

Am. Sub. H.B. 166
As Passed by the Senate
DOHCD45

_____ moved to amend as follows:

- In line 165 of the title, after "3781.40," insert "3799.01," 1
- In line 342, after "3781.40," insert "3799.01," 2
- After line 44056, insert: 3
- "Sec. 3799.01. Article I. Definitions 4
- For purposes of this compact: 5
1. "Compacting state" means either of the following: 6
- a. Any state that has enacted the compact and which has not 7
withdrawn or been suspended pursuant to Article XIV of the 8
compact; 9
- b. The federal government in accordance with the commission's 10
bylaws. 11
2. "Compact" means the Solemn Covenant of the States to Award 12
Prizes for Curing Diseases enacted in this section. 13
3. "Non-compacting state" means any state or the federal 14
government, if it is not at the time a compacting state. 15
4. "Public health expenses" means the amount of all costs 16
paid by taxpayers in a specified geographic area relating to a 17
particular disease. 18

5. "State" means any state, district, or territory of the United States of America. 19
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Article II. Establishment of the Commission; Membership 21

1. Upon the enactment of the compact by six states, the compacting states shall establish the Solemn Covenant of States Commission. 22
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2. The commission is a body corporate and politic and an instrumentality of each of the compacting states and is solely responsible for its liabilities, except as otherwise specifically provided in the compact. 25
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3. Each compacting state shall be represented by one member as selected by the compacting state. Each compacting state shall determine its member's qualifications and period of service and shall be responsible for any action to remove or suspend its member or to fill the member's position if it becomes vacant. Nothing in the compact shall be construed to affect a compacting state's authority regarding the qualification, selection, or service of its own member. 29
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Article III. Powers of the Commission 37

1. To adopt bylaws and rules pursuant to Articles V and VI of the compact, which shall have the force and effect of law and shall be binding in the compacting states to the extent and in the manner provided in the compact; 38
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2. To receive and review in an expeditious manner treatments and therapeutic protocols for the cure of disease submitted to the commission and to award prizes for submissions that meet the commission's standards for a successful cure treatment or therapeutic protocol; 42
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3. To make widely available a cure treatment or therapeutic 47

protocol upon a prize winner claiming a prize and transferring any 48
intellectual property necessary for the manufacture and 49
distribution of the cure in accordance with section 3.g.i. of 50
Article VI, including by arranging or contracting for the 51
manufacturing, production, or provision of any drug, serum, or 52
other substance, device, or process, provided that the commission 53
does not market the cure or conduct any other activity regarding 54
the cure not specifically authorized in the compact; 55

4. To establish a selling price for the cure, which shall be 56
not more than the expenses for the cure's manufacturing, 57
distribution, licensing, and any other necessary governmental 58
requirements for compacting states, or those expenses plus any 59
royalty fees, for noncompacting states; the price shall not 60
include the expenses of any other activities; 61

5. In non-compacting states and foreign countries, to 62
establish and collect royalty fees imposed on manufacturers, 63
producers, and providers of any drug, serum, or other substance, 64
device, or process used for a cure treatment or therapeutic 65
protocol, for which a prize is awarded; royalty fees may be added 66
to the sales price of the cure pursuant to section 4 of this 67
Article; provided that the royalty fees shall cumulatively be not 68
more than the estimated five-year savings in public health 69
expenses for that state or country, as calculated by actuaries 70
employed or contracted by the commission; 71

6. To do the following regarding the collected royalty fees: 72

a. Pay or reimburse expenses related to the payment of a 73
prize, which shall include employing or contracting actuaries to 74
calculate annual taxpayer savings amounts in compacting states in 75
accordance with section 3.g.iii. of Article VI, and payment of 76
interest and other expenses related to a loan obtained in 77

