

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 366

Short Title: Compact/Balanced Budget. (Public)

Sponsors: Representative Millis (Primary Sponsor).

*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Appropriations.

March 30, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT TO ADOPT THE COMPACT FOR A BALANCED BUDGET.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Chapter 143 of the North Carolina General Statutes is amended by  
5 adding a new Article to read:

6 "Article 80.

7 "COMPACT FOR A BALANCED BUDGET.

8 "§ 143-750. Compact entered into; form of Compact.

9 The State of North Carolina enacts, adopts and agrees to be bound by the following  
10 compact:

11 ARTICLE I

12 DECLARATION OF POLICY, PURPOSE AND INTENT

13  
14 Whereas, every State enacting, adopting and agreeing to be bound by this Compact  
15 intends to ensure that their respective Legislature's use of the power to originate a Balanced  
16 Budget Amendment under Article V of the Constitution of the United States will be exercised  
17 conveniently and with reasonable certainty as to the consequences thereof.

18 Now, therefore, in consideration of their expressed mutual promises and obligations, be it  
19 enacted by every State enacting, adopting and agreeing to be bound by this Compact, and  
20 resolved by each of their respective Legislatures, as the case may be, to exercise herewith all of  
21 their respective powers as set forth herein notwithstanding any law to the contrary.

22 ARTICLE II

23 DEFINITIONS

24 Section 1. "Compact" means this "Compact for a Balanced Budget."

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26 Section 2. "Convention" means the convention for proposing amendments organized by this  
27 Compact under Article V of the Constitution of the United States and, where contextually  
28 appropriate to ensure the terms of this Compact are not evaded, any other similar gathering or  
29 body, which might be organized as a consequence of Congress receiving the application set out  
30 in this Compact and claim authority to propose or effectuate any amendment, alteration or  
31 revision to the Constitution of the United States. This term does not encompass a convention  
32 for proposing amendments under Article V of the Constitution of the United States that is  
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1 organized independently of this Compact based on the separate and distinct application of any  
2 State.

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

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

11 Section 5. "Compact Notice Recipients" means the Archivist of the United States, the  
12 President of the United States, the President of the United States Senate, the Office of the  
13 Secretary of the United States Senate, the Speaker of the United States House of  
14 Representatives, the Office of the Clerk of the United States House of Representatives, the  
15 chief executive officer of each State, and the presiding officer(s) of each house of the  
16 Legislatures of the several States.

17 Section 6. Notice. All notices required by this Compact shall be by U.S. Certified Mail,  
18 return receipt requested, or an equivalent or superior form of notice, such as personal delivery  
19 documented by evidence of actual receipt.

20 Section 7. "Balanced Budget Amendment" means the following:

21 "Article \_\_\_\_\_

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

25 Section 2. Outstanding debt shall not exceed authorized debt, which initially shall be an  
26 amount equal to 105 percent of the outstanding debt on the effective date of this article.  
27 Authorized debt shall not be increased above its aforesaid initial amount unless such increase is  
28 first approved by the legislatures of the several states as provided in Section 3.

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

38 Section 4. Whenever the outstanding debt exceeds 98 percent of the debt limit set by  
39 Section 2, the President shall enforce said limit by publicly designating specific expenditures  
40 for impoundment in an amount sufficient to ensure outstanding debt shall not exceed the  
41 authorized debt. Said impoundment shall become effective thirty (30) days thereafter, unless  
42 Congress first designates an alternate impoundment of the same or greater amount by  
43 concurrent resolution, which shall become immediately effective. The failure of the President  
44 to designate or enforce the required impoundment is an impeachable misdemeanor. Any  
45 purported issuance or incurrence of any debt in excess of the debt limit set by Section 2 is void.

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

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

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

### 14 15 ARTICLE III

#### 16 17 COMPACT MEMBERSHIP AND WITHDRAWAL

18 Section 1. This Compact governs each Member State to the fullest extent permitted by their  
19 respective constitutions, superseding and repealing any conflicting or contrary law.

