

# HOUSE BILL 1051

J1

0lr1714  
CF SB 910

---

By: **Delegate Johnson**

Introduced and read first time: February 6, 2020

Assigned to: Health and Government Operations

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Public Health – Solemn Covenant of the States to Award Prizes for Curing**  
3 **Diseases – Compact**

4 FOR the purpose of entering into the Solemn Covenant of the States to Award Prizes for  
5 Curing Diseases Compact; establishing the Solemn Covenant of States Commission  
6 to administer the Compact; providing for the composition, voting procedures,  
7 operation, and powers and duties of the Commission; establishing certain procedures  
8 for the making of rules by the Commission; authorizing the Commission to establish  
9 a management committee; providing for the composition, operation, powers and  
10 duties of the management committee; authorizing the Commission to appoint  
11 advisory committees; requiring the Commission to establish a budget for certain  
12 purposes; exempting the Commission from taxation by the member states; denying  
13 a member state any claim to Commission property or funds; providing that all cure  
14 submissions received by the Commission are confidential; requiring the Commission  
15 to enforce certain provisions and rules of the Compact; providing for certain  
16 immunity, defense, and indemnification; providing for the construction of this Act;  
17 establishing requirements for withdrawal, default, expulsion by member states from  
18 the Compact; making the provisions of the Compact severable and providing for the  
19 application of the Compact; providing for the binding effect of the Compact and other  
20 laws; defining certain terms; and generally relating to the Solemn Covenant of the  
21 States to Award Prizes for Curing Diseases Compact.

22 BY adding to  
23 Article – Health – General  
24 Section 18–1201 to be under the new subtitle “Subtitle 12. Solemn Covenant of the  
25 States to Award Prizes for Curing Diseases Compact”  
26 Annotated Code of Maryland  
27 (2019 Replacement Volume)

28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
29 That the Laws of Maryland read as follows:

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



**Article – Health – General**

**SUBTITLE 12. SOLEMN COVENANT OF THE STATES TO AWARD PRIZES FOR  
CURING DISEASES COMPACT.**

**18–1201.**

**THE SOLEMN COVENANT OF THE STATES TO AWARD PRIZES FOR CURING  
DISEASES COMPACT IS ENACTED INTO LAW AND ENTERED INTO WITH ALL OTHER  
STATES LEGALLY JOINING IN IT IN THE FORM SUBSTANTIALLY AS IT APPEARS IN  
THIS SECTION AS FOLLOWS:**

**ARTICLE I. DEFINITIONS**

**(A) IN THIS COMPACT THE FOLLOWING WORDS HAVE THE MEANINGS  
INDICATED.**

**(B) “COMMISSION” MEANS THE SOLEMN COVENANT OF STATES  
COMMISSION.**

**(C) “COMPACTING STATE” MEANS:**

**(1) ANY STATE THAT HAS ENACTED THE COMPACT AND THAT HAS NOT  
WITHDRAWN OR BEEN SUSPENDED UNDER ARTICLE XIV OF THE COMPACT; OR**

**(2) THE FEDERAL GOVERNMENT IN ACCORDANCE WITH THE  
COMMISSION’S BYLAWS.**

**(D) “COMPACT” MEANS THE SOLEMN COVENANT OF THE STATES TO  
AWARD PRIZES FOR CURING DISEASES ENACTED BY THIS SUBTITLE.**

**(E) “NON-COMPACTING STATE” MEANS ANY STATE OR THE FEDERAL  
GOVERNMENT, IF IT IS NOT AT THE TIME A COMPACTING STATE.**

**(F) “PUBLIC HEALTH EXPENSES” MEANS THE AMOUNT OF ALL COSTS PAID  
BY TAXPAYERS IN A SPECIFIED GEOGRAPHIC AREA RELATING TO A PARTICULAR  
DISEASE.**

**(G) “STATE” MEANS ANY STATE, DISTRICT, OR TERRITORY OF THE UNITED  
STATES OF AMERICA.**

**ARTICLE II. ESTABLISHMENT OF THE COMMISSION; MEMBERSHIP**

1       (A) UPON THE ENACTMENT OF THE COMPACT BY SIX STATES, THE  
2 COMPACTING STATES SHALL ESTABLISH THE SOLEMN COVENANT OF STATES  
3 COMMISSION.

4       (B) THE COMMISSION IS A BODY CORPORATE AND POLITIC AND AN  
5 INSTRUMENTALITY OF EACH OF THE COMPACTING STATES AND IS SOLELY  
6 RESPONSIBLE FOR ITS LIABILITIES, EXCEPT AS OTHERWISE SPECIFICALLY  
7 PROVIDED IN THIS COMPACT.

8       (C) (1) EACH COMPACTING STATE SHALL BE REPRESENTED BY ONE  
9 MEMBER AS SELECTED BY THE COMPACTING STATE.

10               (2) EACH COMPACTING STATE SHALL:

11                       (I) DETERMINE ITS MEMBER'S QUALIFICATIONS AND PERIOD  
12 OF SERVICE; AND

13                       (II) BE RESPONSIBLE FOR ANY ACTION TO REMOVE OR  
14 SUSPEND ITS MEMBER OR TO FILL THE MEMBER'S POSITION IF IT BECOMES VACANT.

15               (3) NOTHING IN THIS COMPACT SHALL BE CONSTRUED TO AFFECT A  
16 COMPACTING STATE'S AUTHORITY REGARDING THE QUALIFICATION, SELECTION,  
17 OR SERVICE OF ITS OWN MEMBER.

### 18 ARTICLE III. POWERS OF THE COMMISSION

19       THE COMMISSION HAS THE FOLLOWING POWERS AND DUTIES:

20               (1) TO ADOPT BYLAWS AND RULES UNDER ARTICLE V AND VI OF THIS  
21 COMPACT, WHICH SHALL HAVE THE FORCE AND EFFECT OF LAW AND SHALL BE  
22 BINDING IN THE COMPACTING STATES TO THE EXTENT AND IN THE MANNER  
23 PROVIDED IN THIS COMPACT;

24               (2) (I) TO RECEIVE AND REVIEW IN AN EXPEDITIOUS MANNER  
25 TREATMENTS AND THERAPEUTIC PROTOCOLS FOR THE CURE OF DISEASES  
26 SUBMITTED TO THE COMMISSION; AND

27                       (II) TO AWARD PRIZES FOR SUBMISSIONS THAT MEET THE  
28 COMMISSION'S STANDARDS FOR A SUCCESSFUL CURE TREATMENT OR  
29 THERAPEUTIC PROTOCOL;

30               (3) TO MAKE WIDELY AVAILABLE A CURE TREATMENT OR  
31 THERAPEUTIC PROTOCOL UPON A PRIZE WINNER CLAIMING A PRIZE AND

1 TRANSFERRING ANY INTELLECTUAL PROPERTY NECESSARY FOR THE  
2 MANUFACTURE AND DISTRIBUTION OF THE CURE IN ACCORDANCE WITH ARTICLE  
3 VI, § (3)(G)(I) OF THIS COMPACT, INCLUDING BY ARRANGING OR CONTRACTING FOR  
4 THE MANUFACTURING, PRODUCTION, OR PROVISION OF ANY DRUG, SERUM, OR  
5 OTHER SUBSTANCE, DEVICE, OR PROCESS, PROVIDED THAT THE COMMISSION DOES  
6 NOT MARKET THE CURE OR CONDUCT OF ANY OTHER ACTIVITY REGARDING THE  
7 CURE NOT SPECIFICALLY AUTHORIZED IN THE COMPACT;

8 (4) (I) TO ESTABLISH A SELLING PRICE FOR THE CURE WHICH MAY  
9 NOT BE MORE THAN THE EXPENSES FOR THE CURE'S MANUFACTURING,  
10 DISTRIBUTION, LICENSING, AND ANY OTHER NECESSARY GOVERNMENTAL  
11 REQUIREMENTS FOR COMPACTING STATES, OR THOSE EXPENSES PLUS ANY  
12 ROYALTY FEES; AND

