

COMPACT COMMISSION OF THE COMPACT FOR A BALANCED BUDGET
BYLAWS
(Third Amended)

ARTICLE I

COMMISSION PURPOSE, FUNCTION AND BY-LAWS

Section 1. Purpose.

Pursuant to the terms of the Compact for a Balanced Budget, (the “Compact”), the Compact Commission (the “Commission”) is established to fulfill the objectives of the Compact, through means of joint cooperative action among the Member States; specifically, to ensure that their respective Legislatures use of the power to originate a Balanced Budget Amendment under Article V of the Constitution of the United States will be exercised conveniently and with reasonable certainty as to the consequences thereof.

Section 2. Functions.

In pursuit of the fundamental objectives set forth in the Compact, the Commission has the power: (a) to appoint and oversee a Compact Administrator; (b) to encourage States to join the Compact and Congress to call the Convention in accordance with the Compact; (c) to coordinate the performance of obligations under the Compact; (d) to oversee the Convention’s logistical operations as appropriate to ensure the Compact governs its proceedings; (e) to oversee the defense and enforcement of the Compact in appropriate legal venues; (f) to budget for operations, request funds and to disburse those funds to support the operations of the Commission, Compact Administrator, and Convention; and (g) to cooperate with any entity that shares a common interest with the Commission and engages in policy research, public interest litigation or lobbying in support of the purposes of the Compact. The Commission shall only have such implied powers as are essential to carrying out these express powers and duties. It shall take no action that contravenes or is inconsistent with the Compact or any law of any State that is not superseded by the Compact

Section 3. By-laws.

As authorized by the Compact, these By-laws shall govern the management and operations of the Commission. As adopted and subsequently amended, these By-laws shall remain, at all times subject to, and limited by, the terms of the Compact.

ARTICLE II

MEMBERSHIP

Section 1. Commissioners

The Commission Membership shall be comprised as provided by the Compact. The Commission initially consists of three members; however, the number of members can be increased upon a vote of the commissioner which corresponds to a maximum number of Member States. Each Member State may appoint its own member to the Commission through an appointment process to be determined by their respective legislation adopting the Compact until all eligible positions on the Commission are filled. Positions shall be assigned to appointees in the order in which their respective appointing States became Member States. Each eligible Member State shall forward the name of its Commissioner to the Commission Chairperson. Unless otherwise designated in the appointment by the States, the term of the Commissioner shall expire upon the dissolution of the Compact. Upon the occurrence of vacancies, the Commission Chairperson shall promptly instruct the Compact Administrator to notify or otherwise advise the Governor of the affected Member State of the need to appoint a new Commissioner.

Section 2. Costs and Expense Reimbursement.

Subject to the availability of budgeted funds, Commissioners shall be reimbursed for any actual and necessary costs and expenses incurred by the Commissioners in the performance of their duties and responsibilities as members of the Commission. At the discretion of the Commission, reasonable salaries or compensation shall be afforded to the Commissioners, subject to the availability of budgeted funds.

Section 3. Securing Commitment from Chief Law Enforcement Officer.

As new States become Members of the Compact, the Commission shall take reasonable steps to obtain written confirmation from the respective Member State's chief law enforcement officer that he or she acknowledges his obligations under the Compact to enforce its provisions. The written confirmation, when received, shall be maintained by the Compact Administrator.

ARTICLE III

OFFICERS

Section 1. Election and Succession.

The officers of the Commission shall include a chairperson, chairperson-elect, vice chairperson, secretary and treasurer. The Commission can designate additional officers as necessary. The chairperson and the vice chairperson shall be Commission Members, and all officers shall be either Commission Members or other individuals who do not vote. A single Commission Member may be appointed to serve in more than one of these capacities if necessary, and if no other appointment is made, the Chair shall be deemed appointed in the concurrent capacities of Chair, Treasurer and Secretary. Officers shall be elected by the Commission upon motion at any meeting at which a quorum is present, and shall serve for an initial term of two years, which term may be extended by up to three months if the position would otherwise become vacant before the convening of a meeting of the Commission or other action sufficient to appoint a successor. Commission Member officers shall immediately step down if State membership status on the Commission is lost. Vacancies caused for any reason may be filled at any meeting at which a quorum is present. The officers so elected shall serve without compensation or remuneration, except as provided by the Compact. Commissioner will be the only voting member, officers will be non-voting.