20 Section 2. By becoming a Member State, each such State offers, promises and agrees to  
21 perform and comply strictly in accordance with the terms and conditions of this Compact, and  
22 has made such offer, promise and agreement in anticipation and consideration of, and in  
23 substantial reliance upon, such mutual and reciprocal performance and compliance by each  
24 other current and future Member State, if any. Accordingly, in addition to having the force of  
25 law in each Member State upon its respective effective date, this Compact and each of its  
26 Articles shall also be construed as contractually binding each Member State when: (a) at least  
27 one other State has likewise become a Member State by enacting substantively identical  
28 legislation adopting and agreeing to be bound by this Compact; and (b) notice of such State's  
29 Member State status is or has been seasonably received by the Compact Administrator, if any,  
30 or otherwise by the chief executive officer of each other Member State.

31 Section 3. For purposes of determining Member State status under this Compact, as long as  
32 all other provisions of the Compact remain identical and operative on the same terms,  
33 legislation enacting, adopting and agreeing to be bound by this Compact shall be deemed and  
34 regarded as "substantively identical" with respect to such other legislation enacted by another  
35 State notwithstanding: (a) any difference in section 2 of Article IV with specific regard to the  
36 respectively enacting State's own method of appointing its member to the Commission; (b) any  
37 difference in section 5 of Article IV with specific regard to the respectively enacting State's  
38 own obligation to fund the Commission; (c) any difference in sections 1 and 2 of Article VI  
39 with specific regard to the number and identity of each delegate respectively appointed on  
40 behalf of the enacting State, provided that no more than three delegates may attend and  
41 participate in the Convention on behalf of any State; or (d) any difference in section 7 of  
42 Article X with specific regard to the respectively enacting State as to whether section 1 of  
43 Article V of this Compact shall survive termination of the Compact, and thereafter become a  
44 continuing resolution of the Legislature of such State applying to Congress for the calling of a  
45 convention of the states under Article V of the Constitution of the United States, under such  
46 terms and limitations as may be specified by such State.

47 Section 4. When fewer than three-fourths of the States are Member States, any Member  
48 State may withdraw from this Compact by enacting appropriate legislation, as determined by  
49 state law, and giving notice of such withdrawal to the Compact Administrator, if any, or  
50 otherwise to the chief executive officer of each other Member State. A withdrawal shall not  
51 affect the validity or applicability of the compact with respect to remaining Member States,

1 provided that there remain at least two such States. However, once at least three-fourths of the  
2 States are Member States, then no Member State may withdraw from the Compact prior to its  
3 termination absent unanimous consent of all Member States.

#### 4 5 ARTICLE IV

##### 6 7 COMPACT COMMISSION AND COMPACT ADMINISTRATOR

8 Section 1. Nature of the Compact Commission. The Compact Commission ("Commission")  
9 is hereby established. It has the power and duty: (a) to appoint and oversee a Compact  
10 Administrator; (b) to encourage States to join the Compact and Congress to call the Convention  
11 in accordance with this Compact; (c) to coordinate the performance of obligations under the  
12 Compact; (d) to oversee the Convention's logistical operations as appropriate to ensure this  
13 Compact governs its proceedings; (e) to oversee the defense and enforcement of the Compact  
14 in appropriate legal venues; (f) to request funds and to disburse those funds to support the  
15 operations of the Commission, Compact Administrator, and Convention; and (g) to cooperate  
16 with any entity that shares a common interest with the Commission and engages in policy  
17 research, public interest litigation or lobbying in support of the purposes of the Compact. The  
18 Commission shall only have such implied powers as are essential to carrying out these express  
19 powers and duties. It shall take no action that contravenes or is inconsistent with this Compact  
20 or any law of any State that is not superseded by this Compact. It may adopt and publish  
21 corresponding bylaws and policies.

22 Section 2. Commission Membership. The Commission initially consists of three unpaid  
23 members. Each Member State may appoint one member to the Commission through an  
24 appointment process to be determined by their respective chief executive officer until all  
25 positions on the Commission are filled. Positions shall be assigned to appointees in the order in  
26 which their respective appointing States became Member States. The bylaws of the  
27 Commission may expand its membership to include representatives of additional Member  
28 States and to allow for modest salaries and reimbursement of expenses if adequate funding  
29 exists.