<u>accordance with section 3.g.vi. of Article VI;</u>	78
<u>b. Annually disburse any amounts remaining after making</u>	79
<u>payments or reimbursements under section 6.a. of this article as</u>	80
<u>refunds to compacting states based on the per cent of the state's</u>	81
<u>prize obligation in relation to the total obligation amount of all</u>	82
<u>compacting states;</u>	83
<u>7. To bring and prosecute legal proceedings or actions in its</u>	84
<u>name as the commission;</u>	85
<u>8. To issue subpoenas requiring the attendance and testimony</u>	86
<u>of witnesses and the production of evidence;</u>	87
<u>9. To establish and maintain offices;</u>	88
<u>10. To borrow, accept, or contract for personnel services,</u>	89
<u>including personnel services from employees of a compacting state;</u>	90
<u>11. To hire employees, professionals, or specialists, and</u>	91
<u>elect or appoint officers, and to fix their compensation, define</u>	92
<u>their duties and give them appropriate authority to carry out the</u>	93
<u>purposes of the compact, and determine their qualifications; and</u>	94
<u>to establish the commission's personnel policies and programs</u>	95
<u>relating to, among other things, conflicts of interest, rates of</u>	96
<u>compensation, and qualifications of personnel;</u>	97
<u>12. To accept any and all appropriate donations and grants of</u>	98
<u>money, equipment, supplies, materials, and services, and to</u>	99
<u>receive, utilize, and dispose of the same; provided that at all</u>	100
<u>times the commission shall strive to avoid any appearance of</u>	101
<u>impropriety;</u>	102
<u>13. To lease, purchase, or accept appropriate gifts or</u>	103
<u>donations of, or otherwise to own, hold, improve, or use, any</u>	104
<u>property, real, personal, or mixed; provided, that at all times</u>	105
<u>the commission shall strive to avoid any appearance of</u>	106

<u>impropriety;</u>	107
<u>14. To sell, convey, mortgage, pledge, lease, exchange,</u>	108
<u>abandon, or otherwise dispose of any property, real, personal, or</u>	109
<u>mixed;</u>	110
<u>15. To monitor compacting states for compliance with the</u>	111
<u>commission's bylaws and rules;</u>	112
<u>16. To enforce compliance by compacting states with the</u>	113
<u>commission's bylaws and rules;</u>	114
<u>17. To provide for dispute resolution among compacting states</u>	115
<u>or between the commission and those who submit treatments and</u>	116
<u>therapeutic protocols for the cure of disease for consideration;</u>	117
<u>18. To establish a budget and make expenditures;</u>	118
<u>19. To borrow money;</u>	119
<u>20. To appoint committees, including management, legislative,</u>	120
<u>and advisory committees comprised of members, state legislators or</u>	121
<u>their representatives, medical professionals, and such other</u>	122
<u>interested persons as may be designated by the commission;</u>	123
<u>21. To establish annual membership dues for compacting</u>	124
<u>states, which shall be used for daily expenses of the commission</u>	125
<u>and not for interest or prize payments;</u>	126
<u>22. To adopt and use a corporate seal;</u>	127
<u>23. To perform such other functions as may be necessary or</u>	128
<u>appropriate to achieve the purposes of this compact.</u>	129
<u>Article IV. Meetings and Voting</u>	130
<u>1. The commission shall meet and take such actions as are</u>	131
<u>consistent with the compact, bylaws, and rules.</u>	132
<u>2. A majority of the members of the commission shall</u>	133

constitute a quorum necessary in order to conduct business or take 134
actions at meetings of the commission. 135

3. Each member of the commission shall have the right and 136
power to cast one vote regarding matters determined or actions to 137
be taken by the commission. Each member shall have the right and 138
power to participate in the business and affairs of the 139
commission. 140

4. A member shall vote in person or by such other means as 141
provided in the commission's bylaws. The commission's bylaws may 142
provide for members' participation in meetings by telephone or 143
other means of communication. 144

5. The commission shall meet at least once during each 145
calendar year. Additional meetings shall be held as set forth in 146
the commission's bylaws. 147

6. No decision of the commission with respect to the approval 148
of an award for a treatment or therapeutic process for the cure of 149
a disease shall be effective unless two-thirds of all the members 150
of the commission vote in favor thereof. 151

7. Guidelines and voting requirements for all other decisions 152
of the commission shall be established in the commission's bylaws. 153

Article V. Bylaws 154

The commission shall, by a majority vote of all the members 155
of the commission, prescribe bylaws to govern its conduct as may 156
be necessary or appropriate to carry out the purposes, and 157
exercise the powers, of the compact, including, but not limited 158
to: 159

