 MS – <b>Withdrawn</b> ✓ Ballot 11-2025 MA, MD, CT, AL <b>#3 Ballots:</b> ✓ Ballot 5-2025 LEC ✓ Ballot 6-2025 BOT ✓ Ballot 7-2028 BOT ✓ Ballot 8-2025 CAC	Jody Isaak (ND) and Bille Pierson (ID)     Elisa Amezcua (CA), Brian Kimsey (CA), John Panza (NC) & Christie Chewning (NC)  TBD  Billy Johnson (VA) LEC Chair Stephen Wisyanski(PA) & Debbie Lopez (WY) Stephen Wisyanski(PA) & Debbie Lopez (WY) Alicia Ruiz (CA)
<b>11:30 AM</b>	<b>12:30 PM</b>	<b>Lunch Buffet – Provided Sponsored by ProMiles</b>	<b>Grand Ballroom A/B</b>
12:30 PM	2:00 PM	<b>2025 Ballot Vote (Vote Required)</b> Ballot 01-2025 PCRC Ballot 02-2025 PCRC Ballot 03-2025 AC Ballot 04-2025 CA, MD, MA, IN, TX, RI, KS, NY, CT Ballot 05-2025 LEC Ballot 06-2025 BOT Ballot 07-2025 BOT Ballot 08-2025 CAC Ballot 09-2025 PCRC and AC Ballot 10-2025 MS - <b>Withdrawn</b> Ballot 11-2025 MA, MD, CT, AL	Mr. Martorana
2:00 PM	2:30 PM	<b>Related Organization Presentations</b> UCR - What is UCR & Partnership benefits	Mr. Avelino Gutierrez & Mr. Toby Piquet
<b>2:30 PM</b>	<b>2:45 PM</b>	<b>Snack Break</b>	
2:45 PM	3:15 PM	<b>2025 Educational Forum Report</b> <b>2026 Educational Forum Update</b>	Mr. Martorana & Mr. LaRose
3:15 PM	3:30 PM	<b>Committees - Importance</b> * Openings * Volunteers - If not you, then who?	Ms. Meise & Ms. Alvey
3:30 PM	4:30 PM	<b>Town Hall - New Business</b>	
4:30 PM	5:00 PM	<b>Invitation to the 2026 Annual Business Meeting</b> <b>Closing Remarks and Adjournment</b>	Mr. Martorana Mr. Richard
<b>August 21 (Thursday)</b>			
<b>Dispute Resolution Hearing</b>			
<b>Kansas Final Determination of Finding Non-Compliance</b>			
<b>8:00 AM - Granite Boardroom</b>			

# Thank you to our Sponsors



# 42nd IFTA Annual Business Meeting

## August 19-20, 2025

### Salt Lake City, UT



#### ACTION ITEMS ON THE AGENDA FOR THE 2025 IFTA ANNUAL BUSINESS MEETING

IFTA Commissioners: If you have given your proxy to a representative from your jurisdiction or a representative from another member jurisdiction, you may find this form helpful. You may use this form to indicate to your proxy how to cast your vote. This is **NOT** a required form. You may download this form and fill in the information using Microsoft Word, or you can print the form and fill in the information. To all of you attending, we hope this helps you as well.

Materials that affect your vote are posted on the IFTA, Inc. website on the Events page.  
(<https://www.iftach.org/IFTAevents/>).

- Enter Your Name
- Enter Your Jurisdiction

#### 1. Approval of the Minutes of the 2024 IFTA Annual Business Meeting

Approve ☐ Disapprove ☐  
Yes ☐ No ☐

If you have corrections or questions regarding the Minutes, please enter them here.

#### 2. Board of Trustees – Election

IFTA, Inc. Board of Trustees Election: Article Four, Section 3 provides in part, that “[a]ny commissioner of a member jurisdiction, or their designee, is eligible to serve as a Trustee”. There are five (5) seats that must be filled at the 2025 Annual Business Meeting in Salt Lake City, UT. Those seats are: Rodney Richard (AR), Christie Chewning (NC), Darrin Gerry (SD), Stephen Wisyanski (PA), and Julian Daniels (TX). All are seeking re-election. There may be nominations from the floor during the Annual Business Meeting. If you want to be called to be informed of those nominations prior to the vote, please enter the telephone number where you can be reached.

Area Code Telephone Number

Southeast Region – Select two (2)

- Rodney Richard (AR) Seeking Re-election ☐
- Christie Chewning (NC) Seeking Re-election ☐

Midwest Region – Select one (1)

- Darrin Gerry (SD) Seeking Re-election ☐

Northeast Region – Select one (1)

- Stephen Wisyanski (PA) Seeking Re-election ☐

West Region – Select one (1)

- Julian Daniels (TX) Seeking Re-election ☐

### 3. IFTA, Inc. Financial Report/FY26 Budget

**Approve** **Disapprove**  
Yes ☐ No ☐

### 4. Ballots

	Ballot				Effective Date			
	<b>Approve</b>	<b>Disapprove</b>			<b>Approve</b>	<b>Disapprove</b>		
5. Ballot 1-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		
6. Ballot 2-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		
7. Ballot 3-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		
8. Ballot 4-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		
9. Ballot 5-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		
10. Ballot 6-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		
11. Ballot 7-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		
12. Ballot 8-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		
13. Ballot 9-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		

### 14. WITHDRAWN Ballot 10-2025

15. Ballot 11-2025	Yes <input type="checkbox"/>	No <input type="checkbox"/>			Yes <input type="checkbox"/>	No <input type="checkbox"/>		
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### 16. CBID's

17. CBID 1-2025

**Approve** **Disapprove**  
Yes ☐ No ☐

18. CBID 2-2025

**Approve** **Disapprove**  
Yes ☐ No ☐

### 19. Program Compliance Review Process Ratification

**Approve** **Disapprove**  
Yes ☐ No ☐

If you have topics for discussion during the Town Hall Meeting, please enter them here.

If you have other comments or questions for the Annual Business Meeting, please enter them here.

If you have new business to bring before membership, please enter them here.

## 2025 Board of Trustees Election – Bio’s

<b>Southeast Region</b>
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### **Rodney Richard (AR) Seeking Re-election**

Current Job Title: DFA Revenue Assistant Administrator and Manager of the Motor Fuel Tax Section

IFTA Commissioner for the State of Arkansas since 2005 to current.

Served on the Dispute Resolution Committee (DRC), the Program Compliance Review Committee (PCRC) and currently serving the on Board of Trustees as the President for IFTA.

In charge of the current IFTA online tax reporting system for the State of Arkansas.

Employed with the State of Arkansas Department of Finance and Administration for 36 years.

Degree in Business Administration - Alumni of Arkansas State University - Former Football Player at Arkansas State University

3 kids, a daughter and two sons, and 1 granddaughter along with 1 son-n-law.

Native of Little Rock, Arkansas.

Religion: Baptist

Life member of Kappa Alpha Psi fraternity Inc.

Favorite Sports: Football, Basketball, NASCAR and Formula 1 Racing

Hobbies: Motorcycle Rider, Golf

### **Christie Chewning (NC) Seeking Re-election**

Submitted by John D. Panza, Director NC Department of Revenue, Excise Tax Division

Christie Chewning is the Assistant Director in the Excise Tax Division for the North Carolina Department of Revenue. Our Division administers Motor Carrier, Motor Fuel, Alcohol, Tobacco, Vapor, Sports Wagering, Severance, Conveyance and Privilege License taxes. Christie oversees the Operations Section of the Division, which is responsible for customer service, processing returns, handling accounting and financial functions, issuing licenses and bonds, and pursuing delinquent and collectible accounts. Christie is also involved in the Tax Administration Section of the Division, involved in legislation, requests for review and the development of various IT systems.

Christie has been working for the NC Department of Revenue for approximately 31 years. The past fifteen years have been working with the Excise Tax Division as the Assistant Director and Operations Manager. Her entire tenure with the Excise Tax Division involves working with IFTA and motor carriers. Our Division handles all IFTA functions except audit and enforcement, but we work closely with members of those Divisions. Christie oversees personnel that handle all IFTA related functions from procuring decals, ensuring the decals meet quality standards and specifications, providing customer service and accurate communications to motor carriers, and ensuring timely transmittals. A major accomplishment for Christie has been to develop, host, coordinate, and present annual motor carrier seminars throughout North Carolina. Our Division coordinates with the NC IRP Office, as well as the IRS, FMCSA,

## 2025 Board of Trustees Election – Bio’s

NC State Highway Patrol, and Revenue’s Audit and Enforcement Divisions to provide a comprehensive overview of a motor carrier’s responsibilities for tax compliance. Christie has also worked on several system upgrades and new system development projects.

Christie is a graduate of Meredith College in Raleigh, North Carolina. She graduated with a Bachelor of Science in Mathematics, a minor in Psychology, and her teaching certification.

On a personal note, Christie is an avid bowler and is the Vice President on the Capital Area US Bowling Congress (USBC) Association Board and has been for the past fourteen years. As a Board member, Christie helps represent the bowlers in her association, which consists of eight bowling centers and approximately 4,000 bowlers, at State and National meetings. Board members are responsible for reviewing legislation and rule changes and voting on them during meetings. They also host tournaments, provide and process awards, provide scholarships to college-age youth, organize fundraisers, host coaching clinics, certify all bowling lanes, and recommend legislative changes.

### Midwest Region

#### Darrin Gerry (SD) Seeking Re-election

With 23 years of experience in revenue administration and five years dedicated to the motor carrier administration within my jurisdiction, I bring a wealth of expertise to the transportation sector. Since 2022, I have served as a member of the IFTA Board of Trustees, contributing to the oversight and advancement of fuel tax compliance and regulatory initiatives. As a liaison to the APC and CAC, I actively participate in shaping policy, striving to balance the needs of the jurisdiction and carriers to run efficiently. My extensive background ensures a comprehensive understanding of fiscal management and the operational needs of the jurisdictions and an understanding of carrier operations, which helps guide my decisions. I am very active in meetings, trying to meet as many people as possible. I love interacting with other jurisdictions and exchanging new ideas that may help my jurisdiction. I look forward to serving you as one of your Midwest Region Board of Trustee members over the next 2 years.

### Northeast Region

#### Stephen Wisyanski (PA) Seeking Re-election

Stephen Wisyanski has been with the Pennsylvania Department of Revenue since 2001 and has been heavily involved with IFTA and Motor Carrier Road Tax for the entirety of those 24 years. He served his first twelve and a half years as a Revenue Enforcement Agent in the Pittsburgh District Office but then moved to headquarters to take on the role of Field Enforcement Coordinator, which led to other positions including Research Analyst, Taxing Manager, IFTA Commissioner, and he served as the last Director of the former Bureau of Motor and Alternative Fuel Taxes before it was dissolved through departmental reorganization. He currently serves as the Assistant Director within the Bureau of Business Taxpayer Accounting, which handles payment and refund processing, licensing and permitting, funding allocations, and various other administrative functions related to IFTA, as well as the Motor and Alternative Fuel Taxes. He lives in Harrisburg with his wife, Timi, and bernedoodle, Nugget, and is seeking his second term as a Member of the IFTA Board of Trustees.

## 2025 Board of Trustees Election – Bio’s

<b>West Region</b>
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### **Julian “JD” Daniels (TX) Seeking Re-election**

Julian “JD” Daniels began his career in taxation with the Texas Comptroller of Public Accounts seventeen years ago. In 2005, JD began as a Program Specialist in the agency’s Tax Assistance section. In 2015, JD transferred to the Tax Policy Division to serve as a tax analyst and a subject matter expert specializing in the following taxes and fees: motor fuels, cigarette and tobacco products, cement production tax, IFTA, automotive sales fee, sexually oriented business fee, and the battery sales fee. JD was promoted to the Tax Policy’s Direct Tax Supervisor in November of 2024. JD attended Angelo State University and has been the sitting IFTA Board of Trustees Western Region representative since 2023.

## IFTA ANNUAL BUSINESS MEETING

August 20 - 21, 2024

Marriott St. Louis Grand

St. Louis, MO

- 1) **Call to Order** – Mr. Rodney Richard (AR) IFTA, Inc. Board of Trustees President
  - a) Mr. Rodney Richard Assistant Tax Administrator for Arkansas Revenue and IFTA, Inc. Board of Trustees (Board) President, called the 2024 IFTA Annual Business Meeting (ABM) to order.
  - b) Mr. Benjamin Evans (AB) sang the Canadian and United States anthems to start the meeting.
- 2) **Roll call of Voting Delegates** – Mr. Carmen Martorana, Jr., IFTA, Inc. Executive Director
  - a) A roll call of the voting delegates was conducted.
  - b) Fifty-seven (57) member jurisdictions were in attendance or represented by proxy. A Louisiana representative was not present.
  - c) Mr. Martorana announced that there was a quorum to conduct the business of the association.
  - d) Introductions of the sponsors were made following the roll call.
  - e) The sponsors of the ABM included, i3 Verticals, FAST Enterprises, Lee Trans, PrePass, Legatus, and Solera|Explore.
  - f) An overview of the voting process using the hand-held voting fobs was presented.
- 3) **Welcome Address** – Ms. Becky Allmeroth, Chief Safety Operations for Missouri Department of Transportation

Ms. Allmeroth welcomed the group to St. Louis and offered fun facts, insights, and things to do while in St. Louis.
- 4) **Approval of the 2023 Meeting Minutes** – Mr. Richard, (AR)
  - a) Minutes from the 2023 Annual IFTA Business Meeting were presented for approval.
  - b) No corrections were offered.

**Motion:** Mr. Darrin Gerry (SD), IFTA Commissioner from the Department of Revenue, moved to approve the minutes from the 2023 Annual IFTA Business Meeting as presented. Ms. Brandy Robillard (VT), IFTA Commissioner from the Department of Motor Vehicle, seconded the motion. The motion passed unanimously.

- 5) **President's Report** – Mr. Richard, (AR)

Each Board member introduced themselves and gave a small bio. Mr. Richard (AR) explained that Ms. Amy Ramsdell (OR) has resigned from the Board. Mr. Richard (AR) provided a recap of the past IFTA Events, the 40th Anniversary Celebration in Washington, D.C., next year's 2025 ABM in Salt Lake City, UT, the 2024 Educational Forum in Denver, CO

and next year's 2025 Educational Forum in Orlando, FL. Mr. Richard (AR) explained the rest of the ABM agenda with ballots, budget and dues increase. Mr. Richard (AR) thanked the members of the standing committees, the IFTA, Inc. team and the sponsors. Mr. Richard (AR) also thanked the Board Members and the membership for their hard work in keeping IFTA moving forward.

6) **Board of Trustees Panel Discussion** – Mr. Martorana and the IFTA Inc. Board of Trustees

Each Board member introduced themselves and gave a small bio. Discussions included information about the future and the issues that we need to prepare for. Below are only a few areas of questions and discussions that were presented and discussed during the panel.

- Mr. Martorana presented with a question of “What are the most important issues or changes as we a community need to address over the next five (5) or eight (8) years?” Mr. Romeo (CT) stated one of the most important things is education. The Learning Management System (LMS) is a valuable tool for jurisdiction and industry for the new members.
- Mr. Gerry (SD) stated we need to embrace the new taxation mythology that may or may not be coming.
- Mr. LaRose stated change is coming we do not know when, but it is coming. “What should jurisdictions be doing now to prepare for that eventuality?” Mr. Wisyanski (PA) stated we are in a stage of flux and change. We need to think outside of the box, keep your mind open to all options. A good goal would be to put our minds together and take some baby steps of where we need to go for the future.
- Mr. Guzman (MI) stated not to wait for your legislature to draft up a bill. Research what companies and technology are doing and what is going on in your state and other states.
- Mr. Richard (AR) stated that his state is looking at IFTA to see what IFTA is doing with International Fuel Tax as his state needs some guidance. That is what we are trying to do here at IFTA is give some direction to our states, jurisdictions, and providences.
- Ms. Chewning (NC) stated that we need to work together, stay together as jurisdictions, and continue the uniformity and figure out the best way forward.

7) **Election Committee Report** – Ms. Christie Chewning (NC), IFTA, Inc., Board of Trustees and Election Committee Chair

a) Ms. Chewning (NC) presented the Election Committee Report. Ms. Chewning (NC) introduced the committee members, and the qualifications needed to be elected to the Board. There are five (5) open Board of Trustees positions for 2025, three (3) current Board members who are eligible for re-election, and two (2) positions vacant for election at the 2024 Annual IFTA Business Meeting. The following nominees have submitted nomination forms:

- Northeast Region – Mr. L. Michael Romeo (CT) Seeking Re - Election.
- West Region – Ms. Deborah Lopez (WY) Seeking Election.
- Canadian Region – Select two (2):
  - 1) Mr. James Ackroyd (AB) Seeking Re-Election.

- 2) Mr. Mark Leahy (NB) Seeking Election.
  - Midwest Region – Select one (1):
    - 1) Mr. Omer Guzman (MI) Seeking Re-Election.
    - 2) Mr. Mark Willingham (OK) Seeking Election.
- b) Mr. Richard (AR) asked for floor nominations. There were no nominations from the floor.

**Vote:** By a vote of 50 Yes - Northeast Region – Mr. Romeo (CT) has been Re-Elected.

**Vote:** By a vote of 54 Yes - West Region – Ms. Lopez (WY) has been Elected.

**Vote:** By a vote of 47 Yes - Canadian Region – Mr. Ackroyd (AB) has been Re-Elected.

**Vote:** By a vote of 53 Yes - Canadian Region – Mr. Leahy (NB) has been Elected.

**Vote:** By a vote of 40 Yes - Midwest Region – Mr. Guzman (MI) has been Re-Elected.

8) **FMCSA Update** – Mr. Tom Keane, Federal Motor Carrier Safety Administration, U.S. Department of Transportation

- Mr. Keane presented an update on the occurrences at FMCSA. Mr. Keane presented information concerning fatal truck crashes. Fatal crashes have been increasing since 2007 through 2021, but since 2022, fatal crashes have been decreasing.
- Mr. Keane provided the changes to the leadership at FMCSA. The budget from 3/2024 is \$1.1Billion. They are finalizing the award decisions for the Grants. There is an upcoming regulation for Automated Truck Systems (Driving and Braking).
- Other programs currently in process include, Large Truck Crash Causal Factors Study, CMV Driver Compensation Study, Truck Leasing Taskforce, Women in Trucking Advisory Board, National Mileage-Based User Fee Pilot, FMCSA Registration System “FRS.” FRS will be launching in the first quarter of 2025. The FRS will revise the process by which new motor carriers request authority, USDOT numbers and name changes, biannual update, and implementation of identity verification.

9) **Ballot 3-2024 R1600** – Ms. Chewning (NC) and Mr. Daniels (TX), IFTA Board of Trustees  
The intent of this ballot is to allow the Board to make non-substantive changes to the agreement. To remove the conflict between the language in Article R1600 and Article R1605.200.005 by adding the Board of Trustees to Article R1605.200.005.

**Discussion:**

- Mr. Scott Greenawalt (OK), voting delegate from the Oklahoma Corporation Commission, stated that if the ballot passes there would be no oversight, and the Board can make any changes. Mr. Martorana stated that the changes would have to go through a comment period and any objections would be required to go through the ballot process.
- Ms. Cathy Beedle (NE), IFTA Commissioner from the Dept. of Motor Vehicles, asked which committee put forth the latest changes about a non-substantive change. Mr. Martorana stated The Program Compliance Review Committee (PCRC) put forth the proposal to change from “Peer” to “Program Compliance.”

**Vote:** By a vote of 37 Yes and 20 No – Ballot failed.

**10) Ballot 1-2024 CAC Demographics – Ms. Latasha Williams (KY), IFTA CAC 2<sup>nd</sup> – Vice Chair**

The intent of this ballot is for all jurisdictions to be uniform in submitting a minimum of five (5) years of demographic data in the daily demographic files to IFTA, Inc. for all motor carrier accounts regardless of the account status.

**Discussion:**

- Ms. Jennifer Hall (NH), IFTA Commissioner from the Department of Safety, stated that the language is not clear. It sounds like the ballot reads that if a carrier were cancelled 15 years ago you would still have to put the last five (5) years' worth of information up in the Clearinghouse. Ms. Williams (KY) stated you are correct it is not the intent it is not five (5) years' worth of the data, just a snapshot of that carrier if it has been in the last (5) five years.
- Mr. Greg Loper (MN), IFTA Commissioner from the Department of Public Safety, stated that the wording is confusing. Confused as what a snapshot is and potentially seeing some jurisdictions or organization in the future interpreting it has a full upload of data.

**Vote:** By a vote of 42 Yes and 13 No – Ballot passes.

**Vote:** By a vote of 51 Yes and 4 No – Ballot passes, effective date of January 1, 2025.

**11) Richard L. Reeves Leadership Award sponsored by FAST Enterprises – Mr. Charles Ledig, Penske, and current chair of the Industry Advisory Committee (IAC)**

Mr. Ledig presented what, why and how the birth of the award came to be. Mr. Ledig asked Mr. LaRose to speak on who Mr. Richard Reeves was and all his tireless work. He was the voice of reason. Mr. Ledig announced this year's recipient is Mr. Gary Markham of ProMiles!

**12) IFTA, Inc. Update – Mr. Martorana**

- a) Mr. Martorana introduced the executive committee of the Board and the IFTA Team. Mr. Martorana stated that there is succession planning underway. Mr. Martorana showed the social media channels that IFTA, Inc. uses and the IFTA, Inc. website tools that we have for tax rate notifications, important notices, etc.
- b) **Recent IFTA, Inc. Initiative's:**
  - The strategic planning has begun with a meeting in Louisville.
  - IFTA, Inc. recently hosted their "Legislative Summit." We are planning to do another one in January 2025.
  - The Tech Summit was held in Cleveland. This meeting brought together the vendors to start brainstorming on the technological needs in the future.
  - IFTA, Inc. contracted with a firm to do a penetration test. The IFTA, Inc. network is safe. The final report is due soon. IFTA, Inc. servers are moving to a new company in the same building. The move should take place over the Labor Day weekend. IRP Audit servers are being decommissioned. Mr. Martorana listed the upcoming IFTA Meetings.
- c) **2025 Meeting Locations:**

- 2025 Educational Forum
  - Rosen Plaza Hotel – Orlando, FL - June 2<sup>nd</sup> – June 6<sup>th</sup>.
- 2025 Annual Business Meeting
  - Hilton Salt Lake City Center – Salt Lake City, UT - August 19<sup>th</sup> and 20<sup>th</sup>.
- 2025 Board Meetings:
  - 1Q 2025 – Palm Spring, CA – February 4<sup>th</sup> and 5<sup>th</sup>.
  - 2Q 2025 – Buckhead Atlanta, GA – April 15<sup>th</sup> and 16<sup>th</sup>.
  - 3Q 2025 in conjunction with ABM in Salt Lake City, UT – August 18<sup>th</sup>
  - 4Q 2025 – Chandler, AZ – November 4<sup>th</sup> and 5<sup>th</sup>.

d) **New items from 2024:**

- The Indiana Tax on EVs using a mileage-based tax structure.
- Hythane (HT) is the newest fuel type on the IFTA Tax Matrix.
- Records Reviews are being conducted by jurisdictions. These reports are being uploaded to the Clearinghouse.
- Board charges were issued to the Program Compliance Review Committee (PCRC), Audit Committee (AC) and the Clearinghouse Advisory Committee (CAC) during 2024.

13) **IFTA, Inc. Financial Report / FY 24 Budget** - Mr. Martorana

- a) Fifty-seven (57) Jurisdictions are in the Clearinghouse. The Clearinghouse processed over \$628 Million through the funds netting process. Yukon Territory is working on their statutes, and they plan to join IFTA, Inc. with their six (6) carriers.
- b) The Financial and SOC audits have been completed for 2023 and the 2024 audits will begin soon. SOC I Type II audit will be completed in 2025.
  - SOC I type 2 audit completed for 2021 with no exceptions found.
  - SOC II type 2 audit completed for 2022 found with one minor exception/recommendation.
  - SOC I Type 2 audit completed in 2023 with no exceptions found.
- c) The revenue received is mainly from membership dues. Recently the investment sweep has sustained the budget. Mr. Martorana highlighted the main points from the budget that will be voted on.
- d) Payroll expenses were higher in 2024 based on the increased cost of benefits. Other expense categories remained relatively stable.

**Motion:** Mr. Steve Wisyanski (PA), IFTA Commissioner from the Department of Revenue, moved to approve the proposed FY25 budget as presented. Mr. Guzman (MI), IFTA Commissioner from the Department of Treasury, seconded the motion. The motion passed, 50 – 1.

14) **Membership Dues Increase** - Mr. Romeo (CT)

- a) Mr. Romeo (CT) presented a history of the dues increase over the years. There has not been an increase in dues since FY14. Expenses have continued to increase, especially travel costs. The average cost for a funded traveler for the Educational Forum is \$2,988.

The Board is asking for an increase in dues to \$27,000 and is expected to fund IFTA for the next five (5) years. POP and Funded travelers make up 28% of the dues and this is expected to increase to 33% next year. If no dues increase the investment fund will be reduced to -0- by FY29.

b) Services provided by IFTA, Inc., bring great value to membership.

- Day to Day Operations.
- IFTA Clearinghouse.
- IFTA Website and databases.
- Event Management.
- Learning Management System.
- Program Compliance.
- Maintaining the governing documents.

**Discussion:**

- Mr. Greenwalt (OK) asked “what the new employee’s duties would be, what the services does IFTA think are needed in the future that are not being performed today?” Mr. Martorana stated we would need a new IT person who would be needed as we ramp up additional administrative support, hire a consultant to be an internal auditor, and new employees to take over for Ms. Meise and Mr. Szilagyi as they retire. Mr. Wayne Brown (ME) stated that the investment account was primarily made up from the sale of the Chandler building.
- Mr. Stuart Zion (CO) was worried about the cost of travel. They do not reach near the average cost of a traveler. Mr. Zion (CO) is saying he would be able to pay for travel costs and not have a funded traveler program. Mr. Martorana stated when you consider travel cost per person it is the airfare, hotel, percentage of the catering, percentage of the AV.
- Ms. Stacy Acree (WV) asked “if we run projections on what the membership dues look like without funding the POP?” You can devise that from the information presented.
- Ms. Beedle (NE) questioned why the meeting’s budget was \$180,000.00 over budget and why was the meeting line that far over budget? Mr. Martorana stated it was due to the Educational Forum and the additional face-to-face meetings.
- Ms. Dawn Gunter (FL) asked “if it was possible to utilize the POP travelers as speakers or presenters?” Mr. Martorana stated that we do look at the funded travelers to see if they can be a presenter.

**Motion:** Mr. Romeo (CT), IFTA Commissioner from the Department of Revenue moved to increase the IFTA, Inc. dues to \$27,000.00 a year starting with the fiscal year ending 2026 period which begins on July 1, 2025. Mr. Brown (ME), IFTA Commissioner from the Bureau of Motor Vehicles, seconded the motion. The motion passed, 39 – 15.