30 Section 3. Commission Action. Each Commission member is entitled to one vote. The  
31 Commission shall not act unless a majority of its appointed membership is present, and no  
32 action shall be binding unless approved by a majority of the Commission's appointed  
33 membership. The Commission shall meet at least once a year, and may meet more frequently.

34 Section 4. First Order of Business. The Commission shall at the earliest possible time elect  
35 from among its membership a Chairperson, determine a primary place of doing business, and  
36 appoint a Compact Administrator.

37 Section 5. Funding. The Commission and the Compact Administrator's activities shall be  
38 funded exclusively by each Member State, as determined by their respective state law, or by  
39 voluntary donations.

40 Section 6. Compact Administrator. The Compact Administrator has the power and duty: (a)  
41 to timely notify the States of the date, time and location of the Convention; (b) to organize and  
42 direct the logistical operations of the Convention; (c) to maintain an accurate list of all Member  
43 States, their appointed delegates, including contact information; and (d) to formulate, transmit,  
44 and maintain all official notices, records, and communications relating to this Compact. The  
45 Compact Administrator shall only have such implied powers as are essential to carrying out  
46 these express powers and duties; and shall take no action that contravenes or is inconsistent  
47 with this Compact or any law of any State that is not superseded by this Compact. The  
48 Compact Administrator serves at the pleasure of the Commission and must keep the  
49 Commission seasonably apprised of the performance or nonperformance of the terms and  
50 conditions of this Compact. Any notice sent by a Member State to the Compact Administrator  
51 concerning this Compact shall be adequate notice to each other Member State provided that a

1 copy of said notice is seasonably delivered by the Compact Administrator to each other  
2 Member State's respective chief executive officer.

3 Section 7. Notice of Key Events. Upon the occurrence of each of the following described  
4 events, or otherwise as soon as possible, the Compact Administrator shall immediately send the  
5 following notices to all Compact Notice Recipients, together with certified conforming copies  
6 of the chartered version of this Compact as maintained in the statutes of each Member State:  
7 (a) whenever any State becomes a Member State, notice of that fact shall be given; (b) once at  
8 least three-fourths of the States are Member States, notice of that fact shall be given together  
9 with a statement declaring that the Legislatures of at least two-thirds of the several States have  
10 applied for a convention for proposing amendments under Article V of the Constitution of the  
11 United States, petitioning Congress to call the Convention contemplated by this Compact, and  
12 further requesting cooperation in organizing the same in accordance with this Compact; (c)  
13 once Congress has called the Convention contemplated by this Compact, and whenever the  
14 date, time and location of the Convention has been determined, notice of that fact shall be given  
15 together with the date, time and location of the Convention and other essential logistical  
16 matters; (d) upon approval of the Balanced Budget Amendment by the Convention, notice of  
17 that fact shall be given together with the transmission of certified copies of such approved  
18 proposed amendment and a statement requesting Congress to refer the same for ratification by  
19 three-fourths of the Legislatures of the several States under Article V of the Constitution of the  
20 United States (however, in no event shall any proposed amendment other than the Balanced  
21 Budget Amendment be transmitted); and (e) when any Article of this Compact prospectively  
22 ratifying the Balanced Budget Amendment is effective in any Member State, notice of the same  
23 shall be given together with a statement declaring such ratification and further requesting  
24 cooperation in ensuring that the official record confirms and reflects the effective  
25 corresponding amendment to the Constitution of the United States. However, whenever any  
26 Member State enacts appropriate legislation, as determined by the laws of the respective state,  
27 withdrawing from this Compact, the Compact Administrator shall immediately send certified  
28 conforming copies of the chartered version of such withdrawal legislation as maintained in the  
29 statutes of each such withdrawing Member State, solely to each chief executive officer of each  
30 remaining Member State, giving notice of such withdrawal.

