

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1575

02/25/2021 Authored by Bahner
The bill was read for the first time and referred to the Committee on Health Finance and Policy

1.1 A bill for an act
1.2 relating to health; joining interstate compact on curing diseases; requiring reports;
1.3 proposing coding for new law in Minnesota Statutes, chapter 152.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. [152.40] INTERSTATE COMPACT ON CURING DISEASES.

1.6 ARTICLE I

1.7 DEFINITIONS

1.8 For purposes of this compact:

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

1.10 a. any state that has enacted the compact and which has not withdrawn or been suspended

1.11 pursuant to Article XIV of the compact;

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

1.13 2. "Compact" means the Solemn Covenant of the States to Award Prizes for Curing

1.14 Diseases enacted in this section.

1.15 3. "Non-compacting state" means any state or the federal government, if it is not at the

1.16 time a compacting state.

1.17 4. "Public health expenses" means the amount of all costs paid by taxpayers in a specified

1.18 geographic area relating to a particular disease.

1.19 5. "State" means any state, district, or territory of the United States of America.

1.20 ARTICLE II

2.1 **ESTABLISHMENT OF THE COMMISSION; MEMBERSHIP**

2.2 1. Upon the enactment of the compact by six states, the compacting states shall establish
2.3 the Solemn Covenant of States Commission.

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

2.7 3. Each compacting state shall be represented by one member as selected by the
2.8 compacting state. Each compacting state shall determine its member's qualifications and
2.9 period of service and shall be responsible for any action to remove or suspend its member
2.10 or to fill the member's position if it becomes vacant. Nothing in the compact shall be
2.11 construed to affect a compacting state's authority regarding the qualification, selection, or
2.12 service of its own member.

2.13 **ARTICLE III**

2.14 **POWERS OF THE COMMISSION**

2.15 1. To adopt bylaws and rules pursuant to Articles V and VI of the compact, which shall
2.16 have the force and effect of law and shall be binding in the compacting states to the extent
2.17 and in the manner provided in the compact;

2.18 2. To receive and review in an expeditious manner treatments and therapeutic protocols
2.19 for the cure of disease submitted to the commission and to award prizes for submissions
2.20 that meet the commission's standards for a successful cure treatment or therapeutic protocol;

2.21 3. To make widely available a cure treatment or therapeutic protocol upon a prize winner
2.22 claiming a prize and transferring any intellectual property necessary for the manufacture
2.23 and distribution of the cure in accordance with section 3.g.i. of Article VI, including by
2.24 arranging or contracting for the manufacturing, production, or provision of any drug, serum,
2.25 or other substance, device, or process, provided that the commission does not market the
2.26 cure or conduct any other activity regarding the cure not specifically authorized in the
2.27 compact;

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

2.32 5. In non-compacting states and foreign countries, to establish and collect royalty fees
2.33 imposed on manufacturers, producers, and providers of any drug, serum, or other substance,

3.1 device, or process used for a cure treatment or therapeutic protocol, for which a prize is
3.2 awarded; royalty fees may be added to the sales price of the cure pursuant to section 4 of
3.3 this Article; provided that the royalty fees shall cumulatively be not more than the estimated
3.4 five-year savings in public health expenses for that state or country, as calculated by actuaries
3.5 employed or contracted by the commission;

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

3.7 a. pay or reimburse expenses related to the payment of a prize, which shall include
3.8 employing or contracting actuaries to calculate annual taxpayer savings amounts in
3.9 compacting states in accordance with section 3.g.iii. of Article VI, and payment of interest
3.10 and other expenses related to a loan obtained in accordance with section 3.g.vi. of Article
3.11 VI;

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

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

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

3.18 9. To establish and maintain offices;

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

3.21 11. To hire employees, professionals, or specialists, and elect or appoint officers, and
3.22 to fix their compensation, define their duties and give them appropriate authority to carry
3.23 out the purposes of the compact, and determine their qualifications; and to establish the
3.24 commission's personnel policies and programs relating to, among other things, conflicts of
3.25 interest, rates of compensation, and qualifications of personnel;

