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Representative Butler

Cosponsors: Representatives Kent, Anielski, Antonio, Ashford, Barnes, Boggs, Brown, Craig, Dever, Fedor, Galonski, Ginter, Green, Hagan, Henne, Holmes, Hood, Hughes, Keller, LaTourette, Leland, Lepore-Hagan, Lipps, McClain, Miller, O'Brien, Patterson, Patton, Perales, Ramos, Retherford, Roegner, Rogers, Romanchuk, Schaffer, Seitz, Sheehy, Slaby, Sprague, Stein, Sweeney, Thompson, Young, Speaker Rosenberger

A BILL

To enact section 3799.01 of the Revised Code to 1
adopt the Solemn Covenant of the States to award 2
prizes for curing diseases. 3

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 3799.01 of the Revised Code be 4
enacted to read as follows: 5

Sec. 3799.01. Article I. Definitions 6

For purposes of this compact: 7

1. "Compacting state" means either of the following: 8

a. Any state that has enacted the compact and which has 9
not withdrawn or been suspended pursuant to Article XIV of the 10
compact; 11

b. The federal government in accordance with the 12
commission's bylaws. 13

2. "Compact" means the Solemn Covenant of the States to 14
Award Prizes for Curing Diseases enacted in this section. 15

3. "Non-compacting state" means any state or the federal 16
government, if it is not at the time a compacting state. 17

4. "Public health expenses" means the amount of all costs 18
paid by taxpayers in a specified geographic area relating to a 19
particular disease. 20

5. "State" means any state, district, or territory of the 21
United States of America. 22

Article II. Establishment of the Commission; Membership 23

1. Upon the enactment of the compact by six states, the 24
compacting states shall establish the Solemn Covenant of States 25
Commission. 26

2. The commission is a body corporate and politic and an 27
instrumentality of each of the compacting states and is solely 28
responsible for its liabilities, except as otherwise 29
specifically provided in the compact. 30

3. Each compacting state shall be represented by one 31
member as selected by the compacting state. Each compacting 32
state shall determine its member's qualifications and period of 33
service and shall be responsible for any action to remove or 34
suspend its member or to fill the member's position if it 35
becomes vacant. Nothing in the compact shall be construed to 36
affect a compacting state's authority regarding the 37
qualification, selection, or service of its own member. 38

Article III. Powers of the Commission 39

1. To adopt bylaws and rules pursuant to Articles V and VI 40
of the compact, which shall have the force and effect of law and 41

shall be binding in the compacting states to the extent and in 42
the manner provided in the compact; 43

2. To receive and review in an expeditious manner 44
treatments and therapeutic protocols for the cure of disease 45
submitted to the commission and to award prizes for submissions 46
that meet the commission's standards for a successful cure 47
treatment or therapeutic protocol; 48

3. To make widely available a cure treatment or 49
therapeutic protocol for which a prize is awarded, including by 50
arranging or contracting for the manufacturing, production, or 51
provision of any drug, serum, or other substance, device, or 52
process; 53

4. To establish and collect royalty fees imposed on 54
manufacturers, producers, and providers in non-compacting states 55
or foreign countries of any drug, serum, or other substance, 56
device, or process used for a cure treatment or therapeutic 57
protocol, for which a prize is awarded; provided that the 58
royalty fees for a particular state or country shall 59
cumulatively be not more than the estimated five-year savings in 60
public health expenses for that state or country, as calculated 61
by actuaries employed or contracted by the commission; 62

5. To do the following regarding the collected royalty 63
fees: 64

a. Pay or reimburse expenses related to the payment of a 65
prize, which shall include employing or contracting actuaries to 66
calculate annual taxpayer savings amounts in compacting states 67
in accordance with section 3.g.iii. of Article VI, and payment 68
of interest and other expenses related to a loan obtained in 69
accordance with section 3.g.vi. of Article VI; 70

b. Annually disburse any amounts remaining after making 71
payments or reimbursements under section 5.a. of this article as 72
refunds to compacting states based on the per cent of the 73
state's prize obligation in relation to the total obligation 74
amount of all compacting states; 75

