

HOUSE BILL NO. 1138

Introduced by

Representatives Skarphol, Thoreson, Klemin, Rick C. Becker, Kasper, Streyle, Monson,
Pollert

Senators Hogue, Carlisle, Armstrong, Larsen

1 A BILL for an Act providing for the adoption of an interstate compact entitled "Compact for a
2 Balanced Budget".

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.**

5 **Adoption of compact.**

6 The Compact for a Balanced Budget is enacted and entered with all other jurisdictions
7 legally joining therein in the form substantially as follows:

8 **ARTICLE I - DECLARATION OF POLICY, PURPOSE, AND INTENT**

9 Whereas, every state enacting, adopting and agreeing to be bound by this compact intends
10 to ensure that their respective legislature's use of the power to originate a Balanced Budget
11 Amendment under Article V of the Constitution of the United States will be exercised
12 conveniently and with reasonable certainty as to the consequences thereof.

13 Now, therefore, in consideration of their expressed mutual promises and obligations, be it
14 enacted by every state enacting, adopting and agreeing to be bound by this compact, and
15 resolved by each of their respective legislatures, as the case may be, to exercise herewith all of
16 their respective powers as set forth herein notwithstanding any law to the contrary.

17 **ARTICLE II - DEFINITIONS**

- 18 1. "Compact" means this "Compact for a Balanced Budget".
19 2. "Convention" means the convention for proposing amendments organized by this
20 compact under Article V of the Constitution of the United States and, where
21 contextually appropriate to ensure the terms of this compact are not evaded, any other
22 similar gathering or body, which might be organized as a consequence of Congress
23 receiving the application set out in this compact and claim authority to propose or

1 effectuate any amendment, alteration or revision to the Constitution of the United
2 States. This term does not encompass a convention for proposing amendments under
3 Article V of the Constitution of the United States that is organized independently of this
4 compact based on the separate and distinct application of any state.

5 3. "State" means one of the several states of the United States. Where contextually
6 appropriate, the term "state" shall be construed to include all of its branches,
7 departments, agencies, political subdivisions, and officers and representatives acting
8 in their official capacity.

9 4. "Member state" means a state that has enacted, adopted, and agreed to be bound to
10 this compact. For any state to qualify as a member state with respect to any other
11 state under this compact, each such state must have enacted, adopted, and agreed to
12 be bound by substantively identical compact legislation.

13 5. "Compact notice recipients" means the archivist of the United States, the president of
14 the United States, the president of the United States Senate, the office of the secretary
15 of the United States Senate, the speaker of the United States House of
16 Representatives, the office of the clerk of the United States House of Representatives,
17 the chief executive officer of each state, and the presiding officers of each house of
18 the legislatures of the several states.

19 6. Notice. All notices required by this compact shall be by United States certified mail,
20 return receipt requested, or an equivalent or superior form of notice, such as personal
21 delivery documented by evidence of actual receipt.

22 7. "Balanced Budget Amendment" means the following:

23 "Article _____

24 Section 1. Total outlays of the government of the United States shall not exceed
25 total receipts of the government of the United States at any point in time unless
26 the excess of outlays over receipts is financed exclusively by debt issued in strict
27 conformity with this article.

28 Section 2. Outstanding debt shall not exceed authorized debt, which initially shall
29 be an amount equal to 105 percent of the outstanding debt on the effective date
30 of this article. Authorized debt shall not be increased above its aforesaid initial

1 amount unless such increase is first approved by the legislatures of the several
2 states as provided in Section 3.

3 Section 3. From time to time, Congress may increase authorized debt to an
4 amount in excess of its initial amount set by Section 2 only if it first publicly refers
5 to the legislatures of the several states an unconditional, single subject measure
6 proposing the amount of such increase, in such form as provided by law, and the
7 measure is thereafter publicly and unconditionally approved by a simple majority
8 of the legislatures of the several states, in such form as provided respectively by
9 state law; provided that no inducement requiring an expenditure or tax levy shall
10 be demanded, offered or accepted as a quid pro quo for such approval. If such
11 approval is not obtained within sixty (60) calendar days after referral then the
12 measure shall be deemed disapproved and the authorized debt shall thereby
13 remain unchanged.

