

By: Senator(s) Blackwell, Parker, Kirby

To: Public Health and  
Welfare; Accountability,  
Efficiency, Transparency

SENATE BILL NO. 2289

1 AN ACT TO ENACT INTO LAW THE SOLEMN COVENANT OF THE STATES TO  
2 AWARD PRIZES FOR CURING DISEASES AND PROVIDE THAT THE STATE OF  
3 MISSISSIPPI ENTERS THE COMPACT WITH OTHER STATES THAT JOIN IN THE  
4 COMPACT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** The Solemn Covenant of the States to Award Prizes  
7 for Curing Diseases Compact is enacted into law and entered into  
8 by this state with any and all states legally joining in the  
9 Compact in accordance with its terms, in the form substantially as  
10 follows:

11 **SOLEMN COVENANT OF THE STATES TO AWARD PRIZES**

12 **FOR CURING DISEASES COMPACT**

13 **SECTION 1**

14 **DEFINITIONS**

15 As used in this Compact, and except as otherwise provided,  
16 the following definitions shall apply:

17 (1) "Compacting state" means either of the following:



18 (a) Any state that has enacted the Compact and which  
19 has not withdrawn or been suspended pursuant to Section 14 of the  
20 Compact; or

21 (b) The federal government in accordance with the  
22 Commission's bylaws.

23 (2) "Compact" means the Solemn Covenant of the states to  
24 Award Prizes for Curing Diseases enacted in this section.

25 (3) "Noncompacting state" means any state or the federal  
26 government, if it is not at the time a compacting state.

27 (4) "Public health expenses" means the amount of all costs  
28 paid by taxpayers in a specified geographic area relating to a  
29 particular disease.

30 (5) "State" means any state, district, or territory of the  
31 United States of America.

## 32 SECTION 2

### 33 ESTABLISHMENT OF THE COMMISSION; MEMBERSHIP

34 (1) Upon the enactment of the Compact by six (6) states, the  
35 compacting states shall establish the Solemn Covenant of States  
36 Commission.

37 (2) The commission is a body corporate and politic and an  
38 instrumentality of each of the compacting states and is solely  
39 responsible for its liabilities, except as otherwise specifically  
40 provided in the Compact.

41 (3) Each compacting state shall be represented by one (1)  
42 member as selected by the compacting state. Each compacting state



43 shall determine its member's qualifications and period of service  
44 and shall be responsible for any action to remove or suspend its  
45 member or to fill the member's position if it becomes vacant.  
46 Nothing in the Compact shall be construed to affect a compacting  
47 state's authority regarding the qualification, selection, or  
48 service of its own member.

### 49 SECTION 3

#### 50 POWERS OF THE COMMISSION

51 The Commission shall have the following powers:

52 (1) To adopt bylaws and rules pursuant to Section 5 of this  
53 act and Section 6 of this act of the Compact, which shall have the  
54 force and effect of law and shall be binding in the compacting  
55 states to the extent and in the manner provided in the Compact;

56 (2) To receive and review in an expeditious manner  
57 treatments and therapeutic protocols for the cure of diseases  
58 submitted to the commission and to award prizes for submissions  
59 that meet the commission's standards for a successful cure  
60 treatment or therapeutic protocol;

61 (3) To make widely available a cure treatment or therapeutic  
62 protocol upon a prize winner claiming a prize and transferring any  
63 intellectual property necessary for the manufacture and  
64 distribution of the cure in accordance with Section 6(3)(g)(i) of  
65 this act, including by arranging or contracting for the  
66 manufacturing, production, or provision of any drug, serum, or  
67 other substance, device, or process, provided that the commission



68 does not market the cure or conduct any other activity regarding  
69 the cure not specifically authorized in the Compact;

70 (4) To establish a selling price for the cure, which shall  
71 be not more than the expenses for the cure's manufacturing,  
72 distribution, licensing, and any other necessary governmental  
73 requirements for compacting states, or those expenses plus any  
74 royalty fees, for noncompacting states. The price shall not  
75 include the expenses of any other activities;

