

By: Representative Currie

To: Public Health and Human
Services; Ways and Means

HOUSE BILL NO. 668

1 AN ACT TO ADOPT AND ENTER INTO THE "SOLEMN COVENANT OF THE
2 STATES TO AWARD PRIZES FOR CURING DISEASES COMPACT"; TO DEFINE
3 CERTAIN TERMS; TO PROVIDE FOR THE ESTABLISHMENT OF THE SOLEMN
4 COVENANT OF STATES COMMISSION UPON ENACTMENT OF THE COMPACT BY SIX
5 STATES; TO PRESCRIBE THE COMMISSION'S POWERS AND DUTIES; TO
6 AUTHORIZE THE COMMISSION TO AWARD PRIZES FOR TREATMENTS AND
7 THERAPEUTIC PROTOCOLS THAT MEET THE COMMISSION'S STANDARDS FOR A
8 SUCCESSFUL CURE OR TREATMENT; TO AUTHORIZE THE COMMISSION TO
9 ARRANGE FOR THE TRANSFER OF INTELLECTUAL PROPERTY NECESSARY TO
10 MANUFACTURE AND DISTRIBUTE A CURE TREATMENT OR THERAPEUTIC
11 PROTOCOL THAT HAS BEEN AWARDED A PRIZE; TO PRESCRIBE MEETING AND
12 VOTING REQUIREMENTS FOR THE COMMISSION; TO REQUIRE THE COMMISSION
13 TO ADOPT BYLAWS AND CERTAIN RULES; TO AUTHORIZE THE COMMISSION TO
14 ESTABLISH A MANAGEMENT COMMITTEE AND ADVISORY COMMITTEES; TO
15 REQUIRE THE COMMISSION TO ADOPT AN ANNUAL BUDGET AND TO PROVIDE
16 FOR THE AUDIT OF FINANCIAL ACCOUNTS; TO EXEMPT RECORDS OF THE
17 COMMISSION FROM THE COMPACTING STATES' PUBLIC RECORDS LAWS; TO
18 GRANT COMMISSION MEMBERS AND EMPLOYEES IMMUNITY FROM ALLEGED
19 LIABILITY STEMMING FROM ACTS OF THE COMMISSION; TO REQUIRE AT
20 LEAST TWO STATES TO ADOPT THE COMPACT IN ORDER FOR IT TO BECOME
21 EFFECTIVE; TO PROVIDE FOR THE WITHDRAWAL AND EXPULSION FROM THE
22 COMPACT OF MEMBER STATES; TO PROVIDE THAT LAWFUL ACTIONS OF THE
23 COMMISSION ARE BINDING UPON COMPACTING STATES; AND FOR RELATED
24 PURPOSES.

25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

26 **SECTION 1.** **Title.** This chapter shall be known and may be
27 cited as the "Solemn Covenant of the States to Award Prizes for
28 Curing Diseases Compact."



29 **SECTION 2. Article I. Definitions.** As used in this

30 chapter, the following words and phrases have the meanings
31 ascribed in this section unless the context clearly indicates
32 otherwise:

33 1. "Commission" or "Solemn Covenant of States
34 Commission" means the commission established under Article II of
35 this compact.

36 2. "Compacting state" means either of the following:

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38 which has not withdrawn or been suspended pursuant to Article XIV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

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

42 3. "Compact" means the Solemn Covenant of the States to
43 Award Prizes for Curing Diseases created under this chapter.

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

46 5. "Public health expenses" means the amount of all
47 costs paid by taxpayers in a specified geographic area relating to
48 a particular disease.

49 6. "State" means any state, district or territory of
50 the United States of America.

51 **Article II. Establishment of the Commission; Membership.** 1.

52 Upon the enactment of the compact by six (6) states, the



53 compacting states shall establish the Solemn Covenant of States
54 Commission.

