IFTA FULL TRACK PRELIMINARY BALLOT PROPOSAL
FTPBP #1-2020

Sponsor
Jurisdiction of Illinois

Date Submitted
February 25, 2020

Proposed Effective Date
January 1, 2021

Manual Sections to be Amended  (Effective July 1, 1998  Last Revised July 2015)

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<th>IFTA Articles of Agreement:</th>
<th>R1555.400.015</th>
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<td>R1600</td>
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<td>R1610.200</td>
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Subject
The outcome of any vote on ballots to amend the Agreement, votes on accepting Consensus Board Interpretations (CBI's), or roll-call votes from the floor of the Annual Business Meeting (ABM) should not be influenced by those jurisdictions not eligible to vote.

Instances of not being eligible to vote are those jurisdictions:
- having sanctions imposed upon them through the Dispute Resolution Process, thereby having lost their voting privilege,
- not having a commissioner named, or;
- not naming a delegate when not attending the ABM (voting proxy).

This ballot ensures the base (i.e. "the denominator") on which the three-fourths affirmative votes necessary for passage is calculated upon only those jurisdictions eligible to vote.

History/Digest
This ballot diverts itself from previous ballots that attempted to shed light upon the varying voting requirements within the Agreement. Those ballots (3-2012, 05-2013-2, 03-2016), having similar iterations, failed to pass language that provided only votes cast would be considered as the base on which the three-fourths requirement would be tallied. This ballot does not have any language referring to "votes cast".

This ballot also recognizes and retains the original framers’ concept of approval by three-fourths of
membership is needed in certain voting processes. What this ballot does, however, is recognize a needed change to accurately reflect a final vote's disposition based upon only those having an active status and recognized as eligible to vote at the time of the vote. Thus, the three-fourths majority is still required for passage but will be based on a denominator of only those active jurisdictions eligible to vote.

Example with current Agreement language:
- 58 member jurisdictions
- One jurisdiction is sanctioned
- One jurisdiction does not have a commissioner named
- Three jurisdictions are absent from the ABM without naming a voting delegate

Result: 58 is the base (denominator) for tallying the vote if this vote were to be taken at the ABM. The number of jurisdictions voting in the affirmative needed for passage would be 44 (three-fourths of the *total* membership of 58).

Same example with proposed Agreement language:
- 58 member jurisdictions
- One jurisdiction is sanctioned
- One jurisdiction does not have a commissioner named
- Three jurisdictions are absent from the ABM without naming a voting delegate

Result: 53 is the base (denominator) for tallying the vote if this vote were to be taken at the ABM. The number of jurisdictions voting in the affirmative needed for passage would be 40 (three-fourths of the *eligible* membership; in this example, 53).

While understanding the importance of a three-fourths majority, and in keeping with the original framers identifying such majority, it is justly important to ensure the outcome of a vote is not influenced by those jurisdictions under sanctions or those not having a commissioner or voting delegate recognized by IFTA, Inc.

This ballot continues to recognize that:
- jurisdictions are not required to vote (R1650.300).
- only jurisdictions with active member status are granted voting privileges (R1545).
- jurisdictions not casting a vote will continue to be assigned a vote of "NO" (R1650.400 and R1655).

**Intent**

The intent of this ballot is to provide a representative denominator on which a three-fourths vote of the IFTA membership needed for passage of ballots, CBI’s, and roll-call votes at the annual meeting is based. This denominator will include only those jurisdictions whose status is active and considered eligible to vote.
ARTICLES OF AGREEMENT

*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.

Voting privileges are granted only to members holding active status and are considered eligible to vote as defined in R1600.

*R1555 COMPLIANCE MATTERS

.400 Expulsion Process

.015 A resolution expelling a member jurisdiction from the Agreement shall require the affirmative vote in writing of three-fourths of the total eligible member jurisdictions, excluding the jurisdiction which is the subject of the resolution. For purposes of this section, a vote submitted electronically through a mechanism provided by the International Fuel Tax Association, Inc. is deemed a vote in writing.

*R1600 AMENDMENTS

Proposals for amendment of the Articles of Agreement, Procedures Manual, or Audit Manual may be made by any member jurisdiction, the Audit Committee, the Agreement Procedures Committee, the Clearinghouse Advisory Committee, the Law Enforcement Committee, the Program Compliance Review Committee, or the Board of Trustees of the Association. In all matters in which a vote to amend the Articles of Agreement, Procedures Manual, or Audit Manual is taken, an affirmative vote of three-fourths of eligible member jurisdictions is required at the time of the final vote. Eligible member jurisdictions is defined as jurisdictions whose:

• voting privileges are recognized,
• commissioner is officially recognized by IFTA, Inc.,
• voting delegate is officially recognized by IFTA, Inc.