**15) IRP Update - Mr. Tim Adams, IRP, Inc. CEO and Ms. Renee Kyser, IRP, Inc. Chair of Directors**

- a) Ms. Kyser announced that this is her final year as the chair of the Board of Directors. IRP celebrated their 50th anniversary this year.

- b) Mr. Adams presented the makeup of the IRP Board and advisors. IRP has started a strategic planning exercise and Mr. Adams presented the goals for the strategic plan.
- c) IRP established a new Law Enforcement Committee. The committee recently held an in-person meeting in Grapevine, Texas. They also established new working groups: Peer Review, Established place of business W/G, MBUF W/G, Commercial Trailer W/G, PRISM.
- d) Mr. Adams presented the upcoming IRP Events. IRP, Inc. Fall Board of Directors Meeting, Victoria, British Columbia, October 9 – 10, 2024, Fall Workshop, Cincinnati, OH, Week of October 21, 2024, 2025 IRP Annual Meeting, Baltimore, Maryland, Week of May 5, 2025.

**16) ATA Update – Ms. Jacqueline Gelb, Vice President of Energy and Environment**

- a) ATA is focusing on trying to decarbonize transportation. Trucking is investing in trying to reduce carbon emissions. There is a real push to electrify the trucking industry. California is leading the charge to move to zero emission vehicles. California can amend their clean air acts while the EPA standards cannot change as quickly. Fleets are anxious about what the future will hold with respect to Zero Emissions mandates. There is not a mass movement toward electric vehicles within the fleets.
- b) Infrastructure is still lagging behind. That has an effect on the roll out of EV's within the fleets. There needs to be a \$1 Trillion investment in the electrification infrastructure.
- c) Trucking Industry is turning over their fleets to new diesel engine trucks. There is a natural gas truck that should be available soon.

**17) UCR Update – Mr. Toby Piquet, Seikosoft LLC Project Manager (PMP)**

Mr. Piquet presented that forty-one (41) States participate in UCR. UCR is a state revenue sharing program. Revenues from the program are used for state highway and safety programs. UCR applies to Interstate Motor Carriers, Freight Forwarders, Brokers, Leasing companies. UCR is enforced at roadside and UCR audit programs. IFTA and the National Registration System (NRS) overlap. If there is a carrier that is registered for UCR, they will need IFTA and vice versa.

**18) California Initiatives and the map to RUC – Ms. Lauren Prehoda, Road Charge Program Manager, California Department of Transportation**

Ms. Prehoda (CA) stated that California is looking for a replacement for the fuel use tax. There are four (4) issues with Fuel Taxes. Fuel Efficiency Gains, Increases in EVs, Inflation and the Loss of Purchase Power, Uneven Fuel Tax Burden. California is looking at a Road Charge. Revenue neutral, replacement of Fuel Tax aimed at stabilizing funding. The time is now for the Revenue Agencies to start looking at moving to a Road Charge. DOTs are the lead agencies for Road Charges. DOT will not be collecting the funds. California is envisioning a split structure in the implementation, passenger vehicle system and commercial vehicle system. They want to build off existing processes. IFTA is already gearing up to report mileage-based fees. Each state has different needs and different structures so many scenarios exist for the post fuel tax world.

- Things for States to Think About:
  - Easy transition for the public.
  - Agency Ownership.
  - Staffing Needs.
  - IT Adjustments.
  - Divide between passenger and Commercial vehicles.
  - Rate Structure.
  - Enforcement process adjustments.
  - Simplification for weight-mile states.
- Things for IFTA to consider:
  - Update definition of an IFTA Qualified Vehicle.
  - Adjust Audit Rates.
  - IT Upgrades.
  - Staffing impacts.
  - Fee Adjustments.

**Discussion:**

- Mr. Wisyanski (PA) “Why aren’t you calling it a tax? Ms. Prehoda (CA) agrees it is a tax, but the legislation terminology is “Road Charge.” Each state has its own terminology. Terminology is dependent on your own culture and politics in your own state. Mr. Wisyanski (PA) is concerned that the DOT will become involved if we use the words fee and charge.

**19) Federal Highway Administration (FHWA) Update – Mr. Michael Dougherty, Program Analyst, Highway Policy Information**

Mr. Dougherty stated that The Federal Highway Trust Fund is administered by USDOT and is used to maintain the highway system. Federal Aid to states is based on on-highway fuel use. In 2022, the payout was \$54 Billion.

- **Grants:**
  - FY 2023 Grants are currently undergoing review at the second level at FHWA. No estimate of approval date.
  - FY 2024 Grants – Notification of Funding Opportunity (NOFO) should be out by the end of the year. There is an annual reporting requirement for each grant. Reports are required even if no activity took place. New reporting requirements will be in effect in FY25.

**20) Wrap up for the day and preview of day 2.**

**Day 2 August 20, 2024**

**21) Call to Order and Roll Call of Voting Delegates – Mr. Richard (AR)**

Mr. Richard (AR) Board of Trustees President called the meeting back to order. Fifty-three (53) member jurisdictions were in attendance or represented by proxy. There was a quorum

to conduct the business of the association. Mr. Richard (AR) thanked i3 Verticals for sponsoring the morning's breakfast and i3 verticals and Legatus for sponsoring the baseball game tickets.

**22) Ballot 2-2024 – Ms. Alicia Ruiz (CA) Department of Tax and Fee Administration and IFTA CAC Chair, Mr. Daniels (TX), and Mr. Guzman (MI)**

Ms. Ruiz (CA) presented the ballot. The intent of this ballot is to assess a fee on jurisdictions that fail to upload their data timely to the IFTA, Inc. Clearinghouse by the dates specified in the IFTA, Inc. Funds Netting Calendar.

**Discussion:**

- Mr. Randal Boone (IN) questioned how the fee structure and how the funds would be distributed.
- Mr. Ryan Pineau (PE) stated that he understands what we are trying to do but it does not address the problem.
- Mr. Leo LeBeouf (RI) asked about the lifetime exemption, and would it be possible to make the funding calendar more uniform, i.e., transmittal due date on the 20<sup>th</sup> of the month? Ms. Ruiz (CA) stated there is a month between transmittal due dates and jurisdictions can upload the data at any time.
- Ms. Beedle (NE) asked “how often jurisdictions are late?” Ms. Ruiz (CA) stated it happens two (2) to four (4) times a year.
- Mr. Brian Carlson (SC) questioned how the funds will be spent, especially if we just increased dues to cover POP.
- Ms. Brandy Robillard (VT) stated that the Vermont building was flooded and closed for six months. What if that happens again and we are late, but we had our onetime pass?”
- Ms. Catherine O’Lare (MD) questioned whether research was done to see how many were late, based off of sure negligence or actual circumstances that were out of the jurisdictions control. Ms. Ruiz (CA) stated that regardless of the reason it is late it affects other jurisdictions.
- Mr. Daniel Yeh (IA) asked “if the ballot fails would the CAC accept other input on potential ideas to help solve what might be the problem?” Ms. Ruiz (CA) stated Absolutely!

**VOTE:** By a vote of 13 Yes and 44 No – Ballot 2 fails.

**23) Learning Management System (LMS) Update – Mr. LaRose**

Mr. LaRose provided an update on the LMS. IFTA, Inc. has a great relationship with the production vendor and charges \$38/hour, this is a tremendous savings over what a Totara production designer would cost at \$98/hour.

- There have been many videos that were added to the LMS. The New Commissioner series has been very successful. Mr. LaRose gave a summary of the status of the upcoming videos.

- IFTA, Inc. was informed by IRP that they will not be continuing with Totara. That discussion has not yet occurred with the Board. Once discussions are concluded, we will determine how the LMS will operate in the future.

**24) Ballot 4-2024 – Withdrawn – Mr. Gerry (SD)**

Mr. Gerry (SD) presented a discussion on Ballot 4-2024 which has been withdrawn. The Board determined that vehicle specific data should be in the IFTA agreement and charged the Agreement Procedure Committee (APC) with researching how best to get this information. The APC proposal was deemed to not go far enough, and a ballot was offered by the Board.

- **Items the Board is considering:**
  - VIN of vehicles that are reported on IFTA License.
  - 4-year implementation period.

**Discussion:**

- Mr. Boone (IN) stated that a cost-benefit analysis is required, and can't we get this through other means...IRP?" Yes. "What are the benefits?"
- Mr. Zion (CO) asked "is there are VIN verification ?" Mr. Gerry (SD) stated the jurisdictions should work with their IRP agency.
- Ms. Beedle (NE) stated that this reminds her of the UCR process. Can we get the information from UCR? Or have the carriers upload their information similar to the UCR process/site?

**25) Alternative Fuels Committee (AFC) Board Charge Update – Ms. Elisa Amezcua (CA), IFTA AFC Chair**

Ms. Amezcua (CA) presented an update on the committee. There has been a lot of turnover in the AFC Membership. However, the committee is currently fully staffed. The Board Charge is currently being worked on and the AFC will present the final report at the 2025 ABM.

**26) 2024 Educational Forum Update and 2025 EF - Mr. Martorana and Mr. LaRose**

Mr. LaRose presented the highlights from the 2024 EF. The 2025 EF will be held in Orlando, FL, June 2 -6. We will have tracks for various stakeholders (Administrator, Auditor, Law Enforcement, Carrier). Register early.

**27) Audit Committee (AC) Update – Ms. Bille Pierson (ID), IFTA AC Chair**

Ms. Peirson (ID) presented the update of the Board Charge. The charge was due to the passage of 8-2022 and 3-2023 and how those ballots would lead to changes on the governing documents. The AC is looking for feedback from the membership.

**28) Breakout Sessions**

a) *Alternative Fuels/Alternative Taxing methods: Mr. Wisyanski (PA), Ms. LaTia Benbow (FL), Mr. Kris Hill (ON) and Ms. Amezcua (CA)*

- **Recap - Mr. Wisyanski (PA)**

- The sessions were informative with having a look at the returns.
- b) *Discussion of Vehicle -Specific Data In IFTA: Panel – Mr. Gerry (SD), Mr. Romeo (CT), Mr. Daniels (TX) and Mr. Billy Johnson (VA)*
  - **Recap - Mr. Gerry (SD)**
    - Nothing further to discuss. There was a lot of discussion, it was excellent. Mr. Gerry (SD) thanked all who participated.
- c) *Advances in Technology – World News Effecting our Community – Mr. Martorana and Mr. LaRose*
  - **Recap – Mr. Martorana**
    - Try to come up with a way to keep membership informed. Mr. Martorana encouraged membership to do their own research with the source of information provided.

29) **Ballot 5-2024** – Mr. Wisyanski (PA)

Mr. Wisyanski (PA) presented the ballot. The intent of the ballot is to establish a definition for kilowatt hour and a generic definition to describe units of measurement for motor fuels and to amend the applicable sections of the governing documents to account for the proposed and new definitions.

**No Discussion.**

**Vote:** By a vote of 46 Yes and 10 No – Ballot passes.

**Vote:** By a vote of 54 Yes and 1 No – Ballot passes, effective date of January 1, 2026.

30) **Bylaw Amendments** – Mr. James Ackroyd (AB), Mr. Benjamin Evans (AB)

Mr. Evans (AB) summarized the Bylaw amendments that were submitted.

- a) **Article 4, Section 7:** Remove reference of having board members attend in person.
- b) **Article 6 Various Sections (committees):** “Shall have the responsibility” language made consistent in the Bylaws.
- c) **Article 11 (amendments):** Reworded for consistency.
- d) **Other minor changes:**
  - Consistent use of Capital letters (Annual Business Meeting, etc.)
  - Consistent use of defined terms.
  - Consistent use of non-defined terms.
  - Reduction of Legalese.

**Discussion:**

- Mr. Zion (CO) questioned Section 4, the removal of the teleconference ability and would that preclude the option of teleconferencing in the future. Mr. Evans (AB) stated it would not. The general rule would be that attendance should be in person.
- Mr. Yeh (IA) questioned Article 6, section 5 concerning the Law Enforcement Committee (LEC) and why the committee would only supply reports to the Board. Mr. Evans (AB) stated the change was made to be consistent with other committees reporting responsibilities. Mr. Yeah (IA) questioned whether there is any intent to say that the LEC

only advises membership through the reports to the Board. Mr. Wisyanski (PA) stated it was brought into alignment of how the other committees submit their updates to the board.

- Ms. Hall (NH) questioned Article 3, “is there a definition for “eligible”?” Mr. Martorana stated there is a definition in the Articles of Agreement.

**VOTE:** By a vote of 50 YES and 3 NO – Amendments to the Bylaw passed.

**31) Strategic Plan Working Group – Ms. Dawn Gunter (FL) IFTA SPWG, Co – Chair and Ms. Margie Hughes (TN), Comdata, IFTA SPWG, Co – Chair**

Ms. Gunter (FL) reported on the timeline of activity since the Committee was formed.

- There was a survey issued to the membership that was used to determine what is important to the membership. An RFP was sent for services. The RFP was sent to six (6) consulting groups. The University of Kentucky was chosen as the vendor. The committee was tasked with creating a SWOT. The committee met face to face in July in Louisville, KY and developed draft mission statement, vision statement, five (5) goals, & twenty-five (25) strategies.
- **GOALS:**
  - Maintain Operational Continuity.
  - Maintain and Enhance Communications.
  - Foster Innovative Solutions.
  - Stakeholder Involvement.
  - Retain Uniformity While Allowing Optional Tax Methodologies.
  - Emerging Issues.

**32) Town Hall and New Business – Mr. Richard (AR) and Mr. Wisyanski (PA)**

Mr. Greenawalt (OK) provided the recap of the Dispute Resolution Committee (DRC) proceedings against CT, MA, and MD. The jurisdictions did not contest the findings. He provided the definitions below.

- a) Disgorgement - a benefit received by not doing the required act.
- b) Restitution – The party should be required to compensate for damages by not doing a required act.
- c) Punitive Damages – to deter future behavior.
- The DRC attempted to show legislators the need for resources to come back into compliance.
  - d) MD – Disgorgement \$1,269,600.  
Restitution - Make up the audits by 12/31/2025 or face additional penalties.  
Punitive Damages - \$201,000.
  - e) CT - Disgorgement \$1,044,031.77.  
Restitution - Make up the audits by 12/31/2025 or face additional penalties.  
Punitive Damages - \$159,000.
  - f) MA - Disgorgement \$3,896,281.31.  
Restitution - Make up audits by 12/31/2025 or face additional penalties.

Punitive Damages - \$328,000.

**Discussion:**

- Ms. O'Lare (MD) questioned if willfulness is required for disgorgement penalty.
- Ms. Antoinette Tannous(QC) questioned if the COVID pandemic was taken into consideration. Mr. Greenawalt (OK) stated yes, it was. Ms. Tannous (QC) questioned if the penalties are over and above and whether they have the right to vote. Mr. Greenawalt (OK) stated no, it is not. The dispute resolution process that was ratified by the membership talks about those remedies for jurisdictions that fail to comply with the DRC order.
- Mr. James Walker (NJ) questioned about the funds being held and where the funds will go. Mr. Greenawalt (OK) stated the funds will be apportioned back to the jurisdictions.
- Mr. Greg Loper (MN) questioned if the jurisdictions have the legal capacity to accept the funds. Mr. Greenawalt (OK) stated the jurisdictions will have to make that determination.
- Mr. Boone (IN) questioned whether there was any indication that the penalties were going to be that substantial. Mr. Greenawalt (OK) stated there was no indication that the penalties were going to be high.

**33) Town Hall Topics:**

- a) **Article 4 , section 10** – change voting requirements for Board seats by having the members of the Board selected by the regional membership. Mr. Zion (CO) submitted the topic and explained his thoughts behind the change.

**Discussion**

- The Board Members represent all membership not only for their regions.
- A straw poll was taken, and sixteen (16) members agreed with the proposal.
- b) **IFTA Temporary Decal Permits** - Should temporary permits be required in the agreement?

**Discussion**

- Four (4) jurisdictions do not offer temporary permits.
- c) **Non-IFTA Miles and Fuel**

**Discussion**

- If a jurisdiction does not have a place to put non-IFTA miles and tax, that jurisdiction will be out of compliance.
- d) **Tying Decals to actual VINs:** No further discussion was had.
- e) **Tax Returns with 0 and 5:** Nevada is one (1) of the states that has this edit. They look at the figures and it looks like the figures are estimates. Tennessee is another state that does this. They will stop the return form processing and will contact the carrier and then they must provide documentation substantiating the data.
- f) **Fuel Types on Tax Returns:** What do the jurisdictions do to ensure that all fuel types can be reported on a tax return?

**Discussion**

- How should inadequate records be managed with EV distance only tax methodology? With EV kWh taxing methodology? Both taxing methodologies on the same return. – Increase miles by 20% on distance returns is an option.

34) **Invitation to the 2025 ABM** – Mr. Martorana

A video was played inviting all to the 2025 Annual Business Meeting, with emphasis on highlights of the agenda and education for all.

- Mr. Richard (AR) recognized and thanked all the sponsors, i3 verticals, FAST Enterprises, Solera|Explore, Legatus, LeeTrans and PrePass.
- Mr. Martorana thanked the IFTA, Inc. Team for all their hard work in putting the meeting together.
- Ms. Meise on behalf of the IFTA, Inc. Team thanked Mr. Martorana for being who he is.
- Mr. Richard (AR) recognized the new board members.

35) **Motion to Adjourn:**

- Ms. Tannous (QC) made a motion to adjourn the meeting. Ms. Holly Postle (DE) seconded the motion.
- With no opposition the motion was carried, and the meeting was adjourned.

## **FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



### **IFTA BALLOT PROPOSAL #01-2025**

#### **Sponsor**

IFTA, Inc. Program Compliance Review Committee

#### **Date Submitted**

April 1, 2025

#### **Proposed Effective Date**

January 1, 2026

#### **Manual Sections to be Amended**

Procedures Manual

Section P1110.400

#### **Subject**

Audit Information for Annual Reporting

#### **History/Digest**

P1110 requires member jurisdictions to submit an annual report to the repository and specifies required information. The IFTA Board of Trustees issued a Charge to the Program Compliance Review Committee (PCRC) that includes a requirement that the PCRC notify jurisdictions of their audit accountability for compliance with A250, A260, and R1370. P1110 requires reporting of the number of accounts audited and the total number of records reviews completed but does not require reporting of the number of High and Low distance accounts audited.

#### **Intent**

This ballot is being submitted to consider changing the IFTA ~~Articles of Agreement~~ Procedures Manual to require reporting of the number of High and Low distance accounts audited for the year on the annual report. The intent of this ballot is to include the number of High and Low distance accounts audited starting with the annual report covering 2026.

## **FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**

### **Interlining Indicates Deletion; Underlining Indicates Addition**

1 P1100 BASE JURISDICTION REPORTING  
2  
3 \*P1110 ANNUAL REPORTING  
4  
5 *[Sections .100 through .300 remain unchanged]*  
6  
7 .400 Audit Information  
8  
9 .005 Number of accounts audited;  
10  
11 .010 Number of accounts audited resulting in financial changes to one or more  
12 jurisdictions;  
13  
14 .015 A jurisdiction that has a Records Review program established conforming to  
15 section A510 shall report the total number of record reviews completed for the  
16 year on the annual report.  
17  
18 .020 Number of high distance accounts audited;  
19  
20 .025 Number of low distance accounts audited;  
21  
22 *[Section .500 remains unchanged]*  
23  
24 *[Section .600 remains unchanged]*  
25

#### **Corrections/Additions Following the Comment Period ending June 29, 2025.**

Correction made to the Agreement Reference in the Intent Section.

<p><b>Ballot #1-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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Support: 19  
Oppose: 0  
Undecided: 0

**Attorney Advisory Committee**

- In the “Intent” section, it states that the ballot is being submitted to consider changing the IFTA Articles of Agreement. However, the proposal amends the IFTA Procedures Manual (not the Agreement).
- It is suggested that P1110.400.005 be updated to state, “*Number of total IFTA accounts audited*” for consistency with the reference to “*number of total IFTA accounts*” in P1110.300.005.
- Including the new requirements after P1110.400.015 seems disjointed. Rather than repealing and replacing P1110.400 with all of the requirements reordered, it is suggested that the new requirements be incorporated into existing P1110.400.005 (see below).
- It may also be useful to require a breakdown of the number of low-distance and high-distance accounts audited that resulted in financial changes. If so, the new requirements could be added into existing P1110.400.010 (see below).
- It is suggested that the proposed amendment be updated as follows:
  - .400 Audit Information
  - .005 Number of total IFTA accounts audited, as well as a breakdown of the number of low-distance and high-distance accounts audited;
  - .010 Number of total IFTA accounts audited resulting in financial changes to one or more jurisdictions, as well as a breakdown of the number of low-distance and high-distance accounts audited resulting in financial changes to one or more jurisdictions;
  - .015 A jurisdiction that has a Records Review program established conforming to section A510 shall report the total number of record reviews completed for the year on the annual report;

**CONNECTICUT**

Support

Connecticut is in support of this ballot. This information is currently tracked and can be provided.

**INDIANA**

Support

Indiana Supports this ballot.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Support

**KENTUCKY**

Support

<p><b>Ballot #1-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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**MANITOBA**

Support

**MARYLAND**

Support

Maryland currently tracks this information and would not be difficult for us to include in our annual report.

**MICHIGAN**

Support

**NEVADA**

Support

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Support

North Carolina has no comments for this ballot and supports it as currently written.

**OKLAHOMA**

Support

**PENNSYLVANIA**

Support

**QUEBEC**

Support

Quebec supports this ballot and as stated by Maryland, such information can easily be included in the annual report.

**SASKATCHEWAN**

Support

Saskatchewan tracks this information already so it would not be onerous to add it to the Annual Report

**SOUTH DAKOTA**

Support

# FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING



## IFTA BALLOT PROPOSAL #02-2025

### **Sponsor**

IFTA, Inc. Program Compliance Review Committee

### **Date Submitted**

March 5, 2025

### **Proposed Effective Date**

January 1, 2026

### **Manual Sections to be Amended**

Procedures Manual

Section P1230

### **Subject**

Jurisdiction participation in program compliance reviews.

### **History/Digest**

P1230 currently requires jurisdictions to participate in their appropriate share of program compliance reviews each year with no member jurisdiction being required to participate in more than two program compliance reviews per year.

The IFTA Board of Trustees issued a Board Charge to the Program Compliance Review Committee (PCRC) in March 2024 to develop new review procedures that include an annual Admin review of all member jurisdictions. The Charge directs the PCRC to streamline the review process with more of a focus on items that are of monetary importance to all member jurisdictions.

With streamlined review procedures reviewers will spend less time conducting reviews. The PCRC also is planning to have Committee members participate in reviews, particularly in regard to analyzing Clearinghouse data for an Annual Admin review of all jurisdictions. ~~The current participation limit for reviewers of participation in no more than two reviews per year is counter to an annual Admin review of all jurisdictions and counter to multiple reviewers working together on data analysis or the Audit portion of reviews for multiple jurisdictions.~~

The current limitation—restricting reviewers to participate in no more than two reviews per year—undermines the effectiveness of the updated approach. Although reviewers are required to participate as part of the program, the existing cap creates barriers to collaboration, limits the ability to conduct team-based reviews, and hinders completion of the reviews. Removing this restriction will not increase the overall workload for jurisdictions, as the scope of each review has been streamlined. Instead, it will

## ***FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING***

provide greater flexibility in scheduling and allow jurisdictions to participate in group reviews more effectively, enhancing consistency, efficiency, and the overall quality of compliance efforts.

### **Intent**

This ballot is being submitted to consider changing the IFTA Procedures Manual to remove the restriction that no member jurisdiction may be required to participate in more than two program compliance reviews per year. This change will support the Board's directive for more frequent, collaborative, and efficient reviews—especially those requiring team-based analysis and execution under the revised streamlined procedures.

## ***FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING***

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 \*P1230 REQUIRED PARTICIPATION

2

3 Jurisdictions will be required to participate in their appropriate share of program compliance  
4 reviews each year. ~~No member jurisdiction will be required to participate in more than two~~  
5 ~~program compliance reviews per year.~~

6

7

### **Comments Following the Comment Period ending June 29, 2025.**

Changes made to the History/digest and Intent Sections.

<p align="center"><b>Ballot #2-2025</b> <b>Comment Period Ending June 29, 2025</b></p>
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Support: 4  
Oppose: 6  
Undecided: 11

**ALBERTA**

Alberta is supportive of the new streamlined review procedures and understands the need for this change but is concerned that “appropriate share” is very vague.

**Attorney Advisory Committee**

Undecided

- History/Digest paragraph 2 should be changed as follows:  
The IFTA Board of Trustees issued a Board Charge (**Charge**) to the Program Compliance Review Committee (PCRC) in March 2024 to develop new review procedures that include an annual Administrative review of all member jurisdictions. The Charge directs the PCRC to streamline the review process with more of a focus on items that are of monetary importance to all member jurisdictions.
- The ballot should explain how the current participation limit in program compliance reviews is counter to an annual admin review. It also does not explain how the limit is counter to multiple reviewers working together on portions of reviews for multiple jurisdictions. That is, it is not clear whether the annual admin review is intended to replace one or more compliance reviews such that there is only ever going to be one annual review in which jurisdictions must participate, or whether there may still be other reviews in addition to the annual admin review as needed.
- By continuing to state that jurisdictions will be required to participate in their appropriate share of program compliance reviews each year, the implication is that there will be more than one. This does not make sense if there will only be one annual review of each member jurisdiction.
- The term “*appropriate share*” is ambiguous and subjective. Without being defined or otherwise constrained, the term is effectively unenforceable and open to dispute.
  - Without better defining this term it could lead to future issues.
- If the intention is that jurisdictions will only participate in one annual admin review, then perhaps P1230 should be revised to state:  
*“Each jurisdiction will be required to participate in one annual administrative review of their program compliance.”*
- If the intention is that jurisdictions will be required to participate in an annual admin review *as well* as other compliance reviews as necessary, then it is suggested that the maximum number of reviews in which a member jurisdiction must participate should reasonably be specified or otherwise limited.
- A jurisdiction should be aware of the amount of work this ballot passing would entail.
- It is also not clear as to the expectation of the reviews. Is it just the annual administrative review, or will there be more?

**BRITISH COLUMBIA**

Undecided

British Columbia agrees with other jurisdictions that more information is required on the new review process before supporting this ballot.

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**ILLINOIS**

Oppose

Removing a limitation that protects each jurisdiction from abuse of time/resources is concerning. The ballot does not appear fully fleshed out. Are we replacing current PCRs with this new “annual Admin reviews” or augmenting current PCRs with this annual Admin review? If the participation cap is removed, required participation is ambiguous because the remaining language says only that jurisdictions must participate in their “appropriate share” of reviews. According to whom? For clarity, maybe the proposal should be to keep the existing 2 reviews cap but qualify Sec. 1230 by adding language that says something more like, “, except that, in addition, each jurisdiction shall participate in one [more than one?] annual administrative review” and then provide a description of what an “annual Administrative review” consists of as compared to a standard “program compliance review” – whatever these differences might be (not stated anywhere).