13 (II) FOR NON-COMPACTING STATES, THE PRICE SHALL NOT  
14 INCLUDE THE EXPENSES FOR ANY OTHER ACTIVITIES;

15 (5) (I) IN NON-COMPACTING STATES AND FOREIGN COUNTRIES,  
16 TO ESTABLISH AND COLLECT ROYALTY FEES IMPOSED ON MANUFACTURERS,  
17 PRODUCERS, AND PROVIDERS OF ANY DRUG, SERUM, OR OTHER SUBSTANCE,  
18 DEVICE, OR PROCESS USED FOR A CURE TREATMENT OR THERAPEUTIC PROTOCOL,  
19 FOR WHICH A PRIZE IS AWARDED; AND

20 (II) ROYALTY FEES MAY BE ADDED TO THE SALES PRICE OF THE  
21 CURE PURSUANT TO § 4 OF THIS ARTICLE, PROVIDED THAT THE ROYALTY FEES  
22 SHALL CUMULATIVELY BE NOT MORE THAN THE ESTIMATED 5-YEAR SAVINGS IN  
23 PUBLIC HEALTH EXPENSES FOR THAT STATE OR COUNTRY, AS CALCULATED BY  
24 ACTUARIES EMPLOYED OR CONTRACTED BY THE COMMISSION;

25 (6) TO DO THE FOLLOWING REGARDING THE COLLECTED ROYALTY  
26 FEES:

27 (I) PAY OR REIMBURSE EXPENSES RELATED TO THE PAYMENT  
28 OF A PRIZE, WHICH SHALL INCLUDE EMPLOYING OR CONTRACTING ACTUARIES TO  
29 CALCULATE ANNUAL TAXPAYER SAVINGS AMOUNTS IN COMPACTING STATES IN  
30 ACCORDANCE WITH ARTICLE VI, § (3)(G)(III) OF THIS COMPACT, AND PAYMENT OF  
31 INTEREST AND OTHER EXPENSES RELATED TO A LOAN OBTAINED IN ACCORDANCE  
32 WITH ARTICLE VI, § (3)(G)(VI) OF THIS COMPACT; AND

33 (II) ANNUALLY DISBURSE ANY AMOUNTS REMAINING AFTER  
34 MAKING PAYMENTS OR REIMBURSEMENTS UNDER § (6)(A) OF THIS ARTICLE AS  
35 REFUNDS TO COMPACTING STATES BASED ON THE PERCENT OF THE STATE'S PRIZE  
36 OBLIGATION IN RELATION TO THE TOTAL OBLIGATION AMOUNT OF ALL

1 COMPACTING STATES;

2 (7) TO BRING AND PROSECUTE LEGAL PROCEEDINGS OR ACTIONS IN  
3 ITS NAME AS THE COMMISSION;

4 (8) TO ISSUE SUBPOENAS REQUIRING THE ATTENDANCE AND  
5 TESTIMONY OF WITNESSES AND PRODUCTION OF EVIDENCE;

6 (9) TO ESTABLISH AND MAINTAIN OFFICES;

7 (10) TO BORROW, ACCEPT, OR CONTRACT FOR PERSONNEL SERVICES,  
8 INCLUDING PERSONNEL SERVICES FROM EMPLOYEES OF A COMPACTING STATE;

9 (11) (I) TO HIRE EMPLOYEES, PROFESSIONALS, OR SPECIALISTS,  
10 ELECT OR APPOINT OFFICERS, AND TO FIX THEIR COMPENSATION, DEFINE THEIR  
11 DUTIES AND GIVE THEM APPROPRIATE AUTHORITY TO CARRY OUT THE PURPOSES  
12 OF THIS COMPACT, AND DETERMINE THEIR QUALIFICATIONS; AND

13 (II) TO ESTABLISH THE COMMISSION'S PERSONNEL POLICIES  
14 AND PROGRAMS RELATING TO CONFLICTS OF INTEREST, RATES OF COMPENSATION,  
15 AND QUALIFICATIONS OF PERSONNEL;

16 (12) (I) TO ACCEPT ANY AND ALL APPROPRIATE DONATIONS AND  
17 GRANTS OF MONEY, EQUIPMENT, SUPPLIES, MATERIALS, AND SERVICES; AND

18 (II) TO RECEIVE, UTILIZE, AND DISPOSE OF ANY APPROPRIATE  
19 DONATIONS AND GRANTS OF MONEY, EQUIPMENT, SUPPLIES, MATERIALS, AND  
20 SERVICES, PROVIDED THAT AT ALL TIMES THE COMMISSION SHALL STRIVE TO  
21 AVOID ANY APPEARANCE OF IMPROPRIETY;

22 (13) TO LEASE, PURCHASE, OR ACCEPT APPROPRIATE GIFTS OR  
23 DONATIONS OF, OR OTHERWISE OWN, HOLD, IMPROVE, OR USE, ANY PROPERTY,  
24 REAL, PERSONAL, OR MIXED, PROVIDED THAT AT ALL TIMES THE COMMISSION  
25 SHALL STRIVE TO AVOID ANY APPEARANCE OF IMPROPRIETY;

26 (14) TO SELL, CONVEY, MORTGAGE, PLEDGE, LEASE, EXCHANGE,  
27 ABANDON, OR OTHERWISE DISPOSE OF ANY PROPERTY, REAL, PERSONAL, OR MIXED;

28 (15) TO MONITOR COMPACTING STATES FOR COMPLIANCE WITH THE  
29 COMMISSION'S BYLAWS AND RULES;

30 (16) TO ENFORCE COMPLIANCE BY COMPACTING STATES WITH THE  
31 COMMISSION'S BYLAWS AND RULES;

(17) TO PROVIDE FOR DISPUTE RESOLUTION AMONG COMPACTING STATES OR BETWEEN THE COMMISSION AND THOSE WHO SUBMIT TREATMENTS AND THERAPEUTIC PROTOCOLS FOR THE CURE OF DISEASES FOR CONSIDERATION;

(18) TO ESTABLISH A BUDGET AND MAKE EXPENDITURES;

(19) TO BORROW MONEY;

(20) TO APPOINT COMMITTEES, INCLUDING MANAGEMENT, LEGISLATIVE, AND ADVISORY COMMITTEES COMPRISED OF MEMBERS, STATE LEGISLATORS OR THEIR REPRESENTATIVES, MEDICAL PROFESSIONALS, AND OTHER INTERESTED PERSONS AS MAY BE DESIGNATED BY THE COMMISSION;

(21) TO ESTABLISH ANNUAL MEMBERSHIP DUES FOR COMPACTING STATES, WHICH SHALL BE USED FOR DAILY EXPENSES OF THE COMMISSION AND NOT FOR INTEREST OR PRIZE PAYMENTS;

(22) TO ADOPT AND USE A CORPORATE SEAL; AND

(23) TO PERFORM OTHER FUNCTIONS AS MAY BE NECESSARY OR APPROPRIATE TO ACHIEVE THE PURPOSES OF THIS COMPACT.

#### ARTICLE IV. MEETINGS AND VOTING

(A) THE COMMISSION SHALL MEET AND TAKE ACTIONS THAT ARE CONSISTENT WITH THE COMPACT, BYLAWS, AND RULES.

(B) A MAJORITY OF THE MEMBERS OF THE COMMISSION IS A QUORUM TO CONDUCT BUSINESS OR TAKE ACTIONS AT MEETINGS OF THE COMMISSION.

(C) (1) EACH MEMBER OF THE COMMISSION SHALL HAVE THE RIGHT AND POWER TO CAST ONE VOTE REGARDING MATTERS DETERMINED OR ACTIONS TO BE TAKEN BY THE COMMISSION.

(2) EACH MEMBER SHALL HAVE THE RIGHT AND POWER TO PARTICIPATE IN THE BUSINESS AND AFFAIRS OF THE COMMISSION.

(D) (1) A MEMBER SHALL VOTE IN PERSON OR BY OTHER MEANS AS PROVIDED IN THE COMMISSION'S BYLAWS.