76 (5) In noncompacting states and foreign countries, to  
77 establish and collect royalty fees imposed on manufacturers,  
78 producers, and providers of any drug, serum, or other substance,  
79 device, or process used for a cure treatment or therapeutic  
80 protocol, for which a prize is awarded. Royalty fees may be added  
81 to the sales price of the cure pursuant to subsection (4) of this  
82 section; provided that the royalty fees shall cumulatively be not  
83 more than the estimated five-year savings in public health  
84 expenses for that state or country, as calculated by actuaries  
85 employed or contracted by the commission;

86 (6) To do the following regarding the collected royalty  
87 fees:

88 (a) Pay or reimburse expenses related to the payment of  
89 a prize, which shall include employing or contracting actuaries to  
90 calculate annual taxpayer savings amounts in compacting states in  
91 accordance with Section 6(3)(g)(iii) of this act, and payment of



92 interest and other expenses related to a loan obtained in  
93 accordance with Section 6(3)(g)(vi) of this act;

94 (b) Annually disburse any amounts remaining after  
95 making payments or reimbursements under paragraph (a) of this  
96 subsection as refunds to compacting states based on the percent of  
97 the state's prize obligation in relation to the total obligation  
98 amount of all compacting states;

99 (7) To bring and prosecute legal proceedings or actions in  
100 its name as the commission;

101 (8) To issue subpoenas requiring the attendance and  
102 testimony of witnesses and the production of evidence;

103 (9) To establish and maintain offices;

104 (10) To borrow, accept, or contract for personnel services,  
105 including personnel services from employees of a compacting state;

106 (11) To hire employees, professionals, or specialists, and  
107 elect or appoint officers, and to fix their compensation, define  
108 their duties and give them appropriate authority to carry out the  
109 purposes of the Compact, and determine their qualifications; and  
110 to establish the commission's personnel policies and programs  
111 relating to, among other things, conflicts of interest, rates of  
112 compensation, and qualifications of personnel;

113 (12) To accept any and all appropriate donations and grants  
114 of money, equipment, supplies, materials, and services, and to  
115 receive, utilize, and dispose of the same; provided that at all



116 times the commission shall strive to avoid any appearance of  
117 impropriety;

118 (13) To lease, purchase, or accept appropriate gifts or  
119 donations of, or otherwise to own, hold, improve, or use, any  
120 property, real, personal, or mixed; provided, that at all times  
121 the commission shall strive to avoid any appearance of  
122 impropriety;

123 (14) To sell, convey, mortgage, pledge, lease, exchange,  
124 abandon, or otherwise dispose of any property, real, personal, or  
125 mixed;

126 (15) To monitor compacting states for compliance with the  
127 commission's bylaws and rules;

128 (16) To enforce compliance by compacting states with the  
129 commission's bylaws and rules;

130 (17) To provide for dispute resolution among compacting  
131 states or between the commission and those who submit treatments  
132 and therapeutic protocols for the cure of disease for  
133 consideration;

134 (18) To establish a budget and make expenditures;

135 (19) To borrow money;

136 (20) To appoint committees, including management,  
137 legislative, and advisory committees comprised of members, state  
138 legislators or their representatives, medical professionals, and  
139 such other interested persons as may be designated by the  
140 commission;



141 (21) To establish annual membership dues for compacting  
142 states, which shall be used for daily expenses of the commission  
143 and not for interest or prize payments;

144 (22) To adopt and use a corporate seal; and

145 (23) To perform such other functions as may be necessary or  
146 appropriate to achieve the purposes of this Compact.

147 **SECTION 4**

148 **MEETING AND VOTING**

149 (1) The commission shall meet and take such actions as are  
150 consistent with the Compact, bylaws, and rules.

151 (2) A majority of the members of the commission shall  
152 constitute a quorum necessary in order to conduct business or take  
153 actions at meetings of the commission.

154 (3) Each member of the commission shall have the right and  
155 power to cast one (1) vote regarding matters determined or actions  
156 to be taken by the commission. Each member shall have the right  
157 and power to participate in the business and affairs of the  
158 commission.

159 (4) A member shall vote in person or by such other means as  
160 provided in the commission's bylaws. The commission's bylaws may  
161 provide for members' participation in meetings by telephone or  
162 other means of communication.