**INDIANA**

Undecided

Indiana is undecided on this ballot and would like to request more information to completely understand the intent of the proposed change.

**Industry Advisory Committee**

The Industry Advisory Committee (IAC) does not oppose the general intent of Ballot #2-2025. However, when considered alongside the broader set of 2025 ballots, we feel it is important to offer a word of caution.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Undecided

**KENTUCKY**

Support

**MANITOBA**

Oppose

**MARYLAND**

Oppose

Maryland does not support as written.

**MICHIGAN**

Support

Michigan supports this ballot.

**NEVADA**

Undecided

<p align="center"><b>Ballot #2-2025</b> <b>Comment Period Ending June 29, 2025</b></p>
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Agree with NC. Language is not clear. What is "appropriate share". How much time will be consumed with these? Need more information.

**NEW BRUNSWICK**

Oppose

**NEWFOUNDLAND**

Oppose

**NORTH CAROLINA**

Undecided

North Carolina generally supports the ballot's intent but has concerns with its language. Therefore, it has noted its position as undecided. If the appropriate changes are made to this ballot, North Carolina would support the ballot.

First, because the ballot removes the cap on the number of program compliance reviews each year, the "appropriate share" language becomes more important but is vague in the number of reviews in which the jurisdiction must participate.

Second, it is important to note that the procedures used to direct the program compliance reviews are not voted upon by all the member jurisdictions as occurs with an amendment to the Procedures Manual. Therefore, the time commitment may change and with no cap, the burdens placed on jurisdictions may shift significantly over time.

Third, it may be beneficial to differentiate between and audit type review and an administrative review.

If the purpose of the ballot is to allow annual reviews, which are less time intensive, then it may be best to re-write the ballot as follows:

"Jurisdictions will be required to participate in their appropriate share of program compliance reviews each year. No member jurisdiction will be required to participate in more than three program compliance reviews per year."

In the alternative, if the sponsor differentiates between types of review, the ballot could read as follows:

"Jurisdictions will be required to participate in their appropriate share of program compliance reviews each year. No member jurisdiction will be required to participate in more than: (1) two audit program compliance reviews per year; and (2) one administrative program compliance review per year."

Either of the above solutions would address North Carolina concerns and would likely secure a "Yes" vote from North Carolina.

North Carolina will assist the sponsors in drafting an amended ballot upon request.

**OKLAHOMA**

Undecided

Oklahoma needs more clarity on the intended purpose of this ballot.

**ONTARIO**

Undecided

<p><b>Ballot #2-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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Ontario would like the committee to provide more details about the new review process and the time commitment jurisdictions can expect.

The phrase “appropriate share” in P1230 should be defined if there is no maximum to the number of reviews a jurisdiction is required to participate in. The phrase should be defined so jurisdictions will have a clear understanding of what constitutes compliance and non-compliance.

**PENNSYLVANIA**

Undecided

**QUEBEC**

Oppose

Quebec do not support the current wording associated with the ballot and the effects it can have on jurisdictions participating in an uncapped amount of compliance reviews each year.

**SASKATCHEWAN**

Undecided

Saskatchewan interpreted the proposed ballot to only impact the designated reviewers (and PCRC committee members) that are completing the compliance reviews, to increase the number of reviews they could be involved with in a year. However, confirmation on what impact this would have to the jurisdictions that are the subject of the reviews is required before we can fully support this ballot.

**SOUTH DAKOTA**

Support

**VIRGINIA**

Undecided

Virginia shares the concerns raised by other member jurisdictions regarding removal of the cap.

## **FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



### **IFTA BALLOT PROPOSAL 03-2025**

#### **Sponsor**

IFTA Audit Committee

#### **Date Submitted**

April 1, 2025

#### **Proposed Effective Date**

January 1, 2026

#### **Manual Sections to be Amended**

Audit Manual Sections A350 & A460 (Effective Date: September 2024)  
Procedures Manual P570 (Effective Date: January 2024)

#### **Subject**

IFTA Audit Manual and IFTA Procedures Manual - Alternative Fuel Audit Impacts

#### **History/Digest**

In accordance with IFTA Articles of Agreement Article XVIII Sections R1810.100 and R1810.200.020, and as stated in Sections II and III of the Committee Charter, the IFTA Audit Committee is responsible for maintaining the IFTA Audit Manual. This duty includes periodic reviews to determine if any changes or updates are needed and to make such recommendations to the IFTA, Inc. Board of Trustees. The duties of the Audit Committee also include a review of ballot proposals ratified by membership to determine whether any sections of the IFTA Audit Manual are impacted by the ratified language and to recommend changes if applicable. With the passage of IFTA Ballots 8-2022 and 3-2023, IFTA has addressed the future of fuels used to propel qualified motor vehicles and to provide for the alternative method of taxing consumption based on applying a tax to taxable distance.

The Board of Trustees issued a charge on February 12, 2024, as follows:

- 3.1 Develop a sub-committee
- 3.2 Research
- 3.3 Provide results of research and recommendations to the Board including, if applicable, a ballot proposal for recommended changes to the Audit Manual

#### **Intent**

Modify the IFTA Audit Manual and IFTA Procedures Manual to include auditing of alternative fuels and taxing consumption based on applying a tax to taxable distance.

**Interlining Indicates Deletion; Underlining Indicates Addition**

AUDIT MANUAL

A350 AUDIT ADJUSTMENTS

- .100 When records for the fleet as a whole are adequate for audit, the base jurisdiction shall have the authority to adjust the reported volume of fuel consumption (e.g.: MPG, KPL, kWh; MPGe, KPLe or ~~any~~ other industry-recognized factor used to compute motor fuel consumption).
- .300 If the base jurisdiction determines that such factors as those in A350.200 fail to provide a basis to support an audit adjustment, the jurisdiction may, for the specific vehicles at issue: ~~either~~
- .005 reduce the vehicle MPG, KPL, kWh or any factor used to compute motor fuel consumption by 20% or ~~0.10~~ adjust the vehicle MPG to 4.00 or the KPL to 1.7.
- .010 reduce the vehicle MPGe, KPLe or other industry-recognized factor used to compute motor fuel consumption by 20%.
- .015 increase only jurisdictional distance by 20% for jurisdictions that impose tax on the consumption of fuel by applying a tax rate to distance. The jurisdictional distance increase shall not affect total distance.

A460 AUDIT REPORT

- .500 Distance and Fuel Examination:
- .015 Describe procedures used to verify reported distance, fuel and efficiency (e.g.: MPG/KPL or MPGe/KPLe);
- .700 Billing Summary: All items listed below, except penalty .045, must be presented in the billing summary by reporting period.
- .020 Efficiency (e.g.: MPG/KPL or MPGe/KPLe) as reported;
- .025 Efficiency (e.g.: MPG/KPL or MPGe/KPLe) as a result of audit;

PROCEDURES MANUAL

P570 INADEQUATE RECORDS ASSESSMENT

- .100 If the base jurisdiction determines that the records produced by the licensee for audit do not, for the licensee's fleet as a whole, meet the criterion for the adequacy of records set out in P530, or after the issuance of a written demand for records by the base jurisdiction, the licensee produces no records, the base jurisdiction shall impose an additional assessment by ~~either~~:
- .005 reducing ~~adjusting~~ the licensee's reported fleet MPG, KPL, kWh or any factor used to compute motor fuel consumption by 20% or adjusting MPG to 4.0 or 1.70 KPL; ~~or~~

51 .010 reducing the licensee's reported MPGe, KPL~~e~~, kWh, or any other industry-  
52 ~~recognized~~ factor used to compute motor fuel consumption by ~~twenty percent~~  
53 20%.  
54  
55 ~~.015 increasing only jurisdictional distance by 20% for jurisdictions that impose tax~~  
56 ~~on the consumption of fuel by applying a tax rate to distance. The~~  
57 ~~jurisdictional distance increase shall not affect total distance.~~  
58  
59 .200 This section does not affect the ability of a base jurisdiction to disallow tax-paid credit for  
60 fuel purchases which are inadequately documented, or, for cause, to conduct a best  
61 information available audit which may result in adjustments to either the audited or  
62 reported ~~volume of fuel consumption (e.g: MPG, KPL, kWh, MPGe, KPL~~e~~ or any other~~  
63 ~~industry-recognized~~ factor used to compute motor fuel ~~consumed consumption~~) or  
64 suspend, revoke, or cancel the license issued to a licensee.  
65  
66

**Comments Following the Comment Period ending June 29, 2025.**

The AC has updated with grammatical changes recommended by the AAC.

<p style="text-align: center;"><b>Ballot #3-2025</b> <b>Comment Period Ending June 29, 2025</b></p>
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Support: 8  
Oppose: 1  
Undecided: 10

**ALBERTA**  
Undecided

Alberta is supportive of the intent of this ballot but has concerns with the language used. This ballot requires significant revision and we support North Carolina's comments and offer to assist in redrafting the ballot.

**Attorney Advisory Committee**

- The ballot recommends updating A350.300 of the Audit Manual.
  - It is noted that A350.300.005 refers to "...or any factor used to compute motor fuels consumption...", whereas A350.300.010 refers to "...or other industry recognized factor used to compute motor fuel consumption..."
- It is recommended that the wording referred to above be made more consistent.
  - For example, both sections .005 and .010 might refer to *"...or any other industry-recognized factor used to compute motor fuel consumption..."*
- In any event, it is noted that .005 refers to "motor fuels" (plural), whereas .010 refers to "motor fuel" (singular).
  - Either plural or singular should work, but it should be consistent in both sections.
- The ballot also recommends comparable changes to P570 of the Procedures Manual.
  - Depending on what is decided in respect of the above comments, P570.100.005 and .010 should be updated consistently.
- Minor grammatical point: For both A350 and P570, consider whether "industry recognized" should be hyphenated.
  - Suggest that *"industry-recognized"* would be the correct form, as it is a (hyphenated) adjective modifying the noun "factor".

**BRITISH COLUMBIA**  
Undecided

**ILLINOIS**  
Undecided

Support only if revisions made. While we understand the need to add detail about auditing alternative fuels, this ballot still needs work. There is no definition for "MPGe" and "KPLe". In addition, a definition should also be added for "MPG," "KPL," and "kWh." Also, the amendments must explain how the third sub-item in both A350.300 and P570.100 relates to each the first two (4 mpg/20% mileage reduction). Is it an "or" or an "and" or something else. Specifically, is sub-item 3 (i.e. ".015") an alternative option or a sub-option or an additional option to the first 2 items (i.e., ".010" and ".015")? It appears not to be related to the first 2 items, but instead to be separate, additional instructions about alternative fuel jurisdictions. More needs to be done to synthesize this option.

**INDIANA**  
Support

Indiana is in favor of this ballot. It provides instruction on how to handle adjusting in the audit for a carrier who operates alternative fuel vehicles, when the records are determined to be inadequate. We do

<p><b>Ballot #3-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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recommend, however, that the definition of MPGe and KPLe be added.

**Industry Advisory Committee**

The IAC supports the intent of Ballot #03-2025 and agrees with the comments submitted by North Carolina. As alternative fuels continue to evolve, it remains critical that updates to the IFTA Audit and Procedures Manuals are carefully developed to ensure accuracy and consistency. We recommend the IFTA Audit Committee collaborate with the Attorney Advisory Committee to draft a comprehensive ballot that includes clearly defined terms, appropriate abbreviations, and standardized options for calculating consumption. Any proposed changes should also address the full scope of documentation requirements to support effective and uniform audits across jurisdictions.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Undecided

**KENTUCKY**

Support

**MANITOBA**

Support

**MARYLAND**

Undecided

Maryland, at this time, does not tax consumption of the alternative fuels proposed in this ballot.

**MICHIGAN**

Support

Michigan supports this ballot however has a few concerns. based on A350.300.015 - 'increase only jurisdictional distance by 20% for jurisdictions that impose a consumption of fuel by applying a tax rate by distance.' Michigan will need to consult with our IFTA system vendor on the change to apply 20% change to specific jurisdictions since this would be a significant change from our the system currently works. We do not support the current effective date of this ballot

**NEVADA**

Undecided

Currently, NV does not tax on alternative fuels. We also don't know if NV is working on any laws pertaining to this issue, that may impact this ballot. NV agrees with NC comments.

**NEW BRUNSWICK**

Support

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**NEWFOUNDLAND**

Undecided

**NORTH CAROLINA**

Undecided

North Carolina has multiple concerns regarding this ballot. Some of these concerns are fundamental errors affecting the validity of the ballot if it passes. Therefore, North Carolina recommends that the sponsor reach out to the AAC (Attorney Advisory Committee) for ballots. Based on North Carolina's understanding, this is something the AAC encourages.

**This Ballot May Not Be a Ballot**

North Carolina is concerned that the ballot is so improperly formatted that the ballot may not meet the requirements of R1615, which requires that all ballots "contain . . . [t]he precise language to be considered."

The ballot materially misrepresents the changes to be made to all the following sections: (1) A350.100; (2) A350.300.005; (3) A460.500.015; (4) P570.100.005; and (5) P570.200. North Carolina is not stating that the sponsor intentionally misrepresented the language to be considered, but the extent of the errors raises an issue under R1615 whether the ballot contains the "precise language to be considered."

Because R1610.100 requires that "[a] proposed amendment is to be submitted to the repository at least 60 calendar days before an open meeting of the commissioners[.]" the sponsors cannot cure this error in 2025.

It must be noted that when a ballot makes changes to the Articles of Agreement that are not in compliance with the Agreement, the validity of the ballot will remain in question. In other words, the existence of this comment (which North Carolina felt compelled to advise membership) can be used to overturn the ballot because persons subject to the changes are now aware that the ballot could be procedurally defective.

To provide certainty to jurisdictions and licensees, North Carolina recommends that the sponsors amend the ballot and move forward with it in 2026.

**The Ballot Poses Issues with Terminology**

Given that jurisdictions and industry are trying to adjust this ever-changing landscape, it is important to be consistent and clear with terminology. The ballot makes the following errors or incorrect assumptions regarding critical terms of art:

1. kWh is not a report "of volume consumption . . . ." kWh is also not a measure of fuel economy (efficiency) – it is a measure of volume. To be equivalent to MPG or KPL, a jurisdiction would need to measure the miles per kWh (mpkWh). Reducing the volume of fuel (kWh) is covered by A360 and should not be in A350.100.
2. Fuel economy is preferred term (in the US) over fuel efficiency based on its use by the US Department of Energy and the US Department of Transportation. Based on North Carolina's understanding, fuel economy is the measure of distance per unit of fuel. Fuel efficiency is represented by a percentage of work per unit of energy. Therefore, the wrong term is being used.
3. Fuel consumption is incorrectly used in the ballot – it should be replaced with fuel economy. Fuel consumption is the units of fuel used per unit of distance (e.g., liters per 100 kilometers (L/100

**Ballot #3-2025**  
**Comment Period Ending June 29, 2025**

km)). Fuel economy is the unit of distance per unit of fuel consumed (e.g., miles per gallon (MPG)).

4. As noted in North Carolina's 2024 comment, it disfavors imprecise language such as "other industry recognized factor." It places unnecessary ambiguity in the IFTA governing documents with no discernable benefit.

#### General Drafting Concerns

The ballot uses terms inconsistently and unclear language. For example:

1. The repeated use of acronyms is not a best practice and makes it difficult to read.
2. MPG and KPL are referenced as fuel consumption factors but then later collectively referred to as an efficiency metric.
3. The ballot breaks out the equivalency standards (e.g., MPGe) from MPG and KPL and treats equivalency standards calculations differently (one is subject to a 4.0/1.7 reduction while the other subject only to the 20% reduction.) Why would MPG be treated differently than MPGe? That would defeat the purpose of calculating MPGe.
4. The ballot treats fuel economy and fuel volume interchangeably under A350.300.005 and P570.100. North Carolina is concerned about the that apparent unintentional melding of A350 and A360. Consistency can only be achieved by using miles per kWh (mpkWh) or the metric unit equivalent.

#### Drafting Assistance

North Carolina will assist the sponsors in drafting an amended ballot upon request. As an example of a potential starting point to address these concerns, North Carolina would remove all references to MPG, KPL, fuel consumption, efficiency, and similar terms and replace all references with a newly defined term: fuel economy. It would be defined something like the following:

"R222 Fuel economy means the ratio of distance traveled per unit of fuel consumed. Fuel economy can be expressed as miles per gallon (MPG), kilometers per liter (KPL), miles per kWh (mpkWh), and kilometers per kWh (kpkWh). Energy equivalency such as MPGe or KPLe is determined by the base jurisdiction's laws."

This would clear up the language significantly, make it easier to read, and ensure consistency.

#### **OKLAHOMA**

Oppose

Oklahoma has concerns over the ambiguity of the ballot language and the authority over the taxation of distance versus fuel consumption.

#### **ONTARIO**

Undecided

Ontario would like to see North Carolina's comments addressed before deciding whether to support ballot #03.

#### **PENNSYLVANIA**

Support

**Ballot #3-2025**  
**Comment Period Ending June 29, 2025**

As a partial sponsor of Ballot 08-2022 and the primary sponsor of Ballot 05-2023, we appreciate the AC drafting this ballot to clarify the necessary changes to the governing documents.

With all due respect to North Carolina's comments, we agree that it appears there is a reference to "kWh" as an example of a fuel economy factor and maybe that can be removed as a non-substantial change, but we disagree with North Carolina's following assessment:

"Fuel economy can be expressed as miles per gallon (MPG), kilometers per liter (KPL), miles per kWh (mpkWh), and kilometers per kWh (kpkWh). Energy equivalency such as MPGe or KPLe is determined by the base jurisdiction's laws."

Although it sounds logical to measure the fuel economy factors for Electricity as MPkWh or KPWh, we have yet to see these in practical use. We have to take our cues from the industry here and they utilize the MPGe (essentially equivalent to MPkWh); to our knowledge, this did not come from any base jur's laws; its to match what the industry uses and reduce confusion.

Also, the AC included the catch-all of "other industry recognized factor(s) used to compute motor fuel consumption," to cover other terminology examples. When PA presented on these issues at the 2024 ABM, we suggested that you could essentially put any term you want in the box that usually says "MPG" (ex.: MPGe, FECF (meaning: fuel economy compliance factor), or even "Distance/Fuel" or "Distance/Volume."

Lastly, to Maryland's point, this ballot is intended to assist jurisdictions using mileage-based-solution, like Indiana, fit into the existing framework of our conventional-based fuels. You do not have to employ this method in order to support it.

**SASKATCHEWAN**

Support

**VIRGINIA**

Undecided

## FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING



### IFTA BALLOT PROPOSAL #04-2025

#### **Sponsor**

Jurisdictions of California, Maryland, Massachusetts, Indiana, Texas, Rhode Island, Kansas, New York, and Connecticut

#### **Date Submitted**

May 22, 2025

#### **Proposed Effective Date**

January 1, 2026

#### **Manual Sections to be Amended** (January 1996 Version, Effective July 1, 1998, as revised)

IFTA Audit Manual	Section A250	NUMBER OF AUDITS
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#### **Subject**

Reducing the audit percentage required to be completed by each jurisdiction annually by changing the Audit Manual, Section A250 Number of Audits.

#### **History/Digest**

With the increase in new accounts year-over-year, it has become increasingly difficult for jurisdictions to complete the required number of audits to meet the IFTA three percent (3%) requirement. Each year, base jurisdictions are required to audit an average of 3% of IFTA accounts required to be reported by that jurisdiction. The proposed change reduces the audit requirement to one percent (1%) per year. A decrease to a 1% requirement would have IFTA, Inc. in line with the Internal Revenue Service (IRS), which strives for adequate audit coverage and has an audit percentage of less than 1%.

In 2024, there were 24 jurisdictions, or 41% of the IFTA membership, that did not complete an average of the 3 percent audit requirement. Other jurisdictions have met the requirement only by allocating additional audit resources.

#### **Intent**

The intent of this ballot proposal is to reduce the minimum audit requirement to one percent (1%) per year. This change will benefit all jurisdictions by decreasing the minimum required number of audits and allow jurisdictions to focus on more productive audits that may require more time within the IFTA program. This ballot does not prevent any jurisdiction from auditing more than 1% to meet their internal goals and program requirements.

In addition, jurisdictions may elect to perform Records Reviews to educate licensees on IFTA reporting requirements, mitigating potential record keeping and compliance issues while providing audit credits to the jurisdiction for the effort.

## ***FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING***

**Interlining Indicates Deletion; Underlining Indicates Addition**

### **IFTA AUDIT MANUAL**

#### **A250 NUMBER OF AUDITS**

Base jurisdictions will be held accountable for audits and will be required to complete audits of an average of ~~3~~one (1) percent per year of the number of IFTA accounts required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA implementation year. Such audits shall cover all of the returns that were filed or required to be filed during a license year or shall cover at least four (4) consecutive quarters. This does not preclude audits of individual licensees several times during the program compliance review period. However, audits of a single licensee that cover multiple license years, fuel types, or both shall be counted as one audit for program compliance review purposes.

For purposes of this requirement, a Member Jurisdiction may substitute three Records Reviews for one Audit; provided, that no Member Jurisdiction may substitute Records Reviews for more than twenty-five percent of the total of the Audits required under this section. To use Records Reviews as a substitute for Audits, a Member Jurisdiction must adopt formal procedures that comply with the guidelines for Records Reviews set out in the Audit Manual. All accounts may be subject to a Records Review. Records Reviews cannot count toward the high or low distance audit requirement established in Section A260 Selection of Audits of the IFTA audit manual. All Records Reviews will count towards the unspecified distance account audit requirements. Any follow up or secondary Records Review on compliance issues will not count as another Records Review.

#### **Comments Following the Comment Period ending June 29, 2025.**

The Sponsor made revisions to the Intent Section of this ballot. No other changes were made.

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

Support: 20  
Oppose: 4  
Undecided: 5

**ALBERTA**  
Undecided

Alberta is supportive of reviewing and potentially reducing the required percentage of audits but has concerns this reduction may be too large to support compliance. There is a lack of adequate support/rationale provided to justify the proposed percentage change. More work should be done to determine what is the correct percentage. Alberta would support a study funded by IFTA Inc as suggested by South Dakota and encourages further discussion on how to lessen the audit burden without significantly impacting compliance.

**Attorney Advisory Committee**

- The ballot proposes to reduce the required number of audits from 3 per cent to 1 per cent of the number of IFTA accounts required to be reported. Key rationales for the change include the IRS having an audit percentage of less than 1 per cent, and 41 per cent of jurisdictions failing to meet the 3 per cent threshold. However, the ballot does not provide an analysis of the estimated financial impact resulting from compliance being decreased by two-thirds.
- The Intent section states that the reduction allows jurisdictions to allocate their resources to other tax programs where audit hours yield higher returns. However, the audit percentage requirement is in place to, for example, protect the fuel tax base of all jurisdictions. A jurisdiction diverting resources to another tax program benefits only the particular jurisdiction, and is irrelevant to making a decision that will impact the fuel tax base of other jurisdictions.
- Furthermore, the impact and effectiveness of discretionary Records Reviews, for those jurisdictions that choose to perform them, has not been analyzed.
  - It is suggested that, unless Records Reviews are made mandatory, their impact on the number of audits required to be performed by all jurisdictions is not particularly relevant and should not reasonably be used to justify a reduction in a mandatory audit requirement.
- The change(s) should be noted for reviewers of the ballot in red and not black underlined, since the other ballots have red bold for the changes.
- It is also noted that the audit statistics of the IRS are not relevant to the Canadian Region.
  - While the Canada Revenue Agency does not publish audit statistics, the risk of being audited for income tax, sales and payroll taxes is generally understood to be between 3 and 5 per cent.

**BRITISH COLUMBIA**  
Support

British Columbia supports the proposal to reduce the required percentage of IFTA audits from 3% to 1%.

This will assist jurisdictions that have experienced ongoing challenges in recruiting and retaining qualified audit staff, which impacts their ability to meet the audit target.

In British Columbia, audit recoveries under IFTA have historically been lower than recoveries from other tax programs. Reducing the IFTA audit requirement will allow audit resources to be allocated to higher-risk areas where compliance efforts yield a greater return.

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

Ontario's proposal to introduce two tiers based on registrant numbers is interesting, but it does not support jurisdictions below the threshold that are struggling to meet the target.

**CALIFORNIA**

Support

The intent of this ballot proposal is to reduce the minimum audit requirement to one percent (1%) per year. This change will benefit all jurisdictions by decreasing the minimum required number of audits and allow them to focus on more productive audits that may require more time within the IFTA program. This ballot does not prevent any jurisdiction from auditing more than 1% to meet their internal goals and program requirements. In addition, jurisdictions may elect to perform Records Reviews to educate licensees on IFTA reporting requirements, mitigating potential record keeping and compliance issues while providing audit credits to the jurisdiction for the effort.

**CONNECTICUT**

Support

Connecticut fully supports this ballot as presented by the sponsors.

**ILLINOIS**

Support

As the number of IFTA accounts in Illinois continues to grow, the IL Audit resources required to audit 3% of IFTA accounts has become disproportionately large compared to the number of taxpayers audited in other IL taxes. Reducing the minimum percentage of IFTA accounts audited to 1% will allow the Department to most effectively and efficiently use its finite audit resources while continuing to audit a significant number of IFTA accounts.

**INDIANA**

Support

Indiana supports this ballot and would like to thank California for addressing a very important issue. Audit is an essential function that verifies the accuracy of the fuel tax reporting, but must be completed in a manner that ensures compliance while also being effective and efficient from a cost/value standpoint.

**Industry Advisory Committee**

The IAC supports the intent of Ballot #04-2025 regarding audit percentage requirements. It is important to ensure that jurisdictions are not only able to meet their audit obligations, but also that audits serve as a useful tool for carriers. A thoughtful review will help ensure audits are conducted with consistency and quality, and that appropriate training can be provided to both auditors and industry representatives to support mutual understanding and compliance.

**IOWA**

Oppose

Iowa is in favor of a change to the 3% requirement, as it is not realistic for all jurisdictions. We do not believe this ballot is a one size fits all answer for the issue. We would suggest other ways to change the percentage of audits required per auditor, than an overall change in the percentage of audits required.

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

**KANSAS**

Support

For various reasons, Kansas has struggled to hire & keep a full staff of Auditors over the last several years. Meeting the 3% requirement can force jurisdictions to skip over large fleet carriers and audit the carriers that are at the low end of the High mileage and only those with a fleet of 10 or less. Thus, many carriers could never get audited. If a 1% requirement is passed, we could focus on choosing quality accounts over quantity.

**KENTUCKY**

Support

KY's audit group supports.