14 Section 4. Whenever the outstanding debt exceeds 98 percent of the debt limit
15 set by Section 2, the President shall enforce said limit by publicly designating
16 specific expenditures for impoundment in an amount sufficient to ensure
17 outstanding debt shall not exceed the authorized debt. Said impoundment shall
18 become effective thirty (30) days thereafter, unless Congress first designates an
19 alternate impoundment of the same or greater amount by concurrent resolution,
20 which shall become immediately effective. The failure of the President to
21 designate or enforce the required impoundment is an impeachable misdemeanor.
22 Any purported issuance or incurrence of any debt in excess of the debt limit set
23 by Section 2 is void.

24 Section 5. No bill that provides for a new or increased general revenue tax shall
25 become law unless approved by a two-thirds roll call vote of the whole number of
26 each House of Congress. However, this requirement shall not apply to any bill
27 that provides for a new end user sales tax which would completely replace every
28 existing income tax levied by the government of the United States; or for the
29 reduction or elimination of an exemption, deduction, or credit allowed under an
30 existing general revenue tax.

1 Section 6. For purposes of this article, "debt" means any obligation backed by the
2 full faith and credit of the government of the United States; "outstanding debt"
3 means all debt held in any account and by any entity at a given point in time;
4 "authorized debt" means the maximum total amount of debt that may be lawfully
5 issued and outstanding at any single point in time under this article; "total outlays
6 of the government of the United States" means all expenditures of the
7 government of the United States from any source; "total receipts of the
8 government of the United States" means all tax receipts and other income of the
9 government of the United States, excluding proceeds from its issuance or
10 incurrence of debt or any type of liability; "impoundment" means a proposal not to
11 spend all or part of a sum of money appropriated by Congress; and "general
12 revenue tax" means any income tax, sales tax, or value-added tax levied by the
13 government of the United States excluding imposts and duties.

14 Section 7. This article is immediately operative upon ratification, self-enforcing,
15 and Congress may enact conforming legislation to facilitate enforcement."

16 **ARTICLE III - COMPACT MEMBERSHIP AND WITHDRAWAL**

- 17 1. This compact governs each member state to the fullest extent permitted by their
18 respective constitutions, superseding and repealing any conflicting or contrary law.
19 2. By becoming a member state, each such state offers, promises, and agrees to
20 perform and comply strictly in accordance with the terms and conditions of this
21 compact, and has made such offer, promise, and agreement in anticipation and
22 consideration of, and in substantial reliance upon, such mutual and reciprocal
23 performance and compliance by each other current and future member state, if any.
24 Accordingly, in addition to having the force of law in each member state upon its
25 respective effective date, this compact and each of its articles shall also be construed
26 as contractually binding each member state when:
27 a. At least one other state has likewise become a member state by enacting
28 substantively identical legislation adopting and agreeing to be bound by this
29 compact; and

- 1 b. Notice of such state's member state status is or has been seasonably received
2 by the compact administrator, if any, or otherwise by the chief executive officer of
3 each other member state.
- 4 3. For purposes of determining member state status under this compact, as long as all
5 other provisions of the compact remain identical and operative on the same terms,
6 legislation enacting, adopting, and agreeing to be bound by this compact shall be
7 deemed and regarded as "substantively identical" with respect to such other legislation
8 enacted by another state notwithstanding:
- 9 a. Any difference in subsection 2 of article IV with specific regard to the respectively
10 enacting state's own method of appointing its member to the commission;
- 11 b. Any difference in subsection 5 of article IV with specific regard to the respectively
12 enacting state's own obligation to fund the commission;
- 13 c. Any difference in subsections 1 and 2 of article VI with specific regard to the
14 number and identity of each delegate respectively appointed on behalf of the
15 enacting state, provided that no more than three delegates may attend and
16 participate in the Convention on behalf of any state; or
- 17 d. Any difference in subsection 7 of article X with specific regard to the respectively
18 enacting state as to whether subsection 1 of article V of this compact shall
19 survive termination of the compact, and thereafter become a continuing
20 resolution of the legislature of such state applying to Congress for the calling of a
21 convention of the states under Article V of the Constitution of the United States,
22 under such terms and limitations as may be specified by such state.
- 23 4. When fewer than three-fourths of the states are member states, any member state
24 may withdraw from this compact by enacting appropriate legislation, as determined by
25 state law, and giving notice of such withdrawal to the compact administrator, if any, or
26 otherwise to the chief executive officer of each other member state. A withdrawal shall
27 not affect the validity or applicability of the compact with respect to remaining member
28 states, provided that there remain at least two such states. However, once at least
29 three-fourths of the states are member states, then no member state may withdraw
30 from the compact prior to its termination absent unanimous consent of all member
31 states.

