

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

657X0632

HOUSE BILL NO. 1240

Introduced by: Representatives Haugaard, DiSanto, Hunt, and Klumb and Senators Jensen (Phil), Haggar (Jenna), Holien, Monroe, Olson, Omdahl, and Rampelberg

1 FOR AN ACT ENTITLED, An Act to adopt a compact for a balanced budget and to declare an
2 emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That the code be amended by adding a NEW SECTION to read:

5 The State of South Dakota enacts, adopts, and agrees to be bound by the compact.

6 COMPACT FOR A BALANCED BUDGET

7 ARTICLE I

8 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 of their actions.

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 to exercise herewith all of their respective



1 powers as set forth here notwithstanding any law to the contrary.

2 ARTICLE II

3 DEFINITIONS

4 (1) "Compact," means this compact for a balanced budget;

5 (2) "Convention," means the convention for proposing amendments organized by this
6 compact under Article V of the Constitution of the United States and, where
7 contextually appropriate, any other similar gathering or body which might be
8 organized as a consequence of Congress receiving the application set out in this
9 compact and claim authority to propose or effectuate any amendment, alteration or
10 revision to the Constitution of the United States. This term does not include a
11 convention for proposing amendments under Article V of the Constitution of the
12 United States that is organized independently of this compact based on the separate
13 and distinct application of any state;

14 (3) "State." means one of the several states of the United States. Where contextually
15 appropriate, the term state shall be construed to include all of its branches,
16 departments, agencies, political subdivisions, and officers and representatives acting
17 in their official capacity;

18 (4) "Member state," means a state that has enacted, adopted, and agreed to be bound to
19 this compact. For any state to qualify as a member state with respect to any other
20 state under this compact, each such state must have enacted, adopted, and agreed to
21 be bound by substantively identical compact legislation;

22 (5) "Compact notice recipients," means the Archivist of the United States, the President
23 of the United States, the President of the United States Senate, the Office of the
24 Secretary of the United States Senate, the Speaker of the United States House of

1 Representatives, the Office of the Clerk of the United States House of
2 Representatives, the chief executive officer of each state, and the presiding officers
3 of each house of the Legislatures of the several states;

4 (6) "Notice," all notices required by this compact shall be by U.S. certified mail, return
5 receipt requested, or an equivalent or superior form of notice, such as personal
6 delivery documented by evidence of actual receipt.

7 Section 7. Balanced budget amendment means the following:

8 (1) Total outlays of the government of the United States may not exceed total receipts
9 of the government of the United States at any point in time unless the excess of
10 outlays over receipts is financed exclusively by debt issued in strict conformity with
11 this article;

12 (2) Outstanding debt may not exceed authorized debt, which initially shall be an amount
13 equal to one hundred five percent of the outstanding debt on the effective date of this
14 article. Authorized debt may not be increased above its initial amount unless such
15 increase is first approved by the legislatures of the several states as provided in
16 subdivision (3) of this section;

17 (3) From time to time, Congress may increase authorized debt to an amount in excess of
18 its initial amount set by subdivision (2) of this section only if it first publicly refers
19 to the legislatures of the several states an unconditional, single subject measure
20 proposing the amount of such increase, in such form as provided by law, and the
21 measure is thereafter publicly and unconditionally approved by a simple majority of
22 the legislatures of the several states, in such form as provided respectively by state
23 law; provided that no inducement requiring an expenditure or tax levy shall be
24 demanded, offered, or accepted as a quid pro quo for such approval. If such approval

1 is not obtained within sixty calendar days after referral then the measure shall be
2 deemed disapproved and the authorized debt shall thereby remain unchanged;

3 (4) Whenever the outstanding debt exceeds ninety-eight percent of the debt limit set by
4 subdivision (2) of this section, the President shall enforce said limit by publicly
5 designating specific expenditures for impoundment in an amount sufficient to ensure
6 outstanding debt may not exceed the authorized debt. The impoundment shall
7 become effective thirty days thereafter, unless Congress first designates an alternate
8 impoundment of the same or greater amount by concurrent resolution, which shall
9 become immediately effective. The failure of the President to designate or enforce
10 the required impoundment is an impeachable misdemeanor. Any purported issuance
11 or incurrence of any debt in excess of the debt limit set by subdivision (2) of this
12 section is void;

