

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 345**

**Representative Butler**

---

**A BILL**

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

1  
2  
3

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

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

4  
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  
not withdrawn or been suspended pursuant to Article XIV of the  
compact;

9  
10  
11

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

12  
13

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

14  
15

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

16  
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

<u>amount of all compacting states;</u>	75
<u>6. To bring and prosecute legal proceedings or actions in</u>	76
<u>its name as the commission;</u>	77
<u>7. To issue subpoenas requiring the attendance and</u>	78
<u>testimony of witnesses and the production of evidence;</u>	79
<u>8. To establish and maintain offices;</u>	80
<u>9. To borrow, accept, or contract for personnel services,</u>	81
<u>including personnel services from employees of a compacting</u>	82
<u>state;</u>	83
<u>10. To hire employees, professionals, or specialists, and</u>	84
<u>elect or appoint officers, and to fix their compensation, define</u>	85
<u>their duties and give them appropriate authority to carry out</u>	86
<u>the purposes of the compact, and determine their qualifications;</u>	87
<u>and to establish the commission's personnel policies and</u>	88
<u>programs relating to, among other things, conflicts of interest,</u>	89
<u>rates of compensation, and qualifications of personnel;</u>	90
<u>11. To accept any and all appropriate donations and grants</u>	91
<u>of money, equipment, supplies, materials, and services, and to</u>	92
<u>receive, utilize, and dispose of the same; provided that at all</u>	93
<u>times the commission shall strive to avoid any appearance of</u>	94
<u>impropriety;</u>	95
<u>12. To lease, purchase, or accept appropriate gifts or</u>	96
<u>donations of, or otherwise to own, hold, improve, or use, any</u>	97
<u>property, real, personal, or mixed; provided, that at all times</u>	98
<u>the commission shall strive to avoid any appearance of</u>	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
<u>2. A majority of the members of the commission shall</u>	127
<u>constitute a quorum necessary in order to conduct business or</u>	128
<u>take actions at meetings of the commission.</u>	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

1. Establishing the fiscal year of the commission; 155

2. Providing reasonable procedures for appointing and 156  
electing members, as well as holding meetings, of the management 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> <u>authority or function of the commission; and</u>	161 162
<u>c. Voting guidelines and procedures for commission</u> <u>decisions.</u>	163 164
<u>4. Providing reasonable procedures for calling and</u> <u>conducting meetings of the commission that shall consist of</u> <u>requiring a quorum to be present, ensuring reasonable advance</u> <u>notice of each such meeting and providing for the right of</u> <u>citizens to attend each such meeting with enumerated exceptions</u> <u>designed to protect the public's interest and the privacy of</u> <u>individuals.</u>	165 166 167 168 169 170 171
<u>5. Providing a list of matters about which the commission</u> <u>may go into executive session and requiring a majority of all</u> <u>members of the commission vote to enter into such session. As</u> <u>soon as practicable, the commission shall make public:</u>	172 173 174 175
<u>a. A copy of the vote to go into executive session,</u> <u>revealing the vote of each member with no proxy votes allowed;</u> <u>and</u>	176 177 178
<u>b. The matter requiring executive session, without</u> <u>identifying the actual issues or individuals involved.</u>	179 180
<u>6. Establishing the titles, duties, authority, and</u> <u>reasonable procedures for the election of the officers of the</u> <u>commission;</u>	181 182 183
<u>7. Providing reasonable standards and procedures for the</u>	184

establishment of the personnel policies and programs of the 185  
commission. Notwithstanding any civil service or other similar 186  
laws of any compacting state, the commission's bylaws shall 187  
exclusively govern the personnel policies and programs of the 188  
commission; 189

8. Allowing a mechanism for: 190

a. The federal government to join as a compacting state; 191  
and 192

b. Foreign countries or subdivisions of those countries to 193  
join as liaison members by adopting the compact; provided that 194  
adopting countries or subdivisions shall not have voting power 195  
or the power to bind the commission in any way. 196