**MANITOBA**

Support

**MARYLAND**

Support

Maryland strongly supports this ballot. A decrease to a 1% requirement would have IFTA, Inc. in line with the Internal Revenue Service (IRS), which strives for adequate audit coverage and has an audit percentage of less than 1%. This change will benefit Maryland and all jurisdictions to help us free up the resources to make our IFTA audit programs more effective. A decreased audit percentage requirement allows jurisdictions to use their audit resources more wisely. Where jurisdictions see fit, they may allocate resources to other tax programs where audit hours yield much higher returns.

**MASSACHUSETTS**

Support

The Commonwealth of Massachusetts fully supports this ballot as presented by the sponsors.

**MICHIGAN**

Support

**NEVADA**

Undecided

As a joint shop, internally we can keep our procedures and policies in place to complete the 3% IFTA, along side of the requirement for 3% IRP, continuing our service to our customers. I am confident NV would not lose audit positions due to this decrease in IFTA minimum audits, for a variety of reasons. In addition, as jurisdictions cannot predict staffing shortages due to retirements, promotions and separations, the decreased minimum requirement, will provide jurisdictions to adapt during those difficult times and shortfalls without further implications. However, if Nevada is auditing at 3% IFTA and collecting for other jurisdictions that are only auditing at 1% IFTA, this would not be balanced. I would not be opposed to discussing 1.5% - 2% minimum thresholds. NV also feels that if reduce IFTA that someone should also do a ballot to reduce IRP Audit percentage, to keep IFTA and IRP on the same percentage.

**NEW BRUNSWICK**

Oppose

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

Doesn't provide the compliance required.

**NEW JERSEY**

Support

**NEW YORK**

Support

New York supports this ballot. A more strategic approach toward audit selection, as opposed to a quota-based approach, results in a higher percentage of quality audits and promotes the taxpayer experience by reducing unnecessary enforcement engagement. Noncompliance indicators should primarily determine audit selection and the rate of audits. For example, in New York, we could leverage IRP audit enforcement (conducted by Department of Motor Vehicles) to identify viable IFTA audit candidates.

We believe a 1% audit rate is more indicative of achieving this goal and identifying a higher percentage of noncompliant licensees.

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Oppose

North Carolina opposes this ballot on the basis that reducing the percentage of required audits reduces compliance that comes from those audits. It is important to note that audits are not only conducted by a jurisdiction for itself but conducted on behalf of other jurisdictions. The importance of this interdependence should not be overlooked.

**OKLAHOMA**

Oppose

Oklahoma feels 1% is not a sufficient statistical sample of motor carriers to provide accurate reporting within any jurisdiction. Oklahoma supports and restates North Carolina's position that audits are necessary for compact compliance assurance on behalf of partner jurisdictions, not just for the auditing jurisdiction itself. Oklahoma might support the substitution of records reviews for a mandatory audit minimum, however that is not an alternative listed in this ballot.

**ONTARIO**

Support

Ontario supports the proposal but recognizes that some jurisdictions may have concerns about reducing the audit rate to 1%, due to potential impacts on audit coverage and organizational capacity. To address these concerns while easing the burden on jurisdictions with large registrant bases, we propose a balanced alternative: maintain the 3% audit rate for the first 4,000 registrants (approximately the median across IFTA jurisdictions) and apply a reduced 1% rate to registrants beyond that threshold. For example, a jurisdiction with 8,000 registrants would conduct 160 audits instead of 240:

- 3% of the first 4,000 = 120 audits
- 1% of the remaining 4,000 = 40 audits

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

This approach preserves audit integrity while allowing jurisdictions to allocate resources more strategically and focus on higher-risk audits to improve compliance outcomes.

**PENNSYLVANIA**

Undecided

Pennsylvania feels that the 1% proposal is too extreme and would be much more comfortable discussing a decrease to 2% and/or removing a jurisdictions cancelled accounts, instead of this 1% proposal...

**QUEBEC**

Support

Quebec supports the ballot and its intent, while also acknowledging that the problems raised by the sponsor might be encountered by multiple jurisdictions.

Also, a quick and steep change in the audit percentage might raise questions regarding the loss of expertise and the allocation of the resources. Quebec would also entertain alternative solutions, such as the ones proposed by Ontario and Pennsylvania.

**RHODE ISLAND**

Support

The Rhode Island Division of Taxation supports Ballot #4. Overall, the reduction in the quantity of audits will allow states to improve quality and achieve more consistent results for all states. Specifically, approving Ballot #4 will have the following benefits:

- 1) Reducing the required number of audits will allow states to focus on higher volume audits and improve the quality of the audit process.
- 2) This improved quality would include the ability to choose audits based on poor reporting quality with less of a focus on achieving an audit count.
- 3) A focus on quality audits also allows for taxpayer education and improved voluntary compliance moving forward to improve consistent taxpayer filings.

**SASKATCHEWAN**

Support

**SOUTH DAKOTA**

Undecided

While South Dakota sees the intent the reduction seems to be too much to keep a compliance level that we have come to expect with IFTA. With this reduction there will be fewer accounts audited and that could lead to more non-compliance issues.

South Dakota also is interested in the Jurisdiction of Ontarios suggestion of a cap to a certain base number (not sure the mean # of accounts is the correct base) with additional lower percentage above the base number of audits. This seems to be a good compromise to still maintain the level of audits to help with compliance as well as give some relief to the larger number of licensee jurisdictions. We believe more time and effort should be put into this suggestion to help fully understand the impact of the suggestion.

South Dakota would also encourage a study to be funded by the IFTA Board of Trustees through use of jurisdictions fees that are paid to determine what is a good percentage of audits to be completed. This

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

number should be based on data of what audit percentage will allow a fair level of compliance by the carrier due to audit practices as well as not being overly burdensome to jurisdictions.

One other factor is that we are a joint shop so without a change in IRP audit percentages we will still be audit 3% of our carrier base to meet the required number of audits. We would continue to do the IFTA at the same time as an IRP audit because not doing the audit of IFTA would be a disservice to our customers to not complete both IFTA and IRP audits when at the business doing an audit.

**TEXAS**

**Support**

Texas strongly supports this ballot. The reduction of the audit requirement to one percent (1 %) per year would be very beneficial for how we use our employee resources. We have had many challenges retaining staff and our auditor resources have diminished during the last years. As our trained IFTA auditors resign or retire, we must invest additional resources and time to train new auditors. As one of the largest states, it has been a challenge to meet our 3% IFTA requirement. We believe that reducing the requirement to one percent will also allow us to perform more detailed and thorough quality audits.

**UTAH**

**Support**

Utah fully supports this ballot as presented by the sponsors.

**VIRGINIA**

**Undecided**

Obviously the ballot would lighten the load on member jurisdictions' audit staffs. It would be helpful to have a sense of the likely impact on revenue of reducing audits by two-thirds, and of how alternative approaches to licensee compliance truly could help compensate for the reduced audit efforts. The sponsors' comments suggest that reducing the audit requirement from 3% to 1% would liberate member jurisdictions to pursue additional audits that might yield a better ROI, and/or to undertake additional records reviews in order to encourage licensee compliance. However, such extra efforts would be voluntary for member jurisdictions.

## **FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



### **IFTA BALLOT PROPOSAL 05-2025**

#### **Sponsor**

IFTA Law Enforcement Committee

#### **Date Submitted**

April 8, 2025

#### **Proposed Effective Date**

January 1, 2027

**Manual Sections to be Amended** (January 1996 Version, Effective July 1, 1998, as revised)

IFTA Articles of Agreement \*R650 TEMPORARY DECAL PERMITS

#### **Subject**

Update section R650 to require all jurisdictions to make available an IFTA Temporary Decal Permit.

#### **History/Digest**

While many jurisdictions offer an IFTA Temporary Decal Permit, there are still a large portion that do not. This ballot would require all jurisdictions to issue Temporary Decal Permits in order to allow a carrier to move goods in a timely manner, as is the purpose of the International Fuel Tax Agreement.

Due to inconsistencies in data being entered in the IFTA Clearinghouse and the limitations on accessing the IFTA Clearinghouse in many locations, law enforcement often cannot verify or dispel instances where a carrier claims that they are waiting on IFTA decals to arrive from their base jurisdiction. At times, this causes otherwise compliant carriers to be cited. We believe requiring all jurisdictions to issue Temporary Decal Permits could alleviate some of the delay of commerce caused by this.

#### **Intent**

To require jurisdictions to provide a Temporary Decal Permit to a carrier to allow the free flow of goods as per the purpose of IFTA in Section R130.

**Interlining Indicates Deletion; Underlining Indicates Addition**

\*R650 TEMPORARY DECAL PERMITS

The base jurisdiction ~~may~~ shall, upon request of a licensee, provide for the issuance of a 30-day IFTA temporary decal permit valid for all member jurisdictions to a licensee in good standing to carry in lieu of displaying the annual decals. The base jurisdiction may charge an administrative fee to the licensee to cover the cost of issuance. Temporary decal permits must be vehicle specific and show the expiration date. The temporary decal permit need not be displayed but shall be carried in the vehicle in paper ~~copy~~ or as an electronic image. The IFTA temporary decal permit shall be provided to the licensee either electronically (such as via an online system, email, or facsimile) or by other expedited delivery methods (such as hand delivery or via courier services).

**Changes/Additions Following the Comment Period ending June 29, 2025.**

Change made to the Effective Date

Changes/Additions to lines 3, 7-10.

**Ballot #5-2025**  
**Comment Period Ending June 29, 2025**

Support: 13  
Oppose: 3  
Undecided: 5

**ALBERTA**

Opposed

Alberta is concerned that this ballot will result in an unnecessary burden on our administration and will potentially discourage carriers from making decal requests in a timely manner. Alberta does not see the need for temporary decals as our process for requesting decals has been streamlined resulting in minimal delay for carriers to receive decals. This is something that should be decided by each jurisdiction individually and should not be mandated for all.

**Attorney Advisory Committee**

- As it is drafted, R1545.300 is “unreasonable,” but the proposed ballot only seems to offer a solution to certain non-compliance. Shouldn’t this ballot also address all non-compliance?
- The ballot proposes to amend R650 of the Agreement to state, “...permit shall be delivered to the carrier electronically, either via an online system or email”. This wording limits the methods to “either” an online system or email, and thereby excludes other forms of electronic transmission. While fax machines are becoming increasingly obsolete, it is possible that certain jurisdictions and licensees continue to transfer documents using this method. Accordingly, it is suggested that the amendment be updated in a way that is less restrictive. For example, “**The IFTA temporary decal permit shall be delivered to the licensee electronically, for example, via an online system or email.**” (Note: suggesting that “licensee” be used rather than “carrier” for consistency with the references to “licensee” elsewhere in R650.)
- It is also noted that the ballot does not indicate whether any consultation was done with jurisdictions who currently do not offer temporary permits to determine the amount of time such jurisdictions may need to develop and implement the proposed requirement. Accordingly, it is unknown whether the proposed effective date of January 1, 2026, is feasible for all jurisdictions.
- Furthermore, it is suspected that various jurisdictions, including both jurisdictions who offer temporary decal permits and those who do not, may oppose such a mandatory administrative requirement on the basis of increased administrative burden. It is understood that issuing temporary decal permits is normally a manual, administratively burdensome, process. While it is acknowledged that an inability to obtain a temporary decal permit may delay a carrier’s ability to travel interjurisdictionally, many jurisdictions allow carriers to purchase a single-trip permit that could be used until the IFTA registration has been confirmed and decals have been received.

**BRITISH COLUMBIA**

Support

**ILLINOIS**

Oppose

This proposal is resource-intensive, requiring revised application forms, additional programming, and updated regulations/protocols. A new type of permit in IL would also open another opportunity for forgery of IL credentials. Finally, IL licensees usually receive decals within a week. So, the cost of implementing and administering a temporary decal versus the benefits gained for both licensees and Illinois does not weigh in favor of creating new temporary decal permits.

If approved, please consider making the ballot take effect January 1, 2027, to allow time for implementation. Also, a suggestion for the final sentence would be to revise as follows:

**Ballot #5-2025**  
**Comment Period Ending June 29, 2025**

“The IFTA temporary decal permit shall be delivered to the licensee carrier electronically, either via an online system or email.”

**Industry Advisory Committee**

The IAC strongly supports Ballot #05-2025, as it addresses a critical need to expedite the process for getting new vehicles on the road. Establishing a uniform approach across jurisdictions not only enhances efficiency but also upholds the core purpose of IFTA—promoting the fullest and most efficient possible use of the highway system by motor vehicles operated in multiple member jurisdictions. This change will provide much-needed clarity and support to both industry and jurisdictions.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Support

Kansas currently issues temporary decal permits.

**KENTUCKY**

Oppose

KY has a single trip permit.

**MANITOBA**

Support

**MARYLAND**

Support

Maryland currently issues temporary IFTA decal permits.

**MICHIGAN**

Support

Michigan currently provides temporary decals to our carriers.

**NEVADA**

Support

NV already issues Temporary IFTA.

**NEW BRUNSWICK**

Support

**NEW JERSEY**

Support

**Ballot #5-2025**  
**Comment Period Ending June 29, 2025**

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Undecided

North Carolina generally supports the ballot's intent but has concerns with its language. Therefore, it has noted its position as undecided. If the appropriate changes are made to this ballot, North Carolina would support the ballot.

North Carolina currently faxes temporary decals to licensees. It would like to continue this practice and would be restricted if this ballot passes. Therefore, North Carolina recommends the following change, which incorporates additional clarity to the rule (note North Carolina currently cannot add strikethroughs and underlines so the change will be represented as amended):

".100 Upon request of a licensee in good standing, the base jurisdiction shall issue the licensee a 30-day IFTA temporary decal permit allowing the licensee to operate in all member jurisdictions for 30 days without displaying decals as required by R625.

.200 The base jurisdiction may charge an administrative fee to the licensee to cover the cost of issuing the permit. The permit must: (1) be vehicle specific; (2) show the expiration date; and (3) be delivered to the licensee electronically or by facsimile.

.300 For the permit to be valid, the licensee must carry the permit in the vehicle identified in the permit in either paper or electronic form."

**OKLAHOMA**

Undecided

Oklahoma supports the intent of this ballot, however the implementation as written could be problematic and could result in easily falsified decals. Oklahoma would support North Carolina's alternative language for future implementation. Alternatively, a future ballot could mandate temporary decals include QR codes, linked to an issuing state's IFTA system, to assist field enforcement verify authenticity and deter falsification. Oklahoma has implemented this method and would be happy to discuss its wider adoption.

**ONTARIO**

Oppose

Ontario has a single trip permit process in place that allows for a similar outcome sought by this ballot.

**PENNSYLVANIA**

Undecided

PA is admittedly struggling with this one. Although we understand and appreciate the intent, and PA does issue Temporary Decal Permits, we are concerned with this crossing a line into jurisdictional sovereignty. It might not be as much of a priority in some jurs and it raises challenges on how we would be able to identify the validity of all temporaries presented to law enforcement. Also, passing this into legislation, which would most surely be required for most (if not all) jurs, may be difficult.

Having come from a law enforcement background and currently working in an administrative role, I can say from experience that it can be difficult to validate a temporary permit, especially if each jur has their

<p><b>Ballot #5-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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own format, and we also recognize the difficulties that can arise from forcing a piece of legislation that now must be passed into jurisdictional law.

**QUEBEC**

Undecided

Quebec noted the same issue as the one raised by North Carolina, as the current wording of the ballot wouldn't allow the issuance of the temporary decal permits in any other form than electronically.

**SASKATCHEWAN**

Support

The changes noted in the ballot are current practice for SK.

**SOUTH DAKOTA**

Support

**TENNESSEE**

Support

Tennessee currently issues temporary IFTA permits.

**VIRGINIA**

Undecided

## FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING



### IFTA BALLOT PROPOSAL 06-2025

#### **Sponsor**

IFTA, Inc, Board of Trustees

#### **Date Submitted**

May 23, 2025

#### **Proposed Effective Date**

Upon Passage

#### **Manual Sections to be Amended** (January 1996 Version, Effective July 1, 1998, as revised)

IFTA Articles of Agreement      Section R1545-ACTIVE MEMBERSHIP STATUS  
Section R1545.300

#### **Subject**

The definition of retaining an active membership status.

#### **History/Digest**

Article R1545 defines what a member jurisdiction must do to retain an active membership status. Failure to comply with sections R1545.100, R1545.200, or R1545.300 would result in the removal of voting privileges under Article R1546 as those privileges are granted only to those jurisdictions that hold an active membership status in accordance with Article R1545. Section R1545.300 states the following, *"Comply with all other provisions of the Agreement."* At any given time, a member jurisdiction could be out of compliance with any provision of the Agreement. The direct language of R1545.300 is clear that *any* issue of non-compliance with the Agreement would result in a loss of an active membership status and voting privileges. Article R1555.200 defines the sections of the Agreement that membership has determined are worthy of a Final Determination Finding of Non-Compliance and therefore to be forwarded to the Dispute Resolution Committee to be heard as a dispute. The sponsor proposes that membership consider making the provision of Section R1545.300 consistent with the language of Article R1555.200.

#### **Intent**

To clearly define the intent of R1545.300 by amending the language therein to the language in Article R1555.200.

**Interlining Indicates Deletion; Underlining Indicates Addition**

**\*R1545 ACTIVE MEMBERSHIP STATUS**

To retain active membership status, the jurisdiction must:

.100 Collect and transfer fees for other jurisdictions in a timely manner;

.200 Pay membership fees in a timely manner; and

.300 ~~Comply with all other provisions of the Agreement.~~ Not remain out of compliance with an issue that has been the subject of a Final Determination Finding of Non Compliance (FDFNC) under R1555.200.

Voting privileges provided in Articles of Agreement R1546 are granted only to eligible members jurisdictions holding active membership status.

**No Changes Following the Comment Period ending June 29, 2025.**

**Ballot #6-2025**  
**Comment Period Ending June 29, 2025**

Support: 6  
Oppose: 2  
Undecided: 11

**ALBERTA**  
Undecided

Alberta supports the intent of this ballot but would like clarification on how to verify or substantiate that a jurisdiction is no longer out of compliance with an issue that has been subject to a Final Determination of Non-Compliance under R1555.200.

**Attorney Advisory Committee**

- As it is drafted, R1545.300 is “unreasonable,” but the proposed ballot only seems to offer a solution to certain non-compliance. Shouldn’t this ballot also address all non-compliance?
- The ballot proposes to amend R1545.300 to specify that the jurisdiction must not remain out of compliance with an issue that has been the subject of a Final Determination Finding of Non-Compliance (“FDFNC”) under R1555.200, rather than a jurisdiction having to comply with all provisions.
  - It is noted that R1555.200 imposes a mandatory requirement on the Program Compliance Review Committee (“PCRC”) to forward to the IFTA Dispute Resolution Committee (“DRC”) an FDFNC, to be heard as a dispute, in cases where the FDFNC is related to sections R970, R1210, R1230, R1260, R1270, R1370, R1380, P1040, A250 or A260 (the “Dispute Sections”). Each of the Dispute Sections either directly or indirectly imposes a mandatory requirement on a jurisdiction.
- It is agreed that the breadth of R1545.300 (in its current form) is unreasonable, as generally a jurisdiction should not be at risk of losing membership status on account of non-compliance that may be willingly corrected, particularly where the non-compliance is unintentional or as a result of something out of the jurisdiction’s control. However, the only rationale provided for the proposed amendment to R1545.300 is that R1555.200 defines the sections of the Agreement [and Audit Manual and Procedures Manual] that membership has determined are worthy of an FDFNC to be heard as a dispute by the DRC.
  - It is noted that the Dispute Sections are not the only sections of the Agreement, Audit Manual and Procedures Manual that may be the subject of an FDFNC issued by the PCRC, but rather are merely the only matters coming from the PCRC that may be resolved under the Dispute Resolution Process (“DRP”) (as per R1555.100.015) and which must be forwarded to the DRC to be heard as a dispute (as per R1555.200).
- The ballot does not provide any history or explanation as to why the Dispute Sections were determined by past members as being worthy of an FDFNC to be heard as a dispute, as opposed to other sections under the Agreement, Audit Manual and Procedures Manual that are the subject of an FDFNC and/or other sections that also impose mandatory requirements, some of which are in respect of fairness and others that impact the tax base of other jurisdictions (for example, R1240, which effectively requires jurisdictions to collect tax, or P1110, which requires jurisdictions to submit an annual report).
- At a minimum, it would be useful for the ballot to be updated to provide some contextual history in respect of R1555, as well as to clarify, for example, that the sponsor reviewed all of the mandatory impositions in the Agreement, Audit Manual and Procedures Manual, and is of the

**Ballot #6-2025**  
**Comment Period Ending June 29, 2025**

opinion that the Dispute Sections impose the most significant requirements necessary to ensure the effective administration of the IFTA program, and non-compliance with one of the Dispute Sections would have the most significant negative impact on other member jurisdictions as compared to other requirements. Therefore, they are of the opinion that non-compliance with one of the Dispute Sections (or being out of compliance with an issue that is the subject of an FDFNC under R1555.200) is reasonable grounds for loss of active membership status, including loss of voting privileges.

- The reference to “Non Compliance” within the proposed amendment should be hyphenated for consistency with the references to “Non-Compliance” in R1555.200.
- It is noted that R420.100 (re: License Suspension and Revocation) of the Agreement states, “Failure to comply with all applicable provisions of this Agreement shall be grounds for suspension or revocation of the license issued under this Agreement”. The reference to “all applicable provisions” is, like the wording of R1545.300, overly broad and potentially unreasonable in various circumstances. Accordingly, it is suggested that the wording of R420.100 be reviewed and amendments proposed in a future ballot, if considered appropriate.
- Please also be aware the changes on this ballot where in regular blank ink wherein other ballots show changes in red.

**BRITISH COLUMBIA**

Undecided

**Industry Advisory Committee**

The IAC recommends that any changes to Section R1545 Active Membership Status include an addition of a section—similar in structure to R1550—that outlines how changes in membership status, including the expulsion provisions under R1555.300, will be communicated to jurisdictions and motor carriers. Clear guidance is needed to address the procedural and operational impacts of such changes, particularly regarding the responsibilities and compliance expectations of motor carriers if a jurisdiction is no longer considered an active member. Defining these elements will help ensure consistency, minimize confusion, and support transparency across the Agreement.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Undecided

**KENTUCKY**

Support

**MANITOBA**

Undecided

**MARYLAND**

Oppose

**MICHIGAN**

Support

**Ballot #6-2025**  
**Comment Period Ending June 29, 2025**

**NEVADA**

Undecided

Agree with NC. It seems, as written, that losing active membership is a harsh penalty to impose on all types of infractions.

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Undecided

North Carolina is concerned about this ballot. This is an exemplar of understanding the impact of first and second order effects.

North Carolina concedes that the first-order effects the sponsor attempts to address should be fixed: losing active membership status for any failure to comply with the Agreement (R1545.300) is too harsh. However, the sponsor has failed to consider the second-order effects that will result from this ballot. North Carolina strongly believes that the direction for this organization should not be to strike R1545.300, but to provide a series of tiered consequences for jurisdictions who fail to comply with the governing documents outside of R1555.200.

North Carolina is concerned that the sponsor has effectively interpreted R1555.200 as the only section “worthy” of enforcing. North Carolina believes that all requirements placed on jurisdictions are “worthy” of enforcing. In other words, the IFTA governing documents place many duties on jurisdictions outside of R1555.200. These duties serve to protect other jurisdictions and the licensees we regulate. If this ballot moves forward, neither jurisdictions nor licensees will have formal tools to ensure compliance with the governing documents.

For example, let’s apply the second order effects to the ballots currently before membership.

The first ballot modifies the duties of jurisdictions when submitting an annual report. If a jurisdiction fails to include this information, what tools do the other jurisdictions have to correct the report and ensure compliance moving forward?

The second ballot modifies when a jurisdiction must participate in a compliance review. If a jurisdiction fails to participate, what tools do the other jurisdictions have to correct the lack of participation and ensure participation moving forward?

The fifth ballot requires jurisdictions to issue temporary decal permits that must contain certain information and be delivered in a certain way. If a jurisdiction fails to comply with requirements concerning decal permits, what tools do the other jurisdictions have to correct the practices around these decals and ensure compliance moving forward? Also, any complaint raised by a licensee unable to acquire a temporary decal permit will be similarly without a remedy if the licensee files a compliance dispute under R1555.100.010.

The eighth ballot governs the transmission of data by jurisdictions. If a jurisdiction fails to comply with the

**Ballot #6-2025**  
**Comment Period Ending June 29, 2025**

R2120, what tools do the other jurisdictions have to correct the data transmittals and ensure compliance moving forward?

**OKLAHOMA**

Oppose

Oklahoma has concerns that compliance is specific to only one rule and the ballot restricts compliance efforts arbitrarily.

**ONTARIO**

Undecided

Ontario agrees jurisdictions should not lose membership status for every act of non-compliance, but we would like to see this change take place in the context of a ballot that includes how to enforce provisions not addressed under R1555.

**PENNSYLVANIA**

Support

**QUEBEC**

Undecided

While Quebec acknowledge the intent of the ballot, we noted the wording leads to uncertainty regarding the status as an active member and as noted by other jurisdictions, the references to other sections of the agreement might need review.

**SASKATCHEWAN**

Undecided

Clarification is needed on the timing of when the membership and voting rights would be revoked in order to fully support this ballot. Is it at the point of the Final Determination Finding of Non Compliance being written up, or not until the Dispute Resolution Committee reviews the non-compliance issue and makes that decision?

**TENNESSEE**

Undecided

**VIRGINIA**

Undecided

It is Virginia's understanding that this ballot would restrict the circumstances under which a finding of noncompliance by the Dispute Resolution Committee, in a dispute between member jurisdictions, could lead to a loss of a member jurisdiction's active membership status. Specifically, under this ballot such a penalty would only be available in cases where the dispute either was referred to the DRC from the Program Compliance Review Committee after a FDFNC, or where the dispute involved a matter under R1545 .100 or .200.

## FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING



### IFTA BALLOT PROPOSAL #07-2025

#### **Sponsor**

IFTA, Inc. Board of Trustees

#### **Date Submitted**

May 23, 2025

#### **Proposed Effective Date**

Upon Passage

#### **Manual Sections to be Amended** (January 1996 Version, Effective July 1, 1998, as revised)

IFTA Procedures Manual	Section P1060- ALLOCATION OF TAX
	Section P1060.100 Option 1

#### **Subject**

Allocation formula for the distribution of funds received by a member jurisdiction using "Option 1".