55 2. The commission is a body corporate and politic and
56 an instrumentality of each of the compacting states and is solely
57 responsible for its liabilities, except as otherwise specifically
58 provided in the compact.

59 3. Each compacting state shall be represented by one
60 (1) member selected by the compacting state. Each compacting
61 state shall determine its member's qualifications and period of
62 service and shall be responsible for any action to remove or
63 suspend its member or to fill the member's position if it becomes
64 vacant. Nothing in the compact shall be construed to affect a
65 compacting state's authority regarding the qualification,
66 selection or service of its own member.

67 **Article III. Powers of the Commission.** The commission shall
68 have the following powers and duties:

69 1. To adopt bylaws and rules pursuant to Articles V and
70 VI of the compact, which shall have the force and effect of law
71 and shall be binding in the compacting states to the extent and in
72 the manner provided in the compact.

73 2. To receive and review in an expeditious manner
74 treatments and therapeutic protocols for the cure of disease
75 submitted to the commission and to award prizes for submissions
76 that meet the commission's standards for a successful cure
77 treatment or therapeutic protocol.



78 3. To make widely available a cure treatment or
79 therapeutic protocol upon a prize winner claiming a prize and
80 transferring any intellectual property necessary for the
81 manufacture and distribution of the cure in accordance with
82 Section 3.g.i of Article VI, including by arranging or contracting
83 for the manufacturing, production or provision of any drug, serum
84 or other substance, device or process, provided that the
85 commission does not market the cure or conduct any other activity
86 regarding the cure not specifically authorized in the compact.

87 4. To establish a selling price for the cure, which
88 shall be not more than the expenses for the cure's manufacturing,
89 distribution, licensing and any other necessary governmental
90 requirements for compacting states, or those expenses plus any
91 royalty fees, for noncompacting states; the price shall not
92 include the expenses of any other activities.

93 5. In non-compacting states and foreign countries, to
94 establish and collect royalty fees imposed on manufacturers,
95 producers and providers of any drug, serum or other substance,
96 device or process used for a cure treatment or therapeutic
97 protocol, for which a prize is awarded. Royalty fees may be added
98 to the sales price of the cure pursuant to Section 4 of this
99 article, provided that the royalty fees shall cumulatively be not
100 more than the estimated five-year savings in public health
101 expenses for that state or country, as calculated by actuaries
102 employed or contracted by the commission.



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

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

b. Annually disburse any amounts remaining after making payments or reimbursements under Section 6.a of this article as refunds to compacting states based on the per cent of the state's prize obligation in relation to the total obligation amount of all compacting states.

7. To bring and prosecute legal proceedings or actions in its name as the commission.

8. To issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence.

9. To establish and maintain offices.

10. To borrow, accept or contract for personnel services, including personnel services from employees of a compacting state.

11. To hire employees, professionals or specialists, and to elect or appoint officers, and to fix their compensation, define their duties and give them appropriate authority to carry out the purposes of the compact, and determine their



128 qualifications; and to establish the commission's personnel
129 policies and programs relating to, among other things, conflicts
130 of interest, rates of compensation and qualifications of
131 personnel.

132 12. To accept any and all appropriate donations and
133 grants of money, equipment, supplies, materials and services, and
134 to receive, utilize and dispose of the same, provided that at all
135 times the commission shall strive to avoid any appearance of
136 impropriety.

137 13. To lease, purchase or accept appropriate gifts or
138 donations of, or to otherwise own, hold, improve or use, any
139 property, real, personal or mixed, provided that at all times the
140 commission shall strive to avoid any appearance of impropriety.

141 14. To sell, convey, mortgage, pledge, lease, exchange,
142 abandon or otherwise dispose of any property, real, personal or
143 mixed.

144 15. To monitor compacting states for compliance with
145 the commission's bylaws and rules.

146 16. To enforce compliance by compacting states with the
147 commission's bylaws and rules.

148 17. To provide for dispute resolution among compacting
149 states or between the commission and those who submit treatments
150 and therapeutic protocols for the cure of disease for
151 consideration.