3.26 12. To accept any and all appropriate donations and grants of money, equipment, supplies,
3.27 materials, and services, and to receive, utilize, and dispose of the same; provided that at all
3.28 times the commission shall strive to avoid any appearance of impropriety;

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

4.1 14. To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose
4.2 of any property, real, personal, or mixed;

4.3 15. To monitor compacting states for compliance with the commission's bylaws and
4.4 rules;

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

4.6 17. To provide for dispute resolution among compacting states or between the commission
4.7 and those who submit treatments and therapeutic protocols for the cure of disease for
4.8 consideration;

4.9 18. To establish a budget and make expenditures;

4.10 19. To borrow money;

4.11 20. To appoint committees, including management, legislative, and advisory committees
4.12 comprised of members, state legislators or their representatives, medical professionals, and
4.13 such other interested persons as may be designated by the commission;

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

4.16 22. To adopt and use a corporate seal;

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

4.19 ARTICLE IV

4.20 MEETINGS AND VOTING

4.21 1. The commission shall meet and take such actions as are consistent with the compact,
4.22 bylaws, and rules.

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

4.25 3. Each member of the commission shall have the right and power to cast one vote
4.26 regarding matters determined or actions to be taken by the commission. Each member shall
4.27 have the right and power to participate in the business and affairs of the commission.

4.28 4. A member shall vote in person or by such other means as provided in the commission's
4.29 bylaws. The commission's bylaws may provide for members' participation in meetings by
4.30 telephone or other means of communication.

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

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

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

5.8 ARTICLE V

5.9 BYLAWS

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

5.13 1. establishing the fiscal year of the commission;

5.14 2. providing reasonable procedures for appointing and electing members, as well as
 5.15 holding meetings, of the management committee;

5.16 3. providing reasonable standards and procedures:

5.17 a. for the establishment and meetings of other committees;

5.18 b. governing any general or specific delegation of any authority or function of the
 5.19 commission; and

5.20 c. voting guidelines and procedures for commission decisions;

5.21 4. providing reasonable procedures for calling and conducting meetings of the commission
 5.22 that shall consist of requiring a quorum to be present, ensuring reasonable advance notice
 5.23 of each such meeting, and providing for the right of citizens to attend each such meeting
 5.24 with enumerated exceptions designed to protect the public's interest and the privacy of
 5.25 individuals;

5.26 5. providing a list of matters about which the commission may go into executive session
 5.27 and requiring a majority of all members of the commission vote to enter into such session.

5.28 As soon as practicable, the commission shall make public:

5.29 a. a copy of the vote to go into executive session, revealing the vote of each member
 5.30 with no proxy votes allowed; and

6.1 b. the matter requiring executive session, without identifying the actual issues or
6.2 individuals involved;

6.3 6. establishing the titles, duties, authority, and reasonable procedures for the election of
6.4 the officers of the commission;

6.5 7. providing reasonable standards and procedures for the establishment of the personnel
6.6 policies and programs of the commission. Notwithstanding any civil service or other similar
6.7 laws of any compacting state, the commission's bylaws shall exclusively govern the personnel
6.8 policies and programs of the commission;

6.9 8. allowing a mechanism for:

6.10 a. the federal government to join as a compacting state; and

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

6.14 9. adopting a code of ethics to address permissible and prohibited activities of members
6.15 and employees;

6.16 10. providing for the maintenance of the commission's books and records;

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

6.20 12. governing any fund raising efforts in which the commission wishes to engage; and

6.21 13. providing a mechanism for winding up the operations of the commission and the
6.22 equitable disposition of any surplus funds that may exist after the termination of the compact
6.23 after the payment and reserving of all its debts and obligations.