ARTICLE IV - COMPACT COMMISSION AND COMPACT ADMINISTRATOR

- 1 1. Nature of the compact commission. The compact commission ("commission") is
2 hereby established. It has the power and duty:
 - 3 a. To appoint and oversee a compact administrator;
 - 4 b. To encourage states to join the compact and Congress to call the Convention in
5 accordance with this compact;
 - 6 c. To coordinate the performance of obligations under the compact;
 - 7 d. To oversee the Convention's logistical operations as appropriate to ensure this
8 compact governs its proceedings;
 - 9 e. To oversee the defense and enforcement of the compact in appropriate legal
10 venues;
 - 11 f. To request funds and to disburse those funds to support the operations of the
12 commission, compact administrator, and Convention; and
 - 13 g. To cooperate with any entity that shares a common interest with the commission
14 and engages in policy research, public interest litigation, or lobbying in support of
15 the purposes of the compact. The commission shall only have such implied
16 powers as are essential to carrying out these express powers and duties. It shall
17 take no action that contravenes or is inconsistent with this compact or any law of
18 any state that is not superseded by this compact. It may adopt and publish
19 corresponding bylaws and policies.
- 20 2. Commission membership. The commission initially consists of three unpaid members.
21 Each member state may appoint one member to the commission through an
22 appointment process to be determined by their respective chief executive officer until
23 all positions on the commission are filled. Positions shall be assigned to appointees in
24 the order in which their respective appointing states became member states. The
25 bylaws of the commission may expand its membership to include representatives of
26 additional member states and to allow for modest salaries and reimbursement of
27 expenses if adequate funding exists.
- 28 3. Commission action. Each commission member is entitled to one vote. The
29 commission shall not act unless a majority of its appointed membership is present,
30 and no action shall be binding unless approved by a majority of the commission's
31

1 appointed membership. The commission shall meet at least once a year, and may
2 meet more frequently.

3 4. First order of business. The commission shall at the earliest possible time elect from
4 among its membership a chairperson, determine a primary place of doing business,
5 and appoint a compact administrator.

6 5. Funding. The commission and the compact administrator's activities shall be funded
7 exclusively by each member state, as determined by their respective state law, or by
8 voluntary donations.

9 6. Compact administrator. The compact administrator has the power and duty:

10 a. To timely notify the states of the date, time, and location of the Convention;

11 b. To organize and direct the logistical operations of the Convention;

12 c. To maintain an accurate list of all member states, their appointed delegates,
13 including contact information; and

14 d. To formulate, transmit, and maintain all official notices, records, and
15 communications relating to this compact. The compact administrator shall only
16 have such implied powers as are essential to carrying out these express powers
17 and duties; and shall take no action that contravenes or is inconsistent with this
18 compact or any law of any state that is not superseded by this compact. The
19 compact administrator serves at the pleasure of the commission and must keep
20 the commission seasonably apprised of the performance or nonperformance of
21 the terms and conditions of this compact. Any notice sent by a member state to
22 the compact administrator concerning this compact shall be adequate notice to
23 each other member state provided that a copy of said notice is seasonably
24 delivered by the compact administrator to each other member state's respective
25 chief executive officer.

26 7. Notice of key events. Upon the occurrence of each of the following described events,
27 or otherwise as soon as possible, the compact administrator shall immediately send
28 the following notices to all compact notice recipients, together with certified conforming
29 copies of the chaptered version of this compact as maintained in the statutes of each
30 member state:

31 a. Whenever any state becomes a member state, notice of that fact shall be given;

- 1 b. Once at least three-fourths of the states are member states, notice of that fact
2 shall be given together with a statement declaring that the legislatures of at least
3 two-thirds of the several states have applied for a convention for proposing
4 amendments under Article V of the Constitution of the United States, petitioning
5 Congress to call the Convention contemplated by this compact, and further
6 requesting cooperation in organizing the same in accordance with this compact;
7 c. Once Congress has called the Convention contemplated by this compact, and
8 whenever the date, time, and location of the Convention has been determined,
9 notice of that fact shall be given together with the date, time, and location of the
10 Convention and other essential logistical matters;
11 d. Upon approval of the Balanced Budget Amendment by the Convention, notice of
12 that fact shall be given together with the transmission of certified copies of such
13 approved proposed amendment and a statement requesting Congress to refer
14 the same for ratification by three-fourths of the legislatures of the several states
15 under Article V of the Constitution of the United States. However, in no event
16 shall any proposed amendment other than the Balanced Budget Amendment be
17 transmitted; and
18 e. When any article of this compact prospectively ratifying the Balanced Budget
19 Amendment is effective in any member state, notice of the same shall be given
20 together with a statement declaring such ratification and further requesting
21 cooperation in ensuring that the official record confirms and reflects the effective
22 corresponding amendment to the Constitution of the United States. However,
23 whenever any member state enacts appropriate legislation, as determined by the
24 laws of the respective state, withdrawing from this compact, the compact
25 administrator shall immediately send certified conforming copies of the chaptered
26 version of such withdrawal legislation as maintained in the statutes of each such
27 withdrawing member state, solely to each chief executive officer of each
28 remaining member state, giving notice of such withdrawal.