6. To bring and prosecute legal proceedings or actions in 76
its name as the commission; 77

7. To issue subpoenas requiring the attendance and 78
testimony of witnesses and the production of evidence; 79

8. To establish and maintain offices; 80

9. To borrow, accept, or contract for personnel services, 81
including personnel services from employees of a compacting 82
state; 83

10. To hire employees, professionals, or specialists, and 84
elect or appoint officers, and to fix their compensation, define 85
their duties and give them appropriate authority to carry out 86
the purposes of the compact, and determine their qualifications; 87
and to establish the commission's personnel policies and 88
programs relating to, among other things, conflicts of interest, 89
rates of compensation, and qualifications of personnel; 90

11. To accept any and all appropriate donations and grants 91
of money, equipment, supplies, materials, and services, and to 92
receive, utilize, and dispose of the same; provided that at all 93
times the commission shall strive to avoid any appearance of 94
impropriety; 95

12. To lease, purchase, or accept appropriate gifts or 96
donations of, or otherwise to own, hold, improve, or use, any 97
property, real, personal, or mixed; provided, that at all times 98
the commission shall strive to avoid any appearance of 99

<u>impropriety;</u>	100
<u>13. To sell, convey, mortgage, pledge, lease, exchange,</u>	101
<u>abandon, or otherwise dispose of any property, real, personal,</u>	102
<u>or mixed;</u>	103
<u>14. To monitor compacting states for compliance with the</u>	104
<u>commission's bylaws and rules;</u>	105
<u>15. To enforce compliance by compacting states with the</u>	106
<u>commission's bylaws and rules;</u>	107
<u>16. To provide for dispute resolution among compacting</u>	108
<u>states or between the commission and those who submit treatments</u>	109
<u>and therapeutic protocols for the cure of disease for</u>	110
<u>consideration;</u>	111
<u>17. To establish a budget and make expenditures;</u>	112
<u>18. To borrow money;</u>	113
<u>19. To appoint committees, including management,</u>	114
<u>legislative, and advisory committees comprised of members, state</u>	115
<u>legislators or their representatives, medical professionals, and</u>	116
<u>such other interested persons as may be designated by the</u>	117
<u>commission;</u>	118
<u>20. To establish annual membership dues for compacting</u>	119
<u>states;</u>	120
<u>21. To adopt and use a corporate seal; and</u>	121
<u>22. To perform such other functions as may be necessary or</u>	122
<u>appropriate to achieve the purposes of this compact.</u>	123
<u>Article IV. Meetings and Voting</u>	124
<u>1. The commission shall meet and take such actions as are</u>	125
<u>consistent with the compact, bylaws, and rules.</u>	126

2. A majority of the members of the commission shall 127
constitute a quorum necessary in order to conduct business or 128
take actions at meetings of the commission. 129

3. Each member of the commission shall have the right and 130
power to cast one vote regarding matters determined or actions 131
to be taken by the commission. Each member shall have the right 132
and power to participate in the business and affairs of the 133
commission. 134

4. A member shall vote in person or by such other means as 135
provided in the commission's bylaws. The commission's bylaws may 136
provide for members' participation in meetings by telephone or 137
other means of communication. 138

5. The commission shall meet at least once during each 139
calendar year. Additional meetings shall be held as set forth in 140
the commission's bylaws. 141

6. No decision of the commission with respect to the 142
approval of an award for a treatment or therapeutic process for 143
the cure of a disease shall be effective unless two-thirds of 144
all the members of the commission vote in favor thereof. 145

7. Guidelines and voting requirements for all other 146
decisions of the commission shall be established in the 147
commission's bylaws. 148

Article V. Bylaws 149

The commission shall, by a majority vote of all the 150
members of the commission, prescribe bylaws to govern its 151
conduct as may be necessary or appropriate to carry out the 152
purposes, and exercise the powers, of the compact, including, 153
but not limited to: 154