(2) THE COMMISSION'S BYLAWS MAY PROVIDE FOR MEMBERS' PARTICIPATION IN MEETINGS BY TELEPHONE OR OTHER MEANS OF

1 COMMUNICATION.

2 (E) (1) THE COMMISSION SHALL MEET AT LEAST ONCE DURING EACH  
3 CALENDAR YEAR.

4 (2) ADDITIONAL MEETINGS SHALL BE HELD AS SET FORTH IN THE  
5 COMMISSION'S BYLAWS.

6 (F) NO DECISION OF THE COMMISSION WITH RESPECT TO THE APPROVAL  
7 OF AN AWARD FOR A TREATMENT OR THERAPEUTIC PROCESS FOR THE CURE OF A  
8 DISEASE SHALL BE EFFECTIVE UNLESS TWO-THIRDS OF ALL THE MEMBERS OF THE  
9 COMMISSION VOTE IN FAVOR.

10 (G) GUIDELINES AND VOTING REQUIREMENTS FOR ALL OTHER DECISIONS  
11 OF THE COMMISSION SHALL BE ESTABLISHED IN THE COMMISSION'S BYLAWS.

12 ARTICLE V. BYLAWS

13 THE COMMISSION SHALL, BY A MAJORITY VOTE OF ALL MEMBERS OF THE  
14 COMMISSION, ADOPT BYLAWS TO GOVERN ITS CONDUCT AS MAY BE NECESSARY OR  
15 APPROPRIATE TO CARRY OUT THE PURPOSES AND EXERCISE THE POWERS OF THE  
16 COMPACT, INCLUDING:

17 (1) ESTABLISHING THE FISCAL YEAR OF THE COMMISSION;

18 (2) PROVIDING REASONABLE PROCEDURES FOR APPOINTING AND  
19 ELECTING MEMBERS, AS WELL AS HOLDING MEETINGS, OF THE MANAGEMENT  
20 COMMITTEE;

21 (3) PROVIDING REASONABLE STANDARDS AND PROCEDURES:

22 (I) FOR THE ESTABLISHMENT AND MEETINGS OF OTHER  
23 COMMITTEES;

24 (II) GOVERNING ANY GENERAL OR SPECIFIC DELEGATION OF  
25 ANY AUTHORITY OR FUNCTION OF THE COMMISSION; AND

26 (III) VOTING GUIDELINES AND PROCEDURES FOR COMMISSION  
27 DECISIONS;

28 (4) (I) PROVIDING REASONABLE PROCEDURES FOR CALLING AND  
29 CONDUCTING MEETINGS OF THE COMMISSION THAT SHALL CONSIST OF REQUIRING  
30 A QUORUM TO BE PRESENT;

(II) ENSURING REASONABLE ADVANCE NOTICE OF EACH MEETING; AND

(III) PROVIDING FOR THE RIGHT OF CITIZENS TO ATTEND EACH MEETING WITH ENUMERATED EXCEPTIONS DESIGNED TO PROTECT THE PUBLIC'S INTEREST AND THE PRIVACY OF INDIVIDUALS;

(5) (I) PROVIDING A LIST OF MATTERS ABOUT WHICH THE COMMISSION MAY GO INTO EXECUTIVE SESSION AND REQUIRING A MAJORITY OF ALL MEMBERS OF THE COMMISSION TO VOTE TO ENTER A SESSION; AND

(II) AS SOON AS PRACTICABLE, THE MAKING PUBLIC:

1. A COPY OF THE VOTE TO GO INTO EXECUTIVE SESSION, REVEALING THE VOTE OF EACH MEMBER WITH NO PROXY VOTES ALLOWED; AND

2. THE MATTER REQUIRING EXECUTIVE SESSION, WITHOUT IDENTIFYING THE ACTUAL ISSUES OR INDIVIDUALS INVOLVED;

(6) ESTABLISHING THE TITLES, DUTIES, AUTHORITY, AND REASONABLE PROCEDURES FOR THE ELECTION OF THE OFFICERS OF THE COMMISSION;

(7) PROVIDING REASONABLE STANDARDS AND PROCEDURES FOR THE ESTABLISHMENT OF THE PERSONNEL POLICIES AND PROGRAMS OF THE COMMISSION AND NOTWITHSTANDING ANY CIVIL SERVICE OR OTHER SIMILAR LAWS OF ANY COMPACTING STATE, EXCLUSIVELY GOVERNING THE PERSONNEL POLICIES AND PROGRAMS OF THE COMMISSION;

(8) ALLOWING A MECHANISM FOR:

(I) THE FEDERAL GOVERNMENT TO JOIN AS A COMPACTING STATE; AND

(II) FOREIGN COUNTRIES OR SUBDIVISIONS OF THOSE COUNTRIES TO JOIN AS LIAISON MEMBERS ADOPTING THE COMPACT, PROVIDED THAT ADOPTING COUNTRIES OR SUBDIVISIONS DO 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;



1           **(10) PROVIDING FOR THE MAINTENANCE OF THE COMMISSION'S**  
2 **BOOKS AND RECORDS;**

3           **(11) GOVERNING THE ACCEPTANCE OF AND ACCOUNTING FOR**  
4 **DONATIONS, ANNUAL MEMBER DUES, AND OTHER SOURCES OF FUNDING AND**  
5 **ESTABLISHING THE PROPORTION OF THESE FUNDS TO BE ALLOCATED TO PRIZE**  
6 **AMOUNTS FOR TREATMENTS AND THERAPEUTIC PROTOCOLS THAT CURE DISEASE;**

7           **(12) GOVERNING ANY FUNDRAISING EFFORTS IN WHICH THE**  
8 **COMMISSION WISHES TO ENGAGE; AND**

9           **(13) PROVIDING A MECHANISM FOR WINDING UP THE OPERATIONS OF**  
10 **THE COMMISSION AND THE EQUITABLE DISPOSITION OF ANY SURPLUS FUNDS THAT**  
11 **MAY EXIST AFTER THE TERMINATION OF THIS COMPACT AND THE PAYMENT AND**  
12 **RESERVING OF ALL OF THE COMMISSION'S DEBTS AND OBLIGATIONS.**

13 **ARTICLE VI. RULES**

14           **(A) THE COMMISSION SHALL ADOPT RULES TO DO THE FOLLOWING:**

15           **(1) EFFECTIVELY AND EFFICIENTLY ACHIEVE THE PURPOSES OF**  
16 **THIS COMPACT; AND**

17           **(2) GOVERN THE METHODS, PROCESSES, AND ANY OTHER ASPECT OF**  
18 **THE RESEARCH, CREATION, AND TESTING OF A TREATMENT OR THERAPEUTIC**  
19 **PROTOCOL FOR EACH DISEASE FOR WHICH A PRIZE MAY BE AWARDED.**

20           **(B) (1) THE COMMISSION SHALL ADOPT RULES ESTABLISHING THE**  
21 **CRITERIA FOR DEFINING AND CLASSIFYING THE DISEASES FOR WHICH PRIZES**  
22 **SHALL BE AWARDED.**

23           **(2) THE COMMISSION MAY DEFINE AND CLASSIFY SUBSETS OF**  
24 **DISEASES, SUCH AS TUBULAR CARCINOMA OF THE BREAST.**

25           **(3) FOR PURPOSES OF SECTIONS (C)(1) AND (3) OF THIS ARTICLE, A**  
26 **SUBSET OF A DISEASE SHALL BE CONSIDERED ONE DISEASE.**

27           **(4) THE COMMISSION MAY CONSULT THE MOST RECENT EDITION OF**  
28 **THE INTERNATIONAL CLASSIFICATION OF DISEASES AS PUBLISHED BY THE WORLD**  
29 **ORGANIZATION OR OTHER DEFINITIONS AGREED TO BY TWO-THIRDS VOTE OF THE**  
30 **COMMISSION.**

1           **(C) THE COMMISSION SHALL ADOPT RULES REGARDING PRIZES FOR**  
2 **CURING DISEASES THAT ESTABLISH THE FOLLOWING:**

3           **(1) AT LEAST TEN MAJOR DISEASES FOR WHICH TO CREATE PRIZES,**  
4 **WHICH SHALL BE DETERMINED BASED ON THE FOLLOWING FACTORS:**