- 29 8. Cooperation. The commission, member states, and compact administrator shall
30 cooperate with each other and give each other mutual assistance in enforcing this
31 compact and shall give the chief law enforcement officer of each other member state

1 any information or documents that are reasonably necessary to facilitate the
2 enforcement of this compact.

3 9. This article does not take effect until there are at least two member states.

4 **ARTICLE V - RESOLUTION APPLYING FOR CONVENTION**

5 1. Be it resolved, as provided for in Article V of the Constitution of the United States, the
6 legislature of each member state herewith applies to Congress for the calling of a
7 convention for proposing amendments limited to the subject matter of proposing for
8 ratification the Balanced Budget Amendment.

9 2. Congress is further petitioned to refer the Balanced Budget Amendment to the states
10 for ratification by three-fourths of their respective legislatures.

11 3. This article does not take effect until at least three-fourths of the several states are
12 member states.

13 **ARTICLE VI - DELEGATE APPOINTMENT, LIMITATIONS, AND INSTRUCTIONS**

14 1. Number of delegates. Each member state shall be entitled to one delegate as its sole
15 and exclusive representative at the Convention as set forth in this article.

16 2. Identity of delegates. Each member state's chief executive officer, who is serving on
17 the enactment date of this compact, is appointed in an individual capacity to represent
18 his or her respective state at the Convention as its sole and exclusive delegate.

19 3. Replacement or recall of delegates. A delegate appointed hereunder may be replaced
20 or recalled by the legislature of his or her respective state at any time for good cause,
21 such as criminal misconduct or the violation of this compact. If replaced or recalled,
22 any delegate previously appointed hereunder must immediately vacate the Convention
23 and return to their respective state's capital.

24 4. Oath. The power and authority of a delegate under this article may only be exercised
25 after the Convention is first called by Congress in accordance with this compact and
26 such appointment is duly accepted by such appointee publicly taking the following
27 oath or affirmation: "I do solemnly swear (or affirm) that I accept this appointment and
28 will act strictly in accordance with the terms and conditions of the compact for a
29 balanced budget, the constitution of the state I represent, and the Constitution of the
30 United States. I understand that violating this oath (or affirmation) forfeits my
31 appointment and may subject me to other penalties as provided by law."

- 1 5. Term. The term of a delegate hereunder commences upon acceptance of appointment
2 and terminates upon the permanent adjournment of the Convention, unless shortened
3 by recall, replacement, or forfeiture under this article. Upon expiration of such term,
4 any person formerly serving as a delegate must immediately withdraw from and cease
5 participation at the Convention, if any is proceeding.
- 6 6. Delegate authority. The power and authority of any delegate appointed hereunder is
7 strictly limited:
- 8 a. To introducing, debating, voting upon, proposing, and enforcing the Convention
9 rules specified in this compact, as needed to ensure those rules govern the
10 Convention; and
- 11 b. To introducing, debating, voting upon, and rejecting or proposing for ratification
12 the Balanced Budget Amendment. All actions taken by any delegate in violation
13 of this section are void ab initio.
- 14 7. Delegate authority. No delegate of any member state may introduce, debate, vote
15 upon, reject, or propose for ratification any constitutional amendment at the
16 Convention unless:
- 17 a. Convention rules specified in this compact govern the Convention and their
18 actions; and
- 19 b. The constitutional amendment is the Balanced Budget Amendment.
- 20 8. Delegate authority. The power and authority of any delegate at the Convention does
21 not include any power or authority associated with any other public office held by the
22 delegate. Any person appointed to serve as a delegate shall take a temporary leave of
23 absence, or otherwise shall be deemed temporarily disabled, from any other public
24 office held by the delegate while attending the Convention, and may not exercise any
25 power or authority associated with any other public office held by the delegate, while
26 attending the Convention. All actions taken by any delegate in violation of this section
27 are void ab initio.
- 28 9. Order of business. Before introducing, debating, voting upon, rejecting, or proposing
29 for ratification any constitutional amendment at the Convention, each delegate of
30 every member state must first ensure the Convention rules in this compact govern the
31 Convention and their actions. Every delegate and each member state must

1 immediately vacate the Convention and notify the compact administrator by the most
2 effective and expeditious means if the Convention rules in this compact are not
3 adopted to govern the Convention and their actions.