13 (5) No bill that provides for a new or increased general revenue tax may become law
14 unless approved by a two-thirds roll call vote of the whole number of each House of
15 Congress. However, this requirement may not apply to any bill that provides for a
16 new end user sales tax which would completely replace every existing income tax
17 levied by the government of the United States; or for the reduction or elimination of
18 an exemption, deduction, or credit allowed under an existing general revenue tax;

19 (6) For purposes of this article, debt means any obligation backed by the full faith and
20 credit of the government of the United States; outstanding debt means all debt held
21 in any account and by any entity at a given point in time; authorized debt means the
22 maximum total amount of debt that may be lawfully issued and outstanding at any
23 single point in time under this article; total outlays of the government of the United
24 States means all expenditures of the government of the United States from any

1 source; total receipts of the government of the United States means all tax receipts
2 and other income of the government of the United States, excluding proceeds from
3 its issuance or incurrence of debt or any type of liability; impoundment means a
4 proposal not to spend all or part of a sum of money appropriated by Congress; and
5 general revenue tax means any income tax, sales tax, or value-added tax levied by the
6 government of the United States excluding imposts and duties; and

7 (7) This article is immediately operative upon ratification, self-enforcing, and Congress
8 may enact conforming legislation to facilitate enforcement.

9 ARTICLE III

10 COMPACT MEMBERSHIP AND WITHDRAWAL

11 Section 1. This compact governs each member state to the fullest extent permitted by their
12 respective constitutions, superseding and repealing any conflicting or contrary law.

13 Section 2. By becoming a member state, each such state offers, promises, and agrees to
14 perform and comply strictly in accordance with the terms and conditions of this compact, and
15 has made such agreement in consideration of, and in substantial reliance upon, such mutual and
16 reciprocal performance and compliance by each other current and future member state, if any.

17 Accordingly, in addition to having the force of law in each member state upon its respective
18 effective date, this compact and each of its Articles shall also be construed as contractually
19 binding each member state when: (a) at least one other state has likewise become a member
20 state by enacting substantively identical legislation adopting and agreeing to be bound by this
21 compact; and (b) notice of such state's member state status is or has been seasonably received
22 by the compact administrator, if any, or otherwise by the chief executive officer of each other
23 member state.

24 Section 3. For purposes of determining member state status under this compact, as long as

1 all other provisions of the compact remain identical and operative on the same terms, legislation
2 enacting and agreeing to be bound by this compact shall be deemed as substantively identical
3 with respect to such other legislation enacted by another state notwithstanding: (a) any
4 difference in section 2 of Article IV with specific regard to the respectively enacting state's own
5 method of appointing its member to the commission; (b) any difference in section 5 of Article
6 IV with specific regard to the respectively enacting state's own obligation to fund the
7 commission; (c) any difference in sections 1 and 2 of Article VI with specific regard to the
8 number and identity of each delegate respectively appointed on behalf of the enacting state,
9 provided that no more than three delegates may attend and participate in the convention on
10 behalf of any state; or (d) any difference in section 7 of Article X with specific regard to the
11 respectively enacting state as to whether section 1 of Article V of this compact shall survive
12 termination of the compact, and thereafter become a continuing resolution of the Legislature of
13 such state applying to Congress for the calling of a convention of the states under Article V of
14 the Constitution of the United States, under such terms and limitations as may be specified by
15 such state.

16 Section 4. When fewer than three-fourths of the states are member states, any member state
17 may withdraw from this compact by enacting appropriate legislation, as determined by state law,
18 and giving notice of such withdrawal to the compact administrator, if any, or otherwise to the
19 chief executive officer of each other member state. A withdrawal shall not affect the validity or
20 applicability of the compact with respect to remaining member states, provided that there remain
21 at least two such states. However, once at least three-fourths of the states are member states,
22 then no member state may withdraw from the compact prior to its termination absent unanimous
23 consent of all member states.