152 18. To establish a budget and make expenditures.



153 19. To borrow money.

154 20. To appoint committees, including management,
155 legislative and advisory committees comprised of members, state
156 legislators or their representatives, medical professionals and
157 such other interested persons as may be designated by the
158 commission.

159 21. To establish annual membership dues for compacting
160 states, which shall be used for daily expenses of the commission
161 and not for interest or prize payments.

162 22. To adopt and use a corporate seal.

163 23. To perform such other functions as may be necessary
164 or appropriate to achieve the purposes of this compact.

165 **Article IV. Meetings and Voting.** 1. The commission shall
166 meet and take such actions as are consistent with the compact,
167 bylaws and rules.

168 2. A majority of the members of the commission shall
169 constitute a quorum necessary in order to conduct business or take
170 actions at meetings of the commission.

171 3. Each member of the commission shall have the right
172 and power to cast one (1) vote regarding matters determined or
173 actions to be taken by the commission. Each member shall have the
174 right and power to participate in the business and affairs of the
175 commission.

176 4. A member shall vote in person or by such other means
177 as provided in the commission's bylaws. The commission's bylaws



may provide for members' participation in meetings by telephone or other means of communication.

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

6. No decision of the commission with respect to the approval of an award for a treatment or therapeutic process for the cure of a disease shall be effective unless two-thirds (2/3) of all the members of the commission vote in favor thereof.

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

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

1. Establishing the fiscal year of the commission.

2. Providing reasonable procedures for appointing and electing members, as well as holding meetings, of the management committee.

3. Providing reasonable standards and procedures:

a. For the establishment and meetings of other committees;



202 b. Governing any general or specific delegation of
203 any authority or function of the commission; and

204 c. Voting guidelines and procedures for commission
205 decisions.

206 4. Providing reasonable procedures for calling and
207 conducting meetings of the commission which shall consist of
208 requiring a quorum to be present, ensuring reasonable advance
209 notice of each such meeting and providing for the right of
210 citizens to attend each such meeting with enumerated exceptions
211 designed to protect the public's interest and the privacy of
212 individuals.

213 5. Providing a list of matters about which the
214 commission may go into executive session and requiring a majority
215 of all members of the commission vote to enter into such session.
216 As soon as practicable, the commission shall make public:

217 a. A copy of the vote to go into executive
218 session, revealing the vote of each member with no proxy votes
219 allowed; and

220 b. The matter requiring executive session, without
221 identifying the actual issues or individuals involved.

222 6. Establishing the titles, duties, authority and
223 reasonable procedures for the election of the officers of the
224 commission.

225 7. Providing reasonable standards and procedures for
226 the establishment of the personnel policies and programs of the



commission. Notwithstanding any civil service or other similar laws of any compacting state, the commission's bylaws shall exclusively govern the personnel policies and programs of the commission.

8. Allowing a mechanism for:

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

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

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

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

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

12. Governing any fund raising efforts in which the commission wishes to engage.

13. Providing a mechanism for winding up the operations of the commission and the equitable disposition of any surplus



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

Article VI. Rules. 1. The commission shall adopt rules to do the following:

a. Effectively and efficiently achieve the purposes of this compact; and

b. Govern the methods, processes and any other aspect of the research, creation and testing of a treatment or therapeutic protocol for each disease for which a prize may be awarded.

2. The commission shall also adopt rules establishing the criteria for defining and classifying the diseases for which prizes shall be awarded. The commission may define and classify subsets of diseases, for example, tubular carcinoma of the breast. For purposes of Sections 3.a and c of this article, a subset of a disease shall be considered one (1) disease. The commission may consult the most recent edition of the International Statistical Classification of Diseases and Related Health Problems as published by the World Health Organization or other definitions agreed to by a two-thirds (2/3) vote of the commission.