4 10. Forfeiture of appointment. If any member state or delegate violates any provision of
5 this compact, then every delegate of that member state immediately forfeits his or her
6 appointment, and shall immediately cease participation at the Convention, vacate the
7 Convention, and return to his or her respective state's capital.

8 11. Expenses. A delegate appointed hereunder is entitled to reimbursement of reasonable
9 expenses for attending the Convention from his or her respective member state. No
10 delegate may accept any other form of remuneration or compensation for service
11 under this compact.

12 **ARTICLE VII - CONVENTION RULES**

13 1. Nature of the Convention. The Convention shall be organized, construed, and
14 conducted as a body exclusively representing and constituted by the several states.

15 2. Agenda of the Convention. The agenda of the Convention shall be entirely focused
16 upon and exclusively limited to introducing, debating, voting upon, and rejecting or
17 proposing for ratification the Balanced Budget Amendment under the Convention rules
18 specified in this article and in accordance with the compact. It shall not be in order for
19 the Convention to consider any matter that is outside the scope of this agenda.

20 3. Delegate identity and procedure. States shall be represented at the Convention
21 through duly appointed delegates. The number, identity, and authority of delegates
22 assigned to each state shall be determined by this compact in the case of member
23 states or, in the case of states that are not member states, by their respective state
24 laws. However, to prevent disruption of proceedings, no more than three delegates
25 may attend and participate in the Convention on behalf of any state. A certified
26 chaptered conforming copy of this compact, together with government-issued
27 photographic proof of identification, shall suffice as credentials for delegates of
28 member states. Any commission for delegates of states that are not member states
29 shall be based on their respective state laws, but it shall furnish credentials that are at
30 least as reliable as those required of member states.

- 1 4. Voting. Each state represented at the Convention shall have one vote, exercised by
2 the vote of that state's delegate in the case of states represented by one delegate, or,
3 in the case of any state that is represented by more than one delegate, by the majority
4 vote of that state's respective delegates.
- 5 5. Quorum. A majority of the several states of the United States, each present through its
6 respective delegate in the case of any state that is represented by one delegate, or
7 through a majority of its respective delegates, in the case of any state that is
8 represented by more than one delegate, shall constitute a quorum for the transaction
9 of any business on behalf of the Convention.
- 10 6. Action by the Convention. The Convention shall only act as a committee of the whole,
11 chaired by the delegate representing the first state to have become a member state, if
12 that state is represented by one delegate, or otherwise by the delegate chosen by the
13 majority vote of that state's respective delegates. The transaction of any business on
14 behalf of the Convention, including the designation of a secretary, the adoption of
15 parliamentary procedures, and the rejection or proposal of any constitutional
16 amendment, requires a quorum to be present and a majority affirmative vote of those
17 states constituting the quorum.
- 18 7. Emergency suspension and relocation of the Convention. In the event that the chair of
19 the Convention declares an emergency due to disorder or an imminent threat to public
20 health and safety prior to the completion of the business on the agenda, and a majority
21 of the states present at the Convention do not object to such declaration, further
22 Convention proceedings shall be temporarily suspended, and the commission shall
23 subsequently relocate or reschedule the Convention to resume proceedings in an
24 orderly fashion in accordance with the terms and conditions of this compact with prior
25 notice given to the compact notice recipients.
- 26 8. Parliamentary procedure. In adopting, applying, and formulating parliamentary
27 procedure, the Convention shall exclusively adopt, apply, or appropriately adapt
28 provisions of the most recent editions of Robert's Rules of Order and the American
29 Institute of Parliamentarians Standard Code of Parliamentary Procedure. In adopting,
30 applying, or adapting parliamentary procedure, the Convention shall exclusively
31 consider analogous precedent arising within the jurisdiction of the United States.

1 Parliamentary procedures adopted, applied, or adapted pursuant to this section shall
2 not obstruct, override, or otherwise conflict with this compact.