5                   **(I) THE SEVERITY OF THE DISEASE TO AN INDIVIDUAL'S**  
6 **OVERALL HEALTH AND WELL-BEING;**

7                   **(II) THE SURVIVAL RATE OR SEVERITY OF IMPACT OF THE**  
8 **DISEASE; AND**

9                   **(III) THE PUBLIC HEALTH EXPENSES AND TREATMENT**  
10 **EXPENSES FOR THE DISEASE;**

11           **(2) THE CRITERIA A TREATMENT OR THERAPEUTIC PROTOCOL MUST**  
12 **MEET IN ORDER TO BE CONSIDERED A CURE FOR ANY DISEASE FOR WHICH A PRIZE**  
13 **MAY BE AWARDED, WHICH SHALL INCLUDE THE FOLLOWING REQUIREMENTS:**

14                   **(I) IT MUST BE APPROVED BY THE FEDERAL FOOD AND DRUG**  
15 **ADMINISTRATION OR HAVE OTHERWISE OBTAINED LEGAL STATUS FOR THE**  
16 **COMPACT TO IMMEDIATELY CONTRACT TO MANUFACTURE AND DISTRIBUTE IN THE**  
17 **UNITED STATES;**

18                   **(II) EXCEPT AS PROVIDED IN SECTION (D) OF THIS ARTICLE, IT**  
19 **MUST YIELD A SIGNIFICANT INCREASE IN SURVIVAL WITH RESPECT TO THE**  
20 **DISEASES IF EARLY DEATH IS THE USUAL OUTCOME; AND**

21                   **(III) IT REQUIRES LESS THAN 1 YEAR OF THE TREATMENT OR**  
22 **PROTOCOL TO COMPLETELY CURE THE DISEASE;**

23           **(3) THE PROCEDURE FOR DETERMINING THE DISEASES FOR WHICH**  
24 **TO AWARD PRIZES, WHICH INCLUDES THE OPTION TO AWARD PRIZES FOR MORE**  
25 **THAN TEN DISEASES THAT MEET THE CRITERIA, IF AGREED TO BY TWO-THIRDS**  
26 **VOTE OF THE COMMISSION, AND A REQUIREMENT TO UPDATE THE LIST EVERY 3**  
27 **YEARS;**

28           **(4) THE SUBMISSION AND EVALUATION PROCEDURES AND**  
29 **GUIDELINES, INCLUDING FILING AND REVIEW PROCEDURES, A REQUIREMENT THAT**  
30 **THE PERSON OR ENTITY SUBMITTING THE CURE BEARS THE BURDEN OF PROOF IN**  
31 **DEMONSTRATING THAT THE TREATMENT OR THERAPEUTIC PROTOCOL MEETS THE**  
32 **CRITERIA, AND LIMITATIONS PREVENTING PUBLIC ACCESS TO TREATMENT OR**  
33 **PROTOCOL SUBMISSIONS.**

1           **(5) (I) THE ESTIMATED 5-YEAR PUBLIC HEALTH SAVINGS THAT**  
2 **WOULD RESULT FROM A CURE, WHICH SHALL BE EQUAL TO THE 5-YEAR PUBLIC**  
3 **HEALTH EXPENSES FOR EACH DISEASE IN EACH COMPACTING STATE, AND A**  
4 **PROCEDURE TO UPDATE THESE EXPENSES EVERY 3 YEARS IN CONJUNCTION WITH**  
5 **THE REQUIREMENTS IN SECTION (3)(C) OF THIS ARTICLE; AND**

6           **(II) THE ESTIMATED 5-YEAR PUBLIC HEALTH SAVINGS AMOUNT**  
7 **SHALL BE CALCULATED, ESTIMATED, AND PUBLICIZED EVERY 3 YEARS BY**  
8 **ACTUARIES EMPLOYED OR CONTRACTED BY THE COMMISSION;**

9           **(6) THE PRIZE AMOUNT WITH RESPECT TO CURES FOR EACH DISEASE,**  
10 **WHICH SHALL BE EQUAL TO THE MOST RECENT ESTIMATED TOTAL 5-YEAR SAVINGS**  
11 **IN PUBLIC HEALTH EXPENSES FOR THE DISEASE AS CALCULATED IN SECTION (3)(E)**  
12 **OF THIS ARTICLE IN ALL OF THE COMPACTING STATES, AMOUNTS DONATED BY**  
13 **CHARITIES, INDIVIDUALS, AND ANY OTHER ENTITIES INTENDED FOR THE PRIZE**  
14 **UNDER ARTICLE I OF THIS COMPACT, AND ANY OTHER FACTORS THAT THE**  
15 **COMMISSION DEEMS APPROPRIATE; AND**

16           **(7) THE PRIZE DISTRIBUTION PROCEDURES AND GUIDELINES, WHICH**  
17 **SHALL INCLUDE THE FOLLOWING REQUIREMENTS:**

18           **(I) UPON ACCEPTANCE OF A CURE, THE PRIZE WINNER SHALL**  
19 **TRANSFER TO THE COMMISSION THE PATENT AND ALL RELATED INTELLECTUAL**  
20 **PROPERTY FOR THE MANUFACTURE AND DISTRIBUTION OF THE TREATMENT OR**  
21 **THERAPEUTIC PROTOCOL IN EXCHANGE FOR THE PRIZE, EXCEPT IN THE CASE THAT**  
22 **THE PRIZE WILL BE AWARDED ONLY TO THE FIRST PERSON OR ENTITY THAT**  
23 **SUBMITS A SUCCESSFUL CURE FOR A DISEASE FOR WHICH A PRIZE MAY BE**  
24 **AWARDED;**

25           **(II) 1. DONATION AMOUNTS INTENDED FOR THE PRIZE**  
26 **SHALL BE KEPT IN A SEPARATE, INTEREST-BEARING ACCOUNT MAINTAINED BY THE**  
27 **COMMISSION; AND**

28                       **2. THIS ACCOUNT SHALL BE THE ONLY ACCOUNT IN**  
29 **WHICH PRIZE MONEY IS KEPT.**

30           **(III) 1. EACH COMPACTING STATE SHALL HAVE THE**  
31 **RESPONSIBILITY TO PAY ANNUALLY THE COMPACTING STATE'S ACTUAL 1-YEAR**  
32 **SAVINGS IN PUBLIC HEALTH EXPENSES FOR THE PARTICULAR DISEASE FOR WHICH**  
33 **A CURE HAS BEEN ACCEPTED;**

34                       **2. A COMPACTING STATE SHALL MAKE AN ANNUAL**

PAYMENT UNTIL IT HAS FULFILLED ITS PRIZE RESPONSIBILITY AS ESTABLISHED IN  
§ (C)(6) OF THIS ARTICLE AND EACH COMPACTING STATE'S PAYMENT  
RESPONSIBILITY BEGINS 1 YEAR AFTER THE DATE THE CURE BECOMES WIDELY  
AVAILABLE; AND

3. THE COMMISSION SHALL EMPLOY OR CONTRACT  
WITH ACTUARIES TO CALCULATE EACH STATE'S ACTUAL 1-YEAR SAVINGS IN PUBLIC  
HEALTH EXPENSES AT THE END OF THE YEAR TO DETERMINE EACH STATE'S  
RESPONSIBILITY FOR THE SUCCEEDING YEAR.

(IV) 1. A COMPACTING STATE 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;

2. IF THE COMPACTING STATE DOES NOT MAKE  
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; AND

3. 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; AND

(VI) 1. 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 5-YEAR PUBLIC HEALTH  
EXPENSES FOR THE DISEASE IN ALL COMPACTING STATES, IN ACCORDANCE WITH §  
(C)(6) OF THIS ARTICLE; AND

2. 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.

1           (D) (1) THE COMMISSION MAY AWARD A PRIZE FOR A TREATMENT OR  
2 THERAPEUTIC PROTOCOL THAT YIELDS A SURVIVAL RATE THAT IS LESS THAN WHAT  
3 IS ESTABLISHED IN THE CURE CRITERIA THROUGH AT LEAST 5 YEARS AFTER THE  
4 TREATMENT OR PROTOCOL HAS ENDED.

