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RE: HB 1429 – Compact for a Balanced Budget  
Before the House Government and Veterans Affairs Committee

Mr. Chairman and members of the Committee – thank you for the opportunity to provide testimony before you today. The Compact for a Balanced Budget provides a turnkey approach to state-initiated amendments to the U.S. Constitution. All amendments proposed either by the Congress or the state legislatures must follow the prescribed provisions of Article V of the Constitution, which details how desired amendments are both proposed and ratified. All 27 amendments to date to the U.S. Constitution have been proposed by Congress - the state legislatures have never successfully organized to propose a single amendment.

The Compact utilizes the tried and true interstate compact approach to organizing and binding states around a common goal. North Dakota is currently a member of 30 different interstate compacts. This particular Compact provides the necessary tools and controls for the state legislatures to safely organize and conduct a 24-hour, single issue, up/down vote convention to propose and ultimately ratify a pre-approved amendment. All rules and procedures of the required convention are encompassed in the laws of the Compact Member States and enforced at both the state and federal level.

In this particular case, the pre-approved Amendment is a state of the art Balanced Budget Amendment which for the first time allows Congress to utilize approved debt in the balancing equation. While the Amendment establishes a constitutional debt limit, it also provides Congress with ample funding for national emergencies and entitlement programs. Most importantly, the Amendment requires Congress to obtain the approval of a majority of the state legislatures whenever an increase in the constitutional debt limit is proposed.

Attached is a one-page overview of the major provisions of the Compact. I would be happy to answer any questions you may have regarding the Compact approach to state-initiated constitutional amendments, the Compact text, or the Balanced Budget Amendment.

Very truly yours,





## *Compact for a Balanced Budget*

### *Summary of Key Legislative Provisions*

#### **The Balanced Budget Amendment – the amendment “Payload”**

- Section 1 - requires federal budget to be balanced at all times, and only approved debt can be used to fund deficits
- Section 2 – establishes a constitutional debt limit at time of ratification
- Section 3 – requires approval of a majority of the state legislatures if Congress desires to increase the debt limit
- Section 4 – requires the President to protect the integrity of the constitutional debt limit
- Section 5 – encourages spending reductions first, as opposed to tax increases, to bridge the current deficit gap
- Section 6 – provides necessary definitions
- Section 7 – provides for self-enforcement of the amendment

#### **the Compact for a Balanced Budget - the “Delivery Vehicle”**

- Purpose – to greatly simplify the amendment process by combining all the steps required of the state legislatures to safely, efficiently, and effectively propose and ratify the Balanced Budget Amendment
- Article I – describes purpose of organizing the states to originate the Balanced Budget Amendment using a compact
- Article II – provides the necessary definitions, **including the actual text of the proposed Balanced Budget Amendment**
- Article III – sets compact membership and withdrawal requirements
- Article IV – establishes the Compact Commission – when 2 states join
- Article V – applies to Congress for Balanced Budget Amendment Article V convention – effective when 38 states join
- Article VI – appoints and instructs delegate(s) who will attend the Balanced Budget Amendment convention
- Article VII – details the **convention agenda and rules**, allows first member state to designate Convention Chair
- Article VIII – prohibits participation in convention before Congress consents to Compact; prohibits runaway convention and ratification of runaway proposals by member states
- Article IX – **resolution ratifying the balanced Budget Amendment** – effective when convention proposes amendment and Congress refers amendment to the state legislatures for ratification
- Article X – provides enforcement by state attorney generals, central venue and termination provisions

#### **The Congressional Resolution – the “Blessing” of the Compact by Congress**

- Title 1 – **resolution calling the required convention** in accordance with the terms and provisions of the Compact for a Balanced Budget - effective when 38 states join the Compact
- Title 2 – **resolution referring the Balanced Budget Amendment to the state legislatures for ratification** - effective when convention proposes the amendment

# Council of State Governments

## National Center for Interstate Compacts

### North Dakota Compacts

Updated as of 3/11/2021

Ref.	Compact Name	Citation	Year Of Joinder
1	Agreement on Detainers	NDCC 29-34-01 to 29-34-08	1971
2	Compact for a Balanced Budget		2015
3	Compact for Education	NDCC 15.1-04-01, 15.1-04-02	1967
4	Compact on Mental Health	NDCC 25-11-01 to 25-11-06	1963
5	Compact on Placement of Children	NDCC 14-13-01 to 14-13-08	1963
6	Driver License Compact		1986
7	Emergency Management Assistance Compact	(no citation)	
8	Interstate Compact for Adult Offender Supervision	NDCC 12-65-01	2001
9	Interstate Compact for Juveniles	NDCC 27-22-01 to 27-22-07	1969
10	Interstate Compact on Adoption and Medical Assistance		
11	Interstate Compact on Educational Opportunity for Military Children	N.D.C.C. Chapter 15.1-04.1	2011
12	Interstate Compact on Industrialized/Modular Buildings		2011
13	Interstate Compact on Mentally Disordered Offenders	NDCC 25-14-01, 25-14-02	1967
14	Interstate Compact on the Placement of Children		0
15	Interstate Compact to Conserve Oil and Gas	Sen. Con. Res. "A," 23rd. Legis.	1953
16	Interstate Library Compact	NDCC 54-24.1-01 to 54-24.1-06	1965
17	Interstate Mining Compact		
18	Midwest Interstate Passenger Rail Compact	NDCC 8-11-01	2001
19	Midwestern Higher Education Compact	NDCC 15-10.2-01, 15-10.2-02	1991
20	Multistate Lottery Agreement		2004
21	Multistate Tax Compact	N.D. C.C. Ch. 57-59	1971
22	National Guard Mutual Assistance Counter-Drug Activities Compact	NDCC 37-17.2-01 to 37-17.2-02	1993
23	Nonresident Violator Compact		
24	Nurse Licensure Compact	North Dakota Administrative Code 54-02-10	2004
25	Southwestern Low-Level Radioactive Waste Disposal Compact	NDCC 23-20.5-01	1989
26	Surplus Lines Insurance Multi-State Compliance Compact	(no citation)	2011
27	Uniform Unclaimed Property Act		
28	Western Regional Education Compact	NDCC 15-10.2-01, 15-10.2-02	1999
29	Wildlife Violator Compact	NDCC 20.1-16	2001
30	Yellowstone River Compact	NDCC 61-23-01, 61-23-02	1951