1. Establishing the fiscal year of the commission; 160

2. Providing reasonable procedures for appointing and 161

<u>electing members, as well as holding meetings, of the management</u>	162
<u>committee;</u>	163
<u>3. Providing reasonable standards and procedures:</u>	164
<u>a. For the establishment and meetings of other committees;</u>	165
<u>b. Governing any general or specific delegation of any</u>	166
<u>authority or function of the commission; and</u>	167
<u>c. Voting guidelines and procedures for commission decisions.</u>	168
<u>4. Providing reasonable procedures for calling and conducting</u>	169
<u>meetings of the commission that shall consist of requiring a</u>	170
<u>quorum to be present, ensuring reasonable advance notice of each</u>	171
<u>such meeting and providing for the right of citizens to attend</u>	172
<u>each such meeting with enumerated exceptions designed to protect</u>	173
<u>the public's interest and the privacy of individuals.</u>	174
<u>5. Providing a list of matters about which the commission may</u>	175
<u>go into executive session and requiring a majority of all members</u>	176
<u>of the commission vote to enter into such session. As soon as</u>	177
<u>practicable, the commission shall make public:</u>	178
<u>a. A copy of the vote to go into executive session, revealing</u>	179
<u>the vote of each member with no proxy votes allowed; and</u>	180
<u>b. The matter requiring executive session, without</u>	181
<u>identifying the actual issues or individuals involved.</u>	182
<u>6. Establishing the titles, duties, authority, and reasonable</u>	183
<u>procedures for the election of the officers of the commission;</u>	184
<u>7. Providing reasonable standards and procedures for the</u>	185
<u>establishment of the personnel policies and programs of the</u>	186
<u>commission. Notwithstanding any civil service or other similar</u>	187
<u>laws of any compacting state, the commission's bylaws shall</u>	188
<u>exclusively govern the personnel policies and programs of the</u>	189

<u>commission;</u>	190
<u>8. Allowing a mechanism for:</u>	191
<u>a. The federal government to join as a compacting state; and</u>	192
<u>b. Foreign countries or subdivisions of those countries to</u>	193
<u>join as liaison members by adopting the compact; provided that</u>	194
<u>adopting countries or subdivisions shall not have voting power or</u>	195
<u>the power to bind the commission in any way.</u>	196
<u>9. Adopting a code of ethics to address permissible and</u>	197
<u>prohibited activities of members and employees;</u>	198
<u>10. Providing for the maintenance of the commission's books</u>	199
<u>and records;</u>	200
<u>11. Governing the acceptance of and accounting for donations,</u>	201
<u>annual member dues, and other sources of funding and establishing</u>	202
<u>the proportion of these funds to be allocated to prize amounts for</u>	203
<u>treatments and therapeutic protocols that cure disease;</u>	204
<u>12. Governing any fund raising efforts in which the</u>	205
<u>commission wishes to engage; and</u>	206
<u>13. Providing a mechanism for winding up the operations of</u>	207
<u>the commission and the equitable disposition of any surplus funds</u>	208
<u>that may exist after the termination of the compact after the</u>	209
<u>payment and reserving of all its debts and obligations.</u>	210
<u>Article VI. Rules</u>	211
<u>1. The commission shall adopt rules to do the following:</u>	212
<u>a. Effectively and efficiently achieve the purposes of this</u>	213
<u>compact;</u>	214
<u>b. Govern the methods, processes, and any other aspect of the</u>	215
<u>research, creation, and testing of a treatment or therapeutic</u>	216

<u>protocol for each disease for which a prize may be awarded.</u>	217
<u>2. The commission shall also adopt rules establishing the</u>	218
<u>criteria for defining and classifying the diseases for which</u>	219
<u>prizes shall be awarded. The commission may define and classify</u>	220
<u>subsets of diseases, for example, tubular carcinoma of the breast.</u>	221
<u>For purposes of sections 3.a. and c. of this article, a subset of</u>	222
<u>a disease shall be considered one disease. The commission may</u>	223
<u>consult the most recent edition of the international</u>	224
<u>classification of disease as published by the world health</u>	225
<u>organization or other definitions agreed to by a two-thirds vote</u>	226
<u>of the commission.</u>	227
<u>3. The commission shall also adopt rules regarding prizes for</u>	228
<u>curing diseases that establish the following:</u>	229
<u>a. At least ten major diseases for which to create prizes,</u>	230
<u>which shall be determined based on the following factors:</u>	231
<u>i. The severity of the disease to a human individual's</u>	232
<u>overall health and well-being;</u>	233
<u>ii. The survival rate or severity of impact of the disease;</u>	234
<u>iii. The public health expenses and treatment expenses for</u>	235
<u>the disease.</u>	236
<u>b. The criteria a treatment or therapeutic protocol must meet</u>	237
<u>in order to be considered a cure for any of the diseases for which</u>	238
<u>a prize may be awarded, which shall include the following</u>	239
<u>requirements:</u>	240
<u>i. It must be approved by the federal Food and Drug</u>	241
<u>Administration or have otherwise obtained legal status for the</u>	242
<u>compact to immediately contract to manufacture and distribute in</u>	243
<u>the United States;</u>	244