Section 2. Duties.

The officers shall perform all duties of their respective offices as provided by the Compact and these By-laws. All officers are authorized to take reasonable steps to encourage States to join the Compact and Congress to call the Convention in accordance with the Compact. All officers shall cooperate with any entity that shares a common interest with the Commission and engages in policy research, public interest litigation or lobbying in support of the purposes of the Compact. Other duties shall include the following:

- a. *Chairperson.* The chairperson shall call and preside at all meetings of the Commission and shall prepare agendas for such meetings, shall make appointments to all committees of the Commission, and, in accordance with the Commission's directions, or subject to ratification by the Commission, shall act on the Commission's behalf during the interims between Commission meetings. The Chairperson is authorized to receive on behalf of the Commission 1) any grant or award that is in accordance with the approved budget of the Compact Commission; and 2) any other grant or award in an amount up to \$10,000. Any other grant or award greater than \$10,000 shall be received subject to the approval of the Commission.

b. *Chair Person Elect/Vice Chairperson.* The vice chairperson shall, in the absence or at the direction of the chairperson, perform any or all of the duties of the chairperson. In the event of a vacancy in the office of chairperson, the chair elect/vice chairperson shall serve as chairperson until a new chairperson is elected by the Commission.

c. *Secretary.* The secretary shall keep minutes of all Commission meetings and shall act as the custodian of all documents and records pertaining to the status of the Compact and the business of the Commission. The secretary may delegate its records creation and keeping functions to the Compact Administrator.

d. *Treasurer.* The treasurer, with the assistance of or by delegating to the Commission's Compact Administrator, shall act as custodian of all Commission funds and shall be responsible for monitoring the administration of all fiscal policies and procedures set forth in the Compact or adopted by the Commission. The treasurer shall execute such bond as may be required by the Commission covering the treasurer and any other officers, Commission Members, Compact Administrator, and Commission personnel, as determined by the Commission, who may be responsible for the receipt, disbursement, or management of Commission funds. The treasurer directly or by delegation to the Compact Administrator shall prepare draft annual budgets for the Commission's consideration and adoption. The treasurer directly or by delegation to the Compact Administrator may seek a letter determination from the Internal Revenue Service of the Department of the Treasury that the Commission is a governmental body eligible for tax deductible charitable donations.

Section 3. Costs and Expense Reimbursement.

Subject to the availability of budgeted funds, the officers shall be reimbursed for any actual and necessary costs and expenses incurred by the officers in the performance of their duties and responsibilities as officers of the Commission.

Section 4. Vacancies.

Upon the resignation, removal, or death of an officer of the Commission before the next annual meeting of the Commission, a majority of the Executive Committee shall appoint a successor to hold office for the unexpired portion of the term of the officer whose position shall so become vacant or until the next regular or special meeting of the Commission at which the vacancy is filled by majority vote of the Commission, whichever first occurs. Upon the resignation, removal, or death of a Chairman, the Chairman Elect will automatically become Chairperson.

ARTICLE IV

COMMISSION PERSONNEL

Section 1. Commission Staff and Offices.

The Commission shall by a majority of its Members appoint or retain a Compact Administrator, who shall serve at its pleasure. The Compact Administrator shall perform the duties specified in the Compact and subject to the availability of budgeted funds, may hire and supervise such other staff to assist in such duties as may be authorized by the Commission. Subject to approval by the Commission and the availability of budgeted funds, the Compact Administrator may establish and manage the Commission's office or offices, if any, which shall be located in one or more of the Member States as determined by the Commission.

Section 2. Duties of the Compact Administrator.