9. Adopting a code of ethics to address permissible and 197  
prohibited activities of members and employees; 198

10. Providing for the maintenance of the commission's 199  
books and records; 200

11. Governing the acceptance of and accounting for 201  
donations, annual member dues, and other sources of funding and 202  
establishing the proportion of these funds to be allocated to 203  
prize amounts for treatments and therapeutic protocols that cure 204  
disease; 205

12. Governing any fund raising efforts in which the 206  
commission wishes to engage; and 207

13. Providing a mechanism for winding up the operations of 208  
the commission and the equitable disposition of any surplus 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  
ended; 237
- ii. It requires not more than one year of the treatment or 238  
protocol. 239

c. The procedure for determining the diseases for which to 240  
award prizes, which includes the option to award prizes for more 241  
than ten diseases that meet the above criteria, if agreed to by 242  
two-thirds vote of the commission, and a requirement to update 243  
the list every three years. 244

d. The submission and evaluation procedures and 245  
guidelines, including filing and review procedures, and 246  
limitations preventing public access to treatment or protocol 247  
submissions. 248

e. The estimated five-year public health expenses for each 249  
disease in each compacting state and a procedure to update these 250  
expenses every three years in conjunction with the requirements 251  
in section 3.c. of this article. The estimated five-year public 252  
health expenses amount shall be calculated, estimated, and 253  
publicized every three years by actuaries employed or contracted 254  
by the commission. 255

f. The prize amount with respect to cures for each 256  
disease, which shall be equal to the most recent estimated total 257  
five-year savings in public health expenses for the disease as 258  
calculated in section 3.e. of this article in all of the 259  
compacting states; amounts donated by charities, individuals, 260  
and any other entities intended for the prize under Article I of 261  
the compact; and any other factors that the commission deems 262  
appropriate. 263

g. The prize distribution procedures and guidelines, which 264  
shall include the following requirements: 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  
agencies, including law enforcement agencies, records and 325  
information otherwise exempt from disclosure; 326

iii. Guidelines for entering into agreements with federal 327

and state agencies to receive or exchange information or records 328  
subject to nondisclosure and confidentiality provisions. 329

b. Provide a process for commission review of submitted 330  
treatments and therapeutic protocols for curing diseases that 331  
includes the following: 332

i. An opportunity for an appeal, not later than thirty 333  
days after a rejection of a treatment or protocol for prize 334  
consideration, to a review panel established under the 335  
commission's dispute resolution process; 336

ii. Commission monitoring and review of treatment and 337  
protocol effectiveness consistent with the cure criteria 338  
established by the commission for the particular disease; 339

iii. Commission reconsideration, modification, or 340  
withdrawal of approval of a treatment or protocol for prize 341  
consideration for failure to continue to meet the cure criteria 342  
established by the commission for the particular disease. 343

c. Establish a dispute resolution process to resolve 344  
disputes or other issues under the compact that may arise 345  
between two or more compacting states or between the commission 346  
and individuals or entities who submit treatments and 347  
therapeutic protocols to cure diseases, which process shall 348  
provide for: 349

i. Administrative review by a review panel appointed by 350  
the commission; 351

ii. Judicial review of decisions issued after an 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. All rules may be amended as the commission sees 362  
necessary. 363

6. All rules shall be adopted pursuant to a rule-making 364  
process that conforms to the model state administrative 365  
procedure act of 1981 by the uniform law commissioners, as 366  
amended, as may be appropriate to the operations of the 367  
commission. 368

7. In the event the commission exercises its rulemaking 369  
authority in a manner that is beyond the scope of the purpose of 370  
this compact, or the powers granted hereunder, then such rule 371  
shall be invalid and have no force and effect. 372