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

a. At least ten (10) major diseases for which to create prizes, which shall be determined based on the following factors:



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

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

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

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

i. It must be approved by the federal Food and Drug Administration or have otherwise obtained legal status for the compact to immediately contract to manufacture and distribute in the United States;

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

iii. It requires less than one (1) year of the treatment or protocol to completely cure the disease.

c. The procedure for determining the diseases for which to award prizes, which includes the option to award prizes for more than ten (10) diseases that meet the above criteria, if agreed to by two-thirds (2/3) vote of the commission, and a requirement to update the list every three (3) years.



300 d. The submission and evaluation procedures and
301 guidelines, including filing and review procedures, a requirement
302 that the person or entity submitting the cure bears the burden of
303 proof in demonstrating that the treatment or therapeutic protocol
304 meets the above criteria, and limitations preventing public access
305 to treatment or protocol submissions.

306 e. The estimated five-year public health savings
307 that would result from a cure, which shall be equal to the
308 five-year public health expenses for each disease in each
309 compacting state, and a procedure to update these expenses every
310 three (3) years in conjunction with the requirements in Section
311 3.c of this article. The estimated five-year public health
312 savings amount shall be calculated, estimated and publicized every
313 three (3) years by actuaries employed or contracted by the
314 commission.

315 f. The prize amount with respect to cures for each
316 disease, which shall be equal to the most recent estimated total
317 five-year savings in public health expenses for the disease as
318 calculated in Section 3.e of this article in all of the compacting
319 states. Consideration must be given to amounts donated by
320 charities, individuals and any other entities intended for the
321 prize, along with any other factors that the commission deems
322 appropriate.

323 g. The prize distribution procedures and
324 guidelines, which shall include the following requirements:



325 i. Upon acceptance of a cure, the prize
326 winner shall transfer to the commission the patent and all related
327 intellectual property for the manufacture and distribution of the
328 treatment or therapeutic protocol in exchange for the prize,
329 except in the case that the prize money is considered by the
330 commission to be too low, and that a prize will be awarded only to
331 the first person or entity that submits a successful cure for a
332 disease for which a prize may be awarded.

333 ii. Donation amounts intended for the prize
334 shall be kept in a separate, interest-bearing account maintained
335 by the commission. This account shall be the only account in
336 which prize money is kept.

337 iii. Each compacting state shall have the
338 responsibility to pay annually the compacting state's actual
339 one-year savings in public health expenses for the particular
340 disease for which a cure has been accepted. The compacting state
341 shall make such an annual payment until it has fulfilled its prize
342 responsibility as established in Section 3.f of this article.
343 Each compacting state's payment responsibility begins one (1) year
344 after the date the cure becomes widely available. The commission
345 shall employ or contract with actuaries to calculate each state's
346 actual one-year savings in public health expenses at the end of
347 each year to determine each state's responsibility for the
348 succeeding year.



iv. Compacting states may meet prize responsibilities by any method, including the issuance of bonds or other obligations, with the principal and interest of those bonds or obligations to be repaid only from revenue derived from estimated public health expense savings from a cure to a disease. If the compacting state does not make such revenue available to repay some or all of the revenue bonds or obligations issued, the owners or holders of those bonds or obligations have no right to have excises or taxes levied to pay the principal or interest on them. The revenue bonds and obligations are not a debt of the issuing compacting state.

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

vi. Upon acceptance of a cure, the commission shall obtain a loan from a financial institution in an amount equal to the most recently calculated total estimated five-year public health expenses for the disease in all compacting states, in accordance with Section 3.f of this article. The commission reserves the right to continuously evaluate the cure in the



interim and rescind a prize offer if the commission finds that the cure no longer meets the commission's criteria.

4. The commission may award a prize for a treatment or therapeutic protocol that yields a survival rate that is less than what is established in the cure criteria through at least five (5) years after the treatment or protocol has ended. In that case, the prize amount awarded for that treatment or therapeutic protocol shall be reduced from the prize amount originally determined by the commission for a cure for that disease. The reduction shall be in proportion to the survival rate yielded by that treatment or protocol as compared to the survival rate established in the cure criteria.