The Compact Administrator shall: (a) to timely notify the States of the date, time and location of the Convention; (b) to organize and direct the logistical operations of the Convention; (c) to maintain an accurate list of all Member States, their appointed delegates, including contact information; and (d) to formulate, transmit, and maintain all official notices, records, and communications relating to the Compact or the work of the Commission to maintain transparency to the public. The Compact Administrator shall only have such implied powers as are essential to carrying out these express powers and duties; and shall take no action that contravenes or is inconsistent with the Compact or any law of any State that is not superseded by the Compact. The Compact Administrator must keep the Commission seasonably apprised of the performance or nonperformance of the terms and conditions of the Compact. In order to fulfill these duties, the Compact Administrator may:

- a. Recommend for the Commission's consideration administrative personnel policies governing the recruitment, hiring, management, compensation and dismissal of Commission staff;
- b. Implement and monitor administration of all policies programs, and initiatives adopted by Commission;
- c. Formulate a budget for organizing and directing the logistical operations of the Convention, subject to the review and approval of the Commission;
- d. With respect to the logistical operations of the Convention, monitor all Commission expenditures for compliance with approved budgets, and maintain accurate records of account; to formulate and maintain transparency.

- e. Assist Commission Members as directed in securing funding for the logistical operations of the Convention;
- f. Execute contracts on behalf of the Commission as directed or as may be essential to performing duties required by the Compact and these By-laws;
- g. Receive service of process on behalf of the Commission; and
- h. Prepare and disseminate all required reports and notices required by the Compact or otherwise directed by the Commission.

ARTICLE V

QUALIFIED IMMUNITY, DEFENSE, AND INDEMNIFICATION

Section 1. Immunity.

The Commission, its Members, officers, Compact Administrator, and employees shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused or arising out of or relating to any actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided, that any such person shall not be protected from suit or liability, or both, for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of any such person.

Section 2. Defense

Subject to the provisions of the Compact, the Commission shall defend the Commissioner of a Member State, the Commissioner's representatives or employees, the Compact Administrator, or the Commission, and its representatives or employees in any civil action seeking to impose liability against such person arising out of or relating to any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties, or responsibilities or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities; provided, that the actual or alleged act, error, or omission did not result from gross negligence or intentional wrongdoing on the part of such person.

Section 3. Indemnification.

The Commission shall indemnify and hold the Commissioner of a Compacting State, his or her representatives or employees, the Compact Administrator, or the Commission, and its representatives or employees harmless in the amount of any settlement or judgment obtained against such person arising out of or relating to any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided, that the actual or alleged act, error, or omission did not result from gross negligence or intentional wrongdoing on the part of such person.

Section 4. Policy on Waiver of Exclusive Venue Provision.

The Commission hereby adopts a permanent policy of not enforcing the exclusive venue provision of Article X, section 4, of the Compact if and to the extent that it might be construed: (a) to preclude appellate review of controversies originated in the specified

exclusive venue; and (b) to conflict with the original jurisdiction conferred on the Supreme Court under Article III, section II of the Constitution of the United States. In the event of any action brought by or against any Member State in which the aforesaid appellate review or original jurisdiction is properly sought, the Commission Member of the respective Member State shall promptly obtain from their Member State's chief law enforcement officer a written request to waive the exclusive venue provision of Article X, section 4, of the Compact for the proceeding if it appears that the venue provision may otherwise interfere with the proceeding. Upon receipt of the aforesaid written request, the Commission shall waive the exclusive venue provision for the specified proceeding.

ARTICLE VI

MEETINGS OF THE COMMISSION

Section 1. Meetings and Notice.