#### **History/Digest**

IFTA provides for two methodologies for member jurisdictions to distribute funds received from licensees to other affected member jurisdictions. These methodologies are known as "Option 1" and "Option 2". Under Option 1, the distribution of funds to member jurisdictions is accomplished by allocating the funds based on a formula that takes the funds due to a member jurisdiction divided by the funds due all member jurisdictions, multiplied by the funds received from the licensee. This method is applied to both the distribution of funds received with or related to a tax return (IFTA Procedures Manual Section P1060) and the distribution of funds related to an audit assessment (IFTA Articles of Agreement Section R1380). The language in Section P1060 differs from the language found in Article R1380. Article R1380 takes the Net **Amount** Due a Jurisdiction divided by the Net **Amount** Due all Jurisdictions, multiplied by the Credits and/or Payments Available to allocate; whereas Section P1060 takes the Net **Tax** Due a Member divided by the Net **Tax** Due all Members, multiplied by the Money Available to Allocate. The provision in Section P1060 does not take into account any accrued interest that is received if said tax return is late. The language in Article R1380 is more inclusive and reflects a requirement to proportionately distribute *all* funds received, including interest.

#### **Intent**

To correct the allocation formula in Section P1060 of the IFTA Procedures Manual to be consistent with the allocation formula in Article R1380 of the IFTA Articles of Agreement.

**Interlining Indicates Deletion; Underlining Indicates Addition**

**\*P1060 ALLOCATION OF TAX**

Should a licensee file a tax return showing taxes due and fail to remit payment in full with the tax return, the base jurisdiction may choose one of two options in remitting the appropriate tax to other member jurisdictions:

**.100 Option 1**

The base jurisdiction may allocate the actual tax payment to the other members based on the following formula:

Allocation to Members =  
(Net Tax ~~Amount~~ Due Each Member/Net Tax ~~Amount~~ Due All Members) x Money Available to Allocate

**No Changes Following the Comment Period ending June 29, 2025.**

**Ballot #7-2025**  
**Comment Period Ending June 29, 2025**

Support: 16  
Oppose: 1  
Undecided: 0

**Attorney Advisory Committee**

- The ballot proposes to amend the formula in P1060.100 of the Procedures Manual to replace certain references to “tax” with “amount” in order to be more inclusive of the amounts to be allocated to member jurisdictions. The ballot references accrued interest on a late return [more accurately, on a late payment] as another amount (other than tax) that may be allocable. The rationale for the proposed amendment is, effectively, consistency with R1380 of the Agreement, which provides a similar, but more broadly worded, formula in respect of the allocation of fuel tax adjustments resulting from audit findings.
- P1060 provides a procedure for the allocation of “tax”. This procedure is consistent with the mandatory imposition in R910, which requires the base jurisdiction to pay all “taxes” due to all member jurisdictions. R920 also refers to the “payment of taxes” due to the base jurisdiction for all members. The Agreement does not define “tax” to include other amounts, such as interest. While licensees are required to pay tax pursuant to R910, the Agreement does not directly require a licensee to pay interest. That is, in accordance with R1230, a base jurisdiction is mandatorily required to assess interest on taxes due that are considered delinquent (in accordance with R970). R1210.300, which is in respect of assessments, requires a base jurisdiction to, “after adding the appropriate penalties and interest”, serve the assessment upon the respective licensee. However, R1210 does not clarify that the amounts assessed, including interest, become liabilities due from the licensee. It is acknowledged that the motor fuel tax legislation in certain jurisdictions may more clearly state that interest is payable on any amounts owing or assessed, and/or may state that evidence that an assessment of tax, penalties or interest has been made is proof that the amount is owing from the person on whom the assessment was issued. However, it is not known whether the legislation of all member jurisdictions includes such clarity.
- In any event, it is suggested that the proposed amendment to P1060 does not provide sufficient clarity that the “amount” to be allocated includes anything other than tax. Accordingly, it is suggested that the proposed amendment be updated as follows (acknowledging that penalties are not allocable, but rather are retained by the base jurisdiction pursuant to R1220.200):

**\*P1060 ALLOCATION OF TAX AND ASSESSED INTEREST**

Should a licensee file a tax return showing taxes due and fail to remit payment in full with the tax return, the base jurisdiction may choose one of two options in remitting the appropriate tax , and any interest assessed in relation to the tax, to other member jurisdictions:

**.100 Option 1**

The base jurisdiction may allocate the actual tax payment, and actual payment of any interest assessed in relation to the tax payment, to the other members based on the following formula:

Allocation to Members = (Net Tax Amount Due Each Member/Net Tax Amount Due All Members) x ~~Money~~ Payments Available to Allocate

**Ballot #7-2025**  
**Comment Period Ending June 29, 2025**

- It is also suggested that P1060.200 be amended for consistency with how P1060.100 is amended, for example, by referring to “any interest assessed in relation to the reported tax”. Furthermore, it is noted that the opening paragraph of P1060 refers to a failure to “remit payment in full”, which encompasses the situation where only partial payment is made (Option 1) as well as the situation where no payment is made at all (Option 2). However, the opening paragraph of P1060.200 (in respect of Option 2) similarly refers to a failure to remit “full payment”, which (like the wording in the opening paragraph of P1060) could reasonably be interpreted to mean that the licensee did not remit the entire amount due, but did remit part thereof. However, Option 2 is based on the premise that no amount was paid at all. Therefore, for clarity (and consistency with the opening paragraph of P1060), it is also suggested that P1060.200 be amended to replace “full” with “any” in respect of the lack of payment.
- That is, it is suggested that P1060.200 be updated as follows:

**.200 Option 2**

When a licensee files a tax return and fails to remit full any payment with the tax return, full payment of the reported tax and any interest assessed in relation to the reported tax, if ~~any, will~~ may be made by the base jurisdiction to the member jurisdictions involved. The base jurisdiction will assume the liabilities for the payments made to the other jurisdictions. The base jurisdiction will then be responsible for collection of the unpaid tax and any interest due from the licensee and will follow the methods of collection governed by the laws of the base jurisdiction and administrative procedures of the Agreement.

- It is also noted that the opening sentence of R1380, Communication of Audit Findings, refers to fuel “tax” adjustments, which arguably frames the context of such adjustments, as well as frames the context of subsequent references in R1380 to “funds”, “audit funds”, “additional money owed”, “amount due”, and “audit liability”. While such subsequent terms are broad, for the same reasons noted above in respect of P1060, it is not clear that a licensee is required under the Agreement to pay anything other than tax. Accordingly, it is suggested that the wording of R1380 be reviewed and amendments proposed in a future ballot, if considered appropriate. As part of that review, it is also suggested that the terminology used in R1380 to refer to the allocable amount be made consistent, perhaps by including a defined term that clearly specifies what allocable audit adjustments include.

**IOWA**

Oppose

Iowa is not in favor of this ballot as written. We believe the language change should be in the Articles of Agreement to change wording from “amount” to tax, and not P1060 Allocation of Tax, which is proposing to change from “tax” to “amount”.

**KANSAS**

Support

**KENTUCKY**

Support

**MANITOBA**

Support

<p><b>Ballot #7-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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**MARYLAND**

Support

**MICHIGAN**

Support

**NEVADA**

Support

Language being changed is to include interest paid to the Juris and due to the member jurisdictions.

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Support

North Carolina has no comments for this ballot and supports it as currently written.

**OKLAHOMA**

Support

**ONTARIO**

Support

**PENNSYLVANIA**

Support

**QUEBEC**

Support

**SASKATCHEWAN**

Support

The proposed change appears to be in alignment with the intention of Option 1 for the distribution of funds.

**SOUTH DAKOTA**

Support

## **FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



### **IFTA BALLOT PROPOSAL #08-2025**

#### **Sponsor**

IFTA Clearinghouse Advisory Committee

#### **Date Submitted**

May 21, 2025

#### **Proposed Effective Date:**

Upon passage of the Ballot

#### **Manual Sections to be Amended**

IFTA Articles of Agreement  
IFTA Procedures Manual

Section R2120.200  
Section P1040

#### **Subject**

IFTA, Inc. Clearinghouse Data Quality Plan Sections

#### **History/Digest**

In Ballot 6-2022 which was passed, subsections within P1040 were included. However, prior to the ABM in 2022, the subsection was included a new section, P1045 instead. The issue arises because some of the references in R2120 included in Ballot 6-2022 still referenced to P1040 as the section containing the data integrity rules, which is incorrect. This ballot aims to rectify this by changing the references from P1040 to P1045.

#### **Intent**

To ensure that this ballot amendment changes the references from P1040 to P1045.

**Interlining Indicates Deletion; Underlining Indicates Addition**

**IFTA Articles of Agreement:**

**\*R2120 REQUIRED EXCHANGE OF LICENSEE DEMOGRAPHIC AND TRANSMITTAL DATA AND INTERJURISDICTIONAL AUDIT REPORTS**

**.100 Licensee Demographic Data**

When the exchange of licensee demographic data is required of the participating members by the IFTA Articles of Agreement and the IFTA Procedures Manual, such requirements shall be deemed satisfied by the successful and timely transmission of the full demographic data as defined in R2110.200 to the clearinghouse each business day.

IFTA, Inc. shall be responsible for providing the data from the participating members to all other member jurisdictions.

Participating members are required to upload a minimum of 5 years' worth of demographic file data of all accounts in the daily upload regardless of the status of the account.

**.200 Transmittal Data**

When the exchange of a transmittal data listing is required among the participating members by the IFTA Articles of Agreement and the IFTA Procedures Manual, such requirements shall be deemed satisfied by the successful and timely transmission of the data to the clearinghouse.

The participating members shall be required to provide a transmittal data listing to all other member jurisdictions as required by the IFTA Procedures Manual Section P1040.

**.100** All jurisdictions are required to perform data quality/validation checks on the transmittal data that is sent to the IFTA Clearinghouse as outlined in the IFTA Procedures Manual Section ~~P1040-P1045~~.

**.200** Where the monthly transmittal data from a jurisdiction contains data that produces data validation errors under P1040.800.001 through .005, the IFTA Clearinghouse can reject the entire transmittal file from that jurisdiction until the data validation errors are corrected.

**.300** Jurisdictions will have multiple opportunities to correct and re-transmit their data prior to the transmittal due date outlined in the IFTA Funds Netting Calendar.

**.400** Where the monthly transmittal data of a jurisdiction creates data validation warnings under ~~P1040.800.006 through .008~~ P1045 of the Procedures Manual, the transmittal file will be accepted by the IFTA Clearinghouse. However, jurisdictions may be required to identify the steps taken to verify the accuracy of the data producing the data validation warnings during their Program Compliance Review.

**500.** Where a jurisdiction has conducted a review of data that has produced a data validation error and is satisfied that the data is true and accurate, the jurisdiction may request that the Clearinghouse accept their transmittal file despite the data validation error(s). The IFTA Clearinghouse will review the situation and determine the acceptability of the transmittal file.

53  
54 **.300 Interjurisdictional Audit Reports**  
55

56 When the exchange of Interjurisdictional Audit Reports is required among the participating  
57 members by the IFTA Audit Manual, such requirements shall be deemed satisfied by the  
58 successful and timely upload of the reports to the clearinghouse for those jurisdictions that  
59 participate in the clearinghouse.  
60

61 The participating members shall be required to provide Interjurisdictional Audit Reports to  
62 all other member jurisdictions as required by the IFTA Audit Manual Section A460.  
63  
64

**Comments Following the Comment Period ending June 29, 2025.**

No changes or additions have been made to this ballot.

**Ballot #8-2025**  
**Comment Period Ending June 29, 2025**

Support: 18  
Oppose: 0  
Undecided: 0

**Attorney Advisory Committee**

- The ballot proposes to update certain section references in R2120 of the Agreement for consistency with past changes to the Procedures Manual.
- The reference in R2120.200.200 to “P1040.800.001 through .005” also needs to be revised to state, “P1045.100 through .500”. These are the new section references in respect of errors for which the entire transmittal can be rejected until they are corrected.
- The proposed amendment to R2120.200.400, to replace P1040.800.006 through .008” with “P1045” is not specific enough. That is, only sections P1045.600 and .700 are in respect of data validation warnings that will be accepted by the clearinghouse with the possibility of further steps (P1045.100 through .500 are in respect of errors that can be rejected until corrected). Accordingly, the proposed amendment to R2120.200.400 should be revised to strike out “P1040.800.006 through .008” and substitute “**P1045.600 and .700**”.
- It is noted that references to the clearinghouse are inconsistent throughout R2120. For example, R2120.100 refers to “clearinghouse”; R2120.200.100 through R2120.200.400 all refer to “IFTA Clearinghouse”; and R2120.200.500 refers to “Clearinghouse” in one sentence and “IFTA Clearinghouse” in the next. However, the term is defined in R2110 and “hereafter” as “clearinghouse” (with a lower case “c”). It is suggested that, for consistency, all references within R2120 be updated to “clearinghouse”.
- It is also noted that there are various inconsistencies between the wording of R2120 of the Agreement and P1045 of the Procedures Manual. It is understood that the Agreement Procedures Committee has agreed to form a subcommittee to review the inconsistencies and may propose a future ballot in respect of P1045, if considered appropriate. For example (assuming that the wording of the Agreement generally takes precedence):
  - R2120.200 states, “Where the monthly transmittal data from a jurisdiction contains data that produces data validation errors under [P1045.100 through .500], the clearinghouse ‘can reject’ the entire transmittal file” until the validation errors are corrected. However, P1045.100 through .500 each set out a requirement and states that the entire transmittal file “will be rejected” by the clearinghouse if the requirement is not met. Accordingly, the authority to reject a transmittal is discretionary in the Agreement, but mandatory in the Procedures Manual.
  - R2120.200.500 permits a jurisdiction to request that the clearinghouse accept a transmittal file notwithstanding a data validation error. Therefore, the authority of the clearinghouse to reject a transmittal must necessarily be discretionary. The mandatory rejection set out in P1045.100 through .500 is inconsistent with the process anticipated by the Agreement.
  - R2120.400 refers to “data validation warnings” under [P1045.600 and .700]. However, those sections of the Procedures Manual state that “...the jurisdiction will receive an advisory email from the IFTA Clearinghouse alerting the jurisdiction” to the particular data error, and do not refer to any particular “warning”.

<p><b>Ballot #8-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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**BRITISH COLUMBIA**

Support

**IOWA**

Support

**KANSAS**

Support

**KENTUCKY**

Support

**MANITOBA**

Support

**MARYLAND**

Support

**MICHIGAN**

Support

**NEVADA**

Support

Changes references from P1040 to P1045

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Support

North Carolina generally supports the ballot.

North Carolina notes the following:

1. R2120.200.200 needs updated references.
2. The third level numbering schema with .005 (not .100). Therefore, everything under .200 should be updated with that numbering structure.

**OKLAHOMA**

Support

**ONTARIO**

Support

<p><b>Ballot #8-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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**PENNSYLVANIA**

Support

**QUEBEC**

Support

Quebec supports the ballot while noting that the cross references to other sections such as R2120.200.200 needs a review (refers to P1040.800). Numbering in the section should also follow the sequence as .005, .010, .015 etc.

**SASKATCHEWAN**

Support

**SOUTH DAKOTA**

Support

## **FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



### **IFTA BALLOT PROPOSAL #09-2025**

#### **Sponsors**

IFTA, Inc. Program Compliance Review Committee and Audit Committee

#### **Date Submitted**

May 22, 2025

#### **Proposed Effective Date**

January 1, 2026

#### **Manual Sections to be Amended**

Audit Manual

Sections A310.300, A460.100.060

#### **Subject**

Update the audit manual as it relates to trends and variances, adding “**unusual** trends or variances” to the audit procedures and audit report.

#### **History/Digest**

Section A310.300 of the audit manual currently states:

“The auditor must analyze the licensee’s tax returns subject to audit, note trends or variances, and document findings in the audit file.”

This ballot proposes updating the language to:

“The auditor must analyze the licensee’s tax returns subject to audit, note **unusual** trends or variances, and document findings in the audit file.”

IFTA Ballot Proposal  
#09-2025  
May 22, 2025  
Page 1 of 3

Section A460.100.060 currently reads:

“The audit report must contain: [...] .060 Note trends or variances.”

This would be updated to:

“The audit report must contain: [...] .060 Note unusual trends or variances.”

### **Intent**

This revision seeks to improve the clarity and consistency of audit expectations by specifying that auditors should identify and document *unusual* trends or variances—rather than all trends or variances. This change encourages a more analytical and risk-based approach, focusing auditor attention on anomalies that may indicate noncompliance.

*Unusual* trends or variances may include unexpected fluctuations in distance traveled, fuel purchases, or jurisdictional allocations. By emphasizing these atypical patterns, the revised requirement aligns more closely with standard analytical review procedures and helps auditors better distinguish between normal operational variations and potential red flags. Incorporating this language helps reduce subjectivity, supports more consistent audit outcomes across licensees, and reinforces fair enforcement of IFTA requirements.

This proposed change is also consistent with IRP Section 501(d), which states:

“The auditor must apply analytical procedures to the Registrant’s application subject to Audit. As a part of the analytical procedures, the auditor should summarize application information, note *unusual* trends or variances, and draw conclusions. The analytical procedures must be documented in the Audit file.”

The IFTA Audit Committee and IFTA Program Compliance Review Committee have agreed to work together, upon passage of this ballot, to provide guidance on “unusual” trends or variances.

**Interlining Indicates Deletion; Underlining Indicates Addition**

**AUDIT MANUAL**

**A310 PRELIMINARY AUDIT PROCEDURES**

*[Sections .100 and .200 Remain Unchanged]*

A310.300 The auditor must analyze the licensee's tax returns subject to audit, note unusual trends or variances, and document findings in the audit file.

**A460 AUDIT REPORT**

*[Sections .200 - .700 Remain Unchanged]*

A460.100.060 Note unusual trends or variances.

**Comments Following the Comment Period ending June 29, 2025.**

Additional information added to the Intent Section.

<p><b>Ballot #9-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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Support: 12  
Oppose: 1  
Undecided: 5

**ALBERTA**  
Undecided

Alberta supports the intent of this ballot but has concerns about determining what is “unusual”.

**Attorney Advisory Committee**

- Edits are not in red, like other ballot proposals.
- The ballot proposes to clarify that, when preparing an audit file, only “unusual” trends or variances must be noted.
- With respect to the proposed amendment to A460.100.060, it is suggested that the verb “Note” is not required, as A460.100 contains a list of general information to be included in the audit report, as opposed to actions. Therefore, it is recommended that the proposed amendment to A460.100.060 be updated to state, “**Unusual trends or variances**” or, alternatively, “**Unusual trends or variances noted in the audit file**”, as opposed to inserting an action item at the end of a list.

**BRITISH COLUMBIA**  
Oppose

British Columbia is not convinced this change is necessary. The current language does not restrict auditors from noting unusual trends. Limiting the focus to only “unusual” trends implies an assumption of non-compliance. There may be trends that are not unusual—such as seasonal variations in distance travelled—that are still worth noting and may, in fact, support a finding of compliance.

**INDIANA**  
Support

Indiana supports the ballot. The additional language improves clarity regarding the circumstances under which the auditor has a duty to document trends or variances in the audit file and audit report.

**Industry Advisory Committee**

The IAC supports Ballot #09-2025 and appreciates the continued efforts to improve clarity and consistency within the IFTA framework.

**IOWA**  
Support

Iowa is in favor but recommends the definition of unusual trends or variances be added to A310.300.

**KANSAS**  
Support

<p><b>Ballot #9-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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**KENTUCKY**

Support

**MANITOBA**

Support

**MARYLAND**

Undecided

Maryland agrees auditors should only address and concentrate on unusual trends and variances instead of normal activities that are in compliance. However, without some sort of list or something similar of what defines "unusual trends and variances" we think we would still run into issues and would still be subject to the preference of the reviewer. Maryland theoretically agrees with the premise of this ballot, but we believe it needs to be more detailed as written in order to have a positive impact.

**NEVADA**

Undecided

What actually constitutes an "unusual" trend? Is this phrase "unusual trends and variances" referring to unusual trends only, or is it for both? Maybe should be worded "unusual trends and/or variances" or "unusual trends or unusual variances". These "unusual" items should be defined. What one juris finds unusual, another juris may not. When audited, the reviewers may also disagree on what is "unusual". Need to define unusual trend and variances.

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Support

North Carolina has no comments for this ballot and supports it as currently written.

**OKLAHOMA**

Support

Noting *unusual* trends, with sufficient detail to be articulated to other jurisdictions, if needed, could be very useful in identifying inter-jurisdictional compliance issues by motor carriers. This ballot ensures that auditors focus on trends that are relevant for audit purposes only, rather than all notable trends.

**ONTARIO**

Support

**PENNSYLVANIA**

Undecided

<p><b>Ballot #9-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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**QUEBEC**

Undecided

Quebec supports the intend of the ballot while noticing the need for a definition of unusual trends and variances, as stated by Maryland.

**SASKATCHEWAN**

Support

**SOUTH DAKOTA**

Support

## FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING



### IFTA BALLOT PROPOSAL #10-2025

#### **Sponsor**

Jurisdiction of Mississippi

#### **Date Submitted**

May 21, 2025

#### **Proposed Effective Date**

January 1, 2026

#### **Manual Sections to be Amended** (2024 Version)

IFTA Audit Manual (Effective September 2024) Section A250

IFTA Procedures Manual (Effective January 2024) Section P1110.400.005

#### **Subject**

Determining the required number of audits to complete.

#### **History/Digest**

The current audit requirements discourage jurisdictions from choosing accounts with a larger number of units. This change could help a jurisdiction meet the audit requirements while also choosing accounts to audit that better reflect the overall population of accounts.

#### **Intent**

Allow jurisdictions more freedom in selecting audits and reducing bias in the audit selection process, while still meeting the audit requirements.

**Interlining Indicates Deletion; Underlining Indicates Addition**

**A250 NUMBER OF AUDITS**

Base jurisdictions will be held accountable for audits and will be required to complete audits of an average of either 3 percent per year of the number of IFTA accounts or 1 percent of the units represented by the number of decals issued required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA implementation year. Such audits shall cover all of the returns that were filed or required to be filed during a license year or shall cover at least four (4) consecutive quarters. This does not preclude audits of individual licensees several times during the program compliance review period. However, audits of a single licensee that cover multiple license years, fuel types, or both shall be counted as one audit for program compliance review purposes.

**P1110 ANNUAL REPORTING**

**.300 General Information**

.015 Total number of sets of decals issued, and number of sets of decals issued to new licensees;

**.400 Audit Information**

.005 Number of accounts audited and the total number of decals/units in all audits;

.010 Number of accounts audited resulting in financial changes to one or more jurisdictions;

.015 A jurisdiction that has a Records Review program established conforming to section A510 shall report the total number of record reviews completed for the year on the annual report.

**Ballot #10-2025**  
**Comment Period Ending June 29, 2025**

Support: 1  
Oppose: 17  
Undecided: 3

**ALBERTA**

Opposed

Alberta supports the intent of this ballot to provide more choice and reduce potential bias in audit selection but has concerns with basing this on sets of decals issued. Alberta would support looking at alternatives to measuring audits to allow more choice and reduce bias as part of the overall analysis of what is the appropriate number of audits required to ensure sufficient compliance.

**Attorney Advisory Committee**

- Edits are not in red, like other ballot proposals.
- The ballot proposes to permit the number of required audits to be based on a lower percentage of decals issued, as an alternative to being based on a higher percentage of the number of IFTA accounts.
- The proposed amendment to A250 of the Audit Manual states, "...either 3 percent per year of the number of IFTA accounts or 1 percent of the units represented by the number of decals issued required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees..." It is suggested that this proposal and the proposed amendments in respect of P1110 of the Audit Manual are problematic for several reasons. Examples as follows:
  - The reference to "units" in the proposed amendment to A250 is ambiguous. For example, the Agreement (including Board Interpretation) refers to "fuel storage unit", "power unit", "supply storage unit", and "trailing unit". If the reference to "units represented by the number of decals issued" in the proposed amendment is intended to refer to a qualified motor vehicle, then such clarity should be provided.
  - The wording of A250 implies that the number of IFTA accounts required to be reported is pursuant to P1110.300.005, which is consistent with the reference in P1110.300.005 to "Number of total IFTA accounts..." The total number of sets of decals issued is specified in P1110.300.015, not in .005. Accordingly, it is questioned whether the proposed amendment to A250 should also include a reference to P1110.300.015?
  - It is questioned whether the reference to "represented by the number of decals issued" in the proposed amendment to A250 should instead be "represented by the number of **sets** of decals issued"? If each qualified motor vehicle is issued a set of two decals, then it seems that calculating the number of required audits based on the total number of decals issued would artificially double the product?
  - The relevance of the proposed amendment to P1110.300.015, to include "number of sets of decals issued to new licensees", is unclear. Section A250 specifically excludes new licensees. If the audit requirement is based on a percentage of decals (or sets of decals) issued to existing licensees, then it seems more relevant that a jurisdiction would have to report decals issued to licensees other than new licensees. However, the reporting of such information has not been required to date.

**Ballot #10-2025**  
**Comment Period Ending June 29, 2025**

- Currently, A250 is based on a percentage of the number of IFTA accounts required to be reported. However, the proposed alternative is based on a percentage of [qualified motor vehicles] represented by the number of [sets] of decals. It is suggested that perhaps the alternative should be based on “the number of [qualified motor vehicles] as represented by the number of [sets of] decals issued”.
- The proposed amendment to P1110.400.005, to include “and the total number of decals/units in all audits”, is confusing. It is suggested that the information reported pursuant to P1110.400.005 should more clearly relate to the number of required audits, as referred to in A250. It is also noted that, if a jurisdiction opts to calculate the number of required audits on the basis of the number of decals issued, then reporting the number of audits issued may not be relevant. Accordingly, consideration might be given to ensuring that P1110.400 is amended in a way that acknowledges that some information may be necessary under one option, but not under the other. For example, P1110.400.005 could be updated to state, “**Number of accounts audited or the number of [qualified motor vehicles] audited on the basis of sets of decals issued, as the case may be.**” The number of sets of decals is already required to be reported pursuant to P1110.300.015.
- More generally, the ballot indicates that the current requirements discourage jurisdictions from choosing accounts with a larger number of vehicles. However, no additional information or analysis has been provided to support that conclusion, nor to support the implication that choosing accounts with a larger number of vehicles would be preferred. That is, the ballot implies that the alternative calculation could help jurisdictions choose accounts that better reflect the overall population of accounts, and states that the intention is to reduce [bias] in the audit selection process. However, such suggestions are not further explained or supported. Indeed, it could be argued that basing audit requirements on a percentage of decals issued will encourage jurisdictions to audit larger but fewer carriers, rather than auditing a broader cross-section of carriers. One could argue that smaller carriers with less sophisticated systems in place pose a greater risk (make more errors) than larger carriers with stronger internal control mechanisms in place. Overall, the ballot does not include an analysis to support how the alternative calculation would result in no greater risk of loss of tax revenue to the impacted jurisdictions in comparison to the current calculation.
- The ballot does not indicate whether the proposed alternative calculation has any impact on A260 of the Audit Manual, or how (if at all) the alternative calculation would impact the calculation and inclusion of low-distance and high-distance accounts in selecting audits.