5           (2) IF THE COMMISSION AWARDS A PRIZE UNDER PARAGRAPH (1) OF  
6 THIS SECTION, THE PRIZE AMOUNT AWARDED FOR THAT TREATMENT OR  
7 THERAPEUTIC SHALL BE REDUCED FROM THE PRIZE AMOUNT ORIGINALLY  
8 DETERMINED BY THE COMMISSION FOR A CURE FOR THAT DISEASE.

9           (3) THE REDUCTION SHALL BE IN PROPORTION TO THE SURVIVAL  
10 RATE ESTABLISHED IN THE CURE CRITERIA.

11           (E) THE COMMISSION SHALL ADOPT RULES THAT:

12           (1) ESTABLISH THE FOLLOWING REGARDING COMMISSION RECORDS:

13           (I) CONDITIONS AND PROCEDURES FOR PUBLIC INSPECTION  
14 AND COPYING OF ITS INFORMATION AND OFFICIAL RECORDS, EXCEPT INFORMATION  
15 AND RECORDS INVOLVING THE PRIVACY OF INDIVIDUALS OR THAT WOULD  
16 OTHERWISE VIOLATE PRIVACY LAWS UNDER FEDERAL LAW AND THE LAWS OF THE  
17 COMPACTING STATES;

18           (II) PROCEDURES FOR SHARING WITH FEDERAL AND STATE  
19 AGENCIES, INCLUDING LAW ENFORCEMENT AGENCIES, RECORDS AND  
20 INFORMATION OTHERWISE EXEMPT FROM DISCLOSURE; AND

21           (III) GUIDELINES FOR ENTERING INTO AGREEMENTS WITH  
22 FEDERAL AND STATE AGENCIES TO RECEIVE OR EXCHANGE INFORMATION OR  
23 RECORDS SUBJECT TO NONDISCLOSURE AND CONFIDENTIALITY PROVISIONS;

24           (2) PROVIDE A PROCESS FOR COMMISSION REVIEW OF SUBMITTED  
25 TREATMENTS AND THERAPEUTIC PROTOCOLS FOR CURING DISEASES THAT  
26 INCLUDES THE FOLLOWING:

27           (I) AN OPPORTUNITY FOR AN APPEAL, NOT LATER THAN 30  
28 DAYS AFTER A REJECTION OF A TREATMENT OR PROTOCOL FOR PRIZE  
29 CONSIDERATION, TO REVIEW A PANEL ESTABLISHED UNDER THE COMMISSION'S  
30 DISPUTE RESOLUTION PROCESS;

31           (II) COMMISSION MONITORING AND REVIEW OF TREATMENT  
32 AND PROTOCOL EFFECTIVENESS CONSISTENT WITH THE CURE CRITERIA  
33 ESTABLISHED BY THE COMMISSION FOR THE PARTICULAR DISEASE; AND

(III) COMMISSION RECONSIDERATION, MODIFICATION, OR WITHDRAWAL OF APPROVAL OF A TREATMENT OR THERAPEUTIC PROTOCOL FOR PRIZE CONSIDERATION FOR FAILURE TO CONTINUE TO MEET THE CURE CRITERIA ESTABLISHED BY THE COMMISSION FOR THE PARTICULAR DISEASE;

(3) EACH DISPUTE RESOLUTION PROCESS TO RESOLVE DISPUTES OR OTHER ISSUES UNDER THE COMPACT THAT MAY ARISE BETWEEN TWO OR MORE COMPACTING STATES OR BETWEEN THE COMMISSION AND INDIVIDUALS OR ENTITIES WHO SUBMIT TREATMENTS AND THERAPEUTIC PROTOCOLS TO CURE DISEASES, WHICH PROCESS SHALL 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; AND

(4) ESTABLISH AND IMPOSE ANNUAL MEMBER DUES ON COMPACTING STATES, WHICH SHALL BE CALCULATED BASED ON PERCENTAGE OF EACH COMPACTING STATE'S POPULATION IN RELATION TO THE POPULATION OF ALL THE COMPACTING STATES.

(F) (1) 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, THIS 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.

(2) THIS 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 OF THE FIFTY STATES, WHETHER THE STATES HAVE JOINED THE COMPACT OR NOT.

1           **(3) THE COMPACT WILL PUBLISH THESE COMMON ETHICAL**  
2 **STANDARDS ALONG WITH THE SPECIFIC CRITERIA FOR A CURE FOR EACH OF THE**  
3 **DISEASES THE COMPACT HAS TARGETED.**

4           **(4) IF A RESEARCHER FOLLOWS THE COMMON ETHICAL STANDARDS**  
5 **IN EFFECT AT THE TIME THE RESEARCH IS DONE, AN ENTITY PRESENTING A CURE**  
6 **WILL BE DEEMED TO HAVE FOLLOWED THE STANDARDS.**

7           **(5) ON OR BEFORE JANUARY 1 EACH YEAR, THE COMPACT SHALL**  
8 **REVIEW ALL STATE LAWS TO DETERMINE IF ADDITIONAL ETHICAL STANDARDS HAVE**  
9 **BEEN ENACTED BY ANY OF THE 50 STATES AND THE FEDERAL GOVERNMENT.**

10           **(6) ANY CHANGES TO THE COMMON ETHICAL STANDARDS RULES**  
11 **BASED ON NEW STATE LAWS SHALL BE ADOPTED AND PUBLISHED BY THE COMPACT,**  
12 **BUT SHALL NOT TAKE EFFECT IN CURE CRITERIA FOR A PERIOD OF 3 YEARS TO**  
13 **ALLOW FOR SUFFICIENT NOTICE TO RESEARCHERS.**

14           **(G) ALL RULES MAY BE AMENDED AS THE COMMISSION CONSIDERS**  
15 **NECESSARY.**

16           **(H) ALL RULES SHALL BE ADOPTED UNDER A RULE-MAKING PROCESS THAT**  
17 **CONFORMS TO THE MODEL STATE ADMINISTRATIVE PROCEDURE ACT OF 1981 BY**  
18 **THE UNIFORM LAW COMMISSIONERS, AS AMENDED, AS MAY BE APPROPRIATE TO**  
19 **THE OPERATIONS OF THE COMMISSION.**

20           **(I) IN THE EVENT THE COMMISSION EXERCISES ITS RULE-MAKING**  
21 **AUTHORITY IN A MANNER THAT IS BEYOND THE SCOPE OF THE PURPOSE OF THIS**  
22 **COMPACT, OR THE POWERS GRANTED UNDER THE COMPACT, THEN THE RULE**  
23 **SHALL BE INVALID AND HAVE NO FORCE AND EFFECT.**

24 **ARTICLE VII. COMMITTEES**

25           **(A) THE FOLLOWING PROVISIONS SHALL GOVERN THE MANAGEMENT**  
26 **COMMITTEE ESTABLISHED UNDER THIS COMPACT:**

27           **(1) THE COMMISSION MAY ESTABLISH A MANAGEMENT COMMITTEE**  
28 **COMPRISED OF NOT MORE THAN 14 MEMBERS WHEN 26 STATES ENACT THE**  
29 **COMPACT.**

30           **(2) THE COMMITTEE SHALL CONSIST OF THOSE MEMBERS**  
31 **REPRESENTING COMPACTING STATES WHOSE TOTAL PUBLIC HEALTH EXPENSES OF**  
32 **ALL OF THE ESTABLISHED DISEASES ARE THE HIGHEST.**

1           **(3) THE COMMITTEE SHALL HAVE THE AUTHORITY AND DUTIES AS**  
2 **ESTABLISHED IN THE COMMISSION'S BYLAWS AND RULES, INCLUDING:**

3           **(I) MANAGING AUTHORITY OVER THE DAY-TO-DAY AFFAIRS OF**  
4 **THE COMMISSION IN A MANNER CONSISTENT WITH THE COMMISSION'S BYLAWS AND**  
5 **RULES AND THE PURPOSES OF THE COMPACT;**