<u>1. Establishing the fiscal year of the commission;</u>	155
<u>2. Providing reasonable procedures for appointing and</u>	156
<u>electing members, as well as holding meetings, of the management</u>	157
<u>committee;</u>	158
<u>3. Providing reasonable standards and procedures:</u>	159
<u>a. For the establishment and meetings of other committees;</u>	160
<u>b. Governing any general or specific delegation of any</u>	161
<u>authority or function of the commission; and</u>	162
<u>c. Voting guidelines and procedures for commission</u>	163
<u>decisions.</u>	164
<u>4. Providing reasonable procedures for calling and</u>	165
<u>conducting meetings of the commission that shall consist of</u>	166
<u>requiring a quorum to be present, ensuring reasonable advance</u>	167
<u>notice of each such meeting and providing for the right of</u>	168
<u>citizens to attend each such meeting with enumerated exceptions</u>	169
<u>designed to protect the public's interest and the privacy of</u>	170
<u>individuals.</u>	171
<u>5. Providing a list of matters about which the commission</u>	172
<u>may go into executive session and requiring a majority of all</u>	173
<u>members of the commission vote to enter into such session. As</u>	174
<u>soon as practicable, the commission shall make public:</u>	175
<u>a. A copy of the vote to go into executive session,</u>	176
<u>revealing the vote of each member with no proxy votes allowed;</u>	177
<u>and</u>	178
<u>b. The matter requiring executive session, without</u>	179
<u>identifying the actual issues or individuals involved.</u>	180
<u>6. Establishing the titles, duties, authority, and</u>	181

<u>reasonable procedures for the election of the officers of the</u>	182
<u>commission;</u>	183
<u>7. Providing reasonable standards and procedures for the</u>	184
<u>establishment of the personnel policies and programs of the</u>	185
<u>commission. Notwithstanding any civil service or other similar</u>	186
<u>laws of any compacting state, the commission's bylaws shall</u>	187
<u>exclusively govern the personnel policies and programs of the</u>	188
<u>commission;</u>	189
<u>8. Allowing a mechanism for:</u>	190
<u>a. The federal government to join as a compacting state;</u>	191
<u>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</u>	195
<u>or 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</u>	199
<u>books and records;</u>	200
<u>11. Governing the acceptance of and accounting for</u>	201
<u>donations, annual member dues, and other sources of funding and</u>	202
<u>establishing the proportion of these funds to be allocated to</u>	203
<u>prize amounts for treatments and therapeutic protocols that cure</u>	204
<u>disease;</u>	205
<u>12. Governing any fund raising efforts in which the</u>	206
<u>commission wishes to engage; and</u>	207
<u>13. Providing a mechanism for winding up the operations of</u>	208
<u>the commission and the equitable disposition of any surplus</u>	209

funds that may exist after the termination of the compact after 210
the payment and reserving of all its debts and obligations. 211

Article VI. Rules 212

1. The commission shall adopt rules to effectively and 213
efficiently achieve the purposes of this compact. 214

2. The commission shall also adopt rules establishing the 215
criteria for defining and classifying the diseases for which 216
prizes shall be awarded. The commission may consult the most 217
recent edition of the international classification of disease as 218
published by the world health organization or other definitions 219
agreed to by a two-thirds vote of the commission. 220

3. The commission shall also adopt rules regarding prizes 221
for curing diseases that establish the following: 222

a. At least ten major diseases for which to create prizes, 223
which shall be determined based on the following factors: 224

i. The severity of the disease to a human individual's 225
overall health and well-being; 226

ii. The survival rate or severity of impact of the 227
disease; 228

iii. The public health expenses and treatment expenses for 229
the disease. 230

b. The criteria a treatment or therapeutic protocol must 231
meet in order to be considered a cure for any of the diseases 232
for which a prize may be awarded, which shall include the 233
following requirements: 234

i. It must yield a ninety-five per cent survival rate 235
through at least five years after the treatment or protocol has 236