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



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

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

173 **SECTION 5**

174 **BYLAWS**

175 The commission shall, by a majority vote of all the members  
176 of the commission, prescribe bylaws to govern its conduct as may  
177 be necessary or appropriate to carry out the purposes and exercise  
178 the powers of the Compact, including, but not limited to:

179 (1) Establishing the fiscal year of the commission;

180 (2) Providing reasonable procedures for appointing and  
181 electing members, as well as holding meetings, of the management  
182 committee;

183 (3) Providing reasonable standards and procedures:

184 (a) For the establishment and meetings of other  
185 committees;

186 (b) Governing any general or specific delegation of any  
187 authority or function of the commission; and

188 (c) Voting guidelines and procedures for commission  
189 decisions;





190 (4) Providing reasonable procedures for calling and  
191 conducting meetings of the commission that shall consist of  
192 requiring a quorum to be present, ensuring reasonable advance  
193 notice of each such meeting and providing for the right of  
194 citizens to attend each meeting with enumerated exceptions  
195 designed to protect the public's interest and the privacy of  
196 individuals;

197 (5) Providing a list of matters about which the commission  
198 may go into executive session and requiring a majority of all  
199 members of the commission vote to enter into such session. As  
200 soon as practicable, the commission shall make public:

201 (a) A copy of the vote to go into executive session,  
202 revealing the vote of each member with no proxy votes allowed; and

203 (b) The matter requiring executive session, without  
204 identifying the actual issues or individuals involved;

205 (6) Establishing the titles, duties, authority, and  
206 reasonable procedures for the election of the officers of the  
207 commission;

208 (7) Providing reasonable standards and procedures for the  
209 establishment of the personnel policies and programs of the  
210 commission. Notwithstanding any civil service or other similar  
211 laws of any compacting state, the commission's bylaws shall  
212 exclusively govern the personnel policies and programs of the  
213 commission;

214 (8) Allowing a mechanism for:



215 (a) The federal government to join as a compacting  
216 state; and

217 (b) Foreign countries or subdivisions of those  
218 countries to join as liaison members by adopting the Compact;  
219 provided that the adopting countries or subdivisions shall not  
220 have voting power or the power to bind the commission in any way;

221 (9) Adopting a code of ethics to address permissible and  
222 prohibited activities of members and employees;

223 (10) Providing for the maintenance of the commission's books  
224 and records;

225 (11) Governing the acceptance of and accounting for  
226 donations, annual member dues, and other sources of funding and  
227 establishing the proportion of these funds to be allocated to  
228 prize amounts for treatments and therapeutic protocols that cure  
229 disease;

230 (12) Governing any fund-raising efforts in which the  
231 commission wishes to engage;

232 (13) Providing a mechanism for winding up the operations of  
233 the commission and the equitable disposition of any surplus funds  
234 that may exist after the termination of the Compact after the  
235 payment and reserving of all its debts and obligations.

236

## SECTION 6

237

### RULES

238 (1) The commission shall adopt rules to do the following:



239 (a) Effectively and efficiently achieve the purposes of  
240 this Compact; and

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

245 (2) The commission shall also adopt rules establishing the  
246 criteria for defining and classifying the diseases for which  
247 prizes shall be awarded. The commission may define and classify  
248 subsets of diseases, for example, tubular carcinoma of the breast.  
249 For purposes of subsection (3) (a) and (c) of this section, a  
250 subset of a disease shall be considered one (1) disease. The  
251 commission may consult the most recent edition of the  
252 *International Classification of Diseases* as published by the World  
253 Health Organization or other definitions agreed to by a two-thirds  
254 (2/3) vote of the commission.

255 (3) The commission shall also adopt rules regarding prizes  
256 for curing diseases that establish the following:

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

260 (i) The severity of the disease to a human  
261 individual's overall health and well-being;

262 (ii) The survival rate or severity of impact of  
263 the disease; and



264 (iii) The public health expenses and treatment  
265 expenses for the disease.