6           **(II) OVERSEEING THE OFFICES OF THE COMMISSION; AND**

7           **(III) PLANNING, IMPLEMENTING, AND COORDINATING**  
8 **COMMUNICATIONS AND ACTIVITIES WITH STATE, FEDERAL, AND LOCAL**  
9 **GOVERNMENT ORGANIZATIONS TO ADVANCE THE GOALS OF THE COMPACT.**

10          **(4) THE COMMISSION ANNUALLY SHALL ELECT OFFICERS FOR THE**  
11 **COMMITTEE, WITH EACH HAVING AUTHORITY AND DUTIES AS SPECIFIED IN THE**  
12 **COMMISSION'S BYLAWS AND RULES.**

13          **(5) (I) THE MANAGEMENT COMMITTEE, SUBJECT TO COMMISSION**  
14 **APPROVAL, MAY APPOINT OR RETAIN AN EXECUTIVE DIRECTOR FOR THE PERIOD,**  
15 **UPON TERMS AND CONDITIONS, AND FOR COMPENSATION AS THE COMMITTEE**  
16 **DETERMINES.**

17          **(II) THE EXECUTIVE DIRECTOR SHALL SERVE AS SECRETARY TO**  
18 **THE COMMISSION, BUT MAY NOT BE A MEMBER OF THE COMMISSION.**

19          **(III) THE EXECUTIVE DIRECTOR SHALL HIRE AND SUPERVISE**  
20 **OTHER STAFF AS AUTHORIZED BY THE COMMITTEE.**

21          **(B) THE FOLLOWING PROVISIONS SHALL GOVERN THE ADVISORY**  
22 **COMMITTEES ESTABLISHED UNDER THIS COMPACT:**

23          **(1) THE COMMISSION MAY APPOINT ADVISORY COMMITTEES TO**  
24 **MONITOR ALL OPERATIONS RELATED TO THE PURPOSES OF THE COMPACT AND**  
25 **MAKE RECOMMENDATIONS TO THE COMMISSION, PROVIDED THAT THE MANNER OF**  
26 **SELECTION AND TERM OF ANY COMMITTEE MEMBER SHALL BE AS SET FORTH IN THE**  
27 **COMMISSION'S BYLAWS AND RULES.**

28          **(2) THE COMMISSION SHALL CONSULT WITH AN ADVISORY**  
29 **COMMITTEE, TO THE EXTENT REQUIRED BY THE COMMISSION'S BYLAWS OR RULES,**  
30 **BEFORE:**

31          **(I) APPROVING CURE CRITERIA;**



1 (II) AMENDING, ENACTING, OR REPEALING ANY BYLAW OR  
2 RULE;

3 (III) ADOPTING THE COMMISSION'S ANNUAL BUDGET; OR

4 (IV) ADDRESSING ANY OTHER SIGNIFICANT MATTER OR TAKING  
5 ANY OTHER SIGNIFICANT ACTION.

6 ARTICLE VIII. FINANCE

7 (A) (1) THE COMMISSION ANNUALLY SHALL ESTABLISH A BUDGET TO  
8 PAY OR PROVIDE FOR THE PAYMENT OF ITS REASONABLE EXPENSES.

9 (2) TO FUND THE COST OF INITIAL OPERATIONS, THE COMMISSION  
10 MAY ACCEPT CONTRIBUTIONS AND OTHER FORMS OF FUNDING FROM THE  
11 COMPACTING STATES AND OTHER SOURCES.

12 (3) CONTRIBUTIONS AND OTHER FORMS OF FUNDING FROM OTHER  
13 SOURCES SHALL BE OF A NATURE THAT THE INDEPENDENCE OF THE COMMISSION  
14 CONCERNING THE PERFORMANCE OF ITS DUTIES SHALL NOT BE COMPROMISED.

15 (B) THE COMMISSION SHALL BE EXEMPT FROM ALL TAXATION IN AND BY  
16 THE COMPACTING STATES.

17 (C) (1) THE COMMISSION SHALL KEEP COMPLETE AND ACCURATE  
18 ACCOUNTS OF ALL OF ITS INTERNAL RECEIPTS, INCLUDING GRANTS AND  
19 DONATIONS, AND DISBURSEMENTS OF ALL FUNDS UNDER ITS CONTROL.

20 (2) THE INTERNAL FINANCIAL ACCOUNTS OF THE COMMISSION  
21 SHALL BE SUBJECT TO THE ACCOUNTING PROCEDURES ESTABLISHED UNDER THE  
22 COMMISSION'S BYLAWS OR RULES.

23 (3) THE FINANCIAL ACCOUNTS AND REPORTS INCLUDING THE  
24 SYSTEM OF INTERNAL CONTROLS AND PROCEDURES OF THE COMMISSION SHALL BE  
25 AUDITED ANNUALLY BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.

26 (4) UPON THE DETERMINATION OF THE COMMISSION, BUT NOT LESS  
27 THAN EVERY 3 YEARS, THE REVIEW OF THE INDEPENDENT AUDITOR SHALL INCLUDE  
28 A MANAGEMENT AND PERFORMANCE AUDIT OF THE COMMISSION.

29 (5) THE COMMISSION SHALL MAKE AN ANNUAL REPORT TO THE  
30 GOVERNORS AND LEGISLATURES OF THE COMPACTING STATES, WHICH SHALL  
31 INCLUDE A REPORT OF THE INDEPENDENT AUDIT.

1           **(6) THE COMMISSION'S INTERNAL ACCOUNTS ARE NOT**  
2 **CONFIDENTIAL AND THE ACCOUNTS MAY BE SHARED WITH ANY COMPACTING STATE**  
3 **ON REQUEST PROVIDED, HOWEVER, THAT ANY WORK PAPERS RELATED TO ANY**  
4 **INTERNAL OR INDEPENDENT AUDIT AND ANY INFORMATION SUBJECT TO THE**  
5 **COMPACTING STATES' PRIVACY LAWS, SHALL REMAIN CONFIDENTIAL.**

6           **(D) NO COMPACTING STATE SHALL HAVE ANY CLAIM OR OWNERSHIP OF ANY**  
7 **PROPERTY HELD BY OR VESTED IN THE COMMISSION OR TO ANY COMMISSION**  
8 **FUNDS HELD UNDER THE PROVISIONS OF THE COMPACT.**

## 9 **ARTICLE IX. RECORDS**

10           **(A) EXCEPT AS TO PRIVILEGED RECORDS, DATA, AND INFORMATION, THE**  
11 **LAWS OF ANY COMPACTING STATE RELATED TO CONFIDENTIALITY OR**  
12 **NONDISCLOSURE MAY NOT RELIEVE ANY MEMBER OF THE DUTY TO DISCLOSE ANY**  
13 **RELEVANT RECORDS, DATA, OR INFORMATION TO THE COMMISSION, PROVIDED**  
14 **THAT:**

15           **(1) DISCLOSURE TO THE COMMISSION MAY NOT BE DEEMED TO**  
16 **WAIVE OR OTHERWISE AFFECT ANY CONFIDENTIALITY REQUIREMENT; AND**

17           **(2) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE COMPACT,**  
18 **THE COMMISSION MAY NOT BE SUBJECT TO THE COMPACTING STATE'S LAWS**  
19 **RELATED TO CONFIDENTIALITY AND NONDISCLOSURE WITH RESPECT TO RECORDS,**  
20 **DATA, AND INFORMATION IN ITS POSSESSION.**

21           **(B) (1) CONFIDENTIAL INFORMATION OF THE COMMISSION SHALL**  
22 **REMAIN CONFIDENTIAL AFTER THE INFORMATION IS PROVIDED TO ANY MEMBER.**

23           **(2) ALL CURE SUBMISSIONS RECEIVED BY THE COMMISSION ARE**  
24 **CONFIDENTIAL.**

## 25 **ARTICLE X. COMPLIANCE**

26           **(A) THE COMMISSION SHALL NOTIFY A COMPACTING STATE IN WRITING OF**  
27 **ANY NONCOMPLIANCE WITH COMMISSION BYLAWS AND RULES.**

28           **(B) IF A COMPACTING STATE FAILS TO REMEDY ITS NONCOMPLIANCE**  
29 **WITHIN THE TIME SPECIFIED IN THE NOTICE, THE COMPACTING STATE SHALL BE**  
30 **DEEMED TO BE IN DEFAULT AS SET FORTH IN ARTICLE XIV.**

## 31 **ARTICLE XI. VENUE**

1       VENUE FOR ANY JUDICIAL PROCEEDINGS BY OR AGAINST THE COMMISSION  
2 SHALL BE BROUGHT IN THE APPROPRIATE COURT OF COMPETENT JURISDICTION  
3 FOR THE GEOGRAPHICAL AREA IN WHICH THE PRINCIPAL OFFICE OF THE  
4 COMMISSION IS LOCATED.