**BRITISH COLUMBIA**

Oppose

**ILLINOIS**

Oppose

IL supports ballot 4 to change it to a flat 1% of IFTA accounts. While this approach might help with efficient allocation of IDOR audit resources, the 1% of IFTA accounts cap is more straightforward and likely more efficient for IL. In addition, the reporting requirements equate decals issued to units. This is not necessarily the same thing, since decals are not dedicated to a specific unit and thus decals issued might exceed the number of units. Terminology is also imprecise. Instead of “unit” it should say “commercial motor vehicle”. Instead of “decal” it should say “set of decals.”

**Ballot #10-2025**  
**Comment Period Ending June 29, 2025**

**INDIANA**

Oppose

Indiana is not in favor of this ballot. We believe it will have unintended consequences. For example, Indiana provides over 500,000 sets of decals each year. One percent of this is 5000 sets. This ballot would allow us to choose to audit 5000 units represented by the number of decals issues. One of our largest carriers operates 15,000-20,000 power units. By this ballot, we could audit that single carrier, and it would provide us with 80% of our audit requirement over the five-year PCR cycle. Does that provide us with an overall determination of our carrier base? Almost assuredly, it would not. If this carrier has a very compliant system, we would not be required to research and audit other, less compliant carriers, allowing us to educate those other carriers and bring them into compliance.

We understand that there is not much incentive to audit larger carriers, as they have great cost in terms of a jurisdiction's resources. But this ballot does not provide the intended incentive. Perhaps another alternative might be to provide credit for multiple high distance accounts if we were audit carriers within the top 5% of the carriers in terms of distance, for example. Perhaps a jurisdiction would receive credit for 10 high distance audits if they were to audit a carrier in the top 5%. Using decals as the basis is also misleading. Jurisdictions do provide more decals to carriers over the course of any given year, as the carrier replaces, or sells trucks. Or if the carrier's owner/operator leaves them for another carrier. There are other ideas or opportunities for providing incentives to auditing some larger carriers. But this is not one of them.

**Industry Advisory Committee**

The IAC opposes Ballot #10-2025 due to concerns that its implementation could unintentionally influence jurisdictions to disproportionately target large motor carriers in an effort to meet annual audit requirements with fewer audits. Such an approach could undermine fairness and consistency in the audit process. We support the comments submitted by South Dakota recommending that a study be conducted to determine the appropriate audit methodology needed to ensure compliance across the diverse carrier population.

**IOWA**

Oppose

Iowa is not in favor of this ballot as written.

**KANSAS**

Undecided

**KENTUCKY**

Oppose

KY Audit Group does not support.

**MANITOBA**

Oppose

**MARYLAND**

Oppose

Maryland would have no issue with being able to have the option of choosing between the percentage requirement and the decal option. This could potentially allow us to audit the larger carriers in the high mileage stratum without negatively affecting our required audit completions. Under the current structure

**Ballot #10-2025**  
**Comment Period Ending June 29, 2025**

there is no real reward/benefit in auditing the larger taxpayers in the high mileage stratum with multiple decals from a required completion standpoint. However, Maryland will vote against this as the audit percentage requirement is 3%, which is in opposition of our ballot (#4) proposal of 1%. Maryland does not currently limit the number of decals issued, so we would have to implement something to limit the number of decals issued to a carrier, or otherwise the benefit could be relatively small. Currently there is no cost for decals and many carriers register for extra decals which may remain inactive. If the audit percentage was 1% and in-line with our ballot proposal (#4) we would consider supporting this.

**MICHIGAN**

Oppose

**NEVADA**

Oppose

NV currently issues additional decals which can cause the number audits required to be skewed.

**NEW BRUNSWICK**

Oppose

**NEW JERSEY**

Oppose

**NEWFOUNDLAND**

Oppose

**NORTH CAROLINA**

Oppose

North Carolina opposes this ballot on the basis that auditing using the number of decals as a threshold could significantly reduce the number of audits completed. This reduces compliance that comes from those audits. It is important to note that audits are not only conducted by a jurisdiction for itself but conducted on behalf of other jurisdictions. The importance of this interdependence should not be overlooked.

North Carolina notes that after reviewing of IFTA data, the calculation proposed by the sponsor would be equivalent to the sponsor completing 1% of the number of IFTA accounts. However, if this ballot passed, North Carolina could comply with amended A250 by completing two audits: one to meet the low-distance and one to meet high-distance. North Carolina has issued many licensees for which it has issued over 1,000 decals. This would be the equivalent of North Carolina auditing 0.02% of its IFTA accounts.

**OKLAHOMA**

Oppose

Oklahoma has concerns this ballot could cause jurisdictional audit reliability issues by incentivizing audit focus only on large fleets.

**ONTARIO**

Undecided

Ontario recommends using a word other than "unit" since "unit" already refers to several different things throughout the Guiding Documents.  
Ballot

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Ontario is interested in the idea but would want more clarity on how this would impact the high/low distance requirements. A couple of specific questions for clarification:

1) Unused Decals: If a registrant has been issued multiple IFTA decals but only a portion are actively in use, should the unused decals still be included in the audit count?

2) Sampling Methodology for Large Carriers: In the case of a large carrier with, for example, 100 decals issued, if a sample of 20 decals is audited, would credit for audit completion be extended to all 100 decals based on the sample results, or only to the 20 that were sampled in audit?

How would this need to be amended in the case that Ballot 4-2025 also passes?

Effective date

Ontario recommends an effective date of January 2027 to provide sufficient time to make necessary system changes.

**PENNSYLVANIA**

Oppose

**QUEBEC**

Oppose

**SASKATCHEWAN**

Support

**SOUTH DAKOTA**

Oppose

This ballot would tie audits to decals that are unregulated to a certain vehicle. While some jurisdictions take steps to limit decals to more closely align to the number of vehicles in a fleet some jurisdictions do not. This could create an imbalance for auditing numbers that is an unattended consequence of the ballot.

Also, like Ballot 4 all percentage of audits have been as far as we know to an arbitrary number. Again South Dakota would urge the membership to ask the Board of Trustees to commission a study to try and use data to determine the correct percentage of audits that will have a fair reflection on compliance from carriers without being overly burdensome on the jurisdictions.

**VIRGINIA**

Undecided

## FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING



### IFTA BALLOT PROPOSAL #11-2025

#### **Sponsor**

Jurisdictions of Massachusetts, Maryland, Connecticut, and Alabama

#### **Date Submitted**

May 22, 2025

#### **Proposed Effective Date**

January 1, 2026

#### **Manual Sections to be Amended**

(Version January 2024)

Articles of Agreement

Section R1555

COMPLIANCE MATTERS

#### **Subject**

Setting forth the possible measures that can be imposed to bring a Member Jurisdiction into compliance with its obligations; and clarifying how revenue receipts submitted by Member Jurisdictions to the IFTA, Inc. Clearinghouse may be used.

#### **History/Digest**

The Articles of Agreement contain general provisions regarding membership and the process of addressing non-compliance with the agreement by a member jurisdiction. However, the member jurisdictions, through this primary governing document, have not specifically addressed the consequences of non-compliance other than identifying what body should hear such allegations. As was recently demonstrated, the Dispute Resolution Committee, the body assigned the task of hearing allegations of a member jurisdiction's non-compliance and determining an appropriate course of action to cure such non-compliance, lacks clear guidance on permissible remedies. To avoid these issues going forward, the Articles of Agreement, the primary governing document, should fill this void.

#### **Intent**

The intent of this ballot proposal is to benefit all jurisdictions by specifying the consequences of member non-compliance, establishing a floor for consistency in non-compliance determinations, and providing concrete guidance to the Dispute Resolution Committee.

As a result of this change, jurisdictions will have fair notice of the consequences of non-compliance and a reasonable opportunity to confront any allegations of non-compliance. Furthermore, the Dispute Resolution Committee will have clear guidance when conducting its proceedings.

## FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING

**Interlining Indicates Deletion; Underlining Indicates Addition**

### **R1555 COMPLIANCE MATTERS**

#### **.100 Dispute Resolution Process**

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

**.005** Compliance disputes between member jurisdictions;

**.010** Compliance disputes between member jurisdictions and IFTA licensees in those matters where no administrative remedy to the IFTA licensee is available within the member jurisdiction involved in the dispute. Compliance disputes subject to this section shall not include disputes between member jurisdictions and IFTA licensees over matters of substantive jurisdiction law, including but not limited to, laws governing the imposition, assessment, and collection of jurisdiction motor fuel use taxes collected pursuant to the International Fuel Tax Agreement; and

**.015** Compliance matters where (i) the Program Compliance Review Process, including follow-up, has been completed; and (ii) a Final Determination Finding of Non-Compliance has been issued by the Program Compliance Review Committee related to Sections R970, R1210, R1230, R1260, R1270, R1370, R1380, P1040, A250 or A260.

#### **.200 Submission of a Final Determination Finding of Non-Compliance**

A Final Determination Finding of Non-Compliance issued by the Program Compliance Review Committee related to Sections R970, R1210, R1230, R1260, R1270, R1370, R1380, P1040, A250, or A260, where follow-up has been completed, shall be forwarded to the IFTA Dispute Resolution Committee, *to be heard as a dispute*, with a copy to the Executive Director of IFTA, Inc. for notification to all member jurisdictions.

#### **.300 Permitted Disciplinary Action**

Where a Member Jurisdiction is alleged to have failed to comply with any requirement authorized under this Agreement, and where the Dispute Resolution Committee, after giving fair notice to the Member Jurisdiction of its alleged failure, and, after a hearing on the matter, has concluded that the Member Jurisdiction has failed to comply with its obligations under this Agreement, the Dispute Resolution Committee may impose only such remedial action as set forth herein. The remedies set forth herein are exclusive and should be imposed in a progressive manner in order to give the Member Jurisdiction a reasonable opportunity to come into compliance.

**.005** If the Member Jurisdiction fails to bring its program into compliance by the date determined by the Committee, the Member Jurisdiction shall suffer immediate loss of voting power and all Board and standing committee seats.

**.010** If the Member Jurisdiction fails to bring its program into compliance after 60 days of its loss of voting power, the Member Jurisdiction's membership dues for the current year shall be doubled. The Committee may grant an extension beyond the 60-day period if it believes the Member Jurisdiction is taking reasonable steps to come into compliance.

55 **.015** If the Member Jurisdiction fails to be in compliance after one year of its loss of voting  
56 power and membership dues being doubled, the Member Jurisdiction's membership dues  
57 for the next fiscal year shall be tripled and a recommendation for a resolution of expulsion  
58 may, at the Committee's discretion, be forwarded by the Committee to the IFTA, Inc. Board  
59 of Trustees for action pursuant to subsection .400~~600~~ of this Section.

61 **.020** If the Member Jurisdiction fails to be in compliance after one year of its membership dues  
62 being tripled, a recommendation for a resolution of expulsion shall be forwarded by the  
63 Committee to the IFTA, Inc. Board of Trustees for action pursuant to subsection .400~~600~~  
64 of this Section.

65  
66 **.025** If the expulsion resolution fails, the Member Jurisdiction's membership dues shall remain  
67 tripled until its program is in compliance.

68  
69 When adjudicating disputes arising from a Member Jurisdiction's failure to comply with any  
70 requirement authorized under this Agreement, the Dispute Resolution Committee is limited to  
71 those actions provided for herein. Any resolution of such disputes shall not include monetary  
72 finances or penalties levied against a Member Jurisdiction.

73  
74 **.400 Resolution**

75  
76 Any resolution of compliance matters may not include the impoundment of or use of any related funds  
77 forwarded with any member jurisdiction's transmittal data listing in the IFTA, Inc. Clearinghouse.

78  
79 **.500 Stays**

80  
81 Any determination by the Dispute Resolution Committee is stayed pending any appeal to the Board of  
82 Trustees. Any determination by the Dispute Resolution Committee and/or the Board of Trustees is stayed  
83 for 60 ~~days~~ after the Board of Trustees issues its order regarding the Dispute Resolution Committee's  
84 determination and remains stayed pending a Member Jurisdiction's filed claim seeking judicial relief  
85 regarding the determination.

86  
87 **.600 Expulsion Process**

88  
89 **.005** The IFTA, Inc. Board of Trustees shall call a Special Meeting pursuant to Article IV,  
90 Section 5 of the Bylaws, to request a resolution to expel a member jurisdiction which has  
91 failed to bring its IFTA program into compliance one year following its loss of voting  
92 power under the penalty provisions of the IFTA Dispute Resolution Process consider a  
93 recommendation for a resolution of expulsion submitted to it by the Dispute Resolution  
94 Committee pursuant to Section R1555.300.015 or .020. If approved, the Board of  
95 Trustees shall bring such resolution to the full membership for a vote.  
96

**Comments Following the Comment Period ending June 29, 2025.**

The sponsoring jurisdictions made technical, non-substantive revisions to Ballot 11-2025. See above changes to Lines 59, 63 and 83.

<p align="center"><b>Ballot #11-2025</b> <b>Comment Period Ending June 29, 2025</b></p>
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Support: 4  
Oppose: 9  
Undecided: 4

**ALBERTA**  
Opposed

Alberta supports the intent of the ballot to provide some level of certainty with respect to the potential consequences of non-compliance, however this ballot is too restrictive. Alberta prefers to wait for the outcome of the recent Board Charge related to a review of the Dispute Resolution Process subsequent to recent decisions by the Dispute Resolution Committee before considering further changes to the agreement.

**Attorney Advisory Committee**

- Edits are not in red, like other ballot proposals.
- The ballot should be updated throughout to remove the capital letters from “Member Jurisdiction”. This is not a defined term and is presented in lower case throughout the rest of the Agreement.
- The proposed amendment to R1555.300 refers to the DRC giving “fair notice” to the member jurisdiction of its alleged failure.
  - The reference appears to be contextual; however, the term “fair notice” is not defined and it is not clear where the requirement to give such notice is specified.
  - It is noted that the IFTA Dispute Resolution Procedures refer to the DRC requesting the Repository to provide public notice of a meeting, including advising all parties of the posting of the public notice. However, the IFTA Dispute Resolution Procedures do not require the notice to be “fair”, and the Agreement does not appear to require any such notice, fair or otherwise.
  - Accordingly, if the desire is to ensure that jurisdictions receive notice of an alleged failure, then the requirement to give such notice should reasonably be included in the Agreement, including any specifications in respect of the notice (such in being in writing and provided within a certain number of days of a particular event). The consequences of the DRC or Repository failing to comply with the notice requirement should also be specified.
- While the proposed amendment specifies the various remedies that may be imposed by the DRC, it is not clear in R1555, nor in the IFTA Dispute Resolution Procedures, how and when the non-compliant member jurisdiction is to be notified of each remedy imposed.
- The opening paragraph to R1555.300 states, “...the Dispute Resolution Committee may impose only such remedial action as set forth herein.” It is suggested that the word “herein” needs clarification, as it is unclear whether it refers to the Agreement as a whole, to R1555 as a whole, or to just R1555.300. The only reference to “herein” currently in the Agreement is found in R1810.200.060, which refers to “...filed pursuant to Section R1555 herein”, which implies the Agreement, i.e., R1555 within the Agreement.
- Proposed R1555.300.015 and R1555.300.020 both refer to a recommendation for a resolution of expulsion being forwarded to the Board of Trustees “for action pursuant to subsection .400 of this Section”. However, subsection .400 does not provide any actionable guidance for the Board to carry out or otherwise follow, but rather merely prohibits the impoundment of funds. It is questioned whether the reference to subsection .400 should be to subsection .600?
- The first sentence of the second paragraph to proposed R1555.300.025 states, “When adjudicating disputes arising from a Member Jurisdiction’s failure to comply with any requirement

<p style="text-align: center;"><b>Ballot #11-2025</b> <b>Comment Period Ending June 29, 2025</b></p>
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authorized under this Agreement, the Dispute Resolution Committee is limited to those actions provided for herein.” It is suggested that this sentence is unnecessary and may be deleted to avoid redundancy, as the opening paragraph to R1555.300 already states, “...the Dispute Resolution Committee may impose only such remedial action as set forth herein.”

- The second sentence of the second paragraph to proposed R1555.300.025 (“Any resolution of such disputes shall not include...”) seems misplaced and perhaps should be set out in a separate subsection.
- Proposed section R1555.500 states, “...is stayed for 60 after the Board of Trustees issues”. It is suggested that the word “days” is missing after “60”.

### **BRITISH COLUMBIA**

Undecided

British Columbia supports the intent of this ballot as it’s important that the consequences for non-compliance are clearly communicated to all jurisdictions. The current language on the DRC’s discretion on remedies in the dispute resolution process is too vague. This has led to the recent situation where the DRC “abused its discretion in this instance by taking actions that significantly exceeded the expectations of member jurisdictions with respect to the remedies outlined in the Dispute Resolution Process (DRP).”

IFTA is a cooperative agreement and BC believes the remedies as outlined in the ballot are sufficient to bring non-compliant jurisdictions into compliance. Expulsion from IFTA is a severe penalty and BC feels damages and punitive actions are not warranted as remedies.

BC would support the ballot with changes to the language to reflect comments from Quebec and specific comments from North Carolina (enforcement ability for compliance matters originating under R1555.100.005 and R1555.100.010, clarification on whether the expulsion process requires only a majority vote, and other unclear language).

### **Dispute Resolution Committee**

The Dispute Resolution Process (DRP) includes remedies specifically designed to address matters of jurisdictional non-compliance. In response to a recent Board Charge, a subcommittee has been established to thoroughly review and examine the DRP. The subcommittee’s focus directly aligns with the objectives outlined in Ballot #11-2025, and their work will also include broader updates to the DRP to ensure the best possible outcomes for all parties involved in a dispute. As members of the IFTA community, it is important that we support the subcommittee in fulfilling their charge and place our trust in a process that is both deliberate and collaborative. Be confident that their recommendations will reflect the best interests of all stakeholders”.

### **INDIANA**

Support

Indiana supports this ballot.

### **Industry Advisory Committee**

The Industry Advisory Committee (IAC) op The Industry Advisory Committee (IAC) opposes Ballot #11-2025, as it diminishes the authority of the Dispute Resolution Committee (DRC), which was established to serve a critical and clearly defined role within the Agreement.

While we agree that a review of the current Dispute Resolution Process may be appropriate to enhance

<p><b>Ballot #11-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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clarity and improve guidance on next steps, we firmly believe the process itself should remain intact to preserve the structure and integrity envisioned by the Agreement.

Jurisdictions found to be out of compliance should be referred to the appropriate bodies and provided with a transparent path to resolution—supported by a defined timeline and clearly articulated consequences for continued non-compliance.

**KANSAS**

Oppose

**KENTUCKY**

Oppose

**MANITOBA**

Support

MB agrees with Maryland's comments.

**MARYLAND**

Support

Maryland strongly supports this ballot. The intent of this ballot proposal is to benefit all jurisdictions by *specifying the consequences of member non-compliance, establishing a floor for consistency in non-compliance determinations*, and providing concrete guidance to the Dispute Resolution Committee. As a result of this change, jurisdictions will have *fair notice of the consequences of non-compliance and a reasonable opportunity to confront any allegations of non-compliance*. Furthermore, the Dispute Resolution Committee will have clear guidance when conducting its proceedings

**MICHIGAN**

Oppose

**NEVADA**

Oppose

What is "fair notice"? Also regarding the "Stays" for judicial relief, shouldn't the juris incur penalties and/or interest during the "Stay" as is done with Audits? NV also agrees with NC, OK and SD comments.

**NEW BRUNSWICK**

Oppose

**NEWFOUNDLAND**

Undecided

**NORTH CAROLINA**

Oppose

North Carolina has concerns regarding this ballot.

First, and most concerning, the ballot appears to prohibit the Dispute Resolution Committee from imposing damages (i.e. restitution) against the offending jurisdiction for the harm it caused other jurisdictions. North Carolina understands that the ballot prohibits the imposition of monetary fines or penalties, which are distinct concepts from damages. Generally, a penalty is imposed to punish a person

**Ballot #11-2025**  
**Comment Period Ending June 29, 2025**

ensuring future compliance and creating strong incentives for all who must comply. Damages are used to compensate a person for the harm suffered. However, when combined with the language that the remedies in R1555.300 are exclusive, it appears the ballot prevents the DRC from placing the injured jurisdiction in the position it would have been but for the noncompliance. The ballot's limitation of remedies is unsettling, and North Carolina takes the position that the DRC should have the authority to require the offending jurisdiction make the injured jurisdiction whole.

Second, the sponsors have unwittingly removed the enforcement ability for compliance matters originating under R1555.100.005 and R1555.100.010. The expulsion remedy under R1555.300 (amended as R1555.600) would only apply to DRC actions taken under R1555.300.015 or .020. This undercuts the previous function of R1555.300, which provides the expulsion remedy for any matter subject to the IFTA Dispute Resolution Process.

Third, R1555.500 extends the stay longer than it should. It provides that a stay will remain in place "pending a Member Jurisdiction's filed claim seeking judicial relief regarding the determination." If the DRC has issued its determination, and that determination has been reviewed by the Board of Trustees, the decision for further stays should be at the discretion of the court. In the alternative, if damages are allowed and determined by the DRC, and have been upheld on review by the Board, the jurisdiction subject to the disciplinary action should have to pay the damages into trust to automatically secure the stay pending resolution of appeal with the court.

Fourth, North Carolina is unclear whether the expulsion process requires only a majority vote. This should be clarified.

Finally, some of the ballot's language is unclear because it contains phrases that should be removed, repeats content, and has incorrect internal citations. For example:

1. The ballot states three times that the remedies are exclusive – once will suffice.
2. The ballot states that disciplinary action "should be imposed in a progressive manner in order to give the Member Jurisdiction a reasonable opportunity to come into compliance." This phrase serves no purpose where the only remedies available to the DRC are progressive, and the ballot conditions the remedies on coming into compliance. Therefore, it should be removed.
3. R1555.300.020 creates a reference to subsection .400. The reference should be to subsection .600.

**OKLAHOMA**

Oppose

This ballot prevents the noncompliance disincentive of disgorgement. Additionally, the requirement of automatic stays for enforcement incentivizes continued noncompliance with the compact. The DRC/PCRC are the delegated bodies of the membership to determine compliance, because these committees are in a better position to understand the nuances of any particular noncompliance issue rather than the membership at large. To the extent that these committees may be acting arbitrarily or in error, the Board already serves as a forum for appeals.

Oklahoma has concerns that penalizing noncompliant jurisdictions by merely requiring higher dues would permit that jurisdiction to substitute cash payments for noncompliance, at the cost of other jurisdictions' injury. Moreover, it seems obvious that higher dues payments would be a *lesser* amount than the benefits of noncompliance to a delinquent jurisdiction. As a result, Oklahoma has serious concerns about the incentives this ballot would create.

**ONTARIO**

Undecided

<p><b>Ballot #11-2025</b></p> <p><b>Comment Period Ending June 29, 2025</b></p>
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Ontario suggests the sponsors clarify what "floor" means in the Intent section of this ballot and the definition of "fair notice" under R1555.300.

**PENNSYLVANIA**

Oppose

**QUEBEC**

Support

Quebec supports the intent of the ballot while noticing a reference which would need to be modified: Reference from section R1555.300.015 and R1555.300.20 should reference to sections R1555.600 or R1555.600.005.

We also noted the absence of the word "days" in section R1555.500.

**SASKATCHEWAN**

Undecided

Further clarification is needed to understand how and when impacted jurisdictions will receive any applicable tax owed to them where there is non-compliance in relation to the proper distribution of tax and/or the audit requirement

**SOUTH DAKOTA**

Oppose

This ballot strips the DRC of any power to resolve disputes of a jurisdiction not completing requirements of the IFTA Agreement. We believe there is a better way to handle this with putting limits and better DRC procedures in place than removing any discretion from the DRC.

**CONSENSUS BOARD INTERPRETATION DRAFT**  
**#01-2025**

**Requesting Party:** Law Enforcement Committee

**Date of Interpretation:** April 10, 2025

**Date Issue Submitted:** April 10, 2025

**Issue:** Can jurisdictions issue decals to a licensee for vehicles that are not in their fleet at the time of application or renewal?

**Related Agreement Provisions:** IFTA Articles of Agreement, Article VI:

- R605 Identification Requirements
- R625 Display of Decals
- R650 Temporary Decal Permits

**Related Audit Manual Provisions:** N/A

**Related Procedures Manual Provisions:** N/A

**Related Interpretations:** N/A

**When Is Answer Needed:** The Committee does not have a set deadline for the question to be answered.

**Discussion:**

**1. History:**

- The IFTA Law Enforcement Committee (LEC) has identified that fraudulent activity pertaining to the credentials issued within the commercial trucking industry are on the rise. This includes fraudulent and counterfeit IRP cab cards, IFTA licenses, and IFTA decals issued by base jurisdictions. While some of the decals are obviously forgeries, some of the fraud that we are observing is the improper use of legitimate decals issued by a jurisdiction.
- The LEC is aware that some jurisdictions issue excess decals, beyond what is necessary for the qualified vehicles in a licensee's fleet at the time of registration with the base jurisdiction. In some jurisdictions a licensee is allowed to request any number of decals with no accountability for where those decals end up as they are not vehicle specific. The LEC argues that, while this practice not explicitly prohibited, the articles identified above also do not provide for jurisdictions to issue decals to a licensee for vehicles that are not currently in the licensee's fleet.
- The LEC acknowledges that the purpose issuing excess decals to a licensee is to eliminate the need for the carrier to wait for the jurisdiction to issue the decals when they add new vehicles to their fleet. The LEC argues that this is the purpose of R650 of the articles of agreement, providing 30-day temporary credentials for a new vehicle to a licensee's fleet and allowing a carrier to place new vehicles into service immediately, as indicated by the commentary to Article VI.
- The LEC argues that the practice of issuing excess decals creates a prime opportunity to commit fraud, either by displaying legitimate credentials and under-

reporting mileage, or by the licensee providing those excess decals to a different carrier that is not licensed, which could be simply by carelessness with respect to the security of the decals issued to them. Because jurisdictions are not required to enter decal numbers into the IFTA Clearinghouse, law enforcement personnel have no definitive way of verifying whether or not a legitimate IFTA decal displayed on a vehicle corresponds to the license presented, if a license is presented at all.

**2. Charge:**

- The LEC requests that the board review the IFTA Articles of Agreement, more specifically Article VI, sections R605 pertaining to Identification requirements, and R625 pertaining to Display of Decals, alongside R650 pertaining to temporary decal permits.
- The LEC requests that the board provides an interpretation of the articles to determine if a jurisdiction should be permitted to issue excess decals to carriers for vehicles not in their fleet at time of application in lieu of issuing a temporary decal permit for new vehicles after application.

**3. Goals:**

- The goal of this request is to provide clear guidance to jurisdictions about the issuance of decals to a licensee, particularly if a jurisdiction should be permitted to issue decals to a licensee for qualified motor vehicles that are not in their fleet at the time of application.