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

270 (i) It must be approved by the federal Food and  
271 Drug Administration or have otherwise obtained legal status for  
272 the Compact to immediately contract to manufacture and distribute  
273 in the United States;

274 (ii) Except as provided in subsection (4) of this  
275 section, it must yield a significant increase in survival with  
276 respect to the diseases if early death is the usual outcome; and

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

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

284 (d) The submission and evaluation procedures and  
285 guidelines, including filing and review procedures, a requirement  
286 that the person or entity submitting the cure bears the burden of  
287 proof in demonstrating that the treatment or therapeutic protocol



288 meets the above criteria, and limitations preventing public access  
289 to treatment or protocol submissions.

290 (e) The estimated five-year public health savings that  
291 would result from a cure, which shall be equal to the five-year  
292 public health expenses for each disease in each compacting state,  
293 and a procedure to update these expenses every three (3) years in  
294 conjunction with the requirements in paragraph (c) of this  
295 subsection. The estimated five-year public health savings amount  
296 shall be calculated, estimated, and publicized every three (3)  
297 years by actuaries employed or contracted by the commission.

298 (f) The prize amount with respect to cures for each  
299 disease, which shall be equal to the most recent estimated total  
300 five-year savings in public health expenses for the disease as  
301 calculated in paragraph (e) of this subsection in all of the  
302 compacting states; amounts donated by charities, individuals, and  
303 any other entities intended for the prize; and any other factors  
304 that the commission deems appropriate.

305 (g) The prize distribution procedures and guidelines,  
306 which shall include the following requirements:

307 (i) Upon acceptance of a cure, the prize winner  
308 shall transfer to the commission the patent and all related  
309 intellectual property for the manufacture and distribution of the  
310 treatment or therapeutic protocol in exchange for the prize,  
311 except in the case that the prize money is considered by the  
312 commission to be too low, and that a prize will be awarded only to



313 the first person or entity that submits a successful cure for a  
314 disease for which a prize may be awarded.

315 (ii) Donation amounts intended for the prize shall  
316 be kept in a separate, interest-bearing account maintained by the  
317 commission. This account shall be the only account in which prize  
318 money is kept.

319 (iii) Each compacting state shall have the  
320 responsibility to pay annually the compacting state's actual  
321 one-year savings in public health expenses for the particular  
322 disease for which a cure has been accepted. The compacting state  
323 shall make such an annual payment until it has fulfilled its prize  
324 responsibility as established in paragraph (f) of this subsection.  
325 Each compacting state's payment responsibility begins one (1) year  
326 after the date the cure becomes widely available. The commission  
327 shall employ or contract with actuaries to calculate each state's  
328 actual one-year savings in public health expenses at the end of  
329 each year to determine each state's responsibility for the  
330 succeeding year.

331 (iv) Compacting states may meet prize  
332 responsibilities by any method, including the issuance of bonds or  
333 other obligations, with the principal and interest of those bonds  
334 or obligations to be repaid only from revenue derived from  
335 estimated public health expense savings from a cure to a disease.  
336 If the compacting state does not make such revenue available to  
337 repay some or all of the revenue bonds or obligations issued, the



338 owners or holders of those bonds or obligations have no right to  
339 have excises or taxes levied to pay the principal or interest on  
340 them. The revenue bonds and obligations are not a debt of the  
341 issuing compacting state.

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

349 (vi) Upon acceptance of a cure, the commission  
350 shall obtain a loan from a financial institution in an amount  
351 equal to the most recently calculated total estimated five-year  
352 public health expenses for the disease in all compacting states,  
353 in accordance with paragraph (f) of this subsection. The  
354 commission reserves the right to continuously evaluate the cure in  
355 the interim and rescind a prize offer if the commission finds that  
356 the cure no longer meets the commission's criteria.

357 (4) The commission may award a prize for a treatment or  
358 therapeutic protocol that yields a survival rate that is less than  
359 what is established in the cure criteria through at least five (5)  
360 years after the treatment or protocol has ended. In that case,  
361 the prize amount awarded for that treatment or therapeutic  
362 protocol shall be reduced from the prize amount originally



363 determined by the commission for a cure for that disease. The  
364 reduction shall be in proportion to the survival rate yielded by  
365 that treatment or protocol as compared to the survival rate  
366 established in the cure criteria.