5. The commission also shall adopt rules that do the following:

a. Establish the following regarding commission records:

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

ii. Procedures for sharing with federal and state agencies, including law enforcement agencies, records and information otherwise exempt from disclosure;



397 iii. Guidelines for entering into agreements
398 with federal and state agencies to receive or exchange information
399 or records subject to nondisclosure and confidentiality
400 provisions.

401 b. Provide a process for commission review of
402 submitted treatments and therapeutic protocols for curing diseases
403 that includes the following:

404 i. An opportunity for an appeal, not later
405 than thirty (30) days after a rejection of a treatment or protocol
406 for prize consideration, to a review panel established under the
407 commission's dispute resolution process;

408 ii. Commission monitoring and review of
409 treatment and protocol effectiveness consistent with the cure
410 criteria established by the commission for the particular disease;

411 iii. Commission reconsideration, modification
412 or withdrawal of approval of a treatment or protocol for prize
413 consideration for failure to continue to meet the cure criteria
414 established by the commission for the particular disease.

415 c. Establish a dispute resolution process to
416 resolve disputes or other issues under the compact that may arise
417 between two (2) or more compacting states or between the
418 commission and individuals or entities who submit treatments and
419 therapeutic protocols to cure diseases, which process shall
420 provide for:



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

ii. Judicial review of decisions issued after
an administrative review; and

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

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

6. Recognizing that the goal of the compact is to pool
the potential savings of as many states and countries as possible
to generate sufficient financial incentive to develop a cure for
many of the world's most devastating diseases, the compact will
respect the laws of each of these United States by adopting rules
that establish ethical standards for research that shall be
followed in order for a prize to be claimed. The compact, in the
rules, shall establish a common set of ethical standards that
embodies the laws and restrictions in each of the states so that
to be eligible for claiming a prize, the entity submitting a cure
must not have violated any of the ethical standards in any one (1)
of the fifty (50) states, whether the states have joined the
compact or not. The compact will publish these common ethical



standards along with the specific criteria for a cure for each of the diseases the compact has targeted. So long as a researcher follows the common ethical standards in effect at the time the research is done, an entity presenting a cure will be deemed to have followed the standards. On or before January 1 of each year, the compact shall review all state laws to determine if additional ethical standards have been enacted by any of the fifty (50) states and the federal government. Any changes to the common ethical standards rules based on new state laws shall be adopted and published by the compact, but shall not take effect in cure criteria for a period of three (3) years to allow for sufficient notice to researchers.

7. All rules may be amended as the commission sees necessary.

8. All rules shall be adopted pursuant to a rule-making process that conforms to the Model State Administrative Procedure Act of 1981 by the Uniform Law Commissioners, as amended, as may be appropriate to the operations of the commission.

9. In the event the commission exercises its rule-making authority in a manner that is beyond the scope of the purpose of this compact, or the powers granted hereunder, then such rule shall be invalid and have no force and effect.

Article VII. Committees. 1. Management Committee.



469 a. The commission may establish a management
470 committee comprised of not more than fourteen (14) members when
471 twenty-six (26) states enact the compact.

472 b. The committee shall consist of those members
473 representing compacting states whose total public health expenses
474 of all of the established diseases are the highest.

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

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

481 ii. Overseeing the offices of the commission;
482 and

483 iii. Planning, implementing and coordinating
484 communications and activities with state, federal and local
485 government organizations in order to advance the goals of the
486 compact.

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

490 e. The management committee, subject to commission
491 approval, may appoint or retain an executive director for such
492 period, upon such terms and conditions, and for such compensation
493 as the committee determines. The executive director shall serve



as secretary to the commission but shall not be a member of the commission. The executive director shall hire and supervise such other staff as may be authorized by the committee.