24 ARTICLE IV

1 COMPACT COMMISSION AND COMPACT ADMINISTRATOR

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

15 Section 2. The commission initially consists of three unpaid members. Each member state
16 may appoint one member to the commission through an appointment process to be determined
17 by their respective chief executive officer until all positions on the commission are filled.
18 Positions shall be assigned to appointees in the order in which their respective appointing states
19 became member states. The bylaws of the commission may expand its membership to include
20 representatives of additional member states and to allow for modest salaries and reimbursement
21 of expenses if adequate funding exists.

22 Section 3. Each commission member is entitled to one vote. The commission may not act
23 unless a majority of its appointed membership is present, and no action may be binding unless
24 approved by a majority of the commission's appointed membership. The commission shall meet

1 at least once a year, and may meet more frequently.

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

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

8 Section 6. The compact administrator has the power and duty: (a) to timely notify the states
9 of the date, time, and location of the convention; (b) to organize and direct the logistical
10 operations of the convention; (c) to maintain an accurate list of all member states, their
11 appointed delegates, including contact information; and (d) to formulate, transmit, and maintain
12 all official notices, records, and communications relating to this compact. The compact
13 administrator shall only have such implied powers as are essential to carrying out these express
14 powers and duties; and shall take no action that contravenes or is inconsistent with this compact
15 or any law of any state that is not superseded by this compact. The compact administrator serves
16 at the pleasure of the commission and shall keep the commission seasonably apprised of the
17 performance or nonperformance of the terms and conditions of this compact. Any notice sent
18 by a member state to the compact administrator concerning this compact shall be adequate
19 notice to each other member state provided that a copy of said notice is seasonably delivered by
20 the compact administrator to each other member state's respective chief executive officer.

21 Section 7. Upon the occurrence of each of the following described events, or otherwise as
22 soon as possible, the compact administrator shall immediately send the following notices to all
23 compact notice recipients, together with certified conforming copies of the chartered version
24 of this compact as maintained in the statutes of each member state: (a) whenever any state

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

24 Section 8. The commission, member states, and compact administrator shall cooperate with

1 each other and give each other mutual assistance in enforcing this compact and shall give the
2 chief law enforcement officer of each other member state any information or documents that are
3 reasonably necessary to facilitate the enforcement of this compact.

4 Section 9. This Article does not take effect until there are at least two member states.

5 ARTICLE V

6 RESOLUTION APPLYING FOR CONVENTION

7 Section 1. Be it resolved, as provided for in Article V of the Constitution of the United
8 States, the Legislature of each member state herewith applies to Congress for the calling of a
9 convention for proposing amendments limited to the subject matter of proposing for ratification
10 the balanced budget amendment.

11 Section 2. Congress is further petitioned to refer the balanced budget amendment to the
12 states for ratification by three-fourths of their respective legislatures.

13 Section 3. This Article does not take effect until at least three-fourths of the several states
14 are member states.

15 ARTICLE VI

16 DELEGATE APPOINTMENT, LIMITATIONS AND INSTRUCTIONS

17 Section 1. Each member state shall be entitled to one delegate as its sole and exclusive
18 representative at the convention as set forth in this Article.

19 Section 2. Each member state's chief executive officer, who is serving on the enactment date
20 of this compact, is appointed in an individual capacity to represent his or her respective state at
21 the convention as its sole and exclusive delegate.

22 Section 3. A delegate appointed under this compact may be replaced or recalled by the
23 Legislature of his or her respective state at any time for good cause, such as criminal misconduct
24 or the violation of this compact. If replaced or recalled, any delegate previously appointed shall

1 immediately vacate the convention and return to their respective state's capitol.

2 Section 4. The power and authority of a delegate under this Article may only be exercised
3 after the convention is first called by Congress in accordance with this compact and such
4 appointment is duly accepted by such appointee publicly taking the following oath or
5 affirmation: "I do solemnly swear (or affirm) that I accept this appointment and will act strictly
6 in accordance with the terms and conditions of the compact for a balanced budget, the
7 Constitution of the state I represent, and the Constitution of the United States. I understand that
8 violating this oath (or affirmation) forfeits my appointment and may subject me to other
9 penalties as provided by law."