ii. Except as provided in section 4. of this article, it must 245
yield a significant increase in survival with respect to the 246
diseases if early death is the usual outcome; 247

iii. It requires less than one year of the treatment or 248
protocol to completely cure the disease. 249

c. The procedure for determining the diseases for which to 250
award prizes, which includes the option to award prizes for more 251
than ten diseases that meet the above criteria, if agreed to by 252
two-thirds vote of the commission, and a requirement to update the 253
list every three years. 254

d. The submission and evaluation procedures and guidelines, 255
including filing and review procedures, a requirement that the 256
person or entity submitting the cure bears the burden of proof in 257
demonstrating that the treatment or therapeutic protocol meets the 258
above criteria, and limitations preventing public access to 259
treatment or protocol submissions. 260

e. The estimated five-year public health savings that would 261
result from a cure, which shall be equal to the five-year public 262
health expenses for each disease in each compacting state, and a 263
procedure to update these expenses every three years in 264
conjunction with the requirements in section 3.c. of this article. 265
The estimated five-year public health savings amount shall be 266
calculated, estimated, and publicized every three years by 267
actuaries employed or contracted by the commission. 268

f. The prize amount with respect to cures for each disease, 269
which shall be equal to the most recent estimated total five-year 270
savings in public health expenses for the disease as calculated in 271
section 3.e. of this article in all of the compacting states; 272
amounts donated by charities, individuals, and any other entities 273
intended for the prize under Article I of the compact; and any 274

other factors that the commission deems appropriate. 275

g. The prize distribution procedures and guidelines, which shall include the following requirements: 276
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i. Upon acceptance of a cure, the prize winner shall transfer to the commission the patent and all related intellectual property for the manufacture and distribution of the treatment or therapeutic protocol in exchange for the prize, except in the case that the prize money is considered by the commission to be too low, and that a prize will be awarded only to the first person or entity that submits a successful cure for a disease for which a prize may be awarded. 278
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ii. Donation amounts intended for the prize shall be kept in a separate, interest-bearing account maintained by the commission. This account shall be the only account in which prize money is kept. 286
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iii. Each compacting state shall have the responsibility to pay annually the compacting state's actual one-year savings in public health expenses for the particular disease for which a cure has been accepted. The compacting state shall make such an annual payment until it has fulfilled its prize responsibility as established in section 3.f. of this article. Each compacting state's payment responsibility begins one year after the date the cure becomes widely available. The commission shall employ or contract with actuaries to calculate each state's actual one-year savings in public health expenses at the end of each year to determine each state's responsibility for the succeeding year. 290
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iv. Compacting states may meet prize responsibilities by any method including the issuance of bonds or other obligations, with the principal and interest of those bonds or obligations to be repaid only from revenue derived from estimated public health 301
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expense savings from a cure to a disease. If the compacting state 305
does not make such revenue available to repay some or all of the 306
revenue bonds or obligations issued, the owners or holders of 307
those bonds or obligations have no right to have excises or taxes 308
levied to pay the principal or interest on them. The revenue bonds 309
and obligations are not a debt of the issuing compacting state. 310

v. A compacting state may issue bonds or other debt that are 311
general obligations, under which the full faith and credit, 312
revenue, and taxing power of the state is pledged to pay the 313
principal and interest under those obligations, only if authorized 314
by the compacting state's constitution or, if constitutional 315
authorization is not required, by other law of the compacting 316
state. 317

vi. Upon acceptance of a cure, the commission shall obtain a 318
loan from a financial institution in an amount equal to the most 319
recently calculated total estimated five-year public health 320
expenses for the disease in all compacting states, in accordance 321
with section 3.f. of this article. The commission reserves the 322
right to continuously evaluate the cure in the interim and rescind 323
a prize offer if the commission finds that the cure no longer 324
meets the commission's criteria. 325

4. The commission may award a prize for a treatment or 326
therapeutic protocol that yields a survival rate that is less than 327
what is established in the cure criteria through at least five 328
years after the treatment or protocol has ended. In that case, the 329
prize amount awarded for that treatment or therapeutic protocol 330
shall be reduced from the prize amount originally determined by 331
the commission for a cure for that disease. The reduction shall be 332
in proportion to the survival rate yielded by that treatment or 333
protocol as compared to the survival rate established in the cure 334