5       **ARTICLE XII. QUALIFIED IMMUNITY, DEFENSE, AND INDEMNIFICATION**

6       (A)   THE MEMBERS, OFFICERS, EXECUTIVE DIRECTOR, EMPLOYEES, AND  
7 REPRESENTATIVES OF THE COMMISSION SHALL BE IMMUNE FROM SUIT AND  
8 LIABILITY, EITHER PERSONALLY OR IN THEIR OFFICIAL CAPACITY, FOR ANY CLAIM  
9 FOR DAMAGE TO OR LOSS OF PROPERTY OR PERSONAL INJURY OR OTHER CIVIL  
10 LIABILITY CAUSED BY OR ARISING OUT OF ANY ACTUAL OR ALLEGED ACT, ERROR,  
11 OR OMISSION THAT OCCURRED, OR THAT THE PERSON HAD A REASONABLE BASIS  
12 FOR BELIEVING OCCURRED WITHIN THE SCOPE OF THE PERSON'S COMMISSION  
13 EMPLOYMENT, DUTIES, OR RESPONSIBILITIES PROVIDED THAT NOTHING IN THIS  
14 SECTION SHALL BE CONSTRUED TO PROTECT THE PERSON FROM SUIT OR LIABILITY  
15 FOR ANY DAMAGE, LOSS, INJURY, OR LIABILITY CAUSED BY THE INTENTIONAL OR  
16 WILLFUL AND WANTON MISCONDUCT OF THAT PERSON.

17       (B)   THE COMMISSION SHALL DEFEND ANY MEMBER, OFFICER, EXECUTIVE  
18 DIRECTOR, EMPLOYEE, OR REPRESENTATIVE OF THE COMMISSION IN ANY CIVIL  
19 ACTION SEEKING TO IMPOSE LIABILITY ARISING OUT OF ANY ACTUAL OR ALLEGED  
20 ACT, ERROR, OR OMISSION THAT OCCURRED WITHIN THE SCOPE OF THE PERSON'S  
21 COMMISSION EMPLOYMENT, DUTIES, OR RESPONSIBILITIES, OR THAT THE PERSON  
22 HAD A REASONABLE BASIS FOR BELIEVING OCCURRED WITHIN THE SCOPE OF  
23 COMMISSION EMPLOYMENT, DUTIES, OR RESPONSIBILITIES, PROVIDED THAT:

24       (1)   NOTHING IN THE COMPACT OR COMMISSION BYLAWS OR RULES  
25 SHALL BE CONSTRUED TO PROHIBIT THAT PERSON FROM RETAINING THAT  
26 PERSON'S OWN COUNSEL; AND

27       (2)   THE ACTUAL OR ALLEGED ACT, ERROR, OR OMISSION DID NOT  
28 RESULT FROM THAT PERSON'S INTENTIONAL OR WILLFUL AND WANTON  
29 MISCONDUCT.

30       (C)   THE COMMISSION SHALL INDEMNIFY AND HOLD HARMLESS ANY  
31 MEMBER, OFFICER, EXECUTIVE DIRECTOR, EMPLOYEE, OR REPRESENTATIVE OF  
32 THE COMMISSION FOR THE AMOUNT OF ANY SETTLEMENT OR JUDGMENT OBTAINED  
33 AGAINST THE PERSON ARISING OUT OF ANY ACTUAL OR ALLEGED ACT, ERROR, OR  
34 OMISSION THAT OCCURRED WITHIN THE SCOPE OF THE PERSON'S COMMISSION  
35 EMPLOYMENT, DUTIES, OR RESPONSIBILITIES, OR THAT THE PERSON HAD A  
36 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

(A) ANY STATE IS ELIGIBLE TO BECOME A COMPACTING STATE.

(B) (1) THIS COMPACT SHALL BECOME EFFECTIVE AND BINDING UPON LEGISLATIVE ENACTMENT OF THE COMPACT INTO LAW BY TWO COMPACTING STATES, PROVIDED THE COMMISSION SHALL ONLY BE ESTABLISHED AFTER SIX STATES BECOME COMPACTING STATES.

(2) THEREAFTER, THIS COMPACT SHALL BECOME EFFECTIVE AND BINDING AS TO ANY OTHER COMPACTING STATE UPON ENACTMENT OF THE COMPACT INTO LAW BY THAT STATE.

(C) (1) AMENDMENTS TO THIS COMPACT MAY BE PROPOSED BY THE COMMISSION FOR ENACTMENT BY THE COMPACTING STATES.

(2) NO AMENDMENT SHALL BECOME EFFECTIVE AND BINDING UNTIL ALL COMPACTING STATES ENACT THE AMENDMENT INTO LAW.

(D) 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

(A) THE FOLLOWING PROVISIONS SHALL GOVERN WITHDRAWAL FROM THIS COMPACT:

(1) ONCE EFFECTIVE, THIS COMPACT SHALL CONTINUE IN FORCE AND REMAIN BINDING UPON EACH COMPACTING STATE, PROVIDED THAT A COMPACTING STATE MAY WITHDRAW FROM THE COMPACT BY:

(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:

1                   1.     AT LEAST 3 YEARS AFTER THE DATE THE NOTICE IS  
2 SENT; AND

3                   2.     AFTER THE REPEAL OF THE LAW ENACTING THE  
4 COMPACT IN THAT STATE TAKES EFFECT.

5                   (2)    THE EFFECTIVE DATE OF WITHDRAWAL IS THE DATE DESCRIBED  
6 IN THE NOTICE OF WITHDRAWAL.

7                   (3)    (I)    THE MEMBER REPRESENTING THE WITHDRAWING STATE  
8 SHALL IMMEDIATELY NOTIFY THE MANAGEMENT COMMITTEE IN WRITING UPON THE  
9 INTRODUCTION OF LEGISLATION IN THAT STATE REPEALING THE COMPACT.

10                   (II) IF A MANAGEMENT COMMITTEE HAS NOT BEEN  
11 ESTABLISHED, THE MEMBER SHALL IMMEDIATELY NOTIFY THE COMMISSION.

12                   (4)    THE COMMISSION OR MANAGEMENT COMMITTEE, AS  
13 APPLICABLE, SHALL NOTIFY THE OTHER COMPACTING STATES OF THE  
14 INTRODUCTION OF LEGISLATION REPEALING THE COMPACT WITHIN 10 DAYS AFTER  
15 ITS RECEIPT OF NOTICE.

16                   (5)    (I)    THE WITHDRAWING STATE IS RESPONSIBLE FOR ALL  
17 OBLIGATIONS, DUTIES, AND LIABILITIES INCURRED THROUGH THE EFFECTIVE DATE  
18 OF WITHDRAWAL, INCLUDING ANY OBLIGATIONS, THE PERFORMANCE OF WHICH  
19 EXTEND BEYOND THE EFFECTIVE DATE OF WITHDRAWAL.

20                   (II) THE COMMISSION'S ACTIONS SHALL CONTINUE TO BE  
21 EFFECTIVE AND BE GIVEN FULL FORCE AND EFFECT IN THE WITHDRAWING STATE.

22                   (6)    REINSTATEMENT FOLLOWING A STATE'S WITHDRAWAL SHALL  
23 BECOME EFFECTIVE UPON THE EFFECTIVE DATE OF THE SUBSEQUENT ENACTMENT  
24 OF THE COMPACT BY THAT STATE.

