

# Alaska State Legislature

**SESSION ADDRESS:**

Alaska State Capitol  
Juneau Alaska 99801  
907-465-3743  
800-565-3743

Sen.Shelley.Hughes@akleg.gov

**INTERIM ADDRESS:**

600 E Railroad Avenue  
Wasilla AK 99654  
907-376-3725

Senator Shelley Hughes

Senate District F—Palmer, Chugiak, Mirror Lake, Peters Creek, Eklutna, Fairview Loop, Gateway, Butte, Lazy Mountain

## **Senate Bill 102 Version A**

### **Sectional Analysis**

*"An Act relating to the Compact for a Balanced Budget."*

#### **Section 1 – Article I – Page 1, Line 3 through Page 2, Line 3**

Declaration of Policy, Purpose, and Intent of the Compact for a Balanced Budget Amendment.

#### **Article II, Sections 1 – 5 – Page 2, lines 6 through 30**

Definitions for commonly used terms; "Compact", "Convention", "State", "Member State", and "Compact Notice Recipients".

#### **Article II, Section 6 – Page 2, Lines 31 through Page 3, Line 2**

Notice requirement stipulations.

#### **Article II, Section 7 – Page 3, line 3 through Page 4, Line 23**

Definition of Balanced Budget Amendment means the following:

Section 1: Total government outlays cannot exceed total government receipts except for the debt financing option allowed within the amendment.

Section 2: United States debt cannot exceed 105% of the outstanding debt at the time the amendment is enacted, except as provided in Section 3.

Section 3: Debt increases are only allowed upon approval of a majority of the states. If that approval is not received within 60 days, then the request is considered not approved. This section also forbids a *quid pro quo* of increased federal receipts in exchange for an agreement to increase the federal debt limit.

Section 4: When the debt outlined in section 2 exceeds 98%, the President shall by concurrent resolution, impound expenditures needed to conform to the to the debt limit. Failure of the President to do so, is an impeachable misdemeanor offense.

Section 5: A two thirds vote is required in both the House and the Senate to issue new or increased tax revenue. This provision does not apply to a sales tax provided that the sales tax replaces all existing federal income taxes or, if the proposed sales tax reduces or eliminates an exemption, deduction, or credit allowed under an existing tax.

Section 6: List of definitions for the article.

Section 7: The article becomes effective upon ratification, is self-enforcing and Congress may enact legislation for enforcement of the article.

### **Article III, Page 4, line 24 through Page 6, line 6**

Compact Membership and Withdrawal:

Section 1: Member states are bound to the compact's provisions as allowed by each state's constitution.

Section 2: Member states agree to comply with the compact's terms and conditions.

Section 3: Outlines "substantively identical" legislation requirement for a state's membership in the compact.

Section 4: States may withdraw from the compact at any time if the  $\frac{3}{4}$  membership threshold is not met. Once that threshold is reached, a member state cannot withdraw.

### **Article IV, Page 6, line 7 through Page 9, line 3**

Compact Commission and Compact Administrator:

Section 1: Outlines the powers and responsibilities of the Compact Commission.

Section 2: Outlines the Compact Commission membership.

Section 3: Stipulates that each commission member has one vote, that a majority is needed for the commission to take actions, and the number of meetings to be held.

Section 4: Outlines the first order of business of the commission; the elect a chair, determine the primary place for doing business and the appoint an administrator.

Section 5: Stipulates how the compact is to be funded.

Section 6: Outlines the powers and duties of the compact administrator.

Section 7: Instruction on the duties of the Compact Administrator to give notice of key events.

Section 8: Notice of cooperation between the commissioner, the member states and the compact administrator to work together to enforce the compact.

Section 9: The provisions of this article do not take effect unless there are at least two members states.

### **Article V, Page 9, Lines 4 through 14**

Resolution language to Congress for the application for an Article V Convention for the ratification of the Balanced Budget Amendment.

**Article VI, Page 9, line 15 through Page 11, line 23**

**(First change to existing compact in Sections 1 and 2)**

Delegate Appointment, Limitations, and Instructions:

Section 1: Each state is entitled to three delegates.

Section 2: The Governor, Speaker of the House and President of the Senate, or their designee, will be the delegate to the Article V convention.

Section 3: A delegate may be recalled by legislature for cause.

Section 4: The power and authority of a delegate is exercised only once a convention can be called and the oath specified in this section is affirmed by the delegate.

Section 5: Outlines the term of the delegate.

Section 6 – 8: Outlines the powers and authorities of a convention delegate.

Section 9: First order of business at a convention will be to adopt convention rules (outlined in Article VII) and failure to do so result in an immediate vacation of delegates and member states from the Convention.

Section 10: Violation of the compact by a delegate, results in forfeiture of every delegate of that member state.

Section 11: Delegate expenses are reimbursed by the member state and delegates cannot receive compensation for their service as a delegate.

**Article VII, Page 11, line 24 through Page 14, line 1**

Convention Rules:

Section 1: Convention is organized to represent the member states.

Section 2: The Convention agenda is solely devoted to matters pertaining to the Balanced Budget Amendment and any other matters are not allowed.

Section 3: Details the identity and credentials for delegates to the convention.

Section 4: Details the voting power of each member state.

Section 5: Details quorum requirements for the Convention.

Section 6: The chair of the convention is a delegate from the first state to become a member of the compact and a quorum is required for business to be conducted.

Section 7: Provides for the procedure should a suspension of the convention be necessary.

Section 8: Convention will observe Robert's Rules of Order and the American Institute of Parliamentarians Standard Code of Parliamentary Procedure.

Section 9: Rules for transmitting and ratifying the Balanced Budget Amendment once approved.

Section 10: Public records requirements for the Convention.

Section 11: The Convention must complete its business within 24 hours.

**Article VIII, Page 14, lines 2 through 19**

Prohibition on Ultra Vires Convention:

Section 1: Members states will only participate if the Congress calls the Convention and the Convention Rules are adopted.

Section 2: Any proposal that violates convention rules, is in violation of ratification outlined in Article V of the United States Constitution or attempts to form a new government is void from the beginning.

Section 3: No other revision of the Constitution of the United States other than the Balanced Budget Amendment is to be approved.

**Article IX, Page 14, lines 20 through 28**

Resolution language for each state to use in ratifying the Balanced Budget Amendment.

**Article X, Page 29, line 29 through 30**

**(Change to existing compact in Section 7)**

Construction, Enforcement, Venue, and Severability:

Section 1: Member states agree to be bound to this compact as allowed by their constitutions.

Section 2: Location, date, and time of the Convention is specified.

Section 3: The Alaska Attorney General is empowered to defend this compact against legal challenge.

Section 4: Unless a member state makes a written request to the Commission to waive the provisions of this section, the United States District Court for the Northern District of Texas or the courts of the State of Texas, will be the exclusive venue of all legal actions.

Section 5: Effective Date of the Compact.

Section 6: Severability clause for Article VIII of the compact regarding prohibition on ultra vires convention.

Section 7: Termination of the compact occurs either upon ratification of the Balanced Budget Amendment or on April 12, 2031

Staff contact: Buddy Whitt, (907) 465-5025