367 (5) The commission also shall adopt rules that do the  
368 following:

369 (a) Establish the following regarding commission  
370 records:

371 (i) Conditions and procedures for public  
372 inspection and copying of its information and official records,  
373 except such information and records involving the privacy of  
374 individuals or would otherwise violate privacy laws under federal  
375 law and the laws of the compacting states;

376 (ii) Procedures for sharing with federal and state  
377 agencies, including law enforcement agencies, records and  
378 information otherwise exempt from disclosure;

379 (iii) Guidelines for entering into agreements with  
380 federal and state agencies to receive or exchange information or  
381 records subject to nondisclosure and confidentiality provisions.

382 (b) Provide a process for commission review of  
383 submitted treatments and therapeutic protocols for curing diseases  
384 that includes the following:

385 (i) An opportunity for an appeal, not later than  
386 thirty (30) days after a rejection of a treatment or protocol for





387 prize consideration, to a review panel established under the  
388 commission's dispute resolution process;

389 (ii) Commission monitoring and review of treatment  
390 and protocol effectiveness consistent with the cure criteria  
391 established by the commission for the particular disease; and

392 (iii) Commission reconsideration, modification, or  
393 withdrawal of approval of a treatment or protocol for prize  
394 consideration for failure to continue to meet the cure criteria  
395 established by the commission for the particular disease.

396 (c) Establish a dispute resolution process to resolve  
397 disputes or other issues under the Compact that may arise between  
398 two (2) or more compacting states or between the commission and  
399 individuals or entities who submit treatments and therapeutic  
400 protocols to cure diseases, which process shall provide for:

401 (i) Administrative review by a review panel  
402 appointed by the commission;

403 (ii) Judicial review of decisions issued after an  
404 administrative review; and

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

409 (d) Establish and impose annual member dues on  
410 compacting states, which shall be calculated based on the



411 percentage of each compacting state's population in relation to  
412 the population of all the compacting states.

413 (6) Recognizing that the goal of the Compact is to pool the  
414 potential savings of as many states and countries as possible to  
415 generate sufficient financial incentive to develop a cure for many  
416 of the world's most devastating diseases, the Compact will respect  
417 the laws of each of these United States by adopting rules that  
418 establish ethical standards for research that shall be followed in  
419 order for a prize to be claimed. The Compact, in the rules, shall  
420 establish a common set of ethical standards that embodies the laws  
421 and restrictions in each of the states so that to be eligible for  
422 claiming a prize the entity submitting a cure must not have  
423 violated any of the ethical standards in any one (1) of the fifty  
424 (50) states, whether the states have joined the Compact or not.  
425 The Compact will publish these common ethical standards along with  
426 the specific criteria for a cure for each of the diseases that the  
427 Compact has targeted.

428 So long as a researcher follows the common ethical standards  
429 in effect at the time the research is done, an entity presenting a  
430 cure will be deemed to have followed the standards. On or before  
431 January 1 of each year, the Compact shall review all state laws to  
432 determine if additional ethical standards have been enacted by any  
433 of the fifty (50) states and the federal government. Any changes  
434 to the common ethical standards rules based on new state laws  
435 shall be adopted and published by the Compact, but shall not take



436 effect in cure criteria for a period of three (3) years to allow  
437 for sufficient notice to researchers.

438 (7) All rules may be amended as the commission sees  
439 necessary.

440 (8) In the event the commission exercises its rule-making  
441 authority in a manner that is beyond the scope of the purpose of  
442 the Compact, or the powers granted hereunder, then such rule shall  
443 be invalid and have no force and effect.

444 (9) All rules shall be adopted pursuant to a rule-making  
445 process that conforms to the Model State Administrative Procedure  
446 Act of 1981 by the uniform law commissioners, as amended, as may  
447 be appropriate to the operations of the commission.

448 **SECTION 7**

449 **COMMITTEES**

450 (1) Management Committee:

451 (a) The commission may establish a Management Committee  
452 comprised of not more than fourteen (14) members when twenty-six  
453 (26) states enact the Compact.

454 (b) The committee shall consist of those members  
455 representing compacting states whose total public health expenses  
456 of all of the established diseases are the highest.