10 Section 5. The term of a delegate under this compact commences upon acceptance of
11 appointment and terminates upon the permanent adjournment of the convention, unless
12 shortened by recall, replacement, or forfeiture under this Article. Upon expiration of such term,
13 any person formerly serving as a delegate must immediately withdraw from and cease
14 participation at the convention, if any is proceeding.

15 Section 6. The power and authority of any delegate appointed under this compact is strictly
16 limited: (a) to introducing, debating, voting upon, proposing and enforcing the convention rules
17 specified in this compact, as needed to ensure those rules govern the convention; and (b) to
18 introducing, debating, voting upon, and rejecting or proposing for ratification the balanced
19 budget amendment. All actions taken by any delegate in violation of this section are void ab
20 initio.

21 Section 7. No delegate of any member state may introduce, debate, vote upon, reject or
22 propose for ratification any constitutional amendment at the convention unless: (a) the
23 convention rules specified in this compact govern the convention and their actions; and (b) the
24 constitutional amendment is the balanced budget amendment.

1 Section 8. The power and authority of any delegate at the convention does not include any
2 power or authority associated with any other public office held by the delegate. Any person
3 appointed to serve as a delegate shall take a temporary leave of absence from any other public
4 office held by the delegate while attending the convention, and may not exercise any power or
5 authority associated with any other public office held by the delegate, while attending the
6 convention. All actions taken by any delegate in violation of this section are void ab initio.

7 Section 9. Before introducing, debating, voting upon, rejecting or proposing for ratification
8 any constitutional amendment at the convention, each delegate of every member state shall first
9 ensure the convention rules in this compact govern the convention and their actions. Every
10 delegate and each member state shall immediately vacate the convention and notify the compact
11 administrator by the most effective means if the convention rules in this compact are not
12 adopted to govern the convention and their actions.

13 Section 10. If any member state or delegate violates any provision of this compact, then
14 every delegate of that member state immediately forfeits his or her appointment, and shall
15 immediately cease participation at the convention, vacate the convention, and return to his or
16 her respective state's capitol.

17 Section 11. A delegate appointed under this compact is entitled to reimbursement of
18 reasonable expenses for attending the convention from his or her respective member state. No
19 delegate may accept any other form of remuneration or compensation for service under this
20 compact.

21 ARTICLE VII

22 CONVENTION RULES

23 Section 1. The convention shall be organized, construed, and conducted as a body
24 exclusively representing and constituted by the several states.

1 Section 2. The agenda of the convention shall be entirely focused upon and exclusively
2 limited to introducing, debating, voting upon, and rejecting or proposing for ratification the
3 balanced budget amendment under the convention rules specified in this Article and in
4 accordance with the compact. It shall not be in order for the convention to consider any matter
5 that is outside the scope of this agenda.

6 Section 3. States shall be represented at the convention through duly appointed delegates.
7 The number, identity, and authority of delegates assigned to each state shall be determined by
8 this compact in the case of member states or, in the case of states that are not member states, by
9 their respective state laws. However, to prevent disruption of proceedings, no more than three
10 delegates may attend and participate in the convention on behalf of any state. A certified
11 chaptered conforming copy of this compact, together with government-issued photographic
12 proof of identification, shall suffice as credentials for delegates of member states. Any
13 commission for delegates of states that are not member states shall be based on their respective
14 state laws, but it shall furnish credentials that are at least as reliable as those required of member
15 states.

16 Section 4. Each state represented at the convention shall have one vote, exercised by the vote
17 of that state's delegate in the case of states represented by one delegate, or, in the case of any
18 state that is represented by more than one delegate, by the majority vote of that state's respective
19 delegates.

20 Section 5. A majority of the several states of the United States, each present through its
21 respective delegate or delegates shall constitute a quorum for the transaction of any business on
22 behalf of the convention.