25                   (B)    THE FOLLOWING PROVISIONS SHALL GOVERN DEFAULT UNDER THIS  
26 COMPACT:

27                   (1)    (I)    IF THE COMMISSION DETERMINES THAT ANY COMPACTING  
28 STATE HAS AT ANY TIME DEFAULTED IN THE PERFORMANCE OF ANY OF ITS  
29 OBLIGATIONS OR RESPONSIBILITIES UNDER THIS COMPACT OR THE COMMISSION'S  
30 BYLAWS OR RULES, THEN AFTER NOTICE AND HEARING AS SET FORTH IN THE  
31 BYLAWS, ALL RIGHTS, PRIVILEGES, AND BENEFITS CONFERRED BY THIS COMPACT  
32 ON THE DEFAULTING STATE SHALL BE SUSPENDED FROM THE EFFECTIVE DATE OF  
33 DEFAULT AS FIXED BY THE COMMISSION.

(II) THE GROUNDS FOR DEFAULT INCLUDE FAILURE OF A COMPACTING STATE TO PERFORM ITS OBLIGATIONS OR RESPONSIBILITIES, AND ANY OTHER GROUNDS DESIGNATED IN COMMISSION RULES.

(III) THE COMMISSION SHALL IMMEDIATELY NOTIFY THE DEFAULTING STATE IN WRITING OF THE SUSPENSION PENDING CURE OF THE DEFAULT.

(IV) THE COMMISSION SHALL STIPULATE THE CONDITIONS AND THE TIME PERIOD WITHIN WHICH THE DEFAULTING STATE SHALL CURE ITS DEFAULT.

(V) IF THE DEFAULTING STATE FAILS TO CURE THE DEFAULT WITHIN THE TIME PERIOD SPECIFIED BY THE COMMISSION, THE DEFAULTING STATE SHALL BE EXPELLED FROM THE COMPACT AND ALL RIGHTS, PRIVILEGES, AND BENEFITS CONFERRED BY THE COMPACT SHALL BE TERMINATED FROM THE EFFECTIVE DATE OF THE EXPULSION.

(VI) ANY STATE THAT IS EXPELLED FROM THE COMPACT SHALL BE LIABLE FOR ANY CURE PRIZE OR PRIZES FOR 3 YEARS AFTER ITS REMOVAL.

(VII) THE COMMISSION SHALL TAKE APPROPRIATE LEGAL ACTION TO ENSURE THAT ANY COMPACTING STATE THAT WITHDRAWS FROM THE COMPACT REMAINS LIABLE FOR PAYING ITS RESPONSIBILITY TOWARDS A PRIZE FOR A CURE THAT WAS ACCEPTED WHILE THE COMPACTING STATE WAS A MEMBER OF THE COMMISSION.

(2) THE EXPELLED STATE MUST REENACT THE COMPACT IN ORDER TO BECOME A COMPACTING STATE.

(C) THE FOLLOWING PROVISIONS SHALL GOVERN DISSOLUTION OF THIS COMPACT:

(1) THIS COMPACT DISSOLVES EFFECTIVE UPON THE DATE OF:

(I) THE WITHDRAWAL OR EXPULSION OF A COMPACTING STATE, WHICH WITHDRAWAL OR EXPULSION REDUCES MEMBERSHIP IN THE COMPACT TO ONE COMPACTING STATE; OR

(II) A COMMISSION VOTE TO DISSOLVE THE COMPACT.

(2) (I) UPON THE DISSOLUTION OF THIS COMPACT, THIS

1 COMPACT BECOMES NULL AND VOID AND SHALL BE OF NO FURTHER FORCE OR  
2 EFFECT, AND THE BUSINESS AND AFFAIRS OF THE COMMISSION SHALL BE WOUND  
3 UP AND ANY SURPLUS FUNDS SHALL BE DISTRIBUTED IN ACCORDANCE WITH THE  
4 COMMISSION'S BYLAWS, PROVIDED THAT THE COMMISSION SHALL PAY ALL  
5 OUTSTANDING PRIZES AWARDED BEFORE THE DISSOLUTION OF THIS COMPACT, AS  
6 WELL AS ANY OTHER OUTSTANDING DEBTS AND OBLIGATIONS INCURRED DURING  
7 THE EXISTENCE OF THIS COMPACT.

8 (II) ANY UNAWARDED FUNDS DONATED TO BE A PART OF A  
9 PRIZE SHALL BE RETURNED TO THE DONOR, ALONG WITH ANY INTEREST EARNED  
10 ON THE AMOUNT.

#### 11 ARTICLE XV. SEVERABILITY AND CONSTRUCTION

12 (A) THE PROVISIONS OF THIS COMPACT SHALL BE SEVERABLE, AND IF ANY  
13 PHRASE, CLAUSE, SENTENCE, OR PROVISION IS DEEMED UNENFORCEABLE, THE  
14 REMAINING PROVISIONS OF THE COMPACT SHALL BE ENFORCEABLE.

15 (B) THE PROVISIONS OF THIS COMPACT SHALL BE LIBERALLY CONSTRUED  
16 TO EFFECTUATE ITS PURPOSES.

#### 17 ARTICLE XVI. BINDING EFFECT OF COMPACT AND OTHER LAWS

18 (A) NOTHING HEREIN PREVENTS THE ENFORCEMENT OF ANY OTHER LAW  
19 OF A COMPACTING STATE, EXCEPT AS PROVIDED IN SECTION (B)(2) OF THIS  
20 ARTICLE.

21 (B) THE FOLLOWING PROVISIONS SHALL GOVERN THE BINDING EFFECT OF  
22 THE COMPACT:

23 (1) ALL LAWFUL ACTIONS OF THE COMMISSION, INCLUDING ALL  
24 COMMISSION RULES, ARE BINDING UPON THE COMPACTING STATES.

25 (2) ALL AGREEMENTS BETWEEN THE COMMISSION AND THE  
26 COMPACTING STATES ARE BINDING IN ACCORDANCE WITH THEIR TERMS.

27 (3) EXCEPT TO THE EXTENT AUTHORIZED BY THE COMPACTING  
28 STATE'S CONSTITUTION OR, IF CONSTITUTIONAL AUTHORIZATION IS NOT  
29 REQUIRED, BY OTHER LAW OF THE COMPACTING STATE, THAT STATE, BY ENTERING  
30 INTO THIS COMPACT DOES NOT:

31 (I) COMMIT THE FULL FAITH AND CREDIT OR TAXING POWER  
32 OF THE COMPACTING STATE FOR THE PAYMENT OF PRIZES OR OTHER OBLIGATIONS

1 UNDER THE COMPACT; OR

2 (II) MAKE PRIZE PAYMENT RESPONSIBILITIES OR OTHER  
3 OBLIGATIONS UNDER THIS COMPACT A DEBT OF THE COMPACTING STATE.

4 (4) UPON THE REQUEST OF A PARTY TO A CONFLICT OVER THE  
5 MEANING OR INTERPRETATION OF COMMISSION ACTIONS AND UPON A MAJORITY  
6 VOTE OF THE COMPACTING STATES, THE COMMISSION MAY ISSUE ADVISORY  
7 OPINIONS REGARDING THE MEANING OR INTERPRETATION IN DISPUTE.

8 (5) IF ANY PROVISION OF THE COMPACT EXCEEDS THE  
9 CONSTITUTIONAL LIMITS IMPOSED ON ANY COMPACTING STATE, THE OBLIGATIONS,  
10 DUTIES, POWERS OR JURISDICTION SOUGHT TO BE CONFERRED BY THAT PROVISION  
11 UPON THE COMMISSION SHALL BE INEFFECTIVE AS TO THAT COMPACTING STATE,  
12 AND THOSE OBLIGATIONS, DUTIES, POWERS, OR JURISDICTION SHALL REMAIN IN  
13 THE COMPACTING STATE AND SHALL BE EXERCISED BY THE AGENCY TO WHICH  
14 THOSE OBLIGATIONS, DUTIES, POWERS, OR JURISDICTION ARE DELEGATED BY LAW  
15 IN EFFECT AT THE TIME THE COMPACT BECOMES EFFECTIVE.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2020.