

## FOR SECOND COMMENT PERIOD ENDING OCTOBER 27TH



### 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.

Article R1545 of the IFTA Articles of Agreement outlines the requirements for a jurisdiction to retain Active Membership status. Section R1545.300 currently states that a jurisdiction must “comply with all other provisions of the Agreement.” While this language appears straightforward, its literal interpretation introduces significant uncertainty: any instance of non-compliance—regardless of severity or context—could technically trigger the loss of Active Membership status and voting privileges under Article R1546.

This ambiguity creates a risk of inconsistent enforcement and undermines confidence in the membership process. Jurisdictions may be unsure whether minor procedural oversights or temporary administrative delays could result in very punitive consequences, even if the issue has been resolved or they are

actively working toward resolution.

To address this, the sponsor proposes aligning R1545.300 with Article R1555.200, which defines a structured and deliberate process for determining serious non-compliance. Under R1555.200, only issues that have undergone a Program Compliance Review and resulted in a Final Determination Finding of Non-Compliance (FDFNC) are eligible to be forwarded to the Dispute Resolution Committee. This ensures that only the most significant and unresolved compliance failures—those that materially impact the integrity of the IFTA program— result in the loss of Active Membership status.

This amendment does not mean that the sections referred to in R1555.200 are the only provisions of the agreement worthy of enforcement. Article R1545 is not an enforcement tool to be used by jurisdictions of licensees to ensure or somehow enforce compliance. Article 1545 simply speaks to the conditions to maintain Active Member Status. Article R1555 addresses all Compliance Matters. Should a dispute arise between a member jurisdiction and another member jurisdiction or a licensee concerning issues of compliance with any section of the agreement the IFTA Dispute Resolution Process is the appropriate avenue for compliance enforcement. It is worth noting that the DRC Process specifically refers to the immediate loss of voting power as a potential remedy.

By amending R1545.300 to reference R1555.200, the ballot seeks to:

- Eliminate uncertainty around what constitutes grounds for losing Active Membership
- Ensure that only serious and documented non-compliance leads to loss of voting privileges
- Provide transparency and predictability for all member jurisdictions

Without this clarification, jurisdictions remain vulnerable to subjective or inconsistent interpretations of R1545.300. This ballot aims to safeguard the fairness and credibility of the IFTA membership framework.

### **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.

**Changes Following the Annual Business Meeting:**

**The historical context has been expanded to clarify the necessity of implementing this ballot.**