<u>criteria.</u>	335
<u>5. The commission also shall adopt rules that do the</u>	336
<u>following:</u>	337
<u>a. Establish the following regarding commission records:</u>	338
<u>i. Conditions and procedures for public inspection and</u>	339
<u>copying of its information and official records, except such</u>	340
<u>information and records involving the privacy of individuals or</u>	341
<u>would otherwise violate privacy laws under federal law and the</u>	342
<u>laws of the compacting states;</u>	343
<u>ii. Procedures for sharing with federal and state agencies,</u>	344
<u>including law enforcement agencies, records and information</u>	345
<u>otherwise exempt from disclosure;</u>	346
<u>iii. Guidelines for entering into agreements with federal and</u>	347
<u>state agencies to receive or exchange information or records</u>	348
<u>subject to nondisclosure and confidentiality provisions.</u>	349
<u>b. Provide a process for commission review of submitted</u>	350
<u>treatments and therapeutic protocols for curing diseases that</u>	351
<u>includes the following:</u>	352
<u>i. An opportunity for an appeal, not later than thirty days</u>	353
<u>after a rejection of a treatment or protocol for prize</u>	354
<u>consideration, to a review panel established under the</u>	355
<u>commission's dispute resolution process;</u>	356
<u>ii. Commission monitoring and review of treatment and</u>	357
<u>protocol effectiveness consistent with the cure criteria</u>	358
<u>established by the commission for the particular disease;</u>	359
<u>iii. Commission reconsideration, modification, or withdrawal</u>	360
<u>of approval of a treatment or protocol for prize consideration for</u>	361
<u>failure to continue to meet the cure criteria established by the</u>	362

<u>commission for the particular disease.</u>	363
<u>c. Establish a dispute resolution process to resolve disputes</u>	364
<u>or other issues under the compact that may arise between two or</u>	365
<u>more compacting states or between the commission and individuals</u>	366
<u>or entities who submit treatments and therapeutic protocols to</u>	367
<u>cure diseases, which process shall provide for:</u>	368
<u>i. Administrative review by a review panel appointed by the</u>	369
<u>commission;</u>	370
<u>ii. Judicial review of decisions issued after an</u>	371
<u>administrative review; and</u>	372
<u>iii. Qualifications to be appointed to a panel, due process</u>	373
<u>requirements, including notice and hearing procedures, and any</u>	374
<u>other procedure, requirement, or standard necessary to provide</u>	375
<u>adequate dispute resolution.</u>	376
<u>d. Establish and impose annual member dues on compacting</u>	377
<u>states, which shall be calculated based on the percentage of each</u>	378
<u>compacting state's population in relation to the population of all</u>	379
<u>the compacting states.</u>	380
<u>6. Recognizing that the goal of the compact is to pool the</u>	381
<u>potential savings of as many states and countries as possible to</u>	382
<u>generate sufficient financial incentive to develop a cure for many</u>	383
<u>of the world's most devastating diseases, the compact will respect</u>	384
<u>the laws of each of these United States by adopting rules that</u>	385
<u>establish ethical standards for research that shall be followed in</u>	386
<u>order for a prize to be claimed. The compact, in the rules, shall</u>	387
<u>establish a common set of ethical standards that embodies the laws</u>	388
<u>and restrictions in each of the states so that to be eligible for</u>	389
<u>claiming a prize the entity submitting a cure must not have</u>	390
<u>violated any of the ethical standards in any one of the fifty</u>	391

states, whether the states have joined the compact or not. The compact will publish these common ethical standards along with the specific criteria for a cure for each of the diseases the compact has targeted. 392
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So long as a researcher follows the common ethical standards in effect at the time the research is done, an entity presenting a cure will be deemed to have followed the standards. On or before January 1 of each year, the compact shall review all state laws to determine if additional ethical standards have been enacted by any of the fifty states and the federal government. Any changes to the common ethical standards rules based on new state laws shall be adopted and published by the compact, but shall not take effect in cure criteria for a period of three years to allow for sufficient notice to researchers. 396
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7. All rules may be amended as the commission sees necessary. 406

8. All rules shall be adopted pursuant to a rule-making process that conforms to the model state administrative procedure act of 1981 by the uniform law commissioners, as amended, as may be appropriate to the operations of the commission. 407
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9. In the event the commission exercises its rule-making authority in a manner that is beyond the scope of the purpose of this compact, or the powers granted hereunder, then such rule shall be invalid and have no force and effect. 411
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Article VII. Committees 415

