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Committee

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Regular Session  
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Am. H. B. No. 345

Representative Butler  
Cosponsor: Representative Kent

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**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.

**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:

**Sec. 3799.01. Article I. Definitions**

For purposes of this compact:

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

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not withdrawn or been suspended pursuant to Article XIV of the  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

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

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

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

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| <u>refunds to compacting states based on the per cent of the</u>        | 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 |

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| <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 |

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

1. Establishing the fiscal year of the commission; 155

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| <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 |

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

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| <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. 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  
and rules and the purposes of the compact; 411

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| <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 |

d. Addressing any other significant matter or taking any 440  
other significant action. 441

Article VIII. Finance 442

1. The commission annually shall establish a budget to pay 443  
or provide for the payment of its reasonable expenses. To fund 444  
the cost of initial operations, the commission may accept 445  
contributions and other forms of funding from the compacting 446  
states and other sources. Contributions and other forms of 447  
funding from other sources shall be of such a nature that the 448  
independence of the commission concerning the performance of its 449  
duties shall not be compromised. 450

2. The commission shall be exempt from all taxation in and 451  
by the compacting states. 452

3. The commission shall keep complete and accurate 453  
accounts of all of its internal receipts, including grants and 454  
donations, and disbursements of all funds under its control. The 455  
internal financial accounts of the commission shall be subject 456  
to the accounting procedures established under the commission's 457  
bylaws or rules. The financial accounts and reports including 458  
the system of internal controls and procedures of the commission 459  
shall be audited annually by an independent certified public 460  
accountant. Upon the determination of the commission, but not 461  
less frequently than every three years, the review of the 462  
independent auditor shall include a management and performance 463  
audit of the commission. The commission shall make an annual 464  
report to the governors and legislatures of the compacting 465  
states, which shall include a report of the independent audit. 466  
The commission's internal accounts shall not be confidential and 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

a. Once effective, the compact shall continue in force and 555  
remain binding upon each and every compacting state; provided, 556  
that a compacting state may withdraw from the compact by doing 557

both of the following: 558

i. Repealing the law enacting the compact in that state; 559

ii. Notifying the commission in writing of the intent to 560  
withdraw on a date that is both of the following: 561

I. At least three years after the date the notice is sent; 562

II. After the repeal takes effect. 563

b. The effective date of withdrawal is the date described 564  
in section 1.a.ii. of this article. 565

c. The member representing the withdrawing state shall 566  
immediately notify the management committee in writing upon the 567  
introduction of legislation in that state repealing the compact. 568  
If a management committee has not been established, the member 569  
shall immediately notify the commission. 570

d. The commission or management committee, as applicable, 571  
shall notify the other compacting states of the introduction of 572  
such legislation within ten days after its receipt of notice 573  
thereof. 574

e. The withdrawing state is responsible for all 575  
obligations, duties and liabilities incurred through the 576  
effective date of withdrawal, including any obligations, the 577  
performance of which extend beyond the effective date of 578  
withdrawal. The commission's actions shall continue to be 579  
effective and be given full force and effect in the withdrawing 580  
state. 581

f. Reinstatement following a state's withdrawal shall 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

3. Dissolution of Compact

613

a. The compact dissolves effective upon the date of either 614

of the following: 615

i. The withdrawal or expulsion of a compacting state, 616  
which withdrawal or expulsion reduces membership in the compact 617  
to one compacting state; 618

ii. The commission votes to dissolve the compact. 619

b. Upon the dissolution of the compact, the compact 620  
becomes null and void and shall be of no further force or 621  
effect, and the business and affairs of the commission shall be 622  
wound up and any surplus funds shall be distributed in 623  
accordance with the commission's bylaws, provided, that the 624  
commission shall pay all outstanding prizes awarded before the 625  
dissolution of the compact, as well as any other outstanding 626  
debts and obligations incurred during the existence of the 627  
compact. Any unawarded funds donated to be a part of a prize 628  
shall be returned to the donor, along with any interest earned 629  
on the amount. 630

Article XV. Severability and Construction 631

1. The provisions of the compact shall be severable; and 632  
if any phrase, clause, sentence, or provision is deemed 633  
unenforceable, the remaining provisions of the compact shall be 634  
enforceable. 635

2. The provisions of the compact shall be liberally 636  
construed to effectuate its purposes. 637

Article XVI. Binding Effect of Compact and Other Laws 638

1. Other Laws: Nothing herein prevents the enforcement of 639  
any other law of a compacting state, except as provided in 640  
section 2.b. of this article. 641

2. Binding Effect of the Compact 642

- a. All lawful actions of the commission, including all 643  
commission rules, are binding upon the compacting states. 644
- b. All agreements between the commission and the 645  
compacting states are binding in accordance with their terms. 646
- c. Except to the extent authorized by the compacting 647  
state's constitution or, if constitutional authorization is not 648  
required, by other law of the compacting state, such state, by 649  
entering into the compact does not: 650
- i. Commit the full faith and credit or taxing power of the 651  
compacting state for the payment of prizes or other obligations 652  
under the compact; 653
- ii. Make prize payment responsibilities or other 654  
obligations under the compact a debt of the compacting state. 655
- d. Upon the request of a party to a conflict over the 656  
meaning or interpretation of commission actions, and upon a 657  
majority vote of the compacting states, the commission may issue 658  
advisory opinions regarding the meaning or interpretation in 659  
dispute. 660
- e. In the event any provision of the compact exceeds the 661  
constitutional limits imposed on any compacting state, the 662  
obligations, duties, powers or jurisdiction sought to be 663  
conferred by that provision upon the commission shall be 664  
ineffective as to that compacting state, and those obligations, 665  
duties, powers, or jurisdiction shall remain in the compacting 666  
state and shall be exercised by the agency thereof to which 667  
those obligations, duties, powers, or jurisdiction are delegated 668  
by law in effect at the time the compact becomes effective. 669