## Article VII. Committees 373

### 1. Management Committee 374

a. The commission may establish a management committee 375  
comprised of not more than fourteen members when twenty-six 376  
states enact the compact. 377

b. The committee shall consist of those members 378  
representing compacting states whose total public health 379  
expenses of all of the established diseases are the highest. 380

c. The committee shall have such authority and duties as 381  
may be set forth in the commission's bylaws and rules, 382  
including: 383

i. Managing authority over the day-to-day affairs of the 384  
commission in a manner consistent with the commission's bylaws 385  
and rules and the purposes of the compact; 386

ii. Overseeing the offices of the commission; and 387

iii. Planning, implementing, and coordinating 388  
communications and activities with state, federal, and local 389  
government organizations in order to advance the goals of the 390  
compact. 391

d. The commission annually shall elect officers for the 392  
committee, with each having such authority and duties as may be 393  
specified in the commission's bylaws and rules. 394

e. The management committee, subject to commission 395  
approval, may appoint or retain an executive director for such 396  
period, upon such terms and conditions, and for such 397  
compensation as the committee determines. The executive director 398  
shall serve as secretary to the commission, but shall not be a 399  
member of the commission. The executive director shall hire and 400  
supervise such other staff as may be authorized by the 401  
committee. 402

## 2. Advisory Committees 403

The commission may appoint advisory committees to monitor 404  
all operations related to the purposes of the compact and make 405  
recommendations to the commission; provided that the manner of 406  
selection and term of any committee member shall be as set forth 407  
in the commission's bylaws and rules. The commission shall 408  
consult with an advisory committee, to the extent required by 409  
the commission's bylaws or rules, before doing any of the 410  
following: 411

a. Approving cure criteria; 412

<u>b. Amending, enacting, or repealing any bylaw or rule;</u>	413
<u>c. Adopting the commission's annual budget;</u>	414
<u>d. Addressing any other significant matter or taking any</u>	415
<u>other significant action.</u>	416
 <u>Article VIII. Finance</u>	417
 <u>1. The commission annually shall establish a budget to pay</u>	418
<u>or provide for the payment of its reasonable expenses. To fund</u>	419
<u>the cost of initial operations, the commission may accept</u>	420
<u>contributions and other forms of funding from the compacting</u>	421
<u>states and other sources. Contributions and other forms of</u>	422
<u>funding from other sources shall be of such a nature that the</u>	423
<u>independence of the commission concerning the performance of its</u>	424
<u>duties shall not be compromised.</u>	425
 <u>2. The commission shall be exempt from all taxation in and</u>	426
<u>by the compacting states.</u>	427
 <u>3. The commission shall keep complete and accurate</u>	428
<u>accounts of all of its internal receipts, including grants and</u>	429
<u>donations, and disbursements of all funds under its control. The</u>	430
<u>internal financial accounts of the commission shall be subject</u>	431
<u>to the accounting procedures established under the commission's</u>	432
<u>bylaws or rules. The financial accounts and reports including</u>	433
<u>the system of internal controls and procedures of the commission</u>	434
<u>shall be audited annually by an independent certified public</u>	435
<u>accountant. Upon the determination of the commission, but not</u>	436
<u>less frequently than every three years, the review of the</u>	437
<u>independent auditor shall include a management and performance</u>	438
<u>audit of the commission. The commission shall make an annual</u>	439
<u>report to the governors and legislatures of the compacting</u>	440
<u>states, which shall include a report of the independent audit.</u>	441



The commission's internal accounts shall not be confidential and 442  
such materials may be shared with any compacting state upon 443  
request provided, however, that any work papers related to any 444  
internal or independent audit and any information subject to the 445  
compacting states' privacy laws, shall remain confidential. 446

4. No compacting state shall have any claim or ownership 447  
of any property held by or vested in the commission or to any 448  
commission funds held pursuant to the provisions of the compact. 449