1. Management Committee 416

a. The commission may establish a management committee comprised of not more than fourteen members when twenty-six states enact the compact. 417
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b. The committee shall consist of those members representing 420

compacting states whose total public health expenses of all of the 421
established diseases are the highest. 422

c. The committee shall have such authority and duties as may 423
be set forth in the commission's bylaws and rules, including: 424

i. Managing authority over the day-to-day affairs of the 425
commission in a manner consistent with the commission's bylaws and 426
rules and the purposes of the compact; 427

ii. Overseeing the offices of the commission; and 428

iii. Planning, implementing, and coordinating communications 429
and activities with state, federal, and local government 430
organizations in order to advance the goals of the compact. 431

d. The commission annually shall elect officers for the 432
committee, with each having such authority and duties as may be 433
specified in the commission's bylaws and rules. 434

e. The management committee, subject to commission approval, 435
may appoint or retain an executive director for such period, upon 436
such terms and conditions, and for such compensation as the 437
committee determines. The executive director shall serve as 438
secretary to the commission, but shall not be a member of the 439
commission. The executive director shall hire and supervise such 440
other staff as may be authorized by the committee. 441

2. Advisory Committees 442

The commission may appoint advisory committees to monitor all 443
operations related to the purposes of the compact and make 444
recommendations to the commission; provided that the manner of 445
selection and term of any committee member shall be as set forth 446
in the commission's bylaws and rules. The commission shall consult 447
with an advisory committee, to the extent required by the 448
commission's bylaws or rules, before doing any of the following: 449

<u>a. Approving cure criteria;</u>	450
<u>b. Amending, enacting, or repealing any bylaw or rule;</u>	451
<u>c. Adopting the commission's annual budget;</u>	452
<u>d. Addressing any other significant matter or taking any other significant action.</u>	453 454
<u>Article VIII. Finance</u>	455
<u>1. The commission annually shall establish a budget to pay or provide for the payment of its reasonable expenses. To fund the cost of initial operations, the commission may accept contributions and other forms of funding from the compacting states and other sources. Contributions and other forms of funding from other sources shall be of such a nature that the independence of the commission concerning the performance of its duties shall not be compromised.</u>	456 457 458 459 460 461 462 463
<u>2. The commission shall be exempt from all taxation in and by the compacting states.</u>	464 465
<u>3. The commission shall keep complete and accurate accounts of all of its internal receipts, including grants and donations, and disbursements of all funds under its control. The internal financial accounts of the commission shall be subject to the accounting procedures established under the commission's bylaws or rules. The financial accounts and reports including the system of internal controls and procedures of the commission shall be audited annually by an independent certified public accountant. Upon the determination of the commission, but not less frequently than every three years, the review of the independent auditor shall include a management and performance audit of the commission. The commission shall make an annual report to the governors and legislatures of the compacting states, which shall</u>	466 467 468 469 470 471 472 473 474 475 476 477 478

include a report of the independent audit. The commission's 479
internal accounts shall not be confidential and such materials may 480
be shared with any compacting state upon request provided, 481
however, that any work papers related to any internal or 482
independent audit and any information subject to the compacting 483
states' privacy laws, shall remain confidential. 484

4. No compacting state shall have any claim or ownership of 485
any property held by or vested in the commission or to any 486
commission funds held pursuant to the provisions of the compact. 487

Article IX. Records 488

Except as to privileged records, data, and information, the 489
laws of any compacting state pertaining to confidentiality or 490
nondisclosure shall not relieve any member of the duty to disclose 491
any relevant records, data, or information to the commission; 492
provided, that disclosure to the commission shall not be deemed to 493
wave or otherwise affect any confidentiality requirement; and 494
further provided, that, except as otherwise expressly provided in 495
the compact, the commission shall not be subject to the compacting 496
state's laws pertaining to confidentiality and nondisclosure with 497
respect to records, data, and information in its possession. 498
Confidential information of the commission shall remain 499
confidential after such information is provided to any member. All 500
core submissions received by the commission are confidential. 501

Article X. Compliance 502

The commission shall notify a compacting state in writing of 503
any noncompliance with commission bylaws and rules. If a 504
compacting state fails to remedy its noncompliance within the time 505
specified in the notice, the compacting state shall be deemed to 506
be in default as set forth in Article XIV. 507

Article XI. Venue 508

Venue for any judicial proceedings by or against the 509
commission shall be brought in the appropriate court of competent 510
jurisdiction for the geographical area in which the principal 511
office of the commission is located. 512

Article XII. Qualified Immunity, Defense, and Indemnification 513

1. The members, officers, executive director, employees, and 514
representatives of the commission shall be immune from suit and 515
liability, either personally or in their official capacity, for 516
any claim for damage to or loss of property or personal injury or 517
other civil liability caused by or arising out of any actual or 518
alleged act, error, or omission that occurred, or that such person 519
had a reasonable basis for believing occurred within the scope of 520
the person's commission employment, duties, or responsibilities; 521
provided, that nothing in section 1. of this article shall be 522
construed to protect any such person from suit or liability for 523
any damage, loss, injury, or liability caused by the intentional 524
or willful and wanton misconduct of that person. 525