<u>ended;</u>	237
<u>ii. It requires not more than one year of the treatment or protocol.</u>	238 239
<u>c. The procedure for determining the diseases for which to award prizes, which includes the option to award prizes for more than ten diseases that meet the above criteria, if agreed to by two-thirds vote of the commission, and a requirement to update the list every three years.</u>	240 241 242 243 244
<u>d. The submission and evaluation procedures and guidelines, including filing and review procedures, and limitations preventing public access to treatment or protocol submissions.</u>	245 246 247 248
<u>e. The estimated five-year public health expenses for each disease in each compacting state and a procedure to update these expenses every three years in conjunction with the requirements in section 3.c. of this article. The estimated five-year public health expenses amount shall be calculated, estimated, and publicized every three years by actuaries employed or contracted by the commission.</u>	249 250 251 252 253 254 255
<u>f. The prize amount with respect to cures for each disease, which shall be equal to the most recent estimated total five-year savings in public health expenses for the disease as calculated in section 3.e. of this article in all of the compacting states; amounts donated by charities, individuals, and any other entities intended for the prize under Article I of the compact; and any other factors that the commission deems appropriate.</u>	256 257 258 259 260 261 262 263
<u>g. The prize distribution procedures and guidelines, which shall include the following requirements:</u>	264 265

i. Upon acceptance of a cure, the prize winner shall 266
transfer to the commission the patent and all related 267
intellectual property for the treatment or therapeutic protocol 268
in exchange for the prize, except in the case that the prize 269
money is considered by the commission to be too low, and that a 270
prize will be awarded only to the first person or entity that 271
submits a successful cure for a disease for which a prize may be 272
awarded. 273

ii. Donation amounts intended for the prize shall be kept 274
in a separate, interest-bearing account maintained by the 275
commission. This account shall be the only account in which 276
prize money is kept. 277

iii. Each compacting state shall have the responsibility 278
to pay annually the compacting state's actual one-year savings 279
in public health expenses for the particular disease for which a 280
cure has been accepted. The compacting state shall make such an 281
annual payment until it has fulfilled its prize responsibility 282
as established in section 3.f. of this article. Each compacting 283
state's payment responsibility begins one year after the date 284
the cure becomes widely available. The commission shall employ 285
or contract with actuaries to calculate each state's actual one- 286
year savings in public health expenses at the end of each year 287
to determine each state's responsibility for the succeeding 288
year. 289

iv. Compacting states may meet prize responsibilities by 290
any method including the issuance of bonds or other obligations, 291
with the principal and interest of those bonds or obligations to 292
be repaid only from revenue derived from estimated public health 293
expense savings from a cure to a disease. If the compacting 294
state does not make such revenue available to repay some or all 295

of the revenue bonds or obligations issued, the owners or 296
holders of those bonds or obligations have no right to have 297
excises or taxes levied to pay the principal or interest on 298
them. The revenue bonds and obligations are not a debt of the 299
issuing compacting state. 300

v. A compacting state may issue bonds or other debt that 301
are general obligations, under which the full faith and credit, 302
revenue, and taxing power of the state is pledged to pay the 303
principal and interest under those obligations, only if 304
authorized by the compacting state's constitution or, if 305
constitutional authorization is not required, by other law of 306
the compacting state. 307

vi. Upon acceptance of a cure, the commission shall obtain 308
a loan from a financial institution in an amount equal to the 309
most recently calculated total estimated five-year public health 310
expenses for the disease in all compacting states, in accordance 311
with section 3.f. of this article. The commission reserves the 312
right to continuously evaluate the cure in the interim and 313
rescind a prize offer if the commission finds that the cure no 314
longer meets the commission's criteria. 315

4. The commission also shall adopt rules that do the 316
following: 317

a. Establish the following regarding commission records: 318

i. Conditions and procedures for public inspection and 319
copying of its information and official records, except such 320
information and records involving the privacy of individuals or 321
would otherwise violate privacy laws under federal law and the 322
laws of the compacting states; 323