23 Section 6. The convention shall only act as a committee of the whole, chaired by the
24 delegate representing the first State to have become a member state, if that state is represented

1 by one delegate, or otherwise by the delegate chosen by the majority vote of that state's
2 respective delegates. The transaction of any business on behalf of the convention, including the
3 designation of a secretary, the adoption of parliamentary procedures, and the rejection or
4 proposal of any constitutional amendment, requires a quorum to be present and a majority
5 affirmative vote of those states constituting the quorum.

6 Section 7. In the event that the chair of the convention declares an emergency due to
7 disorder or an imminent threat to public health and safety prior to the completion of the business
8 on the agenda, and a majority of the states present at the convention do not object to such
9 declaration, further convention proceedings shall be temporarily suspended, and the commission
10 shall subsequently relocate or reschedule the convention to resume proceedings in an orderly
11 fashion in accordance with the terms and conditions of this compact with prior notice given to
12 the compact notice recipients.

13 Section 8. In adopting, applying and formulating parliamentary procedure, the convention
14 shall exclusively adopt, apply or appropriately adapt provisions of the most recent editions of
15 Robert's Rules of Order and the American Institute of Parliamentarians Standard Code of
16 Parliamentary Procedure. In adopting, applying, or adapting parliamentary procedure, the
17 convention shall exclusively consider analogous precedent arising within the jurisdiction of the
18 United States. Parliamentary procedures adopted, applied, or adapted pursuant to this section
19 shall not obstruct, override, or otherwise conflict with this compact.

20 Section 9. Upon approval of the balanced budget amendment by the convention to propose
21 for ratification, the chair of the convention shall immediately transmit certified copies of such
22 approved proposed amendment to the compact administrator and all compact notice recipients,
23 notifying them respectively of such approval and requesting Congress to refer the same for
24 ratification by the states under Article V of the Constitution of the United States. However, in

1 no event shall any proposed amendment other than the balanced budget amendment be
2 transmitted as aforesaid.

3 Section 10. Records of the convention, including the identities of all attendees and detailed
4 minutes of all proceedings, shall be kept by the chair of the convention or secretary designated
5 by the convention. All proceedings and records of the convention shall be open to the public
6 upon request subject to reasonable regulations adopted by the convention that are closely
7 tailored to preventing disruption of proceedings under this Article.

8 Section 11. The convention shall permanently adjourn upon the earlier of twenty-four hours
9 after commencing proceedings under this Article or the completion of the business on its
10 agenda.

11 ARTICLE VIII

12 PROHIBITION ON ULTRA VIRES CONVENTION

13 Section 1. Member states may not participate in the convention unless: (a) Congress first
14 calls the convention in accordance with this compact; and (b) the convention rules of this
15 compact are adopted by the convention as its first order of business.

16 Section 2. Any proposal or action of the convention is void ab initio and issued by a body
17 that is conducting itself in an unlawful and ultra vires fashion if that proposal or action: (a)
18 violates or was approved in violation of the convention rules or the delegate instructions and
19 limitations on delegate authority specified in this compact; (b) purports to propose or effectuate
20 a mode of ratification that is not specified in Article V of the Constitution of the United States;
21 or (c) purports to propose or effectuate the formation of a new government. All member states
22 are prohibited from advancing or assisting in the advancement of any such proposal or action.

23 Section 3. Member states may not ratify or otherwise approve any proposed amendment,
24 alteration, or revision to the Constitution of the United States, which originates from the

1 convention, other than the balanced budget amendment.

2 ARTICLE IX

3 RESOLUTION PROSPECTIVELY RATIFYING THE

4 BALANCED BUDGET AMENDMENT

5 Section 1. Each member state, by and through its respective Legislature, hereby adopts and
6 ratifies the balanced budget amendment.

7 Section 2. This Article does not take effect until Congress effectively refers the balanced
8 budget amendment to the states for ratification by three-fourths of the Legislatures of the several
9 states under Article V of the Constitution of the United States.