2. The commission shall defend any member, officer, executive 526
director, employee, or representative of the commission in any 527
civil action seeking to impose liability arising out of any actual 528
or alleged act, error, or omission that occurred within the scope 529
of the person's commission employment, duties, or 530
responsibilities, or that such person had a reasonable basis for 531
believing occurred within the scope of commission employment, 532
duties, or responsibilities; provided, that nothing in the compact 533
or commission bylaws or rules shall be construed to prohibit that 534
person from retaining his or her own counsel; and provided 535
further, that the actual or alleged act, error, or omission did 536
not result from that person's intentional or willful and wanton 537

misconduct.

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3. The commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against the person arising out of any actual or alleged act, error, or omission that occurred within the scope of the person's 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 the intentional or willful and wanton misconduct of that person.

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Article XIII. Compacting States, Effective Date, and Amendment

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1. Any state is eligible to become a compacting state.

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2. The compact shall become effective and binding upon legislative enactment of the compact into law by two compacting states; provided, the commission shall only be established after six states become compacting states. Thereafter, the compact shall become effective and binding as to any other compacting state upon enactment of the compact into law by that state.

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3. Amendments to the compact may be proposed by the commission for enactment by the compacting states. No amendment shall become effective and binding until all compacting states enact the amendment into law.

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4. If funding is requested or required, the legislative authority of each compacting state shall be responsible for making the appropriations it determines necessary to pay for the costs of the compact, including annual member dues and prize distributions.

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<u>Article XIV. Withdrawal, Default, and Expulsion</u>	567
<u>1. Withdrawal</u>	568
<u>a. Once effective, the compact shall continue in force and remain binding upon each and every compacting state; provided, that a compacting state may withdraw from the compact by doing both of the following:</u>	569 570 571 572
<u>i. Repealing the law enacting the compact in that state;</u>	573
<u>ii. Notifying the commission in writing of the intent to withdraw on a date that is both of the following:</u>	574 575
<u>I. At least three years after the date the notice is sent;</u>	576
<u>II. After the repeal takes effect.</u>	577
<u>b. The effective date of withdrawal is the date described in section 1.a.ii. of this article.</u>	578 579
<u>c. The member representing the withdrawing state shall immediately notify the management committee in writing upon the introduction of legislation in that state repealing the compact. If a management committee has not been established, the member shall immediately notify the commission.</u>	580 581 582 583 584
<u>d. The commission or management committee, as applicable, shall notify the other compacting states of the introduction of such legislation within ten days after its receipt of notice thereof.</u>	585 586 587 588
<u>e. The withdrawing state is responsible for all obligations, duties and liabilities incurred through the effective date of withdrawal, including any obligations, the performance of which extend beyond the effective date of withdrawal. The commission's actions shall continue to be effective and be given full force and effect in the withdrawing state.</u>	589 590 591 592 593 594

f. Reinstatement following a state's withdrawal shall become 595
effective upon the effective date of the subsequent enactment of 596
the compact by that state. 597

2. Default 598

a. If the commission determines that any compacting state has 599
at any time defaulted in the performance of any of its obligations 600
or responsibilities under the compact or the commission's bylaws 601
or rules, then, after notice and hearing as set forth in the 602
bylaws, all rights, privileges, and benefits conferred by this 603
compact on the defaulting state shall be suspended from the 604
effective date of default as fixed by the commission. The grounds 605
for default include failure of a compacting state to perform its 606
obligations or responsibilities, and any other grounds designated 607
in commission rules. The commission shall immediately notify the 608
defaulting state in writing of the suspension pending cure of the 609
default. The commission shall stipulate the conditions and the 610
time period within which the defaulting state shall cure its 611
default. If the defaulting state fails to cure the default within 612
the time period specified by the commission, the defaulting state 613
shall be expelled from the compact and all rights, privileges, and 614
benefits conferred by the compact shall be terminated from the 615
effective date of the expulsion. Any state that is expelled from 616
the compact shall be liable for any cure prize or prizes for three 617
years after its removal. The commission shall also take 618
appropriate legal action to ensure that any compacting state that 619
withdraws from the compact remains liable for paying its 620
responsibility towards a prize for a cure that was accepted while 621
the compacting state was a member of the commission. 622

b. The expelled state must reenact the compact in order to 623
become a compacting state. 624