31 Section 8. Cooperation. The Commission, Member States and Compact Administrator shall  
32 cooperate with each other and give each other mutual assistance in enforcing this Compact and  
33 shall give the chief law enforcement officer of each other Member State any information or  
34 documents that are reasonably necessary to facilitate the enforcement of this Compact.

35 Section 9. This Article does not take effect until there are at least two Member States.

## 36 37 ARTICLE V

### 38 39 RESOLUTION APPLYING FOR CONVENTION

40 Section 1. Be it resolved, as provided for in Article V of the Constitution of the United  
41 States, the Legislature of each Member State herewith applies to Congress for the calling of a  
42 convention for proposing amendments limited to the subject matter of proposing for ratification  
43 the Balanced Budget Amendment.

44 Section 2. Congress is further petitioned to refer the Balanced Budget Amendment to the  
45 States for ratification by three-fourths of their respective Legislatures.

46 Section 3. This Article does not take effect until at least three-fourths of the several States  
47 are Member States.

## 48 49 ARTICLE VI

### 50 51 DELEGATE APPOINTMENT, LIMITATIONS AND INSTRUCTIONS

1 Section 1. Number of Delegates. Each Member State shall be entitled to one delegate as its  
2 sole and exclusive representative at the Convention as set forth in this Article.

3 Section 2. Identity of Delegates. Each Member State's chief executive officer, who is  
4 serving on the enactment date of this Compact, is appointed in an individual capacity to  
5 represent his or her respective State at the Convention as its sole and exclusive delegate.

6 Section 3. Replacement or Recall of Delegates. A delegate appointed hereunder may be  
7 replaced or recalled by the Legislature of his or her respective State at any time for good cause,  
8 such as criminal misconduct or the violation of this Compact. If replaced or recalled, any  
9 delegate previously appointed hereunder must immediately vacate the Convention and return to  
10 their respective State's capitol.

11 Section 4. Oath. The power and authority of a delegate under this Article may only be  
12 exercised after the Convention is first called by Congress in accordance with this Compact and  
13 such appointment is duly accepted by such appointee publicly taking the following oath or  
14 affirmation: "I do solemnly swear (or affirm) that I accept this appointment and will act strictly  
15 in accordance with the terms and conditions of the Compact for a Balanced Budget, the  
16 Constitution of the State I represent, and the Constitution of the United States. I understand that  
17 violating this oath (or affirmation) forfeits my appointment and may subject me to other  
18 penalties as provided by law."

19 Section 5. Term. The term of a delegate hereunder commences upon acceptance of  
20 appointment and terminates upon the permanent adjournment of the Convention, unless  
21 shortened by recall, replacement or forfeiture under this Article. Upon expiration of such term,  
22 any person formerly serving as a delegate must immediately withdraw from and cease  
23 participation at the Convention, if any is proceeding.

24 Section 6. Delegate Authority. The power and authority of any delegate appointed  
25 hereunder is strictly limited: (a) to introducing, debating, voting upon, proposing and enforcing  
26 the Convention Rules specified in this Compact, as needed to ensure those rules govern the  
27 Convention; and (b) to introducing, debating, voting upon, and rejecting or proposing for  
28 ratification the Balanced Budget Amendment. All actions taken by any delegate in violation of  
29 this section are void ab initio.

30 Section 7. Delegate Authority. No delegate of any Member State may introduce, debate,  
31 vote upon, reject or propose for ratification any constitutional amendment at the Convention  
32 unless: (a) the Convention Rules specified in this Compact govern the Convention and their  
33 actions; and (b) the constitutional amendment is the Balanced Budget Amendment.

34 Section 8. Delegate Authority. The power and authority of any delegate at the Convention  
35 does not include any power or authority associated with any other public office held by the  
36 delegate. Any person appointed to serve as a delegate shall take a temporary leave of absence,  
37 or otherwise shall be deemed temporarily disabled, from any other public office held by the  
38 delegate while attending the Convention, and may not exercise any power or authority  
39 associated with any other public office held by the delegate, while attending the Convention.  
40 All actions taken by any delegate in violation of this section are void ab initio.