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

- a. Approving cure criteria;
- b. Amending, enacting or repealing any bylaw or rule;
- c. Adopting the commission's annual budget;
- d. Addressing any other significant matter or taking any other significant action.

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



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

521 3. The commission shall keep complete and accurate
522 accounts of all of its internal receipts, including grants and
523 donations, and disbursements of all funds under its control. The
524 internal financial accounts of the commission shall be subject to
525 the accounting procedures established under the commission's
526 bylaws or rules. The financial accounts and reports including the
527 system of internal controls and procedures of the commission shall
528 be audited annually by an independent certified public accountant.
529 Upon the determination of the commission, but not less frequently
530 than every three (3) years, the review of the independent auditor
531 shall include a management and performance audit of the
532 commission. The commission shall make an annual report to the
533 governors and legislatures of the compacting states, which shall
534 include a report of the independent audit. The commission's
535 internal accounts shall not be confidential, and such materials
536 may be shared with any compacting state upon request; however, any
537 work papers related to any internal or independent audit and any
538 information subject to the compacting states' privacy laws shall
539 remain confidential.

540 4. No compacting state shall have any claim or
541 ownership of any property held by or vested in the commission or
542 to any commission funds held pursuant to the provisions of the
543 compact.



544 **Article IX. Records.** Except as to privileged records, data
545 and information, the laws of any compacting state pertaining to
546 confidentiality or nondisclosure shall not relieve any member of
547 the duty to disclose any relevant records, data or information to
548 the commission; however, disclosure to the commission shall not be
549 deemed to waive or otherwise affect any confidentiality
550 requirement. Except as otherwise expressly provided in the
551 compact, the commission shall not be subject to the compacting
552 state's laws pertaining to confidentiality and nondisclosure with
553 respect to records, data and information in its possession.
554 Confidential information of the commission shall remain
555 confidential after such information is provided to any member.
556 All cure submissions received by the commission are confidential.

557 **Article X. Compliance.** The commission shall notify a
558 compacting state in writing of any noncompliance with commission
559 bylaws and rules. If a compacting state fails to remedy its
560 noncompliance within the time specified in the notice, the
561 compacting state shall be deemed to be in default as set forth in
562 Article XIV.

563 **Article XI. Venue.** Venue for any judicial proceedings by or
564 against the commission shall be brought in the appropriate court
565 of competent jurisdiction for the geographical area in which the
566 principal office of the commission is located.

567 **Article XII. Qualified Immunity, Defense and**

568 **Indemnification.**

1. The members, officers, executive



569 director, employees and representatives of the commission shall be
570 immune from suit and liability, either personally or in their
571 official capacity, for any claim for damage to or loss of property
572 or personal injury or other civil liability caused by or arising
573 out of any actual or alleged act, error or omission that occurred,
574 or that such person had a reasonable basis for believing occurred
575 within the scope of the person's commission employment, duties or
576 responsibilities. However, nothing in Section 1 of this article
577 shall be construed to protect any such person from suit or
578 liability for any damage, loss, injury or liability caused by the
579 intentional or willful and wanton misconduct of that person.

580 2. The commission shall defend any member, officer,
581 executive director, employee or representative of the commission
582 in any civil action seeking to impose liability arising out of any
583 actual or alleged act, error or omission that occurred within the
584 scope of the person's commission employment, duties or
585 responsibilities, or that such person had a reasonable basis for
586 believing occurred within the scope of commission employment,
587 duties or responsibilities, provided that the actual or alleged
588 act, error or omission did not result from that person's
589 intentional or willful and wanton misconduct. Nothing in the
590 compact or commission bylaws or rules shall be construed to
591 prohibit that person from retaining his or her own counsel.

592 3. The commission shall indemnify and hold harmless any
593 member, officer, executive director, employee or representative of



the commission for the amount of any settlement or judgment obtained against the person arising out of any actual or alleged act, error or omission that occurred within the scope of the person's commission employment, duties or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties or responsibilities, provided that the actual or alleged act, error or omission did not result from the intentional or willful and wanton misconduct of that person.