457 (c) The committee shall have such authority and duties  
458 as may be set forth in the commission's bylaws and rules,  
459 including:



460 (i) Managing authority over the day-to-day affairs  
461 of the commission in a manner consistent with the commission's  
462 bylaws and rules and the purposes of the Compact;

463 (ii) Overseeing the offices of the commission; and

464 (iii) Planning, implementing, and coordinating  
465 communications and activities with state, federal, and local  
466 government organizations in order to advance the goals of the  
467 Compact.

468 (d) The commission annually shall elect officers for  
469 the committee, with each having such authority and duties as may  
470 be specified in the commission's bylaws and rules.

471 (e) The Management Committee, subject to commission  
472 approval, may appoint or retain an executive director for such  
473 period, upon such terms and conditions, and for such compensation  
474 as the committee determines. The executive director shall serve  
475 as secretary to the commission, but shall not be a member of the  
476 commission. The executive director shall hire and supervise such  
477 other staff as may be authorized by the committee.

478 (2) Advisory Committees:

479 The commission may appoint advisory committees to monitor all  
480 operations related to the purposes of the Compact and make  
481 recommendations to the commission; provided that the manner of  
482 selection and term of any committee member shall be as set forth  
483 in the commission's bylaws and rules. The commission shall



484 consult with an advisory committee, to the extent required by the  
485 commission's bylaws or rules, before doing any of the following:

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

491 **SECTION 8**

492 **FINANCE**

493 (1) The commission annually shall establish a budget to pay  
494 or provide for the payment of its reasonable expenses. To fund  
495 the cost of initial operations, the commission may accept  
496 contributions and other forms of funding from the compacting  
497 states and other sources. Contributions and other forms of  
498 funding from other sources shall be of such a nature that the  
499 independence of the commission concerning the performance of its  
500 duties shall not be compromised.

501 (2) The commission shall be exempt from all taxation in and  
502 by the compacting states.

503 (3) The commission shall keep complete and accurate accounts  
504 of all of its internal receipts, including grants and donations,  
505 and disbursements of all funds under its control. The internal  
506 financial accounts of the commission shall be subject to the  
507 accounting procedures established under the commission's bylaws or  
508 rules. The financial accounts and reports, including the system



509 of internal controls and procedures of the commission shall be  
510 audited annually by an independent certified public accountant.  
511 Upon the determination of the commission, but not less frequently  
512 than every three (3) years, the review of the independent auditor  
513 shall include a management and performance audit of the  
514 commission. The commission shall make an annual report to the  
515 governors and legislatures of the compacting states, which shall  
516 include a report of the independent audit. The commission's  
517 internal accounts shall not be confidential and such materials may  
518 be shared with any compacting state upon request provided,  
519 however, that any work papers related to any internal or  
520 independent audit and any information subject to the compacting  
521 states' privacy laws, shall remain confidential.

522 (4) No compacting state shall have any claim or ownership of  
523 any property held by or vested in the commission or to any  
524 commission funds held pursuant to the provisions of the Compact.

## 525 SECTION 9

### 526 RECORDS

527 (1) Except as to privileged records, data, and information,  
528 the laws of any compacting state pertaining to confidentiality or  
529 nondisclosure shall not relieve any member of the duty to disclose  
530 any relevant records, data, or information to the commission;  
531 provided, that disclosure to the commission shall not be deemed to  
532 waive or otherwise affect any confidentiality requirement; and  
533 further provided, that, except as otherwise expressly provided in



534 the Compact, the commission shall not be subject to the compacting  
535 state's laws pertaining to confidentiality and nondisclosure with  
536 respect to records, data, and information in its possession.  
537 Confidential information of the commission shall remain  
538 confidential after such information is provided to any member.  
539 All cure submissions received by the commission are confidential.

540 **SECTION 10**

541 **COMPLIANCE**

542 The commission shall notify a compacting state in writing of  
543 any noncompliance with commission bylaws and rules. If a  
544 compacting state fails to remedy its noncompliance within the time  
545 specified in the notice, the compacting state shall be deemed to  
546 be in default as set forth in Section 14 of this act.