ii. Procedures for sharing with federal and state 324

<u>agencies, including law enforcement agencies, records and</u>	325
<u>information otherwise exempt from disclosure;</u>	326
<u> iii. Guidelines for entering into agreements with federal</u>	327
<u>and state agencies to receive or exchange information or records</u>	328
<u>subject to nondisclosure and confidentiality provisions.</u>	329
<u> b. Provide a process for commission review of submitted</u>	330
<u>treatments and therapeutic protocols for curing diseases that</u>	331
<u>includes the following:</u>	332
<u> i. An opportunity for an appeal, not later than thirty</u>	333
<u>days after a rejection of a treatment or protocol for prize</u>	334
<u>consideration, to a review panel established under the</u>	335
<u>commission's dispute resolution process;</u>	336
<u> ii. Commission monitoring and review of treatment and</u>	337
<u>protocol effectiveness consistent with the cure criteria</u>	338
<u>established by the commission for the particular disease;</u>	339
<u> iii. Commission reconsideration, modification, or</u>	340
<u>withdrawal of approval of a treatment or protocol for prize</u>	341
<u>consideration for failure to continue to meet the cure criteria</u>	342
<u>established by the commission for the particular disease.</u>	343
<u> c. Establish a dispute resolution process to resolve</u>	344
<u>disputes or other issues under the compact that may arise</u>	345
<u>between two or more compacting states or between the commission</u>	346
<u>and individuals or entities who submit treatments and</u>	347
<u>therapeutic protocols to cure diseases, which process shall</u>	348
<u>provide for:</u>	349
<u> i. Administrative review by a review panel appointed by</u>	350
<u>the commission;</u>	351
<u> ii. Judicial review of decisions issued after an</u>	352

administrative review; and 353

iii. Qualifications to be appointed to a panel, due 354
process requirements, including notice and hearing procedures, 355
and any other procedure, requirement, or standard necessary to 356
provide adequate dispute resolution. 357

d. Establish and impose annual member dues on compacting 358
states, which shall be calculated based on the percentage of 359
each compacting state's population in relation to the population 360
of all the compacting states. 361

5. Recognizing that the goal of the compact is to pool the 362
potential savings of as many states and countries as possible to 363
generate sufficient financial incentive to develop a cure for 364
many of the world's most devastating diseases, the compact will 365
respect the laws of each of these United States by adopting 366
rules that establish ethical standards for research that shall 367
be followed in order for a prize to be claimed. The compact, in 368
the rules, shall establish a common set of ethical standards 369
that embodies the laws and restrictions in each of the states so 370
that to be eligible for claiming a prize the entity submitting a 371
cure must not have violated any of the ethical standards in any 372
one of the fifty states, whether the states have joined the 373
compact or not. The compact will publish these common ethical 374
standards along with the specific criteria for a cure for each 375
of the diseases the compact has targeted. 376

So long as a researcher follows the common ethical 377
standards in effect at the time the research is done, an entity 378
presenting a cure will be deemed to have followed the standards. 379
On or before January 1 of each year, the compact shall review 380
all state laws to determine if additional ethical standards have 381
been enacted by any of the fifty states and the federal 382

government. Any changes to the common ethical standards rules 383
based on new state laws shall be adopted and published by the 384
compact, but shall not take effect in cure criteria for a period 385
of three years to allow for sufficient notice to researchers. 386

6. All rules may be amended as the commission sees 387
necessary. 388

7. All rules shall be adopted pursuant to a rule-making 389
process that conforms to the model state administrative 390
procedure act of 1981 by the uniform law commissioners, as 391
amended, as may be appropriate to the operations of the 392
commission. 393

8. In the event the commission exercises its rulemaking 394
authority in a manner that is beyond the scope of the purpose of 395
this compact, or the powers granted hereunder, then such rule 396
shall be invalid and have no force and effect. 397

Article VII. Committees 398

1. Management Committee 399

a. The commission may establish a management committee 400
comprised of not more than fourteen members when twenty-six 401
states enact the compact. 402

b. The committee shall consist of those members 403
representing compacting states whose total public health 404
expenses of all of the established diseases are the highest. 405

c. The committee shall have such authority and duties as 406
may be set forth in the commission's bylaws and rules, 407
including: 408

i. Managing authority over the day-to-day affairs of the 409
commission in a manner consistent with the commission's bylaws 410