10 ARTICLE X

11 CONSTRUCTION, ENFORCEMENT, VENUE, AND SEVERABILITY

12 Section 1. To the extent that the effectiveness of this compact or any of its Articles or
13 provisions requires the alteration of local legislative rules, drafting policies, or procedure to be
14 effective, the enactment of legislation enacting, adopting, and agreeing to be bound by this
15 compact shall be deemed to waive, repeal, supersede, or otherwise amend and conform all such
16 rules, policies, or procedures to allow for the effectiveness of this compact to the fullest extent
17 permitted by the constitution of any affected member state.

18 Section 2. Unless otherwise specified by Congress in its call, the convention shall be held
19 in Dallas, Texas, and commence proceedings at 9:00 a.m. Central Standard Time on the sixth
20 Wednesday after the latter of the effective date of Article V of this compact or the enactment
21 date of the Congressional resolution calling the convention.

22 Section 3. In addition to all other powers and duties conferred by state law which are
23 consistent with the terms and conditions of this compact, the chief law enforcement officer of
24 each member state is empowered to defend the compact from any legal challenge, as well as to

1 seek civil mandatory and prohibitory injunctive relief to enforce this compact; and shall take
2 such action whenever the compact is challenged or violated.

3 Section 4. The exclusive venue for all actions in any way arising under this compact shall
4 be in the United States District Court for the Northern District of Texas or the courts of the State
5 of Texas within the jurisdictional boundaries of the foregoing district court. Each member state
6 shall submit to the jurisdiction of said courts with respect to such actions. However, upon
7 written request by the chief law enforcement officer of any member state, the commission may
8 elect to waive this provision for the purpose of ensuring an action proceeds in the venue that
9 allows for the most convenient and effective enforcement or defense of this compact. Any such
10 waiver shall be limited to the particular action to which it is applied and not construed or relied
11 upon as a general waiver of this provision. The waiver decisions of the commission under this
12 provision shall be final and binding on each member state.

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

16 Section 6. Article VIII of this compact is hereby deemed nonseverable prior to termination
17 of the compact. However, if any other phrase, clause, sentence or provision of this compact, or
18 the applicability of any other phrase, clause, sentence or provision of this compact to any
19 government, agency, person or circumstance, is declared in a final judgment to be contrary to
20 the Constitution of the United States, contrary to the state constitution of any member state, or
21 is otherwise held invalid by a court of competent jurisdiction, such phrase, clause, sentence or
22 provision shall be severed and held for naught, and the validity of the remainder of this compact
23 and the applicability of the remainder of this compact to any government, agency, person or
24 circumstance may not be affected. Furthermore, if this compact is declared in a final judgment

1 by a court of competent jurisdiction to be entirely contrary to the state constitution of any
2 member state or otherwise entirely invalid as to any member state, such member state shall be
3 deemed to have withdrawn from the compact, and the compact shall remain in full force and
4 effect as to any remaining member state. Finally, if this compact is declared in a final judgment
5 by a court of competent jurisdiction to be wholly or substantially in violation of Article I,
6 Section 10, of the Constitution of the United States, then it shall be construed and enforced
7 solely as reciprocal legislation enacted by the affected member state(s).

8 Section 7. This compact shall terminate and be held for naught when the compact is fully
9 performed and the Constitution of the United States is amended by the balanced budget
10 amendment. However, notwithstanding anything to the contrary set forth in this compact, in the
11 event such amendment does not occur within seven years after the first state passes legislation
12 enacting, adopting, and agreeing to be bound to this compact, the compact shall terminate as
13 follows: (a) the commission shall dissolve and wind up its operations within ninety days
14 thereafter, with the compact administrator giving notice of such dissolution and the operative
15 effect of this section to the compact notice recipients; and (b) upon the completed dissolution
16 of the commission, this compact shall be deemed terminated, repealed, void ab initio, and held
17 for naught.

18 Section 2. Whereas, this Act is necessary for the immediate preservation of the public peace,
19 health, or safety, an emergency is hereby declared to exist, and this Act shall be in full force and
20 effect from and after its passage and approval.