Article IX. Records 450

Except as to privileged records, data, and information, 451  
the laws of any compacting state pertaining to confidentiality 452  
or nondisclosure shall not relieve any member of the duty to 453  
disclose any relevant records, data, or information to the 454  
commission; provided, that disclosure to the commission shall 455  
not be deemed to waive or otherwise affect any confidentiality 456  
requirement; and further provided, that, except as otherwise 457  
expressly provided in the compact, the commission shall not be 458  
subject to the compacting state's laws pertaining to 459  
confidentiality and nondisclosure with respect to records, data, 460  
and information in its possession. Confidential information of 461  
the commission shall remain confidential after such information 462  
is provided to any member. All cure submissions received by the 463  
commission are confidential. 464

Article X. Compliance 465

The commission shall notify a compacting state in writing 466  
of any noncompliance with commission bylaws and rules. If a 467  
compacting state fails to remedy its noncompliance within the 468  
time specified in the notice, the compacting state shall be 469  
deemed to be in default as set forth in Article XIV. 470

Article XI. Venue

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

Article XII. Qualified Immunity, Defense, and  
Indemnification

1. The members, officers, executive director, employees,  
and representatives of the commission 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 by or arising out of 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 the person's commission employment, duties, or  
responsibilities; provided, that nothing in section 1. of this  
article shall be construed to protect any such person from suit  
or liability for any damage, loss, injury, or liability caused  
by the intentional or willful and wanton misconduct of that  
person.

2. The commission shall defend any member, officer,  
executive director, employee, or representative of the  
commission in any civil action seeking to impose liability  
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 nothing in the compact or commission bylaws or rules shall  
be construed to prohibit that person from retaining his or her

own counsel; and provided further, that the actual or alleged 501  
act, error, or omission did not result from that person's 502  
intentional or willful and wanton misconduct. 503

3. The commission shall indemnify and hold harmless any 504  
member, officer, executive director, employee, or representative 505  
of the commission for the amount of any settlement or judgment 506  
obtained against the person arising out of any actual or alleged 507  
act, error, or omission that occurred within the scope of the 508  
person's commission employment, duties, or responsibilities, or 509  
that such person had a reasonable basis for believing occurred 510  
within the scope of commission employment, duties, or 511  
responsibilities; provided, that the actual or alleged act, 512  
error, or omission, did not result from the intentional or 513  
willful and wanton misconduct of that person. 514

Article XIII. Compacting States, Effective Date, and 515  
Amendment 516

1. Any state is eligible to become a compacting state. 517

2. The compact shall become effective and binding upon 518  
legislative enactment of the compact into law by two compacting 519  
states; provided, the commission shall only be established after 520  
six states become compacting states. Thereafter, the compact 521  
shall become effective and binding as to any other compacting 522  
state upon enactment of the compact into law by that state. 523

3. Amendments to the compact may be proposed by the 524  
commission for enactment by the compacting states. No amendment 525  
shall become effective and binding until all compacting states 526  
enact the amendment into law. 527

Article XIV. Withdrawal, Default, and Expulsion 528

1. Withdrawal 529

a. Once effective, the compact shall continue in force and 530  
remain binding upon each and every compacting state; provided, 531  
that a compacting state may withdraw from the compact by doing 532  
both of the following: 533

i. Repealing the law enacting the compact in that state; 534

ii. Notifying the commission in writing of the intent to 535  
withdraw on a date that is both of the following: 536

I. At least three years after the date the notice is sent; 537

II. After the repeal takes effect. 538

b. The effective date of withdrawal is the date described 539  
in section 1.a.ii. of this article. 540

c. The member representing the withdrawing state shall 541  
immediately notify the management committee in writing upon the 542  
introduction of legislation in that state repealing the compact. 543  
If a management committee has not been established, the member 544  
shall immediately notify the commission. 545

d. The commission or management committee, as applicable, 546  
shall notify the other compacting states of the introduction of 547  
such legislation within ten days after its receipt of notice 548  
thereof. 549

e. The withdrawing state is responsible for all 550  
obligations, duties and liabilities incurred through the 551  
effective date of withdrawal, including any obligations, the 552  
performance of which extend beyond the effective date of 553  
withdrawal. The commission's actions shall continue to be 554  
effective and be given full force and effect in the withdrawing 555  
state. 556

f. Reinstatement following a state's withdrawal shall 557

become effective upon the effective date of the subsequent 558  
enactment of the compact by that state. 559