<u>and rules and the purposes of the compact;</u>	411
<u>ii. Overseeing the offices of the commission; and</u>	412
<u>iii. Planning, implementing, and coordinating</u>	413
<u>communications and activities with state, federal, and local</u>	414
<u>government organizations in order to advance the goals of the</u>	415
<u>compact.</u>	416
<u>d. The commission annually shall elect officers for the</u>	417
<u>committee, with each having such authority and duties as may be</u>	418
<u>specified in the commission's bylaws and rules.</u>	419
<u>e. The management committee, subject to commission</u>	420
<u>approval, may appoint or retain an executive director for such</u>	421
<u>period, upon such terms and conditions, and for such</u>	422
<u>compensation as the committee determines. The executive director</u>	423
<u>shall serve as secretary to the commission, but shall not be a</u>	424
<u>member of the commission. The executive director shall hire and</u>	425
<u>supervise such other staff as may be authorized by the</u>	426
<u>committee.</u>	427
<u>2. Advisory Committees</u>	428
<u>The commission may appoint advisory committees to monitor</u>	429
<u>all operations related to the purposes of the compact and make</u>	430
<u>recommendations to the commission; provided that the manner of</u>	431
<u>selection and term of any committee member shall be as set forth</u>	432
<u>in the commission's bylaws and rules. The commission shall</u>	433
<u>consult with an advisory committee, to the extent required by</u>	434
<u>the commission's bylaws or rules, before doing any of the</u>	435
<u>following:</u>	436
<u>a. Approving cure criteria;</u>	437
<u>b. Amending, enacting, or repealing any bylaw or rule;</u>	438

<u>c. Adopting the commission's annual budget;</u>	439
<u>d. Addressing any other significant matter or taking any other significant action.</u>	440 441
<u>Article VIII. Finance</u>	442
<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>	443 444 445 446 447 448 449 450
<u>2. The commission shall be exempt from all taxation in and by the compacting states.</u>	451 452
<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 include a report of the independent audit. The commission's internal accounts shall not be confidential and</u>	453 454 455 456 457 458 459 460 461 462 463 464 465 466 467

such materials may be shared with any compacting state upon 468
request provided, however, that any work papers related to any 469
internal or independent audit and any information subject to the 470
compacting states' privacy laws, shall remain confidential. 471

4. No compacting state shall have any claim or ownership 472
of any property held by or vested in the commission or to any 473
commission funds held pursuant to the provisions of the compact. 474

Article IX. Records 475

Except as to privileged records, data, and information, 476
the laws of any compacting state pertaining to confidentiality 477
or nondisclosure shall not relieve any member of the duty to 478
disclose any relevant records, data, or information to the 479
commission; provided, that disclosure to the commission shall 480
not be deemed to waive or otherwise affect any confidentiality 481
requirement; and further provided, that, except as otherwise 482
expressly provided in the compact, the commission shall not be 483
subject to the compacting state's laws pertaining to 484
confidentiality and nondisclosure with respect to records, data, 485
and information in its possession. Confidential information of 486
the commission shall remain confidential after such information 487
is provided to any member. All cure submissions received by the 488
commission are confidential. 489

Article X. Compliance 490

The commission shall notify a compacting state in writing 491
of any noncompliance with commission bylaws and rules. If a 492
compacting state fails to remedy its noncompliance within the 493
time specified in the notice, the compacting state shall be 494
deemed to be in default as set forth in Article XIV. 495

Article XI. Venue 496

Venue for any judicial proceedings by or against the 497
commission shall be brought in the appropriate court of 498
competent jurisdiction for the geographical area in which the 499
principal office of the commission is located. 500

Article XII. Qualified Immunity, Defense, and 501
Indemnification 502

1. The members, officers, executive director, employees, 503
and representatives of the commission shall be immune from suit 504
and liability, either personally or in their official capacity, 505
for any claim for damage to or loss of property or personal 506
injury or other civil liability caused by or arising out of any 507
actual or alleged act, error, or omission that occurred, or that 508
such person had a reasonable basis for believing occurred within 509
the scope of the person's commission employment, duties, or 510
responsibilities; provided, that nothing in section 1. of this 511
article shall be construed to protect any such person from suit 512
or liability for any damage, loss, injury, or liability caused 513
by the intentional or willful and wanton misconduct of that 514
person. 515