547 **SECTION 11**

548 **VENUE**

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

553 **SECTION 12**

554 **QUALIFIED IMMUNITY, DEFENSE, AND INDEMNIFICATION**

555 (1) The members, officers, executive director, employees and  
556 representatives of the commission shall be immune from suit and  
557 liability, either personally or in their official capacity, for  
558 any claim for damage to or loss of property or personal injury or



559 other civil liability caused by or arising out of any actual or  
560 alleged act, error, or omission that occurred, or that such person  
561 had a reasonable basis for believing occurred within the scope of  
562 the person's commission employment, duties or responsibilities;  
563 provided, that nothing in this subsection shall be construed to  
564 protect any such person from suit or liability for any damage,  
565 loss, injury, or liability caused by the intentional or willful  
566 and wanton misconduct of that person.

567 (2) The commission shall defend any member, officer,  
568 executive director, employee, or representative of the commission  
569 in any civil action seeking to impose liability arising out of any  
570 actual or alleged act, error, or omission that occurred within the  
571 scope of the person's commission employment, duties, or  
572 responsibilities, or that such person had a reasonable basis for  
573 believing occurred within the scope of commission employment,  
574 duties, or responsibilities; provided, that nothing in the Compact  
575 or commission bylaws or rules shall be construed to prohibit that  
576 person from retaining his or her own counsel; and provided  
577 further, that the actual or alleged act, error, or omission did  
578 not result from that person's intentional or willful and wanton  
579 misconduct.

580 (3) The commission shall indemnify and hold harmless any  
581 member, officer, executive director, employee, or representative  
582 of the commission for the amount of any settlement or judgment  
583 obtained against the person arising out of any actual or alleged





584 act, error, or omission that occurred within the scope of the  
585 person's commission employment, duties, or responsibilities, or  
586 that such person had a reasonable basis for believing occurred  
587 within the scope of commission employment, duties, or  
588 responsibilities; provided, that the actual or alleged act, error,  
589 or omission, did not result from the intentional or willful and  
590 wanton misconduct of that person.

591 **SECTION 13**

592 **COMPACTING STATES, EFFECTIVE DATES, AND AMENDMENT**

593 (1) Any state is eligible to become a compacting state.

594 (2) The Compact shall become effective and binding upon  
595 legislative enactment of the Compact into law by two (2)  
596 compacting states; provided, the commission shall only be  
597 established after six (6) states become compacting states.  
598 Thereafter, the Compact shall become effective and binding as to  
599 any other compacting state upon enactment of the Compact into law  
600 by that state.

601 (3) Amendments to the Compact may be proposed by the  
602 commission for enactment by the compacting states. No amendment  
603 shall become effective and binding until all compacting states  
604 enact the amendment into law.

605 (4) If funding is requested or required, the legislative  
606 authority of each compacting state shall be responsible for making  
607 the appropriations it determines necessary to pay for the costs of  
608 the Compact, including annual member dues and prize distributions.



609 **SECTION 14**

610 **WITHDRAWAL, DEFAULT, AND EXPULSION**

611 (1) Withdrawal:

612 (a) Once effective, the Compact shall continue in force  
613 and remain binding upon each and every compacting state; provided,  
614 that a compacting state may withdraw from the Compact by doing  
615 both of the following:

616 (i) Repealing the law enacting the Compact in that  
617 state; and

618 (ii) Notifying the commission in writing of the  
619 intent to withdraw on a date that is both of the following:

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

622 2. After the repeal takes effect.

623 (b) The effective date of withdrawal is the date  
624 described in paragraph (a)(ii) of this subsection.

625 (c) The member representing the withdrawing state shall  
626 immediately notify the Management Committee in writing upon the  
627 introduction of legislation in that state repealing the Compact.  
628 If a Management Committee has not been established, the member  
629 shall immediately notify the commission.

630 (d) The commission or Management Committee, as  
631 applicable, shall notify the other compacting states of the  
632 introduction of such legislation within ten (10) days after its  
633 receipt of notice thereof.



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

640 (f) Reinstatement following a state's withdrawal shall  
641 become effective upon the effective date of the subsequent  
642 enactment of the Compact by that state.