6.24 ARTICLE VI

6.25 RULES

6.26 1. The commission shall adopt rules to do the following:

6.27 a. effectively and efficiently achieve the purposes of this compact;

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

7.1 2. The commission shall also adopt rules establishing the criteria for defining and
7.2 classifying the diseases for which prizes shall be awarded. The commission may define and
7.3 classify subsets of diseases, for example, tubular carcinoma of the breast. For purposes of
7.4 sections 3.a. and c. of this article, a subset of a disease shall be considered one disease. The
7.5 commission may consult the most recent edition of the international classification of diseases
7.6 as published by the World Health Organization or other definitions agreed to by a two-thirds
7.7 vote of the commission.

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

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

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

7.13 ii. the survival rate or severity of impact of the disease;

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

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

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

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

7.23 iii. it requires less than one year of the treatment or protocol to completely cure the
7.24 disease.

7.25 c. The procedure for determining the diseases for which to award prizes, which includes
7.26 the option to award prizes for more than ten diseases that meet the above criteria, if agreed
7.27 to by two-thirds vote of the commission, and a requirement to update the list every three
7.28 years.

7.29 d. The submission and evaluation procedures and guidelines, including filing and review
7.30 procedures, a requirement that the person or entity submitting the cure bears the burden of
7.31 proof in demonstrating that the treatment or therapeutic protocol meets the above criteria,
7.32 and limitations preventing public access to treatment or protocol submissions.

8.1 e. The estimated five-year public health savings that would result from a cure, which
8.2 shall be equal to the five-year public health expenses for each disease in each compacting
8.3 state, and a procedure to update these expenses every three years in conjunction with the
8.4 requirements in section 3.c. of this article. The estimated five-year public health savings
8.5 amount shall be calculated, estimated, and publicized every three years by actuaries employed
8.6 or contracted by the commission.

8.7 f. The prize amount with respect to cures for each disease, which shall be equal to the
8.8 most recent estimated total five-year savings in public health expenses for the disease as
8.9 calculated in section 3.e. of this article in all of the compacting states; amounts donated by
8.10 charities, individuals, and any other entities intended for the prize; and any other factors
8.11 that the commission deems appropriate.

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

8.14 i. Upon acceptance of a cure, the prize winner shall transfer to the commission the patent
8.15 and all related intellectual property for the manufacture and distribution of the treatment or
8.16 therapeutic protocol in exchange for the prize, except in the case that the prize money is
8.17 considered by the commission to be too low, and that a prize will be awarded only to the
8.18 first person or entity that submits a successful cure for a disease for which a prize may be
8.19 awarded.

8.20 ii. Donation amounts intended for the prize shall be kept in a separate, interest-bearing
8.21 account maintained by the commission. This account shall be the only account in which
8.22 prize money is kept.

8.23 iii. Each compacting state shall have the responsibility to pay annually the compacting
8.24 state's actual one-year savings in public health expenses for the particular disease for which
8.25 a cure has been accepted. The compacting state shall make such an annual payment until it
8.26 has fulfilled its prize responsibility as established in section 3.f. of this article. Each
8.27 compacting state's payment responsibility begins one year after the date the cure becomes
8.28 widely available. The commission shall employ or contract with actuaries to calculate each
8.29 state's actual one-year savings in public health expenses at the end of each year to determine
8.30 each state's responsibility for the succeeding year.

8.31 iv. Compacting states may meet prize responsibilities by any method including the
8.32 issuance of bonds or other obligations, with the principal and interest of those bonds or
8.33 obligations to be repaid only from revenue derived from estimated public health expense
8.34 savings from a cure to a disease. If the compacting state does not make such revenue available

9.1 to repay some or all of the revenue bonds or obligations issued, the owners or holders of
9.2 those bonds or obligations have no right to have excises or taxes levied to pay the principal
9.3 or interest on them. The revenue bonds and obligations are not a debt of the issuing
9.4 compacting state.

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

9.10 vi. Upon acceptance of a cure, the commission shall obtain a loan from a financial
9.11 institution in an amount equal to the most recently calculated total estimated five-year public
9.12 health expenses for the disease in all compacting states, in accordance with section 3.f. of
9.13 this article. The commission reserves the right to continuously evaluate the cure in the
9.14 interim and rescind a prize offer if the commission finds that the cure no longer meets the
9.15 commission's criteria.