2. Default 560

a. If the commission determines that any compacting state 561  
has at any time defaulted in the performance of any of its 562  
obligations or responsibilities under the compact or the 563  
commission's bylaws or rules, then, after notice and hearing as 564  
set forth in the bylaws, all rights, privileges, and benefits 565  
conferred by this compact on the defaulting state shall be 566  
suspended from the effective date of default as fixed by the 567  
commission. The grounds for default include failure of a 568  
compacting state to perform its obligations or responsibilities, 569  
and any other grounds designated in commission rules. The 570  
commission shall immediately notify the defaulting state in 571  
writing of the suspension pending cure of the default. The 572  
commission shall stipulate the conditions and the time period 573  
within which the defaulting state shall cure its default. If the 574  
defaulting state fails to cure the default within the time 575  
period specified by the commission, the defaulting state shall 576  
be expelled from the compact and all rights, privileges, and 577  
benefits conferred by the compact shall be terminated from the 578  
effective date of the expulsion. Any state that is expelled from 579  
the compact shall be liable for any cure prize or prizes for 580  
three years after its removal. The commission shall also take 581  
appropriate legal action to ensure that any compacting state 582  
that withdraws from the compact remains liable for paying its 583  
responsibility towards a prize for a cure that was accepted 584  
while the compacting state was a member of the commission. 585

b. The expelled state must reenact the compact in order to 586  
become a compacting state. 587

3. Dissolution of Compact

588

a. The compact dissolves effective upon the date of either  
of the following:

589

590

i. The withdrawal or expulsion of a compacting state,  
which withdrawal or expulsion reduces membership in the compact  
to one compacting state;

591

592

593

ii. The commission votes to dissolve the compact.

594

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.

595

596

597

598

599

600

601

602

603

604

605

Article XV. Severability and Construction

606

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.

607

608

609

610

2. The provisions of the compact shall be liberally  
construed to effectuate its purposes.

611

612

Article XVI. Binding Effect of Compact and Other Laws

613

1. Other Laws: Nothing herein prevents the enforcement of  
any other law of a compacting state, except as provided in

614

615

section 2.b. of this article. 616

2. Binding Effect of the Compact 617

a. All lawful actions of the commission, including all 618  
commission rules, are binding upon the compacting states. 619

b. All agreements between the commission and the 620  
compacting states are binding in accordance with their terms. 621

c. Except to the extent authorized by the compacting 622  
state's constitution or, if constitutional authorization is not 623  
required, by other law of the compacting state, such state, by 624  
entering into the compact does not: 625

i. Commit the full faith and credit or taxing power of the 626  
compacting state for the payment of prizes or other obligations 627  
under the compact; 628

ii. Make prize payment responsibilities or other 629  
obligations under the compact a debt of the compacting state. 630

d. Upon the request of a party to a conflict over the 631  
meaning or interpretation of commission actions, and upon a 632  
majority vote of the compacting states, the commission may issue 633  
advisory opinions regarding the meaning or interpretation in 634  
dispute. 635

e. In the event any provision of the compact exceeds the 636  
constitutional limits imposed on any compacting state, the 637  
obligations, duties, powers or jurisdiction sought to be 638  
conferred by that provision upon the commission shall be 639  
ineffective as to that compacting state, and those obligations, 640  
duties, powers, or jurisdiction shall remain in the compacting 641  
state and shall be exercised by the agency thereof to which 642  
those obligations, duties, powers, or jurisdiction are delegated 643

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

644