2. The commission shall defend any member, officer, 516
executive director, employee, or representative of the 517
commission in any civil action seeking to impose liability 518
arising out of any actual or alleged act, error, or omission 519
that occurred within the scope of the person's commission 520
employment, duties, or responsibilities, or that such person had 521
a reasonable basis for believing occurred within the scope of 522
commission employment, duties, or responsibilities; provided, 523
that nothing in the compact or commission bylaws or rules shall 524
be construed to prohibit that person from retaining his or her 525
own counsel; and provided further, that the actual or alleged 526

act, error, or omission did not result from that person's 527
intentional or willful and wanton misconduct. 528

3. The commission shall indemnify and hold harmless any 529
member, officer, executive director, employee, or representative 530
of the commission for the amount of any settlement or judgment 531
obtained against the person arising out of any actual or alleged 532
act, error, or omission that occurred within the scope of the 533
person's commission employment, duties, or responsibilities, or 534
that such person had a reasonable basis for believing occurred 535
within the scope of commission employment, duties, or 536
responsibilities; provided, that the actual or alleged act, 537
error, or omission, did not result from the intentional or 538
willful and wanton misconduct of that person. 539

Article XIII. Compacting States, Effective Date, and 540
Amendment 541

1. Any state is eligible to become a compacting state. 542

2. The compact shall become effective and binding upon 543
legislative enactment of the compact into law by two compacting 544
states; provided, the commission shall only be established after 545
six states become compacting states. Thereafter, the compact 546
shall become effective and binding as to any other compacting 547
state upon enactment of the compact into law by that state. 548

3. Amendments to the compact may be proposed by the 549
commission for enactment by the compacting states. No amendment 550
shall become effective and binding until all compacting states 551
enact the amendment into law. 552

Article XIV. Withdrawal, Default, and Expulsion 553

1. Withdrawal 554

<u>a. Once effective, the compact shall continue in force and</u>	555
<u>remain binding upon each and every compacting state; provided,</u>	556
<u>that a compacting state may withdraw from the compact by doing</u>	557
<u>both of the following:</u>	558
<u>i. Repealing the law enacting the compact in that state;</u>	559
<u>ii. Notifying the commission in writing of the intent to</u>	560
<u>withdraw on a date that is both of the following:</u>	561
<u>I. At least three years after the date the notice is sent;</u>	562
<u>II. After the repeal takes effect.</u>	563
<u>b. The effective date of withdrawal is the date described</u>	564
<u>in section 1.a.ii. of this article.</u>	565
<u>c. The member representing the withdrawing state shall</u>	566
<u>immediately notify the management committee in writing upon the</u>	567
<u>introduction of legislation in that state repealing the compact.</u>	568
<u>If a management committee has not been established, the member</u>	569
<u>shall immediately notify the commission.</u>	570
<u>d. The commission or management committee, as applicable,</u>	571
<u>shall notify the other compacting states of the introduction of</u>	572
<u>such legislation within ten days after its receipt of notice</u>	573
<u>thereof.</u>	574
<u>e. The withdrawing state is responsible for all</u>	575
<u>obligations, duties and liabilities incurred through the</u>	576
<u>effective date of withdrawal, including any obligations, the</u>	577
<u>performance of which extend beyond the effective date of</u>	578
<u>withdrawal. The commission's actions shall continue to be</u>	579
<u>effective and be given full force and effect in the withdrawing</u>	580
<u>state.</u>	581
<u>f. Reinstatement following a state's withdrawal shall</u>	582

become effective upon the effective date of the subsequent 583
enactment of the compact by that state. 584

2. Default 585

a. If the commission determines that any compacting state 586
has at any time defaulted in the performance of any of its 587
obligations or responsibilities under the compact or the 588
commission's bylaws or rules, then, after notice and hearing as 589
set forth in the bylaws, all rights, privileges, and benefits 590
conferred by this compact on the defaulting state shall be 591
suspended from the effective date of default as fixed by the 592
commission. The grounds for default include failure of a 593
compacting state to perform its obligations or responsibilities, 594
and any other grounds designated in commission rules. The 595
commission shall immediately notify the defaulting state in 596
writing of the suspension pending cure of the default. The 597
commission shall stipulate the conditions and the time period 598
within which the defaulting state shall cure its default. If the 599
defaulting state fails to cure the default within the time 600
period specified by the commission, the defaulting state shall 601
be expelled from the compact and all rights, privileges, and 602
benefits conferred by the compact shall be terminated from the 603
effective date of the expulsion. Any state that is expelled from 604
the compact shall be liable for any cure prize or prizes for 605
three years after its removal. The commission shall also take 606
appropriate legal action to ensure that any compacting state 607
that withdraws from the compact remains liable for paying its 608
responsibility towards a prize for a cure that was accepted 609
while the compacting state was a member of the commission. 610

b. The expelled state must reenact the compact in order to 611
become a compacting state. 612