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

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

9.24 a. Establish the following regarding commission records:

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

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

9.31 iii. guidelines for entering into agreements with federal and state agencies to receive or
9.32 exchange information or records subject to nondisclosure and confidentiality provisions.

- 10.1 b. Provide a process for commission review of submitted treatments and therapeutic
10.2 protocols for curing diseases that includes the following:
- 10.3 i. an opportunity for an appeal, not later than thirty days after a rejection of a treatment
10.4 or protocol for prize consideration, to a review panel established under the commission's
10.5 dispute resolution process;
- 10.6 ii. commission monitoring and review of treatment and protocol effectiveness consistent
10.7 with the cure criteria established by the commission for the particular disease;
- 10.8 iii. commission reconsideration, modification, or withdrawal of approval of a treatment
10.9 or protocol for prize consideration for failure to continue to meet the cure criteria established
10.10 by the commission for the particular disease.
- 10.11 c. Establish a dispute resolution process to resolve disputes or other issues under the
10.12 compact that may arise between two or more compacting states or between the commission
10.13 and individuals or entities who submit treatments and therapeutic protocols to cure diseases,
10.14 which process shall provide for:
- 10.15 i. administrative review by a review panel appointed by the commission;
- 10.16 ii. judicial review of decisions issued after an administrative review; and
- 10.17 iii. qualifications to be appointed to a panel, due process requirements, including notice
10.18 and hearing procedures, and any other procedure, requirement, or standard necessary to
10.19 provide adequate dispute resolution.
- 10.20 d. Establish and impose annual member dues on compacting states, which shall be
10.21 calculated based on the percentage of each compacting state's population in relation to the
10.22 population of all the compacting states.
- 10.23 6. Recognizing that the goal of the compact is to pool the potential savings of as many
10.24 states and countries as possible to generate sufficient financial incentive to develop a cure
10.25 for many of the world's most devastating diseases, the compact will respect the laws of each
10.26 of these United States by adopting rules that establish ethical standards for research that
10.27 shall be followed in order for a prize to be claimed. The compact, in the rules, shall establish
10.28 a common set of ethical standards that embodies the laws and restrictions in each of the
10.29 states so that to be eligible for claiming a prize the entity submitting a cure must not have
10.30 violated any of the ethical standards in any one of the fifty states, whether the states have
10.31 joined the compact or not. The compact will publish these common ethical standards along
10.32 with the specific criteria for a cure for each of the diseases the compact has targeted.

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

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

11.9 8. All rules shall be adopted pursuant to a rule-making process that conforms to the
11.10 Model State Administrative Procedure Act of 1981 by the uniform law commissioners, as
11.11 amended, as may be appropriate to the operations of the commission.

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

11.15 ARTICLE VII

11.16 COMMITTEES

11.17 1. Management Committee

11.18 a. The commission may establish a management committee comprised of not more than
11.19 fourteen members when twenty-six states enact the compact.

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

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

11.24 i. managing authority over the day-to-day affairs of the commission in a manner consistent
11.25 with the commission's bylaws and rules and the purposes of the compact;

11.26 ii. overseeing the offices of the commission; and

11.27 iii. planning, implementing, and coordinating communications and activities with state,
11.28 federal, and local government organizations in order to advance the goals of the compact.

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

12.1 e. The management committee, subject to commission approval, may appoint or retain
 12.2 an executive director for such period, upon such terms and conditions, and for such
 12.3 compensation as the committee determines. The executive director shall serve as secretary
 12.4 to the commission, but shall not be a member of the commission. The executive director
 12.5 shall hire and supervise such other staff as may be authorized by the committee.

12.6 2. Advisory Committees

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

12.12 a. approving cure criteria;

12.13 b. amending, enacting, or repealing any bylaw or rule;

12.14 c. adopting the commission's annual budget;

12.15 d. addressing any other significant matter or taking any other significant action.