It is the policy of the Commission that all called meetings of the Commission, except those of an Executive Session nature, shall be made open to the public. A meeting of the Commission shall be deemed of an Executive Session nature if any substantial portion of the matters discussed involve contract negotiations or approvals, legal strategy for a threatened or pending lawsuit, lobbying strategy, discussion of a matter that could affect an individual's reputation, or issues involving a reasonable expectation of privacy, such as discussions of confidential information obtained from allied organizations pursuant to the purpose and authority of the Commission. Subject to the foregoing policy, the Commission shall meet at least once each calendar year at a time and place (including by electronic means) to be determined by the Commission. Additional meetings may be scheduled at the discretion of the chairperson, and must be called upon the request of a majority of Commission Members. Except in the case of emergency meetings, all Commission Members shall be given written notice of Commission meetings at least five (5) days prior to their scheduled dates. Emergency meetings of the Commission may be called at any time at the discretion of the chairperson, and must be called upon the request of a majority of the Commission Members. Every reasonable attempt shall be made to give at least twenty-four (24) hours prior notice to all Commission Members for an emergency meeting of the Commission; however, prior notice may be waived by a majority of Commission Members who actually are present at the emergency meeting. Any meeting in which all commissioners participate, or to which no commissioner objects to notice electronically or in writing within 2 months thereof, shall be deemed a duly authorized emergency meeting for all purposes if it would otherwise lack adequate public notice to be held. In the case of meetings that are open to the public, notice to the public shall be made by electronic posting on the Commission website, along with participation instructions if the meeting is to be held by electronic means. A summary agenda may be included with such public notice. The chairperson may, depending on the circumstances, afford any

person who desires to present a statement on a matter that is on the agenda an opportunity to be heard at an open meeting of the Commission. The chairperson may limit the time and manner of any such statements at any open meeting. Except with regard to emergency meetings of the Commission, for which agendas are not required, initial agendas shall be provided to all Commission Members no later than five (5) days prior to any meeting of the Commission. Thereafter, additional agenda items requiring Commission action may not be added to the final agenda, except by an affirmative vote of a majority of the Members. The Commission Members are free to meet and discuss Compact matters during times and places outside of the scheduled meetings, such as during weekly operations conference calls. However, all binding decisions requiring a vote of the Commission shall be made during a Commission meeting. A “binding decision” is exclusively one that substantively alters the rights and obligations of the Commission, the Commissioners, the Officers of the Commission, or the Compact Administrator, or that offers a final advisory or binding opinion or interpretation within the purview of the Commission to offer.

Section 2. Quorum.

Commission Members representing a majority of the membership positions on the Commission shall constitute a quorum for the transaction of business, except as otherwise required in these By-laws. The participation of a Commission Member from a Member State in a meeting electronically or physically is sufficient to constitute the presence of that state for purposes of determining the existence of a quorum, provided the Member present is entitled to vote on behalf of the Member State represented. The presence of a quorum must be established before any vote of the Commission can be taken.

Section 3. Voting.

Each Member State represented at any meeting of the Commission by its Member is entitled to one vote. A Member shall vote himself or herself and shall not delegate his or her vote to another Member. Members may participate and vote in meetings of the Commission and its duly authorized committees by telephone or other means of telecommunication or electronic communication. Except as otherwise required by the Compact or these By-laws, any question submitted to a vote of the Commission shall be determined by a simple majority. In the event of a tie vote, the majority vote of the members from the first three Member States shall control.

Section 4. Procedure.

Matters of parliamentary procedure not covered by these By-laws shall be governed by Robert’s Rules of Order.

Section 5. Establishment of Advisory Committee.

The Advisory Committee is an advisory body, which includes the Member State Advisory Committee, the Provisional Member Committee, the Federal Advisory Committee, and the Civic Advisory Committee, and such other sub-committees as may be created within the Advisory Committee by the from time to time, officially recognized by the Commission; it has no implied power or authority to act on behalf of the Commission. All references to the "Advisory Committee" throughout these bylaws shall be regarded as inclusive of such sub-committees of the Advisory Committee. All references to the members of the Advisory Committee throughout these bylaws shall be regarded as inclusive of the members of such sub-committees of the Advisory Committee. The Commission may establish Advisory Committee annual fees to assist with the ongoing funding of the Commission and the Advisory Committee. Such fees may be modified or adjusted at the discretion of the Commission.

Section 6. General Function of Advisory Committee.