<u>3. Dissolution of Compact</u>	613
<u>a. The compact dissolves effective upon the date of either</u>	614
<u>of the following:</u>	615
<u>i. The withdrawal or expulsion of a compacting state,</u>	616
<u>which withdrawal or expulsion reduces membership in the compact</u>	617
<u>to one compacting state;</u>	618
<u>ii. The commission votes to dissolve the compact.</u>	619
<u>b. Upon the dissolution of the compact, the compact</u>	620
<u>becomes null and void and shall be of no further force or</u>	621
<u>effect, and the business and affairs of the commission shall be</u>	622
<u>wound up and any surplus funds shall be distributed in</u>	623
<u>accordance with the commission's bylaws, provided, that the</u>	624
<u>commission shall pay all outstanding prizes awarded before the</u>	625
<u>dissolution of the compact, as well as any other outstanding</u>	626
<u>debts and obligations incurred during the existence of the</u>	627
<u>compact. Any unawarded funds donated to be a part of a prize</u>	628
<u>shall be returned to the donor, along with any interest earned</u>	629
<u>on the amount.</u>	630
<u>Article XV. Severability and Construction</u>	631
<u>1. The provisions of the compact shall be severable; and</u>	632
<u>if any phrase, clause, sentence, or provision is deemed</u>	633
<u>unenforceable, the remaining provisions of the compact shall be</u>	634
<u>enforceable.</u>	635
<u>2. The provisions of the compact shall be liberally</u>	636
<u>construed to effectuate its purposes.</u>	637
<u>Article XVI. Binding Effect of Compact and Other Laws</u>	638
<u>1. Other Laws: Nothing herein prevents the enforcement of</u>	639
<u>any other law of a compacting state, except as provided in</u>	640

<u>section 2.b. of this article.</u>	641
<u>2. Binding Effect of the Compact</u>	642
<u>a. All lawful actions of the commission, including all</u>	643
<u>commission rules, are binding upon the compacting states.</u>	644
<u>b. All agreements between the commission and the</u>	645
<u>compacting states are binding in accordance with their terms.</u>	646
<u>c. Except to the extent authorized by the compacting</u>	647
<u>state's constitution or, if constitutional authorization is not</u>	648
<u>required, by other law of the compacting state, such state, by</u>	649
<u>entering into the compact does not:</u>	650
<u>i. Commit the full faith and credit or taxing power of the</u>	651
<u>compacting state for the payment of prizes or other obligations</u>	652
<u>under the compact;</u>	653
<u>ii. Make prize payment responsibilities or other</u>	654
<u>obligations under the compact a debt of the compacting state.</u>	655
<u>d. Upon the request of a party to a conflict over the</u>	656
<u>meaning or interpretation of commission actions, and upon a</u>	657
<u>majority vote of the compacting states, the commission may issue</u>	658
<u>advisory opinions regarding the meaning or interpretation in</u>	659
<u>dispute.</u>	660
<u>e. In the event any provision of the compact exceeds the</u>	661
<u>constitutional limits imposed on any compacting state, the</u>	662
<u>obligations, duties, powers or jurisdiction sought to be</u>	663
<u>conferred by that provision upon the commission shall be</u>	664
<u>ineffective as to that compacting state, and those obligations,</u>	665
<u>duties, powers, or jurisdiction shall remain in the compacting</u>	666
<u>state and shall be exercised by the agency thereof to which</u>	667
<u>those obligations, duties, powers, or jurisdiction are delegated</u>	668

by law in effect at the time the compact becomes effective.

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