3 9. Transmittal. Upon approval of the Balanced Budget Amendment by the Convention to
4 propose for ratification, the chair of the Convention shall immediately transmit certified
5 copies of such approved proposed amendment to the compact administrator and all
6 compact notice recipients, notifying them respectively of such approval and requesting
7 Congress to refer the same for ratification by the states under Article V of the
8 Constitution of the United States. However, in no event shall any proposed
9 amendment other than the Balanced Budget Amendment be transmitted as aforesaid.

10 10. Transparency. Records of the Convention, including the identities of all attendees and
11 detailed minutes of all proceedings, shall be kept by the chair of the Convention or
12 secretary designated by the Convention. All proceedings and records of the
13 Convention shall be open to the public upon request subject to reasonable regulations
14 adopted by the Convention that are closely tailored to preventing disruption of
15 proceedings under this article.

16 11. Adjournment of the Convention. The Convention shall permanently adjourn upon the
17 earlier of twenty-four hours after commencing proceedings under this article or the
18 completion of the business on its agenda.

ARTICLE VIII - PROHIBITION ON ULTRA VIRES CONVENTION

19
20 1. Member states shall not participate in the Convention unless:

- 21 a. Congress first calls the Convention in accordance with this compact; and
22 b. The Convention rules of this compact are adopted by the Convention as its first
23 order of business.

24 2. Any proposal or action of the Convention is void ab initio and issued by a body that is
25 conducting itself in an unlawful and ultra vires fashion if that proposal or action:

- 26 a. Violates or was approved in violation of the Convention rules or the delegate
27 instructions and limitations on delegate authority specified in this compact;
28 b. Purports to propose or effectuate a mode of ratification that is not specified in
29 Article V of the Constitution of the United States; or

- 1 4. The exclusive venue for all actions in any way arising under this compact shall be in
2 the United States District Court for the northern district of Texas or the courts of the
3 state of Texas within the jurisdictional boundaries of the foregoing district court. Each
4 member state shall submit to the jurisdiction of said courts with respect to such
5 actions. However, upon written request by the chief law enforcement officer of any
6 member state, the commission may elect to waive this provision for the purpose of
7 ensuring an action proceeds in the venue that allows for the most convenient and
8 effective enforcement or defense of this compact. Any such waiver shall be limited to
9 the particular action to which it is applied and not construed or relied upon as a
10 general waiver of this provision. The waiver decisions of the commission under this
11 provision shall be final and binding on each member state.
- 12 5. The effective date of this compact and any of its articles is the latter of:
- 13 a. The date of any event rendering the same effective according to its respective
14 terms and conditions; or
- 15 b. The earliest date otherwise permitted by law.
- 16 6. Article VIII of this compact is hereby deemed nonseverable prior to termination of the
17 compact. However, if any other phrase, clause, sentence, or provision of this compact,
18 or the applicability of any other phrase, clause, sentence, or provision of this compact
19 to any government, agency, person, or circumstance, is declared in a final judgment to
20 be contrary to the Constitution of the United States, contrary to the state constitution of
21 any member state, or is otherwise held invalid by a court of competent jurisdiction,
22 such phrase, clause, sentence, or provision shall be severed and held for naught, and
23 the validity of the remainder of this compact and the applicability of the remainder of
24 this compact to any government, agency, person, or circumstance shall not be
25 affected. Furthermore, if this compact is declared in a final judgment by a court of
26 competent jurisdiction to be entirely contrary to the state constitution of any member
27 state or otherwise entirely invalid as to any member state, such member state shall be
28 deemed to have withdrawn from the compact, and the compact shall remain in full
29 force and effect as to any remaining member state. Finally, if this compact is declared
30 in a final judgment by a court of competent jurisdiction to be wholly or substantially in
31 violation of Article I, Section 10, of the Constitution of the United States, then it shall be

1 construed and enforced solely as reciprocal legislation enacted by the affected
2 member states.

3 7. Termination. This compact shall terminate and be held for naught when the compact is
4 fully performed and the Constitution of the United States is amended by the Balanced
5 Budget Amendment. However, notwithstanding anything to the contrary set forth in this
6 compact, in the event such amendment does not occur within seven years after the
7 first state passes legislation enacting, adopting, and agreeing to be bound to this
8 compact, the compact shall terminate as follows:

9 a. The commission shall dissolve and wind up its operations within ninety days
10 thereafter, with the compact administrator giving notice of such dissolution and
11 the operative effect of this section to the compact notice recipients; and

12 b. Upon the completed dissolution of the commission, this compact shall be
13 deemed terminated, repealed, void ab initio, and held for naught.