643 (2) Default:

644 (a) If the commission determines that any compacting  
645 state has at any time defaulted in the performance of any of its  
646 obligations or responsibilities under the Compact or the  
647 commission's bylaws or rules, then, after notice and hearing as  
648 set forth in the bylaws, all rights, privileges, and benefits  
649 conferred by the Compact on the defaulting state shall be  
650 suspended from the effective date of default as fixed by the  
651 commission. The grounds for default include failure of a  
652 compacting state to perform its obligations or responsibilities,  
653 and any other grounds designated in the commission rules. The  
654 commission shall immediately notify the defaulting state in  
655 writing of the suspension pending cure of the default. The  
656 commission shall stipulate the conditions and the time period  
657 within which the defaulting state shall cure its default. If the  
658 defaulting state fails to cure the default within the time period



659 specified by the commission, the defaulting state shall be  
660 expelled from the Compact and all rights, privileges, and benefits  
661 conferred by the Compact shall be terminated from the effective  
662 date of the expulsion. Any state that is expelled from the  
663 Compact shall be liable for any cure prize or prizes for three (3)  
664 years after its removal. The commission shall also take  
665 appropriate legal action to ensure that any compacting state that  
666 withdraws from the Compact remains liable for paying its  
667 responsibility toward a prize for a cure that was accepted while  
668 the compacting state was a member of the commission.

669 (b) The expelled state must reenact the Compact in  
670 order to become a compacting state.

671 (3) Dissolution of Compact:

672 (a) The Compact dissolves effective upon the date of  
673 either of the following:

674 (i) The withdrawal or expulsion of a compacting  
675 state, which withdrawal or expulsion reduces membership in the  
676 Compact to one (1) compacting state; or

677 (ii) The commission votes to dissolve the Compact.

678 (b) Upon the dissolution of the Compact, the Compact  
679 becomes null and void and shall be of no further force or effect,  
680 and the business and affairs of the commission shall be concluded  
681 and any surplus funds shall be distributed in accordance with the  
682 commission's bylaws, provided, that the commission shall pay all  
683 outstanding prizes awarded before the dissolution of the Compact,



684 as well as any other outstanding debts and obligations incurred  
685 during the existence of the Compact. Any unawarded funds donated  
686 to be a part of a prize shall be returned to the donor, along with  
687 any interest earned on the amount.

688 **SECTION 15**

689 **SEVERABILITY AND CONSTRUCTION**

690 (1) The provisions of the Compact shall be severable; and if  
691 any phrase, clause, sentence or provision is deemed unenforceable,  
692 the remaining provisions of the Compact shall be enforceable.

693 (2) The provisions of the Compact shall be liberally  
694 construed to effectuate its purposes.

695 **SECTION 16**

696 **BINDING EFFECT OF COMPACT AND OTHER LAWS**

697 (1) Other laws: Nothing herein prevents the enforcement of  
698 any other law of a compacting state, except as provided in  
699 subsection (2) (b) of this section.

700 (2) Binding effect of the Compact:

701 (a) All lawful actions of the commission, including all  
702 commission rules, are binding upon the compacting states.

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

705 (c) Except to the extent authorized by the compacting  
706 state's constitution or, if constitutional authorization is not  
707 required, by other law of the compacting state, such state, by  
708 entering into the Compact does not:



709 (i) Commit the full faith and credit or taxing  
710 power of the compacting state for the payment of prizes or other  
711 obligations under the Compact; or

712 (ii) Make prize payment responsibilities or other  
713 obligations under the Compact a debt of the compacting state.

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

719 (e) In the event any provision of the Compact exceeds  
720 the constitutional limits imposed on any compacting state, the  
721 obligations, duties, powers or jurisdiction sought to be conferred  
722 by that provision upon the commission shall be ineffective as to  
723 that compacting state, and those obligations, duties, powers, or  
724 jurisdiction shall remain in the compacting state and shall be  
725 exercised by the agency thereof to which those obligations,  
726 duties, powers, or jurisdiction are delegated by law in effect at  
727 the time the Compact becomes effective.

728 **SECTION 2.** This act shall take effect and be in force from  
729 and after July 1, 2021.

