



**THE REPUBLICAN
STUDY COMMITTEE**

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MARK WALKER, CHAIRMAN

H.J.Res. 2 — Proposing a balanced budget amendment to the Constitution of the United States (Rep. Bob Goodlatte, R-VA)

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FLOOR SCHEDULE:

Scheduled for consideration on April 12, 2018, under suspension of the rules, which requires a 2/3 vote for passage.

[Article V of the United States Constitution](#) requires that constitutional amendments proposed by Congress pass each chamber by a two-thirds vote and are then ratified by three-fourths of the states.

The [rule](#) providing for consideration of H.R. 4790 also provided that it be in order to entertain the motion to suspend the rules and pass H.J.Res. 2 on April 12, 2018, and provides four hours of debate.

TOPLINE SUMMARY:

[H.J.Res. 2](#), would propose a balanced budget amendment to the Constitution of the United States for ratification by the states.

COST:

A Congressional Budget Office (CBO) estimate for the bill is not available. The Constitutional amendment proposed by H.J.Res. 2 would require the federal budget to balance on the fifth fiscal year following ratification by the states. The window for ratification by the states is open for seven years after the date of its submission by Congress to the states. Thus, balance under the bill could be required as far as 12 years from submission.

CONSERVATIVE VIEWS:

Many conservatives will be pleased that H.J.Res. 2 would propose a balanced budget amendment to the Constitution, a longstanding priority of the conservative movement.

RSC Chairman Mark Walker's [Op-Ed in the Washington Examiner](#) describes how the Balanced Budget Amendment was agreed to be scheduled last Fall:

“When the president and Speaker of the House Paul Ryan asked if the Republican Study Committee would support the Senate’s budget in order to move the tax reform process ahead, we requested and received a commitment that the House would vote on a balanced budget amendment as well as deficit reduction legislation in the spring.

“I am thankful that the House is scheduled to fulfill part of that commitment and consider a balanced budget amendment. While many conservatives have differing ideas about the best way to construct such an amendment, they all share the same basic premise: The federal government should not spend more than it takes in. Enshrining this common-sense concept in the Constitution will send a powerful message, and more importantly, constrain Congress and the executive branch from spending us into a fiscal catastrophe. Even if this amendment fails to receive the supermajority support it needs from the House and Senate to be sent to the states for ratification, holding a vote on the balanced budget amendment will show the public where their elected representatives stand on the issue of constraining government.

“As important as the vote on the balanced budget amendment is, what comes next is even more important. House Republicans need to show how we will reduce spending to balance the budget and begin the process of paying down the unsustainable debt.”

Some conservatives may be concerned that the amendment does not contain a spending limitation, and thus would allow balance to be achieved simply by raising taxes. Moreover, the amendment’s prohibition on raising taxes could be waived by a simple majority rollcall vote.

- **Expand the Size and Scope of the Federal Government?** No, the Constitutional amendment would require the budget to be balanced.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

The joint resolution would propose a balanced budget amendment to the Constitution of the United States for ratification by three-fourths of the states. Ratification would have to take place within seven years. The amendment would not take effect for five years following ratification by the states. For the amendment to be proposed to the states, it must first pass each chamber of Congress by two-thirds votes.

The amendment would require that for a fiscal year total outlays not exceed total receipts, but this requirement could be waived upon a three-fifths rollcall vote by each chamber.

The amendment would prohibit increasing the debt limit unless waived upon a three-fifths rollcall vote by each chamber.

The amendment requires the President to propose an annual budget that balances for that fiscal year.

The amendment prohibits revenue increases unless approved by a simple majority rollcall vote of each chamber.

All requirements set forth in the amendment could be waived by Congress for any fiscal year in which a declaration of war is in effect. Additionally, all requirements can be waived by a simple majority for any year in which the country is engaged in military conflict that threatens national security.

Borrowing would not count toward receipts, and repayments of principle would not count toward spending for purposes of determining annual balance.

COMMITTEE ACTION:

H.J.Res. 2 was introduced on January 3, 2017, and was referred to the House Judiciary Committee.

The Committee held a hearing on [The Need for the Balanced Budget Amendment](#) on July 27, 2017.

OUTSIDE GROUPS:

[National Taxpayers Union \(NTU\)](#) - Yes Vote

ADMINISTRATION POSITION:

According to the Statement of Administration Policy for H.J.Res. 2: “The Administration supports passage of H.J. Res. 2, referring to the States for ratification a balanced budget amendment to the Constitution of the United States.... [T]he Administration strongly believes that the non-defense discretionary spending in the Omnibus demanded by some members of Congress is a threat to the fiscal stability of our Nation. Instead of raising taxes on the American people to pay for more Government spending, the Administration believes we should put in place long-term constraints on the growth of Government.”

CONSTITUTIONAL AUTHORITY:

“Congress has the power to enact this legislation pursuant to the following: The constitutional authority on which this joint resolution is based is found in Article V of the Constitution, which grants Congress the authority, whenever two thirds of both chambers deem it necessary, to propose amendments to the Constitution.”

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