R1610 SUBMISSION OF PROPOSALS WITHOUT PRELIMINARY COMMENT

A proposed amendment may also be submitted to the repository for consideration as a Short Track Preliminary Ballot Proposal ("Short Track" Proposal). The preliminary comment period requirement may be waived if:

[SUB-SECTION .100 REMAINS UNCHANGED]

.200 At the next meeting of the member jurisdictions, the proposed amendment receives the affirmative vote of at least three-fourths of the total eligible member jurisdictions of the Agreement.
R1620 "SHORT TRACK" VOTING

.100 In the open meeting, the sponsor may request the member jurisdictions to vote for or against placing a Full Track proposal on the Short Track ballot process described in IFTA Articles of Agreement Section R1625. An affirmative vote of at least three-fourths of the total eligible member jurisdictions is required to place a ballot on the Short Track ballot process.

.200 In the open meeting, a vote must be made by the member jurisdictions for or against continuing each Short Track proposal on the Short Track ballot process described in IFTA Articles of Agreement Section R1625. An affirmative vote of at least three-fourths of the total eligible member jurisdictions is required for continuation of a ballot on the Short Track ballot process.

R1625 "SHORT TRACK" 30-DAY BALLOT PROCEDURES

Proposals that receive the required three-fourths affirmative vote by eligible member jurisdictions at the open meeting of the commissioners may proceed as follows:

[SUB-SECTIONS .100, .200, AND .300 REMAIN UNCHANGED]

*R1630 "FULL TRACK" BALLOT PROCEDURES

Full Track proposals that are not voted on at the open meeting or do not receive the three-fourths affirmative vote by eligible member jurisdictions may still proceed as follows:

[SUB-SECTIONS .100, .200, AND .300 REMAIN UNCHANGED]

R1635 VOIED "SHORT TRACK" PROPOSALS

Short Track proposals that do not receive the three-fourths affirmative vote by eligible member jurisdictions are void. Sponsoring jurisdictions or committees may again submit the proposal through the process outlined in IFTA Articles of Agreement Section R1605. However, the proposal is ineligible for the expedited processes outlined in Sections R1610 or R1620.

[SECTION R1640 REMAINS UNCHANGED]

R1650 ACCEPTANCE OF AMENDMENTS

[SUB-SECTION .100 REMAINS UNCHANGED]

.200 An affirmative vote in writing of three-fourths of the total eligible member jurisdictions is required to amend the Articles of Agreement, Procedures Manual, or Audit Manual. For purposes of this section, a vote submitted electronically through a mechanism provided by the International Fuel Tax Association, Inc. is deemed a vote in writing.

.300 Jurisdictions may abstain from voting, but a final ballot proposal may still not be adopted without the affirmative vote of three-fourths of the total eligible member jurisdictions.

.400 Jurisdictions Eligible member jurisdictions that do not vote on an amendment within the required time limits are considered to have voted in the negative, except as provided in IFTA Articles of Agreement Section R1655.
**R1655 EFFECTIVE DATE OF AMENDMENTS**

The effective date of all amendments, unless otherwise specified, is the first day of January or July, whichever occurs first, following the completion of 12 complete months following the close of the voting period. An alternate effective date may be allowed if it receives the support of three-fourths of the total eligible member jurisdictions. If an alternate effective date is requested, it must be voted separately from the amendment. Jurisdictions Eligible member jurisdictions that do not vote on an alternate effective date within the required time limits are considered to have voted in the negative.

**R1700 ISSUE PAPERS AND CONSENSUS BOARD INTERPRETATIONS**

[SECTION R1710 REMAINS UNCHANGED]

**R1720 CONSENSUS BOARD INTERPRETATIONS**

.100 The Board of Trustees of the Association shall issue Consensus Board Interpretations in response to requests for clarification or notify the requesting party why a Consensus Board Interpretation will not be issued. Consensus Board Interpretations will be presented for consideration at the annual business meeting and require an affirmative vote of three-fourths of the eligible member jurisdictions for ratification and inclusion as commentary in the IFTA governing documents.

[SUB-SECTIONS .100 and .200 REMAIN UNCHANGED]

**R1800 ADMINISTRATION**

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

.300 Membership Fees

To cover administrative costs, a membership fee shall be levied on every member jurisdiction. The fee shall be paid annually and be based upon a budget adopted by majority vote of the eligible member jurisdictions at the annual IFTA meeting. The fee shall be equally prorated among current members. The fees will be based upon a fiscal year of July 1 through June 30.

**R1820 REPOSITORY**

.100 Selection

A repository shall be selected by majority vote of the eligible member jurisdictions.