



Arkansas Legislature

HR 1008 – 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 Arkansas Legislature 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 (not in HR 1008)

- 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