The sole function of the Advisory Committee and its members shall be to advise and make non-binding recommendations to the Commission with respect to matters within the areas of their respective experience and expertise. In rendering advice to the Commission, the Advisory Committee shall have no obligation to conduct any individual research or investigation and shall be entitled to rely solely and exclusively upon the facts and information available to it at the time of the making of its recommendations, including, but not limited to, such facts and information as may be provided to the Advisory Committee by the Commission. The Commission shall have no obligation to adopt, or otherwise be bound to act upon, any recommendation of the Advisory Committee, but shall, in its sole and absolute discretion, have the ability to take the Advisory Committee's recommendations under advisement. By accepting appointment and furnishing such advice, the members of the Advisory Committee do not thereby become employees, agents, fiduciaries, managers, officers, directors or principals of the Commission; members of the Advisory Committee may only perform or assume additional roles or obligations pursuant to separate written agreement with the Commission. However, members of the Advisory Committee shall keep all communications relating to their advisory role confidential from third parties unless such confidentiality is expressly waived in writing by the Commission.

Section 7. Membership of Advisory Committee.

The Commission shall determine the number of members of the Advisory Committee and shall appoint such members. Members of the Advisory Committee serve at the pleasure of the Commission from the date they are appointed or until their earlier resignation, removal by the Commission, or death. The Commission shall have the authority, in its sole and absolute discretion, to remove any member of the Advisory Committee at any time for any reason.

Section 8. Qualifying Expertise of Members of Advisory Committee.

Subcommittees of the Advisory Committee also have their own unique eligibility requirements as specified below; however, for any individual to qualify to be appointed to the Advisory Committee they must possess expertise in one or more of the following fields:

- (a) State legislatures, governors and state legislators
- (b) U.S. Congress, members of Congress
- (c) The state legislative process
- (c) The federal legislative process
- (d) Nationwide fundraising
- (e) Constitutional law
- (g) Non-profit law
- (f) American history
- (g) Grass-roots engagement
- (h) Grass-roots education
- (k) Nationwide coalition building
- (i) Social media outreach
- (m) Chamber of commerce and business community involvement

Section 9. Advisory Committee Action.

The Advisory Committee shall act only upon formal or informal request of the Commission. The sole responsibility of the members of the Advisory Committee shall be to make recommendations to the Commission as to matters within the areas of their experience and expertise. The Commission may request that the Advisory Committee confirm such advice and counsel to fellow Advisory Committee members, staff members, state and federal government officials, key funding sources, national leaders, and key strategic partners. In addition, the Commission may request attendance of Advisory Committee members at key meetings that may occur at various locations throughout the nation as the Compact for a Balanced Budget is advanced.

Section 10. Compensation and Expense Reimbursements of Advisory Committee.

The members of the Advisory Committee may receive such compensation for services in such capacities as the Commission of the Commission in its sole and absolute discretion shall deem proper; however, the Commission shall pay only reasonable compensation based on a consideration of comparable market rates and only pursuant to written agreement with the Commission. The members of the Advisory Committee shall be entitled to reimbursement from the Commission for all reasonable expenses incurred by them in connection with their Advisory Committee services upon the presentation to the Commission of written documentation for such expenses. However, expenses reasonably anticipated by members of the Advisory Committee to exceed \$1,000 separately or, if directly related, in the aggregate shall only be reimbursed by the Commission upon review and prior approval by the Commission.

Section 11. Liability of Advisory Committee.

Unless a different understanding is expressly reached by separate, written agreement with the Commission, the members of the Advisory Committee shall have no liability or obligations whatsoever for any actions or omissions taken by them solely in their capacities as such. Any member of the Advisory Committee made, or threatened to be made, a party to any threatened, pending, or contemplated action or proceeding, whether civil, criminal, administrative, or investigative, arising out of or related to such member's service on the Advisory Committee, shall be indemnified by the Commission, and the Commission may advance to such member related expenses incurred in defense of such action, to the fullest extent permitted by applicable law (including, but not limited to, under the applicable laws of the State of Texas). For purposes hereof, "member" shall include such member's heirs and personal representatives. The Commission acknowledges that the foregoing indemnification is a material inducement to the members of the Advisory Committee to serve in their capacities as such, and that such members would not agree to serve on the Advisory Committee in the absence of the foregoing indemnification.

Section 12. Member State Advisory Committee.