<u>3. Dissolution of Compact</u>	625
<u>a. The compact dissolves effective upon the date of either of the following:</u>	626 627
<u>i. The withdrawal or expulsion of a compacting state, which withdrawal or expulsion reduces membership in the compact to one compacting state;</u>	628 629 630
<u>ii. The commission votes to dissolve the compact.</u>	631
<u>b. Upon the dissolution of the compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the commission shall be wound up and any surplus funds shall be distributed in accordance with the commission's bylaws, provided, that the commission shall pay all outstanding prizes awarded before the dissolution of the compact, as well as any other outstanding debts and obligations incurred during the existence of the compact. Any unawarded funds donated to be a part of a prize shall be returned to the donor, along with any interest earned on the amount.</u>	632 633 634 635 636 637 638 639 640 641
<u>Article XV. Severability and Construction</u>	642
<u>1. The provisions of the compact shall be severable; and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.</u>	643 644 645 646
<u>2. The provisions of the compact shall be liberally construed to effectuate its purposes.</u>	647 648
<u>Article XVI. Binding Effect of Compact and Other Laws</u>	649
<u>1. Other Laws: Nothing herein prevents the enforcement of any other law of a compacting state, except as provided in section 2.b. of this article.</u>	650 651 652

<u>2. Binding Effect of the Compact</u>	653
<u>a. All lawful actions of the commission, including all commission rules, are binding upon the compacting states.</u>	654 655
<u>b. All agreements between the commission and the compacting states are binding in accordance with their terms.</u>	656 657
<u>c. Except to the extent authorized by the compacting state's constitution or, if constitutional authorization is not required, by other law of the compacting state, such state, by entering into the compact does not:</u>	658 659 660 661
<u>i. Commit the full faith and credit or taxing power of the compacting state for the payment of prizes or other obligations under the compact;</u>	662 663 664
<u>ii. Make prize payment responsibilities or other obligations under the compact a debt of the compacting state.</u>	665 666
<u>d. Upon the request of a party to a conflict over the meaning or interpretation of commission actions, and upon a majority vote of the compacting states, the commission may issue advisory opinions regarding the meaning or interpretation in dispute.</u>	667 668 669 670
<u>e. In the event any provision of the compact exceeds the constitutional limits imposed on any compacting state, the obligations, duties, powers or jurisdiction sought to be conferred by that provision upon the commission shall be ineffective as to that compacting state, and those obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall be exercised by the agency thereof to which those obligations, duties, powers, or jurisdiction are delegated by law in effect at the time the compact becomes effective."</u>	671 672 673 674 675 676 677 678 679

The motion was _____ agreed to.

SYNOPSIS

Solemn Covenant of the States for curing diseases	680
R.C. 3799.01	681
Restores, with revisions, the House provision that enacts	682
into law the Solemn Covenant of the States, an interstate compact	683
intended to award prizes for curing diseases.	684
Provides that upon enactment by two states the Compact	685
becomes effective and binding and upon enactment by six states the	686
governing Solemn Covenant of States Commission is established.	687
Grants the Commission the power to review treatments for the	688
cure of at least ten major diseases specified by the Commission,	689
to award prizes for successful cures, and to make the treatments	690
widely available for use.	691
Requires the prize amount for each cure to be equal to (1)	692
the most recent estimated total five-year savings in public health	693
expenses for the disease in all compacting states, (2) money	694
donated by others intended for the prize, and (3) any other	695
factors the Commission finds appropriate.	696
Requires the prize winner to transfer the patent and all	697
related intellectual property for a treatment to the Commission in	698
exchange for the prize.	699
Requires the Commission, upon acceptance of a cure, to obtain	700
a loan that is equal to the most recently calculated total	701
estimated five-year public health expenses for the disease in all	702

compacting states.	703
Requires each compacting state to annually pay its actual one	704
year savings in public health expenses for the disease for which a	705
cure has been accepted, until it has fulfilled its prize	706
responsibility.	707
Grants the Commission the power to establish a budget and	708
make expenditures, borrow money, establish annual dues, and	709
allocate dues, donations, and other funds towards prize amounts.	710
Allows the Commission to establish and collect royalty fees	711
on manufacturers, producers, or providers in noncompacting states	712
or foreign countries to be used for various purposes including to	713
pay or reimburse expenses related to payment of the prize.	714
Requires the legislative authority of each compacting state	715
to appropriate necessary funds to pay the compact costs, including	716
annual member dues and prize distributions.	717