Article XIII. Compacting States, Effective Date, and Amendment. 1. Any state is eligible to become a compacting state.

2. The compact shall become effective and binding upon legislative enactment of the compact into law by two (2) compacting states; however, the commission shall only be established after six (6) states become compacting states. Thereafter, the compact shall become effective and binding as to any other compacting state upon enactment of the compact into law by that state.

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

4. If funding is requested or required, the legislative authority of each compacting state shall be responsible for making



the appropriations it determines necessary to pay for the costs of the compact, including annual member dues and prize distributions.

Article XIV. Withdrawal, Default and Expulsion. 1.

Withdrawal.

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

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

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

I. At least three (3) years after the date the notice is sent; and

II. After the repeal takes effect.

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

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

d. The commission or management committee, as applicable, shall notify the other compacting states of the



introduction of such legislation within ten (10) days after its receipt of notice thereof.

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

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

2. Default. a. If the commission determines that any compacting state has at any time defaulted in the performance of any of its obligations or responsibilities under the compact or the commission's bylaws or rules, then, after notice and hearing as set forth in the bylaws, all rights, privileges and benefits conferred by this compact on the defaulting state shall be suspended from the effective date of default as fixed by the commission. The grounds for default include failure of a compacting state to perform its obligations or responsibilities, and any other grounds designated in commission rules. The commission shall immediately notify the defaulting state in writing of the suspension pending cure of the default. The commission shall stipulate the conditions and the time period within which the defaulting state shall cure its default. If the



668 defaulting state fails to cure the default within the time period
669 specified by the commission, the defaulting state shall be
670 expelled from the compact and all rights, privileges and benefits
671 conferred by the compact shall be terminated from the effective
672 date of the expulsion. Any state that is expelled from the
673 compact shall be liable for any cure prize or prizes for three (3)
674 years after its removal. The commission shall also take
675 appropriate legal action to ensure that any compacting state that
676 withdraws from the compact remains liable for paying its
677 responsibility towards a prize for a cure that was accepted while
678 the compacting state was a member of the commission.

679 b. The expelled state must reenact the compact in
680 order to become a compacting state.

681 **3. Dissolution of Compact.** a. The compact dissolves
682 effective upon the date of either of the following:

683 i. The withdrawal or expulsion of a
684 compacting state, which withdrawal or expulsion reduces membership
685 in the compact to one (1) compacting state; or

686 ii. The commission votes to dissolve the
687 compact.

688 b. Upon the dissolution of the compact, the
689 compact becomes null and void and shall be of no further force or
690 effect, and the business and affairs of the commission shall be
691 wound up and any surplus funds shall be distributed in accordance
692 with the commission's bylaws. However, 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.

Article XV. Severability and Construction. 1. The provisions of the compact shall be severable; if any phrase, clause, sentence or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

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

Article XVI. Binding Effect of Compact and Other Laws. 1. **Other Laws.** Nothing herein prevents the enforcement of any other law of a compacting state, except as provided in Section 2.b of this article.

2. Binding Effect of the Compact. a. All lawful actions of the commission, including all commission rules, are binding upon the compacting states.

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

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



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

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

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

e. In the event any provision of the compact exceeds the constitutional limits imposed on any compacting state, the obligations, duties, powers or jurisdiction sought to be conferred by that provision upon the commission shall be ineffective as to that compacting state, and those obligations, duties, powers or jurisdiction shall remain in the compacting state and shall be exercised by the agency thereof to which those obligations, duties, powers or jurisdiction are delegated by law in effect at the time the compact becomes effective.

SECTION 3. This act shall be codified as a new chapter in Title 41, Mississippi Code of 1972.

SECTION 4. This act shall take effect and be in force from and after July 1, 2021.

