

HOUSE BILL 1051

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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

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

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

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

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

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

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

(I) 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 ARTICLE VI, § (3)(G)(III) OF THIS COMPACT, AND PAYMENT OF INTEREST AND OTHER EXPENSES RELATED TO A LOAN OBTAINED IN ACCORDANCE WITH ARTICLE VI, § (3)(G)(VI) OF THIS COMPACT; AND

(II) ANNUALLY DISBURSE ANY AMOUNTS REMAINING AFTER MAKING PAYMENTS OR REIMBURSEMENTS UNDER § (6)(A) OF THIS ARTICLE AS REFUNDS TO COMPACTING STATES BASED ON THE PERCENT OF THE STATE'S PRIZE 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

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

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

10 (I) ADMINISTRATIVE REVIEW BY A REVIEW PANEL APPOINTED
11 BY THE COMMISSION;

12 (II) JUDICIAL REVIEW OF DECISIONS ISSUED AFTER AN
13 ADMINISTRATIVE REVIEW; AND

14 (III) QUALIFICATIONS TO BE APPOINTED TO A PANEL, DUE
15 PROCESS REQUIREMENTS, INCLUDING NOTICE AND HEARING PROCEDURES, AND
16 ANY OTHER PROCEDURE, REQUIREMENT, OR STANDARD NECESSARY TO PROVIDE
17 ADEQUATE DISPUTE RESOLUTION; AND

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

22 (F) (1) RECOGNIZING THAT THE GOAL OF THE COMPACT IS TO POOL THE
23 POTENTIAL SAVINGS OF AS MANY STATES AND COUNTRIES AS POSSIBLE TO
24 GENERATE SUFFICIENT FINANCIAL INCENTIVE TO DEVELOP A CURE FOR MANY OF
25 THE WORLD'S MOST DEVASTATING DISEASES, THIS COMPACT WILL RESPECT THE
26 LAWS OF EACH OF THESE UNITED STATES BY ADOPTING RULES THAT ESTABLISH
27 ETHICAL STANDARDS FOR RESEARCH THAT SHALL BE FOLLOWED IN ORDER FOR A
28 PRIZE TO BE CLAIMED.

29 (2) THIS COMPACT, IN THE RULES, SHALL ESTABLISH A COMMON SET
30 OF ETHICAL STANDARDS THAT EMBODIES THE LAWS AND RESTRICTIONS IN EACH OF
31 THE STATES SO THAT TO BE ELIGIBLE FOR CLAIMING A PRIZE THE ENTITY
32 SUBMITTING A CURE MUST NOT HAVE VIOLATED ANY OF THE ETHICAL STANDARDS
33 IN ANY ONE OF THE FIFTY STATES, WHETHER THE STATES HAVE JOINED THE
34 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.

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

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

ARTICLE IX. RECORDS

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

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

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

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

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

ARTICLE X. COMPLIANCE

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

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

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.