

As Re-Referred by the House Rules and Reference Committee

132nd General Assembly

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H. B. No. 345

Representative Butler

Cosponsor: Representative Kent

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not withdrawn or been suspended pursuant to Article XIV of the 10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

<u>state's prize obligation in relation to the total obligation</u>	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

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

1. Establishing the fiscal year of the commission; 155

2. Providing reasonable procedures for appointing and 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

7. Providing reasonable standards and procedures for the 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

<u>Article VI. Rules</u>	212
<u>1. The commission shall adopt rules to effectively and</u>	213
<u>efficiently achieve the purposes of this compact.</u>	214
<u>2. The commission shall also adopt rules establishing the</u>	215
<u>criteria for defining and classifying the diseases for which</u>	216
<u>prizes shall be awarded. The commission may consult the most</u>	217
<u>recent edition of the international classification of disease as</u>	218
<u>published by the world health organization or other definitions</u>	219
<u>agreed to by a two-thirds vote of the commission.</u>	220
<u>3. The commission shall also adopt rules regarding prizes</u>	221
<u>for curing diseases that establish the following:</u>	222
<u>a. At least ten major diseases for which to create prizes,</u>	223
<u>which shall be determined based on the following factors:</u>	224
<u>i. The severity of the disease to a human individual's</u>	225
<u>overall health and well-being;</u>	226
<u>ii. The survival rate or severity of impact of the</u>	227
<u>disease;</u>	228
<u>iii. The public health expenses and treatment expenses for</u>	229
<u>the disease.</u>	230
<u>b. The criteria a treatment or therapeutic protocol must</u>	231
<u>meet in order to be considered a cure for any of the diseases</u>	232
<u>for which a prize may be awarded, which shall include the</u>	233
<u>following requirements:</u>	234
<u>i. It must yield a ninety-five per cent survival rate</u>	235
<u>through at least five years after the treatment or protocol has</u>	236
<u>ended;</u>	237
<u>ii. It requires not more than one year of the treatment or</u>	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

<u>including:</u>	383
<u>i. Managing authority over the day-to-day affairs of the</u>	384
<u>commission in a manner consistent with the commission's bylaws</u>	385
<u>and rules and the purposes of the compact;</u>	386
<u>ii. Overseeing the offices of the commission; and</u>	387
<u>iii. Planning, implementing, and coordinating</u>	388
<u>communications and activities with state, federal, and local</u>	389
<u>government organizations in order to advance the goals of the</u>	390
<u>compact.</u>	391
<u>d. The commission annually shall elect officers for the</u>	392
<u>committee, with each having such authority and duties as may be</u>	393
<u>specified in the commission's bylaws and rules.</u>	394
<u>e. The management committee, subject to commission</u>	395
<u>approval, may appoint or retain an executive director for such</u>	396
<u>period, upon such terms and conditions, and for such</u>	397
<u>compensation as the committee determines. The executive director</u>	398
<u>shall serve as secretary to the commission, but shall not be a</u>	399
<u>member of the commission. The executive director shall hire and</u>	400
<u>supervise such other staff as may be authorized by the</u>	401
<u>committee.</u>	402
<u>2. Advisory Committees</u>	403
<u>The commission may appoint advisory committees to monitor</u>	404
<u>all operations related to the purposes of the compact and make</u>	405
<u>recommendations to the commission; provided that the manner of</u>	406
<u>selection and term of any committee member shall be as set forth</u>	407
<u>in the commission's bylaws and rules. The commission shall</u>	408
<u>consult with an advisory committee, to the extent required by</u>	409
<u>the commission's bylaws or rules, before doing any of the</u>	410
<u>following:</u>	411

<u>a. Approving cure criteria;</u>	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

states, which shall include a report of the independent audit. 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 471

Venue for any judicial proceedings by or against the 472
commission shall be brought in the appropriate court of 473
competent jurisdiction for the geographical area in which the 474
principal office of the commission is located. 475

Article XII. Qualified Immunity, Defense, and 476
Indemnification 477

1. The members, officers, executive director, employees, 478
and representatives of the commission shall be immune from suit 479
and liability, either personally or in their official capacity, 480
for any claim for damage to or loss of property or personal 481
injury or other civil liability caused by or arising out of any 482
actual or alleged act, error, or omission that occurred, or that 483
such person had a reasonable basis for believing occurred within 484
the scope of the person's commission employment, duties, or 485
responsibilities; provided, that nothing in section 1. of this 486
article shall be construed to protect any such person from suit 487
or liability for any damage, loss, injury, or liability caused 488
by the intentional or willful and wanton misconduct of that 489
person. 490

2. The commission shall defend any member, officer, 491
executive director, employee, or representative of the 492
commission in any civil action seeking to impose liability 493
arising out of any actual or alleged act, error, or omission 494
that occurred within the scope of the person's commission 495
employment, duties, or responsibilities, or that such person had 496
a reasonable basis for believing occurred within the scope of 497
commission employment, duties, or responsibilities; provided, 498

that nothing in the compact or commission bylaws or rules shall 499
be construed to prohibit that person from retaining his or her 500
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