The Member State Advisory Committee shall consist of appointees who represent either executive or legislative leadership in Member States that have joined the Compact for a Balanced Budget, but which do not have Commissioner representation on the Commission. The Commission shall give each Member State representative on the Member State Advisory Committee electronic notice of meetings of the Commission and shall allow such representatives to participate in such meetings in their advisory capacity subject to such limitations as the Commission may impose during the meeting.

Section 13. Provisional Member Committee.

The Provisional Member Committee shall consist of appointees who represent either executive or legislative leadership in States that have not joined the Compact for a Balanced Budget. The Commission may give each State representative on the Provisional Member Committee electronic notice of meetings of the Commission and may allow such representatives to participate in such meetings in their advisory capacity subject to such limitations as the Commission may impose during the meeting.

Section 14. Federal Advisory Committee.

The Federal Advisory Committee shall consist of appointees who represent either executive or legislative leadership in the federal government. The Commission may give each representative on the Federal Advisory Committee electronic notice of meetings of the Commission and may allow such representatives to participate in such meetings in their advisory capacity subject to such limitations as the Commission may impose during the meeting.

Section 15. Civic Advisory Committee.

The Civic Advisory Committee shall consist of appointees who are civic or business leaders in their community, state or nationally. The Commission may give each member of the Civic Advisory Committee electronic notice of meetings of the Commission and may allow such representatives to participate in such meetings in their advisory capacity subject to such limitations as the Commission may impose during the meeting.

ARTICLE VII

FINANCE

Section 1. Fiscal Year.

The Commission's fiscal year shall begin on January 1 and end on December 31.

Section 2. Budget.

The Commission shall operate on an annual budget cycle and shall, in any given year, adopt budgets for the following fiscal year or years only after notice and comment as provided by the Compact.

Section 3. Accounting and Audit.

The Commission, with the assistance of the Compact Administrator, shall keep accurate and timely accounts of its internal receipts and disbursements of the Commission funds, other than receivership assets. Subject to available budgeted funds, the treasurer shall cause the Commission's financial accounts and reports, including the Commission's system of internal controls and procedures, to be audited annually by an independent certified or licensed public accountant, as required by the Compact, upon the determination of the Commission, but no less frequently than once each year. The report of such independent audit shall be made available to the public and shall be included in and become part of the annual report to the governors, legislatures, and judiciary of the Compacting States. The Commission agrees to enter into a confidentiality agreement with the Compact Administrator to extend the audit rights to revenues received and expenses paid by the Compact Administrator for Compact-related transactions maintained in the books and records of the Compact Administrator. The audit rights shall not extend to any other activities of the Compact Administrator.

The Commission's internal accounts, any workpapers related to any internal audit, and any workpapers related to the independent audit shall be confidential; provided, that such materials shall be made available: (i) in compliance with the order of any court of competent jurisdiction; and (ii) to any Commissioner of a Member State.

Section 4. Debt Limitations.

The Commission shall not incur debt or pledge credit for its operations.

Section 5. Travel Reimbursements.

Subject to the availability of budgeted funds and unless otherwise provided by the Commission, Commission Members shall be reimbursed for any actual and necessary expenses incurred pursuant to their attendance at all duly convened meetings of the Commission or its committees as provided by the Compact.

ARTICLE VIII

WITHDRAWAL, DEFAULT, AND TERMINATION

Member States may withdraw from the Compact only as provided by the Compact.

ARTICLE IX

ADOPTION AND AMENDMENT OF BY-LAWS

Any By-law may be adopted, amended or repealed by a majority vote of the Commission Members, provided that written notice and the full text of the proposed action is provided to all Commission Members at least five (5) days prior to the meeting at which the action is to be considered.

ARTICLE X

DISSOLUTION OF THE COMPACT

The Compact shall dissolve as provided by the Compact. Upon dissolution of the Compact, the Compact becomes null and void and shall be of no further force and effect, and the business and affairs of the Commission shall be wound up as provided in the Compact. Each Member State in good standing at the time of the Compact's dissolution shall receive a pro rata distribution of surplus funds based upon its proportionate share of total past contributions, if any.