41 Section 9. Order of Business. Before introducing, debating, voting upon, rejecting or  
42 proposing for ratification any constitutional amendment at the Convention, each delegate of  
43 every Member State must first ensure the Convention Rules in this Compact govern the  
44 Convention and their actions. Every delegate and each Member State must immediately vacate  
45 the Convention and notify the Compact Administrator by the most effective and expeditious  
46 means if the Convention Rules in this Compact are not adopted to govern the Convention and  
47 their actions.

48 Section 10. Forfeiture of Appointment. If any Member State or delegate violates any  
49 provision of this Compact, then every delegate of that Member State immediately forfeits his or  
50 her appointment, and shall immediately cease participation at the Convention, vacate the  
51 Convention, and return to his or her respective State's capitol.



1 Parliamentarians Standard Code of Parliamentary Procedure. In adopting, applying or adapting  
2 parliamentary procedure, the Convention shall exclusively consider analogous precedent  
3 arising within the jurisdiction of the United States. Parliamentary procedures adopted, applied  
4 or adapted pursuant to this section shall not obstruct, override or otherwise conflict with this  
5 Compact.

6 Section 9. Transmittal. Upon approval of the Balanced Budget Amendment by the  
7 Convention to propose for ratification, the Chair of the Convention shall immediately transmit  
8 certified copies of such approved proposed amendment to the Compact Administrator and all  
9 Compact Notice Recipients, notifying them respectively of such approval and requesting  
10 Congress to refer the same for ratification by the States under Article V of the Constitution of  
11 the United States. However, in no event shall any proposed amendment other than the Balanced  
12 Budget Amendment be transmitted as aforesaid.

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

18 Section 11. Adjournment of the Convention. The Convention shall permanently adjourn  
19 upon the earlier of twenty-four (24) hours after commencing proceedings under this Article or  
20 the completion of the business on its Agenda.

## 21 ARTICLE VIII

### 22 PROHIBITION ON ULTRA VIRES CONVENTION

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24  
25 Section 1. Member States shall not participate in the Convention unless: (a) Congress first  
26 calls the Convention in accordance with this Compact; and (b) the Convention Rules of this  
27 Compact are adopted by the Convention as its first order of business.

28 Section 2. Any proposal or action of the Convention is void ab initio and issued by a body  
29 that is conducting itself in an unlawful and ultra vires fashion if that proposal or action: (a)  
30 violates or was approved in violation of the Convention Rules or the delegate instructions and  
31 limitations on delegate authority specified in this Compact; (b) purports to propose or  
32 effectuate a mode of ratification that is not specified in Article V of the Constitution of the  
33 United States; or (c) purports to propose or effectuate the formation of a new government. All  
34 Member States are prohibited from advancing or assisting in the advancement of any such  
35 proposal or action.

36 Section 3. Member States shall not ratify or otherwise approve any proposed amendment,  
37 alteration or revision to the Constitution of the United States, which originates from the  
38 Convention, other than the Balanced Budget Amendment.

## 39 ARTICLE IX

### 40 RESOLUTION PROSPECTIVELY RATIFYING THE BALANCED BUDGET 41 AMENDMENT

42 Section 1. Each Member State, by and through its respective Legislature, hereby adopts and  
43 ratifies the Balanced Budget Amendment.

44 Section 2. This Article does not take effect until Congress effectively refers the Balanced  
45 Budget Amendment to the States for ratification by three-fourths of the Legislatures of the  
46 several States under Article V of the Constitution of the United States.

## 47 ARTICLE X



CONSTRUCTION, ENFORCEMENT, VENUE, AND SEVERABILITY

1           Section 1. To the extent that the effectiveness of this Compact or any of its Articles or  
2 provisions requires the alteration of local legislative rules, drafting policies, or procedure to be  
3 effective, the enactment of legislation enacting, adopting and agreeing to be bound by this  
4 Compact shall be deemed to waive, repeal, supersede, or otherwise amend and conform all  
5 such rules, policies or procedures to allow for the effectiveness of this Compact to the fullest  
6 extent permitted by the constitution of any affected Member State.