<u>Article XIV. Withdrawal, Default, and Expulsion</u>	528
<u>1. Withdrawal</u>	529
<u>a. Once effective, the compact shall continue in force and</u>	530
<u>remain binding upon each and every compacting state; provided,</u>	531
<u>that a compacting state may withdraw from the compact by doing</u>	532
<u>both of the following:</u>	533
<u>i. Repealing the law enacting the compact in that state;</u>	534
<u>ii. Notifying the commission in writing of the intent to</u>	535
<u>withdraw on a date that is both of the following:</u>	536
<u>I. At least three years after the date the notice is sent;</u>	537
<u>II. After the repeal takes effect.</u>	538
<u>b. The effective date of withdrawal is the date described</u>	539
<u>in section 1.a.ii. of this article.</u>	540
<u>c. The member representing the withdrawing state shall</u>	541
<u>immediately notify the management committee in writing upon the</u>	542
<u>introduction of legislation in that state repealing the compact.</u>	543
<u>If a management committee has not been established, the member</u>	544
<u>shall immediately notify the commission.</u>	545
<u>d. The commission or management committee, as applicable,</u>	546
<u>shall notify the other compacting states of the introduction of</u>	547
<u>such legislation within ten days after its receipt of notice</u>	548
<u>thereof.</u>	549
<u>e. The withdrawing state is responsible for all</u>	550
<u>obligations, duties and liabilities incurred through the</u>	551
<u>effective date of withdrawal, including any obligations, the</u>	552
<u>performance of which extend beyond the effective date of</u>	553
<u>withdrawal. The commission's actions shall continue to be</u>	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 589
of the following: 590

i. The withdrawal or expulsion of a compacting state, 591
which withdrawal or expulsion reduces membership in the compact 592
to one compacting state; 593

ii. The commission votes to dissolve the compact. 594

b. Upon the dissolution of the compact, the compact 595
becomes null and void and shall be of no further force or 596
effect, and the business and affairs of the commission shall be 597
wound up and any surplus funds shall be distributed in 598
accordance with the commission's bylaws, provided, that the 599
commission shall pay all outstanding prizes awarded before the 600
dissolution of the compact, as well as any other outstanding 601
debts and obligations incurred during the existence of the 602
compact. Any unawarded funds donated to be a part of a prize 603
shall be returned to the donor, along with any interest earned 604
on the amount. 605

Article XV. Severability and Construction 606

1. The provisions of the compact shall be severable; and 607
if any phrase, clause, sentence, or provision is deemed 608
unenforceable, the remaining provisions of the compact shall be 609
enforceable. 610

2. The provisions of the compact shall be liberally 611
construed to effectuate its purposes. 612

<u>Article XVI. Binding Effect of Compact and Other Laws</u>	613
<u>1. Other Laws: Nothing herein prevents the enforcement of</u>	614
<u>any other law of a compacting state, except as provided in</u>	615
<u>section 2.b. of this article.</u>	616
<u>2. Binding Effect of the Compact</u>	617
<u>a. All lawful actions of the commission, including all</u>	618
<u>commission rules, are binding upon the compacting states.</u>	619
<u>b. All agreements between the commission and the</u>	620
<u>compacting states are binding in accordance with their terms.</u>	621
<u>c. Except to the extent authorized by the compacting</u>	622
<u>state's constitution or, if constitutional authorization is not</u>	623
<u>required, by other law of the compacting state, such state, by</u>	624
<u>entering into the compact does not:</u>	625
<u>i. Commit the full faith and credit or taxing power of the</u>	626
<u>compacting state for the payment of prizes or other obligations</u>	627
<u>under the compact;</u>	628
<u>ii. Make prize payment responsibilities or other</u>	629
<u>obligations under the compact a debt of the compacting state.</u>	630
<u>d. Upon the request of a party to a conflict over the</u>	631
<u>meaning or interpretation of commission actions, and upon a</u>	632
<u>majority vote of the compacting states, the commission may issue</u>	633
<u>advisory opinions regarding the meaning or interpretation in</u>	634
<u>dispute.</u>	635
<u>e. In the event any provision of the compact exceeds the</u>	636
<u>constitutional limits imposed on any compacting state, the</u>	637
<u>obligations, duties, powers or jurisdiction sought to be</u>	638
<u>conferred by that provision upon the commission shall be</u>	639
<u>ineffective as to that compacting state, and those obligations,</u>	640

<u>duties, powers, or jurisdiction shall remain in the compacting</u>	641
<u>state and shall be exercised by the agency thereof to which</u>	642
<u>those obligations, duties, powers, or jurisdiction are delegated</u>	643
<u>by law in effect at the time the compact becomes effective.</u>	644