**Sections Cited:**

*Articles of Agreement*

*Article VI*

***\*R605 IDENTIFICATION REQUIREMENT:***

*The base jurisdiction shall issue a license and two decals per vehicle. The license and decals shall qualify the licensee to operate in all member jurisdictions without further licensing or identification requirements in regard to motor fuel use taxes.*

***\*R625 DISPLAY OF DECALS:***

*Each licensee shall be issued a minimum of two vehicle identification decals for each qualified vehicle in its fleet. The decals must be placed on the exterior portion of both sides of the cab. In the case of transporters, manufacturers, dealers, or driveway operations, or in the case of a short-term motor vehicle rental of 29 days or less whereby the lessee has assumed responsibility for reporting and paying the fuel use tax pursuant to R510, the decals need not be permanently affixed, but may be temporarily displayed in a visible manner on both sides of the cab.*

***\*R650 TEMPORARY DECAL PERMITS***

*The base jurisdiction may provide for the issuance of a 30-day IFTA temporary decal permit valid for all member jurisdictions to a licensee in good standing to carry in lieu of displaying the annual decals. The base jurisdiction may charge an administrative fee to the licensee to cover the cost of issuance. Temporary decal permits must be vehicle specific and show the expiration date. The temporary decal permit need not be displayed but shall be carried in the vehicle in paper or as an electronic image.*

**Proposed Consensus Board Interpretation:**

After review of the request by the LEC and considering the language in R605 and R625, the Board sees nothing in the Agreement that restricts the issuance of decals to be specific to a certain vehicle within a carrier's fleet. R605 references that "the base jurisdiction shall issue a license and two decals per vehicle," but there is no language restricting a jurisdiction from issuing only two decals per vehicle for the carriers current fleet. Further, R625's language actually states that "each licensee shall be issued a minimum of two vehicle identification decals for each qualified vehicle in its fleet. Sections R605 and R625 speak to how a qualified vehicle is identified and does not place a limitation on the number of decals that may be issued to a carrier.

<b>CONSENSUS BOARD INTERPRETATION DRAFT</b> <b># 02-2025</b>
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**Requesting Jurisdiction:** IFTA AGREEMENT PROCEDURES COMMITTEE (APC)

**Date of Interpretation:** April 15, 2025

**Date Issue Submitted:** April 10, 2025

**Issue:** The IFTA Agreement Procedures Committee is requesting clarification to the Articles of Agreement section §R1545.300.

- Active Membership Status;
  - To retain active membership status, the jurisdiction must: Comply with **all other** provisions of the Agreement.
- This section poses concern as worded as it is broad and left to interpretation.
- APC is requesting a Consensus Board Interpretation as to what constitutes justification for loss of active membership.

**Related Agreement Provisions:**

IFTA Articles of Agreement:

- §R1510 (.100 comply with **all**, .200 submit to a program compliance review to determine compliance)
- §R1546
- §R1555.300.005

**Related Audit Manual Provisions:** N/A

**Related Procedures Manual Provisions:** N/A

**Related Interpretations:** N/A

**When Is Answer Needed:** The Committee does not have a set deadline for the question to be answered.

**Discussion:**

There have been recent questions raised to clarify what offenses would rise to the level of the loss of active membership.

It would not be practical to hold all member jurisdictions to the standard of perfection of all or nothing. Consideration could be given for the materiality of the offenses including potential impact to other member jurisdictions.

**Consequence:**

As it is currently written all member jurisdictions could potentially lose their active membership status due to immaterial offenses.

**Request:**

The IFTA Agreement Procedures Committee respectfully requests that the IFTA, Inc. Board of Trustees examine this matter and issue a Consensus Board Interpretation addressing the following points:

- How can R1545.300 be better defined?
- What would be considered a fair and measurable way to determine whether jurisdictions “comply with all other provisions of the Agreement.”
- Whose responsibility should it be to determine who maintains an active membership status (PCRC, DRC, etc.)?

**Proposed Consensus Board Interpretation:**

The Board Consensus Interpretation is that the direct language of section R1545.300 would mean that any failure to comply with the Articles of Agreement could precipitate a loss of active membership status.



## **International Fuel Tax Agreement, Inc.**

Program Compliance Review Committee

### **Board Charge Proposal**

August 2025

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**Background:** In May 2024, the Program Compliance Review Committee (PCRC) received a board charge from the IFTA, Inc. Board of Trustees. The purpose of the Charge is to streamline the Program Compliance Review process to ensure that reviews are done on a timelier basis without delay of notification when non-compliance issues are found. The goal is for PCRC to ensure quicker compliance by looking at a narrower review of items that are of monetary importance to all member jurisdictions.

The PCRC Board Charge Subcommittee was formed and led by Jody Isaak, Chair of PCRC. Other members of the subcommittee: Paula Cole, Tanyika Lindsey-Walkins, Amanda Terry, Richard Shephard, and Rita Richards.

The PCRC currently consists of a Chair, Vice Chair, and 14 additional volunteers, including two Audit Leads, one Audit Shadow, and two Admin Leads, and an Admin Shadow. Each Jurisdiction is required to contribute volunteer reviewers on a rotational basis. With the 2-level review process, these roles will be subject to change.

The subcommittee met in December 2024 for a face-to-face meeting and discussed each area of the current review process and how to make a more efficient and effective process moving into the future.

It was decided that certain areas of review should be conducted annually, while others will follow a 5-year rotation, similar to the existing schedule. All Jurisdictions will undergo an annual review focused primarily on administrative aspects, utilizing available reports from the IFTA, Inc. Clearinghouse. The 5-year review will concentrate mainly on audits but will be streamlined compared to the current process.

### **Annual Compliance Review**

Committee Members responsible for the Annual Compliance review include the Admin Lead, Admin Shadow, and Jurisdiction Volunteers. Panel reviewers should provide their recommendation on follow-up as necessary.

#### **Step 1: Review Clearinghouse Issues Report (Maintained by Jason DeGraf of IFTA, Inc)**

1. **Check Jurisdiction Status:**  
Determine whether the jurisdiction under review is listed on the Clearinghouse Issues Report.
2. **Review for Transmittal Issues:**
  - a. Late funding
  - b. Non-funding
  - c. Late uploading
  - d. Non-uploading

3. **Review for Demographic Data Issues:**
  - a. Incomplete or missing daily data updates

*Jurisdictions listed on this report will be cited for the applicable issues.*

## **Step 2: Review for Zero Interest and Annual Interest Rate Accuracy**

1. **Identify Missing Interest:**

This report identifies returns from prior quarters where interest should have been assessed but was reported as zero. It focuses only on returns submitted **more than two months past the due date**. Note: Some cases may have a valid explanation provided by the jurisdiction.

2. **Verify Interest Calculations:**

Using Jurisdictional Transmittal Data, select five returns where interest was assessed. Review each to confirm:

- The correct number of months late was used.
- The appropriate annual interest rate was applied.

## **Step 3: Missing Quarterly Returns Report**

1. **Demographics Status Review:**

Using a Demographics Status Date of 2023-01-01 or earlier and a Demographic Status of "Active", identify whether the jurisdiction has submitted all required quarterly returns from 2023 onward. This review period will be updated annually to reflect the appropriate timeframes.

2. **Missing Return Criteria:**

- Jurisdictions must transmit all quarters, even if there is no activity or only base jurisdiction travel. These returns should be submitted with zero activity when applicable.
- If the report identifies any missing returns for the year under review, the jurisdiction will be cited accordingly.

## **Step 4: Taxable Distance Exceeding Total Distance**

1. This report identifies instances where a jurisdiction's reported Taxable Distance exceeds its Total Distance, which is a data integrity issue.
2. Jurisdictions question these discrepancies at the time of filing, as they may indicate reporting errors or require amended returns.

### **Step 5: Net Zero Lookup 1 Report**

1. This report identifies line-item details where a jurisdiction's taxable gallons equal tax-paid gallons—a potential indicator of incorrect reporting.
2. The review will focus on quarterly returns that include two or more jurisdictions with this same issue.
3. Jurisdictions should reject returns that display these patterns, as they suggest reporting inaccuracies or insufficient tax liability.

### **Step 6: Audit Accountability Spreadsheet. (This will be completed by Maria)**

1. Ballot #1 has been submitted to require reporting of the number of High and Low Distance accounts audited in the Annual Report.
2. Run reports after the first business day in March when they are due.

### **Step 7: Revocations and Suspensions Review**

1. On the Demographics page, select "Participating" and "Last Update."
2. Review whether the jurisdiction is actively revoking or suspending licenses when appropriate.
3. Use the "See Breakdown for All Jurisdictions" feature to review the revocation/suspension data.
4. If no revocations or suspensions are listed, the jurisdiction should be cited for non-compliance.

### **Administrative Review Summary and Next Steps**

At the conclusion of the administrative review:

1. All identified citations must be clearly documented and communicated to the jurisdiction.
2. Jurisdictions must be given the opportunity to respond and provide any additional information or clarification that may address or explain the cited issues.

Following this process, any outstanding or significant issues will be escalated to the PCRC for further consideration.

The Committee will determine whether the findings warrant an expanded review or if additional follow-up is necessary.

## **5-Year Audit Review**

Committee Members responsible for the 5-Year Audit Review include Audit Leads, Audit Shadow, and Jurisdiction Volunteers. Panel reviewers should provide their recommendation on follow-up as necessary.

### **Step 1: Audit Requirements and File Review**

The review of audit requirements and supporting documentation will be conducted through an evaluation of five audits to ensure consistency and focus on areas of highest importance.

As part of this process, the audit reviewer will conduct an in-depth review of five completed audits, examining the audit file and associated reports.

1. Worksheet E serves as a checklist for reviewers, outlining the key items to be examined during the audit file review to ensure a standardized and comprehensive evaluation. It has also been revised to prioritize the most critical audit elements, further enhancing the effectiveness of the review process.
2. Ballot #9 was submitted to revise language to require auditors to identify and document unusual trends or variances. The purpose of this revision is to promote a more analytical, risk-based approach that focuses on anomalies potentially indicating noncompliance. This will also improve consistency and objectivity in audit outcomes, and aligns with IRP Section 501(d) and standard analytical procedures.

### **For Findings Involving Monetary Impact:**

1. The reviewer should consult with the Audit Lead to determine:
  - a. Whether an expanded sample is necessary
  - b. Whether the findings should be referred to the panel reviewers for further discussion and possible action

### **For Non-Monetary Issues:**

1. No follow-up is required; however:
  - a. The jurisdiction should be asked how they intend to correct or improve future compliance.
  - b. If the issue persists and is noted again in the next 5-year review, it may be subject to additional committee discussion.

## **Step 2: Transmittal Analysis**

The number of transmittals selected for review will be determined based on the number of carriers registered within the jurisdiction, ensuring the sample size is appropriately scaled to the jurisdiction's reporting volume.

1. Use the Interest Calculation Worksheet to verify that interest was calculated accurately, based on the correct filing due date, interest through date, and the applicable annual interest rate.
2. Compare the total transmittal amount to the corresponding audit report to confirm accuracy and consistency between reported and audited figures.

## **Audit Review Summary and Next Steps**

At the conclusion of the audit review:

1. All identified citations must be clearly documented and communicated to the jurisdiction.
2. Jurisdictions must be given the opportunity to respond and provide any additional information or clarification that may address or explain the cited issues.

Following this process, any outstanding or significant issues will be escalated to the PCRC Committee for further consideration.

The Committee will determine whether the findings warrant an expanded review or if additional follow-up is necessary.

## **PCRC Audit Reviews**

Conducting program compliance reviews in person is essential to fostering a focused and effective review process. In-person reviews provide an opportunity for comprehensive training and hands-on support, ensuring that reviewers are fully equipped to evaluate with accuracy and consistency. This setting minimizes outside distractions, enabling reviewers to dedicate their full attention to the task at hand, leading to increased efficiency and higher-quality outcomes. The collaborative environment of in-person reviews also encourages real-time communication and problem-solving, enhancing the overall effectiveness of the process. By prioritizing in-person engagement, organizations can ensure that program compliance reviews are not only thorough but also aligned with best practices and IFTA standards.

Ballot #2 proposes removing the current restriction that limits member jurisdictions to participation in no more than two program compliance reviews per year. This change is intended to facilitate collaborative, on-site reviews by enabling jurisdictional reviewers to travel and work as a team, enhancing training opportunities, promoting consistency, and improving focus through reduced distractions and peer support. The existing language restricts this approach by

capping reviewer participation, thereby limiting flexibility and hindering the effectiveness of the proposed review model. Furthermore, the updated process includes an annual administrative review of all 58 jurisdictions, which would not be feasible under the current limitation. Because the new process is streamlined and narrowly focused, the overall impact on jurisdictional reviewers is expected to be minimal.

## Worksheet E

General Information		
R1370	The audit report was provided to all affected jurisdictions	Verify the number of audits reported agree to the total audit reports uploaded to the clearinghouse. If the numbers do not agree, drill down to determine which report was missing.
R1230.100 (US) R1230.200(CAN)	Interest was assessed using the correct interest rates	See "Interest Calculation Procedures" document
R1230.300.010	Interest was calculated from the due date and calculated separately for each jurisdiction.	See "Interest Calculation Procedures" document
R1230.400	Interest collected was remitted to the appropriate jurisdiction	See "Interest Calculation Procedures" document

Audit Files		
General		
General	The first step is to review the Draft Final Report and Jurisdiction Questionnaire	Review the draft final report and jurisdiction questionnaire to get a high level overview of the jurisdictions standard operating procedures for IFTA return and audits.
R1390	30 day appeals	Review the Jurisdiction's pre-review narration to determine if they allow the licensee 30 days to appeal.
A230	Sufficient documentation to show the audit was adequately planned, supervised and reviewed	Review the Jurisdiction's pre-review narration to determine how the audits are planned, supervised and reviewed.
The audit files must contain the following:		
P550	Sufficient documentation to support tax paid fuel credits.	<p>Does the audit file contain documentation to support tax-paid fuel purchases in accordance with P550 sections .220 and .300. If yes, enter "Y"; if no, enter "N/A".</p> <p><i>.220 The base jurisdiction shall not allow a licensee credit for tax paid on a retail fuel purchase unless the licensee produces one of the following:</i></p> <p><i>.005 A receipt, invoice, or transaction listing from the seller</i></p> <p><i>.010 A credit-card receipt</i></p> <p><i>.015 A transaction listing generated by a third party</i></p> <p><i>.020 An electronic or digital record of an original receipt or invoice</i></p> <p><i>.300 For tax-paid credit, a valid retail receipt, invoice, or transaction listing must contain:</i></p> <p><i>.005 The date of the fuel purchase</i></p> <p><i>.010 The name and address of the seller of the fuel (a vendor code, properly identified, is acceptable for this purpose)</i></p> <p><i>.015 The quantity of fuel purchased</i></p> <p><i>.020 The type of fuel purchased</i></p> <p><i>.025 The price of the fuel per gallon or per liter, or the total price of the fuel purchased</i></p> <p><i>.030 The identification of the qualified motor vehicle into which the fuel was placed</i></p> <p><i>.035 The name of the purchaser of the fuel (where the qualified motor vehicle being fueled is subject to a lease, the name of either the lessor or less for this purpose, provided a legal connection)</i></p>
A310	The purpose of performing preliminary audit procedures is to familiarize the auditor with the licensee's business and reporting history, does the audit file contain: the licensees vehicles operated in the audit period, how the licensee obtains fuel, type of fuel, and any bulk fuel usage.	<p>Does the audit file contain a vehicle list or information on how many vehicles were operating during the audit period? This could include audit coaching etc. If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.</p> <p><i>The purpose of performing preliminary audit procedures is to familiarize the auditor with the licensee's business and reporting history.</i></p> <p><i>.100 The auditor must identify, and document in the audit file, the licensee's vehicles operated in the audit period, and vehicle characteristics that might</i></p> <p><i>.200 The auditor must identify, and document in the audit file, how the licensee obtains fuel, the types of fuel used, and the locations of any bulk fuel stc</i></p> <p><i>.300 The auditor must analyze the licensee's tax returns subject to audit, note trends or variances, and document findings in the audit file.</i></p>
A340	The audit file must contain documentation explaining the reasoning and approach used in allocating unreported distances, if any.	If unreported distances are allocated in the audit work papers, or mentioned in the audit report, does the audit file contain information describing how ur distances were allocated? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.

A350	Audit Adjustments are adequately documented and supported.	<p>Are all audit adjustments adequately documented and supported? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.</p> <p><i>Verify that any MPG or KPL adjustments made under A350 are clearly documented with a justification based on the criteria outlined in the manual. This Evidence that the fleet-level records were adequate, if MPG/KPL was adjusted under A350.100.</i></p> <p><i>Documentation showing which specific vehicles had impaired or missing records, if adjustments were made under A350.200.</i></p> <p><i>Clear reference to the basis for each adjustment, such as prior experience of the licensee, similar licensees or vehicles, industry averages, third-party n pertinent information.</i></p> <p><i>If adjustments under A350.300 were applied (i.e., a 20% MPG/KPL reduction or a default adjustment to 4.00 MPG or 1.7 KPL), ensure that the file inclu documentation explaining why other methods were insufficient to support a more accurate adjustment.</i></p> <p><i>Confirmation that any adjustments did not affect the granting or denial of credits for tax-paid fuel, as stated in A350.400.</i></p>
A360	Documentation to support reductions of total fuel reported by a Licensee, if any.	<p>Does the audit file contain information to support the reduction in total fuel? (Examples of when to reduce fuel: total fuel was not totaled correctly and is total reported fuel, Diesel Exhaust Fluid was included in total fuel, gasoline was included in fuel when all vehicles were diesel, reefer fuel was included i fuel included gallons or liters for non-IFTA vehicles, gallons or liters were not converted correctly.) If yes, enter a Y; if no, enter an N, if not applicable, e</p>
A470.100.005	Do the audit file contents include schedules and supporting documentation to include supplementary schedules, detailed information, and lists of records maintained by the licensee that support the results of the audit?	<p>Does the audit file include schedules detailing the billing summary results? (Note: the audit file must contain work papers on how audited fuel and distar calculated and how adjustments are applied) If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.</p>

Audit Report		
<b>The audit report must contain the following:</b>		
A250	The audit covered all returns that were filed or required to be filed during a license year or at least four consecutive quarters	Did the audit include 4 consecutive quarters? If not, was there a valid reason that all 4 quarters was not received (account wasn't open during that time
A460.100.035	Account number	Does the audit report include the audit number? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.100.050	Audit period	Does the audit report include the audit period? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
<b>Evaluation of Internal Controls</b>		
A460.200.005-015	Notes reliability of internal controls; strengths and weaknesses of internal controls, Notes any changes in the Licensee's accounting procedures during the audit period.	Does the audit report include a statement addressing reliability of internal controls or information that no controls were present and could not be evaluate enter a Y; if no, enter an N, if not applicable, enter N/A.
<b>Opening / Closing Conference</b>		
A460.300	Notes conference dates and attendees or reason why if not held	Does the audit report include the dates of opening and closing conferences as well as attendees of each conference? If no conference was held, does t indicate the reason? (Note: all of the items must be present) If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
<b>Sampling Methodology</b>		
A460.400.005-010	Describe sampling methodology or reason for not sampling; indicate the sample periods and vehicles sampled.	Does the audit report describe the method in which samples were selected, or explain why if no samples were selecting? If yes, enter a Y; if no, enter a applicable, enter N/A.
<b>The distance and fuel accounting summary must contain the following:</b>		
A460.500.005-10	Identifies source documents used to determine distance and fuel and information in the source documents.	Does the audit report describe the documents (or data) the Licensee used to obtain distance and fuel reported on IFTA returns? If yes, enter a Y; if no, i applicable, enter N/A.
A460.500.015-20	Describe procedures used to verify reported distance, fuel and MPG/KPL and explanation for any adjustments to distance and fuel.	Does the audit report adequately describe the procedures used to verify reported distance, fuel, and MPG/KPL? If yes, enter a Y; if no, enter an N, if no enter N/A.
A460.500.025	Notes any discrepancies between summaries and licensee's tax returns	Does the audit report note discrepancies between summaries and tax returns? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.500.030	Provides the Auditor's evaluation of adequacy of records	Does the audit report indicate whether the records are adequate or inadequate? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
<b>Summary</b>		
A460.600.005	The report must indicate the procedures, findings, any requirements to become compliant and any other information deemed necessary	Does the audit report include information on how to become compliant with all findings and recommendations or provide any other information as deem If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
<b>The billing summary must contain the following: (Effective January 2023 the billing summary must by reporting period - except penalty)</b>		
A460.700.005	Net distance adjustment in total	Does the billing summary include the net distance adjustment in total? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.010	Net distance adjustment by jurisdiction	Does the billing summary include the net distance adjusted by the jurisdiction? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.015	Net tax paid fuel purchases adjustment	Does the billing summary include net tax paid fuel purchases adjustments? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.020	MPG/KPL as reported	Does the billing summary include MPG/KPL as reported? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.025	MPG/KPL as audited	Does the billing summary include MPG/KPL as audited? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.030	Net fuel tax adjustment per jurisdiction	Does the billing summary include the net fuel tax adjustment per jurisdiction? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.035	Reported tax by jurisdiction	Does the billing summary include reported tax by jurisdiction? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.040	Audited tax by jurisdiction	Does the billing summary included the audited tax by jurisdiction? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.045	Penalty	Does the billing summary include the penalty, if applicable? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.050	Interest by jurisdiction	Does the billing summary include interest by jurisdiction? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.
A460.700.055	Total by jurisdiction	Does the billing summary include totals assessments by jurisdiction? If yes, enter a Y; if no, enter an N, if not applicable, enter N/A.

## 2025 Committee Reports to Membership

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### No Report Received:

✓ IAC

**Attorney Advisory Committee - Sarah Kamhi, Chair and Andrew Owens, Vice Chair  
Committee Report to IFTA Membership – August 2025**

The AAC held its meetings almost every single month from the past year's IFTA Annual Business Meeting (ABM) to August 2025 (which took place on August 10, 2025), with little exception for cancellations. Our open meetings are generally held on the second Thursday of every month.

Attendance by AAC members has consistently been high; furthermore, the AAC has experienced an increase in guest attendance. Such an increase in attendance brings excellent dialogue on vital transportation matters in the IFTA community. The AAC continues to welcome any individuals that would like to join our monthly calls.

The highlights of this year have included:

- The transition from Valerie Balukas (MT) as Vice-Chair to Andrew Owens (VA) as Vice-Chair. Sarah Kamhi (IN) serves as Chair.
- We experienced a large turnover in AAC volunteers due to workplace promotions but have been able to fill all but two positions.
- Discussions on alternative fuel, recent fuel technology developments, public records, civil penalties on fuel, dyed fuel, IFTA bankruptcies, protests or hearings on IFTA matters, fraudulent credentials, motor carrier safety matters, recent Supreme Court cases on administrative law, best practices, and much more were held by the AAC.
- The AAC had two subsections of a Board Charge on alternative fuels to continue to work toward completion on.
  - This allowed for the formation of the Uniform Legislation Assistance Subcommittee.
  - The subcommittee has worked on a presentation about IFTA and alternative fuels.
  - They have also worked on a quick brochure to help states/provinces understand why alternative fuels legislation is necessary.
  - An Excel document was created for distribution that shows when state/provinces are in a legislative session.
  - Finally, the subcommittee is working on a recommendation for the presentation of alternative fuel information.
- When requested, the AAC provided assistance on ballots currently before the membership. The AAC primarily addressed technical drafting issues and possible amendments. Although not required, the AAC encourages those with drafted ballots to consult with the AAC before publishing a ballot with IFTA. This is to help ensure that mere technical drafting issues are eradicated from presentment to the community.
- Two members of the AAC participated in live presentations for the 2025 Education Forum in Orlando, Florida.
  - However, several of the AAC members provided materials to the Audit track, Operations track, and Law Enforcement track presentations.
  - Preparing for the forum included the creation of outlines, PowerPoints, interactive materials, presentation scripts, and more.
  - The AAC appreciated taking part in the event and were able to recognize how vital these events are to the membership and industry.
  - The AAC looks forward to participating in the 2026 Educational Forum – San Diego, California.

The AAC wishes to express its gratitude for the support we receive from Carmen Martorana, Debbie Meise, Nicole Alvery, Rick LaRose, and John Szilagyi of IFTA Inc. We are grateful for the assistance we have received from our Board liaisons, James Ackroyd (Alberta) and Stephen Wisyanski (Treasurer, PA); they are great friends and supporters of the AAC.

**Attorney Advisory Committee - Sarah Kamhi, Chair and Andrew Owens, Vice Chair  
Committee Report to IFTA Membership – August 2025**

The AAC looks forward to another great year in helping the Board, committees, membership and industry.

Respectfully,

Sarah Kamhi (Chair) and Andrew Owens (Vice-Chair)

## **2025 IFTA Audit Committee Report**

### **Mason Simpson – AC Chair**

The committee continues to meet via Microsoft Teams each 2<sup>nd</sup> Tuesday of the month. Over the past year, the committee has filled three vacancies. The new members include Marisa Elliott (NC) representing the Southeast region and Craig Quinn (AB) and Samantha Dorish (ON) representing the Canadian region. The committee has recently been informed of the retirement of Jon Lepak (CA) and is in the process of filling this new West region vacancy.

Three members of the AC committee participated in the planning committee for the 2025 Educational Forum and several members presented, contributed content and assisted with presentations.

A subcommittee made up of four AC committee members has submitted a ballot to update the Audit Manual based on the passage of ballots 8-2022 and 3-2023. The subcommittee updated the ballot language with feedback from the prior Board meeting. The ballot includes updates to the Procedures Manual, P570 Inadequate Records Assessment, to align with the Audit Manual updates. The ballot was approved by the AC and has been submitted, with a proposed effective date of January 1, 2026. The AC has reviewed the comments and updated the ballot with grammatical changes recommended by the AAC.

Over the last year, Kelly Heaton (AR) and Mason Simpson (TN) assisted on the IFTA Strategic Planning committee.

The AC has reviewed the script for Pre-Audit Planning for the IFTA TRUedu platform. We will be reviewing additional scripts as they become available.

The AC approved to co-sponsor ballot 9-2025 with the PCRC. The ballot adds “unusual” trends or variances to the audit procedures and audit report. The AC plans to continue to work with the PCRC to add examples to define unusual trends and variances

The AC Charter was updated by the board to reflect committee member terms from January 1st to December 31st instead of March 1st to February 28th.

## **Agreement Procedures Committee (APC) 2025 Year in Review**

### **IFTA Educational Forum**

The APC continued its commitment to the success of the IFTA Educational Forum, contributing actively to planning and content development for the 2025 Forum in Orlando, Florida. APC members participated in onsite planning meetings, prepared tracks for administration, auditors, law enforcement, attorneys, and industry, and assisted in promoting the Forum, which saw a very strong turnout.