7           Section 2. Date and Location of the Convention. Unless otherwise specified by Congress in  
8 its call, the Convention shall be held in Dallas, Texas and commence proceedings at 9:00 a.m.  
9 Central Standard Time on the sixth Wednesday after the latter of the effective date of Article V  
10 of this Compact or the enactment date of the Congressional resolution calling the Convention.

11           Section 3. In addition to all other powers and duties conferred by state law which are  
12 consistent with the terms and conditions of this Compact, the chief law enforcement officer of  
13 each Member State is empowered to defend the Compact from any legal challenge, as well as  
14 to seek civil mandatory and prohibitory injunctive relief to enforce this Compact; and shall take  
15 such action whenever the Compact is challenged or violated.

16           Section 4. The exclusive venue for all actions in any way arising under this Compact shall  
17 be in the United States District Court for the Northern District of Texas or the courts of the  
18 State of Texas within the jurisdictional boundaries of the foregoing district court. Each Member  
19 State shall submit to the jurisdiction of said courts with respect to such actions. However, upon  
20 written request by the chief law enforcement officer of any Member State, the Commission  
21 may elect to waive this provision for the purpose of ensuring an action proceeds in the venue  
22 that allows for the most convenient and effective enforcement or defense of this Compact. Any  
23 such waiver shall be limited to the particular action to which it is applied and not construed or  
24 relied upon as a general waiver of this provision. The waiver decisions of the Commission  
25 under this provision shall be final and binding on each Member State.

26           Section 5. The effective date of this Compact and any of its Articles is the latter of: (a) the  
27 date of any event rendering the same effective according to its respective terms and conditions;  
28 or (b) the earliest date otherwise permitted by law.

29           Section 6. Article VIII of this Compact is hereby deemed non-severable prior to termination  
30 of the Compact. However, if any other phrase, clause, sentence or provision of this Compact, or  
31 the applicability of any other phrase, clause, sentence or provision of this Compact to any  
32 government, agency, person or circumstance, is declared in a final judgment to be contrary to  
33 the Constitution of the United States, contrary to the state constitution of any Member State, or  
34 is otherwise held invalid by a court of competent jurisdiction, such phrase, clause, sentence or  
35 provision shall be severed and held for naught, and the validity of the remainder of this  
36 Compact and the applicability of the remainder of this Compact to any government, agency,  
37 person or circumstance shall not be affected. Furthermore, if this Compact is declared in a final  
38 judgment by a court of competent jurisdiction to be entirely contrary to the state constitution of  
39 any Member State or otherwise entirely invalid as to any Member State, such Member State  
40 shall be deemed to have withdrawn from the Compact, and the Compact shall remain in full  
41 force and effect as to any remaining Member State. Finally, if this Compact is declared in a  
42 final judgment by a court of competent jurisdiction to be wholly or substantially in violation of  
43 Article I, Section 10, of the Constitution of the United States, then it shall be construed and  
44 enforced solely as reciprocal legislation enacted by the affected Member State(s).

45           Section 7. Termination. This Compact shall terminate and be held for naught when the  
46 Compact is fully performed and the Constitution of the United States is amended by the  
47 Balanced Budget Amendment. However, notwithstanding anything to the contrary set forth in  
48 this Compact, in the event such amendment does not occur within seven (7) years after the first  
49 State passes legislation enacting, adopting and agreeing to be bound to this Compact, the  
50 Compact shall terminate as follows: (a) the Commission shall dissolve and wind up its  
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1 operations within ninety (90) days thereafter, with the Compact Administrator giving notice of  
2 such dissolution and the operative effect of this section to the Compact Notice Recipients; and  
3 (b) upon the completed dissolution of the Commission, this Compact shall be deemed  
4 terminated, repealed, void ab initio, and held for naught."

5 **SECTION 2.** This act is effective when it becomes law.