The committee looks forward to building on last year's positive feedback, ensuring the Forum remains relevant, practical, and valuable to the IFTA community.

### **Board Charges and Articles of Agreement Review**

In 2025, the APC began reviewing the Articles of Agreement for inconsistent language and references in preparation for a 2026 Ballot, forming a subcommittee with Caleb Ross, Benjamin Evans, and Sabina Arora. This proactive review aligns with the APC's goal of maintaining clarity and consistency within the Agreement while supporting the IFTA community with practical improvements.

The APC also spearheaded an effort to clarify section R1545.300 of the Agreement; specifically as it pertains to retaining active membership status. A ballot was put forth by the Board of Trustees to clarify this language.

Additionally, the APC remains prepared to address future Board Charges and has positioned itself to respond to initiatives requiring committee expertise.

### **TRUedu Content Development**

Under Rick LaRose's guidance, the APC contributed to content development for the LMS, with a focus on auditor training. In 2025, the LMS saw the release of the first parts of a planned 12-session series, with ongoing collaboration from APC members to develop further modules.

The APC has also discussed revisiting priority topics for future LMS content, ensuring alignment with current jurisdiction needs and training goals across the IFTA community. The Committee remains dedicated to contributing substantially to the TRUedu platform.

### **Committee Leadership and Membership Transitions**

During 2025, the APC underwent leadership transitions, with Jayme Gildea assuming the Chair position, Caleb Ross moving to First Vice Chair, and Jennifer Hall moving to Second

Vice Chair, ensuring continuity in leadership and planning for the committee's ongoing work.

The APC welcomed Heather Cunningham of Florida as our newest member in July 2025. She brings a strong administrative background that will prove to be extremely valuable to the Committee and IFTA community.

We also recognized and celebrated Terri Curry's retirement, acknowledging her years of dedicated contributions to the committee and IFTA community.

### **Committee Guide Maintenance**

The APC continues to discuss the importance of ballot language and its impact on the Agreement and Procedures Manual, exploring systematic methods for maintaining consistency within these foundational documents.

The APC Best Practices Guide was reviewed and updated during the year, as well.

### **Acknowledgements**

All the work of the APC is possible because of the dedication and collaboration of committee members who volunteer their time alongside their jurisdictional responsibilities. We extend sincere appreciation to:

Jayme Gildea (ND), Caleb Ross (ID), Benjamin Evans (AB), Jolene Dilley (PA), Jennifer Hall (NH), Nancy Larimore (SC), Stacey Green (SD), Rick Larose (NS), Kathleen Blessing (IL), Carmen Martorana (NJ), John Szilagyi (OH), Mark Leahy (NB), Terri Curry (WY), and Darrin Gerry (SD).

We also thank our Board Liaisons and IFTA, Inc. staff for their continued guidance and support, ensuring the APC remains focused on its mission to improve and maintain the Agreement and Procedures in service to the IFTA membership.

### **Looking Ahead**

In the coming year, the APC will:

- Continue the review of the Articles of Agreement for consistency and clarity
- Support planning and content for the 2026 IFTA Educational Forum
- Contribute to LMS development and updates for the IFTA community
- Engage with members to address emerging procedural needs and best practices
- Maintain readiness to support any Board Charges requiring APC expertise

**Respectfully submitted,**  
**Caleb Ross, APC Vice Chair**

Alternative Fuels Committee  
Membership Report  
August 2025

**Committee Leads:**

Chair Elisa Amezcua (CA)  
Vice-Chair *Debra Teague (NM)*

**Committee Members:**

*Matthew Andrechik (PA)*  
*David Bauer (ATA)*  
*Latia Benbow (FL)*  
*Bridgett Bruce (SC)*  
*Kevin Budd (AB)*  
*Veronica Castorena (MI)*  
*Michelle Fassbender (JJ Keller)*  
*Matthew Giannini (CA)*  
*Kris Hill (ON)*  
*Gabriel Kwabia (NC)*  
*Charles Ledig (Penske)*  
*Allen Molina (OR)*  
*Tiana Schwandt (MN)*

**Board of Trustees (Board) Liaisons:** Stephen Wisyanski (PA), Julian Daniels (TX), James Ackroyd (AB)

**IFTA Inc. Advisors:** Carmen Martorana, Rick LaRose, Debbie Meise, John Szilagyi, Nicole Alvey

**Alternative Fuels Committee (AFC) Member Changes:**

- In December 2024 it was announced the retirement of Antoinette Tannous.
- During the December 18, 2024, AFC meeting, a selection of the new member took place, and a name was submitted to the Board for approval.
- In January 2025, the Board approved Kevin Budd (AB) to be part of the AFC.

**Timeline extension for the AFC Charge:**

In September 2024, there was a request sent to the Board of Trustees for an extension on the completion of this project. It was approved and signed on January 17, 2025.

- Provide updates to the IFTA, Inc. and Board of Trustees at each IFTA, Inc. Board Meeting.
- Provide an initial report on the project status at the 2024 ABM.
- Provide a Preliminary Draft Report at the 4th Quarter 2025 meeting of the IFTA, Inc. Board of Trustees.
- Provide the Final Report with a preliminary outline of the options and methodologies for charge 3.3 above at the 2026 IFTA Annual Business Meeting.

**Ongoing Progress:**

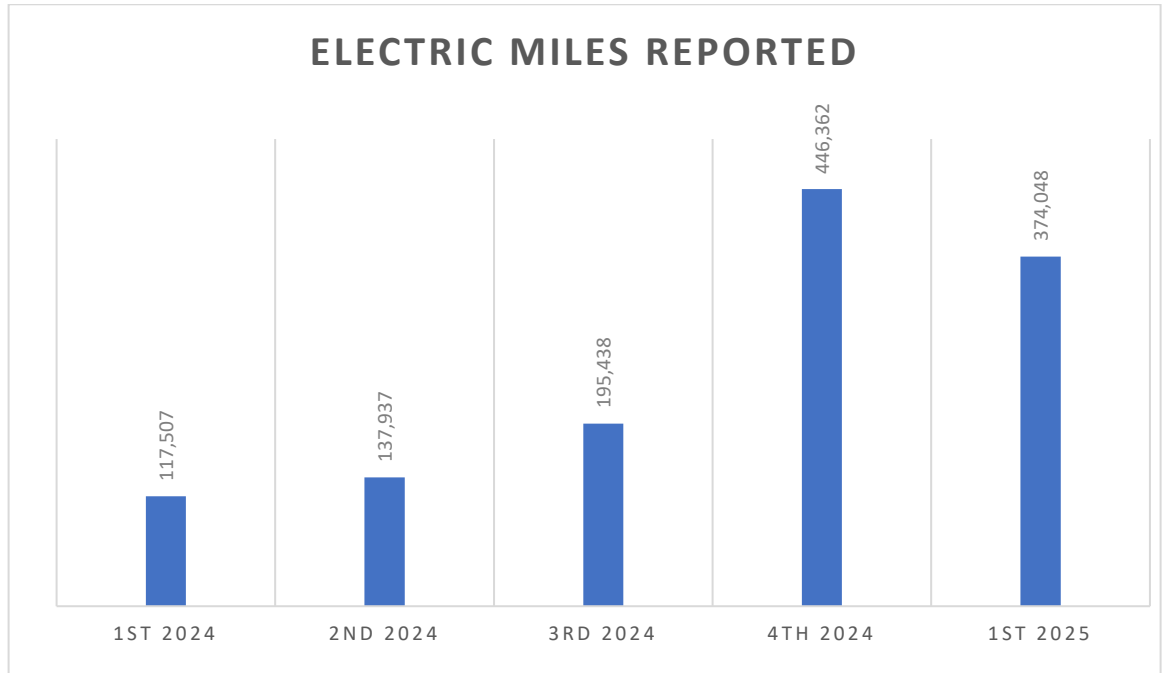
Since the 1<sup>st</sup> Quarter of 2024, we have a team analyzing information from the clearinghouse on fuel reported by all jurisdictions to identify trends and anomalies. 2<sup>nd</sup> Quarter 2025 will not be available until all jurisdictions have submitted their transmittals.

Miles driven in each base jurisdiction were analyzed to determine fuels used:

- Diesel remains the largest percentage of fuel reported.

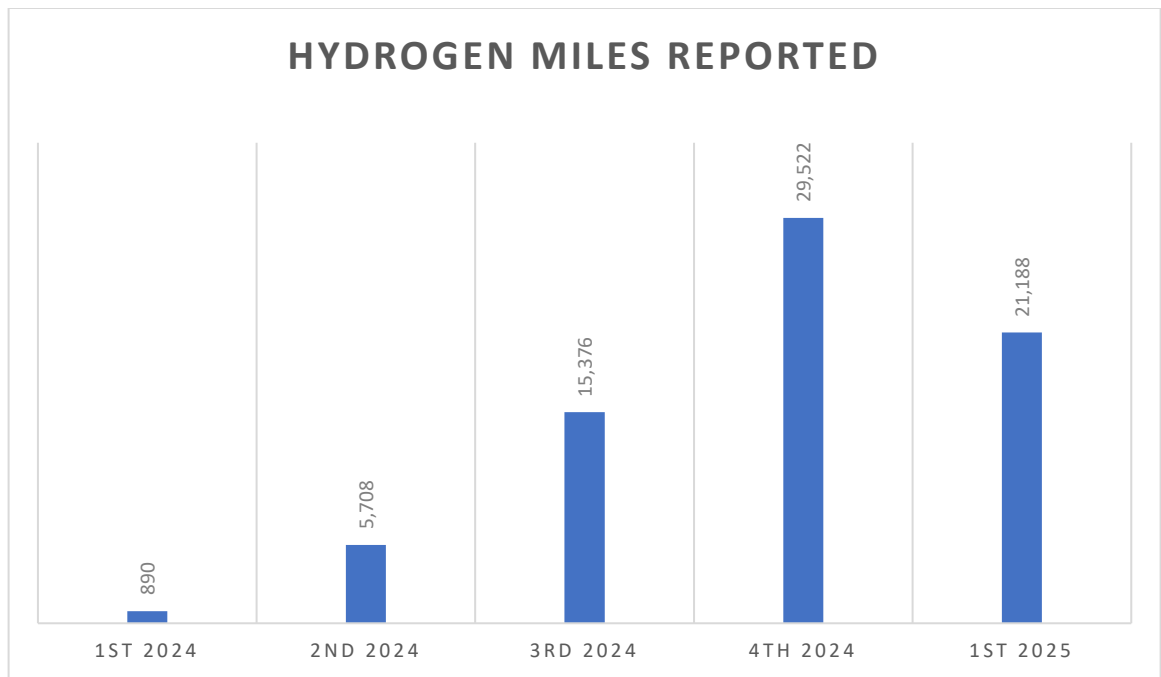
- Electricity reported.
  - 1<sup>st</sup> Quarter 2024 – 117,507 miles reported.
  - 2<sup>nd</sup> Quarter 2024 – 137,937 miles reported; 17.38% increase from the previous quarter.
  - 3<sup>rd</sup> Quarter 2024 – 195,438 miles reported; 41.69% increase from the previous quarter.
  - 4<sup>th</sup> Quarter 2024 – 446,362 miles reported; 128.39% increase from the previous quarter.
  - 1<sup>st</sup> Quarter 2025 – 374,048 miles reported; 16.20% decrease from the previous quarter.

There has been a 218.32% increase in electric miles reported from 1<sup>st</sup> Quarter of 2024, through 1<sup>st</sup> Quarter of 2025.



- Hydrogen reported.
  - 1<sup>st</sup> Quarter 2024 – 890 miles reported.
  - 2<sup>nd</sup> Quarter 2024 – 5,708 miles reported; 541.35% increase from the previous quarter.
  - 3<sup>rd</sup> Quarter 2024 – 15,376 miles reported; 169.38% increase from the previous quarter.
  - 4<sup>th</sup> Quarter 2024 – 29,522 miles reported; 92.00% increase from the previous quarter.
  - 1<sup>st</sup> Quarter 2025 – 21,188 miles reported; 28.23% decrease from the previous quarter.

There has been a 2,280.67% increase in hydrogen miles reported from 1<sup>st</sup> Quarter of 2024, through 1<sup>st</sup> Quarter of 2025.



- Hythane reported.
  - 1<sup>st</sup> Quarter 2024 – No miles reported.
  - 2<sup>nd</sup> Quarter 2024 – 70 miles reported.
  - 3<sup>rd</sup> Quarter 2024 – No miles reported.
  - 4<sup>th</sup> Quarter 2024 – No miles reported.
  - 1<sup>st</sup> Quarter 2025 – No miles reported.

#### Event Highlights:

The Board approved for one AFC member to participate at the 2025 Advanced Clean Transportation (ACT) Expo in Anaheim, California from April 28, 2025, through May 1, 2025. Carmen Martorana and Debra Teague (NM), Vice-Chair were able to attend this event.

- There is a rising demand for alternative fuels.
- Electric vehicles are the focus, but infrastructure is still developing.
- A lot of talk about renewable natural gas; it has a very low carbon footprint and is sustainable unlike hydrogen, etc.
- School Districts had been converting school buses from diesel to renewable natural gas provided health benefits to the students who rode those buses, with reduced symptoms from asthma and COPD.
- Original Equipment Manufacturer (OEM) still on track to zero emission, they have invested too much in technology not to. They will still meet internal targets. 2040 will be a significant year for zero emissions.
- At the Expo there was a representative from the City of Detroit sharing an overview of their wireless road charging initiative infrastructure.

- At the Expo there was a lot of talk about how the Advance Clean Fleet has been withdrawn. California truck rules are still in place. However, by 2030 certain percentages have to be zero emission.
- New York has a mandate that requires OEMs to sell 35% of passenger car production as electric vehicles by 2026, 65% by 2028, and 100% by 2030.

#### Action Items Conducted by the Committee:

- *AFC Charge 3.2: Develop a detailed outline on the best methodology for IFTA to add electric and hydrogen as a fuel type on the IFTA return as a basis for a short-term solution until a more detailed plan is developed for the long-term sustainability of revenue dedicated to infrastructure.*
  - This Charge is to find a logistical short-term solution to make sure everything is working properly and to provide an overview of the current jurisdictional landscape of electricity and hydrogen for Idaho, Indiana, Iowa, Michigan, Nebraska, North Carolina, Pennsylvania, Utah, West Virginia, Wyoming.
  - Ballot 5-2024 addressed (most of) the concerns
    - Changed the language from gallons to volume for IFTA
    - Allows other fuel types to be directly assessed by a rate
    - MPG Issue still outstanding
    - Define unit for Hydrogen (DGE or GGE)
- *AFC Charge 3.3: Develop the long-term solution outline with all tasks needed for sustainability that will include transitioning to a mileage-based tax using the IFTA platform and cooperative agreement.*

We have volunteers that have worked on the review legislation information on various states that are looking into or have implemented road charge. We have held monthly presentations with the following requirements in mind to ensure we stay on track.

The volunteer's responsibility is to outline how the Jurisdiction is implementing a Road Usage Charge.

- Review requirements
- Reporting/taxing
- Pilots completed/in process
- Are there any Federal mandates in process?
- What are the challenges – Pros/Cons?
- We should look at the current models

States that we are going to be reporting are as followed:

- Hawaii
- Colorado
- Minnesota
- California
- Utah
- Oregon
- Washington

**Future Tasks:**

- Meet the Charge 3.3 requirement to provide a Preliminary Draft Report at the 4th Quarter 2025 meeting to IFTA, Inc. and Board of Trustees. This report will include information related to the research done on the states listed above.

Sincerely,

Elisa Amezcua,  
AFC Chair

Clearinghouse Advisory Committee  
Report to Membership  
Alicia Ruiz (CA), Chair

**Report to Membership**

**Board Charge**

- Conducting research on the history of data uploads that were untimely transmitted and late funding to the Clearinghouse to determine how many occurrences have happened in the past and what the financial impact would have been.
- CAC is reviewing a selected test period of current and future untimely data uploads and late funding to determine what the effect would be for a failure to upload data and funding timely
- Guide and has been uploaded to IFTA Inc website.
- Northeast Vacancy.

**IFTA, INC. Board Of Trustees Charge To The Clearinghouse Advisory Committee**

- CAC has seen of the importance for jurisdictions in meeting the funds netting deadlines and timely funding. Therefore, the CAC has a board charge to conducting research on the history of data uploads that were untimely transmitted and late funding to the Clearinghouse to determine how many occurrences have happened in the past and what the financial impact would have been.
- Ballot – 8
  - In Ballot 6-2022 which was passed, subsections within P1040 were included. However, prior to the ABM in 2022, the subsection was included a new section, P1045 instead. The issue arises because some of the references in R2120 included in Ballot 6-2022 still referenced to P1040 as the section containing the data integrity rules, which is incorrect. This ballot aims to rectify this by changing the references from P1040 to P1045.

# 2025 Membership Report

## DRC Activities

- ✚ Newly appointed members of the DRC:
  - Vice-Chair – Patick Harrison – VA DMC
  - Dominique McDaniel – Arkansas Motor Fuel Tax
  - Matthew Andrechik – PA Department of Revenue
  - Jason Baker – Oklahoma Corporation Commission
- ✚ Created content and presented the administrative track at the 2025 IFTA Educational Forum
- ✚ TRUed DRC modules reviewed and approved for the IFTA community
- ✚ Received a Board Charge to review the Dispute Resolution Process
  - Subcommittee formed made up of existing DRC members and three board liaisons
    - Weekly meetings are held to discuss proposed updates to the DRP
- ✚ Preparing for one hearing to be held in August during the Annual Business Meeting
- ✚ Discussed impacts of Ballot 11-2025 and prepared a comment



## IFTA, Inc. Law Enforcement Committee July 2025 Report to the IFTA Membership

### INTRODUCTION

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The LEC team continues to strive towards promoting IFTA enforcement across North America by conducting its monthly teleconference calls, taking action on existing practices, procedures and initiatives, as well as providing enforcement liaison to the IFTA community at large. Tasks are assigned on a voluntary basis as we work together in achieving our mandates and ensuring a safe working environment for all enforcement officers conducting IFTA and IRP inspections and compliance. The LEC seeks to promote uniformity and consistency of enforcement. Additionally, the LEC seeks to be a helping hand to anyone in the IFTA and commercial vehicle enforcement communities.

### MEMBERSHIP

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The LEC currently has the following members as its officers:

**Chair** – Billy Johnson (VA)

**Vice Chair** – Bob Address (MT)

**2<sup>nd</sup> Vice Chair** – Brandon McDowell (NC)

The LEC membership is currently made up of the following additional enforcement personnel (as of 01/14/2025):

James Hightower (FL)

Salvador Sanchez (TX)

Alysia Solarez (AZ)

Tyler Jones (OK)

Jason Springfield (AL)

Len McLaughlin (WA)

Mike Wrixon (MB)

The current Board Liaisons for the LEC are Christie Chewing (NC) and Stephen Wisyanski (PA).

The LEC is currently working to fill vacancies on the committee and is pleased at the interest expressed by some law enforcement personnel that were in attendance at the Educational Forum. The LEC is also currently working on succession planning to fill positions due to the Chair, Vice Chair, and 2<sup>nd</sup> Vice Chair positions changing at the end of the year.

## ACTIVITIES

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- **Quarterly Law Enforcement Roundtables**

- The LEC continues to host virtual roundtables each quarter to have an open dialogue amongst various jurisdictions on a wide range of topics affecting enforcement personnel. Items of discussion have been counterfeit IFTA credentials, how to tackle the ever-growing problem of hotshot carriers and their evasion of various regulations, dyed diesel fuel, and many others. The roundtables continue to grow in attendance and we are seeing this be a great avenue to get participation from enforcement personnel. The next roundtable will be scheduled for September; stay tuned for emails announcing the exact date/time and how to join.

- **2025 M&M Blitz**

- The 2025 M&M Blitz has been completed and we saw good participation. We continue to strive to achieve even more participation from jurisdictions across the U.S. and Canada. Having more committee positions filled this year made it easier to make more personal contact with agencies to invite them to participate. The LEC is currently exploring ways to recognize those states that actively participate in the Blitz.

- **IFTA Educational Forum**

- The LEC believes that the IFTA Educational Forum was well received by the law enforcement attendees. The high demand for both presenters and content creation highlights the need for having a full compliment of committee members that are actively involved in the work of the committee. The LEC hopes that the 2026 Educational Forum will continue to grow in law enforcement content and attendance. The LEC is working to provide suggestions for the 2026 Educational Forum to the planning team when appropriate.

- **Learning Management System**

- The LEC appreciates the work of Rick LaRose in developing our presentation on how to utilize the IFTA Clearinghouse during roadside enforcement. We look forward to the presentation's release in the future and are excited about the change to the in-house system developed by our great IFTA IT staff!

- **Collaboration With Industry**

- The LEC has recently began discussing matters of mutual interest to both law enforcement and industry with members of the Industry Advisory Committee (IAC). As a result of discussions, we submitted a ballot proposal to require jurisdictions to issue Temporary Permit Decals. While a large number of jurisdictions offer those, we felt that requiring jurisdictions to offer these permits was mutually beneficial to both the law enforcement community and industry. We look forward to exploring additional ways in which we can work together to further advance IFTA compliance.

- **Decal Placement Location**


- The LEC is currently working to revise a guidance document to aid carriers in placing IFTA decals at locations best visible to law enforcement personnel. This is available on the LEC portion of the website.

## OTHER HIGHLIGHTS

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The LEC would like to thank the board, our board liaisons, Carmen, and the rest of the IFTA team for their continued support of the LEC as we work toward fulfilling our goals. We also would like to express our gratitude to the membership of IFTA for the great support you provide to not just the LEC, but all of those enforcing IFTA requirements throughout the U.S. and Canada! Feel free to reach out to any of us anytime we can be of service.

Thank you!

A handwritten signature in black ink that reads "Billy F. Johnson". The signature is written in a cursive, flowing style.

Lt. Billy Johnson, Chair  
Special Agent in Charge  
Virginia Department of Motor Vehicles  
Motor Carrier Enforcement

**International Fuel Tax Agreement, Inc.**  
**Program Compliance Review Committee Report to Membership**  
**2025 Annual Business Meeting**

Greetings to all Attendees,

The Program Compliance Review Committee is charged with conducting reviews of all member jurisdictions to determine compliance with the IFTA Agreement. This year's review schedule covers the Midwest region jurisdictions. Last year's schedule covered the Northeast region, and the Canadian region is scheduled for next year.

The committee has 16 members with a 3-person per region representation, plus the committee chair. Currently there are no vacancies on the Committee. Members can serve a maximum of 4 consecutive two-year terms. Jody Isaak from North Dakota is the Chair. Richard Shepherd from Oklahoma is the Vice-Chair.

Jurisdictions are required to provide reviewers who serve for a 2-year term. There are 6 administrative reviewers and 6 audit reviewers.

The regional schedule for PCRC reviews along with a list of Committee members, review criteria, the Committee's charter, the PCRC Committee Member Guide, and schedule for jurisdictions to provide reviewers are available on the IFTA website.

In addition to conducting reviews, the PCRC formed a subcommittee that is actively working on the Board Charge issued to the Committee in May 2024. The Board Charge will be presented at the 2025 Annual Business Meeting. The PCRC was tasked with examining the current review process and making recommendations to the Board for a more efficient process.

Lastly, the PCRC issued Final Determination Findings of Non-Compliance against 1 Midwest Region jurisdiction for failure to meet audit count requirements. Disputes were filed with the Dispute Resolution Committee on those matters.

The Committee thanks all parties with whom we interact.

Respectfully Submitted,

Jody Isaak (ND)  
PCRC Chair

## Salt Lake City

### Museums:

- **DreamScapes Immersive Art Museum**
  - 16 minute walk
  - *Open: 12:00pm-9:00pm*
- **Utah Sports Hall of Fame Museum**
  - 9 minute walk
  - *Open 11:00am-7:00pm*
- **The Leonardo**
  - 18 minute walk
  - *Open 10:00am-6:00pm*

### Tourist Attractions

- **Trolley Tours of Salt Lake City**
  - 13 minute drive
  - *Open 8:00am-8:00pm*
- **FamilySearch Library**
  - 5 minute drive, 11 minute walk
  - *Open: (Mon, Fri, Sat) 9:00am-6:00pm / (Tues, Wed, Thurs) 9:00am-8:00pm*
- **Clark Planetarium**
  - 17 minute walk
  - *Open 10:00pm-7:00pm*
- **The International Peace Gardens**
  - 10 minute drive
  - *Open 7:00am-10:00pm*
- **Cathedral of Madeleine**
  - 22 minute walk
  - *Open 7:00am-9:00pm*
- **Salt Lake Tabernacle**
  - 5 minute drive, 11 minute walk
  - *Open: 9:00am-9:00pm*

### Entertainment and Food

- **Herber Hatchets Axe Throwing**
  - 9 minute walk
  - *Open 5:00pm-9:00pm*
- **The Tavernacle Piano/Karaoke Bar**
  - 2 minute walk
  - *Open 6:00pm-1:00pm*

- **Wise Guys Comedy**
  - 15 minute walk
  - *Open 6:00pm-11:00pm (Wednesday – open until 9:00pm, Thursday open until 10:00pm)*
- **Zest Kitch & Bar (Vegan Restaurant with Gluten Free and Vegetarian options)**
  - 5 minute walk
  - *Open 11:00am-9:00pm*
- **Bambara Salt Lake (New American Bistro with cocktails and fine wine)**
  - 2 minute walk
  - *Open 7:00am-2:00pm and 5:00pm-9:00pm*
- **From Scratch (Rustic American food with Beer and Wine)**
  - 7 minute walk
  - *Open 11:00am-9:00pm*
- **Spitz (Mediterranean including a vegan specific menu and takeout adult beverages)**
  - 6 minute walk
  - *Open 11:00am-9:00pm*
- **White Horse Spirits & Kitchen (American)**
  - 6 minute walk
  - *Open 11:00am-1:00am*
- **Takashi (Japanese eatery and sushi bar)**
  - 5 minute walk
  - *Open 11:30am-2:00pm and 5:30pm-10:00pm*
- **FreshFin (Poke Bar)**
  - 8 minute walk
  - *Open 10:30am-7:30pm*
- **Beehive Cigars (Cigar Shop with outdoor smoking section)**
  - 9 minute drive
  - *Open 10:00am-9:00pm*

### **Interests Outside of Salt Lake City:**

- **Park City, UT**
  - 33 miles east of Salt Lake City, 45-minute drive
  - Uber is approximately \$43.00 (one-way)
  - Home to the 2002 Olympic Park includes: ziplining, Alpine slide, mountain coaster
  - Downtown includes numerous galleries, shops, and dining establishments
- **Provo, UT**
  - 45 minutes south of Salt Lake City
  - Uber is approximately \$70.00 (one-way)
  - Several museums (including one specifically dedicated to paleontology)
  - Fine Dining, Provo Beach, art galleries
  - Visit Rock Canyon, Provo Canyon, and Bridal Veil Falls