12.16 ARTICLE VIII

12.17 FINANCE

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

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

12.25 3. The commission shall keep complete and accurate accounts of all of its internal
 12.26 receipts, including grants and donations, and disbursements of all funds under its control.
 12.27 The internal financial accounts of the commission shall be subject to the accounting
 12.28 procedures established under the commission's bylaws or rules. The financial accounts and
 12.29 reports including the system of internal controls and procedures of the commission shall be
 12.30 audited annually by an independent certified public accountant. Upon the determination of
 12.31 the commission, but not less frequently than every three years, the review of the independent
 12.32 auditor shall include a management and performance audit of the commission. The

13.1 commission shall make an annual report to the governors and legislatures of the compacting
 13.2 states, which shall include a report of the independent audit. The commission's internal
 13.3 accounts shall not be confidential and such materials may be shared with any compacting
 13.4 state upon request provided, however, that any work papers related to any internal or
 13.5 independent audit and any information subject to the compacting states' privacy laws, shall
 13.6 remain confidential.

13.7 4. No compacting state shall have any claim or ownership of any property held by or
 13.8 vested in the commission or to any commission funds held pursuant to the provisions of the
 13.9 compact.

13.10 ARTICLE IX

13.11 RECORDS

13.12 Except as to privileged records, data, and information, the laws of any compacting state
 13.13 pertaining to confidentiality or nondisclosure shall not relieve any member of the duty to
 13.14 disclose any relevant records, data, or information to the commission; provided, that
 13.15 disclosure to the commission shall not be deemed to waive or otherwise affect any
 13.16 confidentiality requirement; and further provided, that, except as otherwise expressly
 13.17 provided in the compact, the commission shall not be subject to the compacting state's laws
 13.18 pertaining to confidentiality and nondisclosure with respect to records, data, and information
 13.19 in its possession. Confidential information of the commission shall remain confidential after
 13.20 such information is provided to any member. All cure submissions received by the
 13.21 commission are confidential.

13.22 ARTICLE X

13.23 COMPLIANCE

13.24 The commission shall notify a compacting state in writing of any noncompliance with
 13.25 commission bylaws and rules. If a compacting state fails to remedy its noncompliance within
 13.26 the time specified in the notice, the compacting state shall be deemed to be in default as set
 13.27 forth in Article XIV.

13.28 ARTICLE XI

13.29 VENUE

13.30 Venue for any judicial proceedings by or against the commission shall be brought in the
 13.31 appropriate court of competent jurisdiction for the geographical area in which the principal
 13.32 office of the commission is located.

14.1

ARTICLE XII

14.2

QUALIFIED IMMUNITY, DEFENSE, AND INDEMNIFICATION

14.3

14.4

14.5

14.6

14.7

14.8

14.9

14.10

14.11

1. The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred within the scope of the person's commission employment, duties, or responsibilities; provided, that nothing in section 1. of this article shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of that person.

14.12

14.13

14.14

14.15

14.16

14.17

14.18

14.19

14.20

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

14.21

14.22

14.23

14.24

14.25

14.26

14.27

14.28

3. The commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against the person arising out of any actual or alleged act, error, or omission that occurred within the scope of the person's commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided, that the actual or alleged act, error, or omission, did not result from the intentional or willful and wanton misconduct of that person.

14.29

ARTICLE XIII

14.30

COMPACTING STATES, EFFECTIVE DATE, AND AMENDMENT

14.31

1. Any state is eligible to become a compacting state.

14.32

14.33

2. The compact shall become effective and binding upon legislative enactment of the compact into law by two compacting states; provided, the commission shall only be

15.1 established after six states become compacting states. Thereafter, the compact shall become
15.2 effective and binding as to any other compacting state upon enactment of the compact into
15.3 law by that state.

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

15.7 4. If funding is requested or required, the legislative authority of each compacting state
15.8 shall be responsible for making the appropriations it determines necessary to pay for the
15.9 costs of the compact, including annual member dues and prize distributions.

15.10 ARTICLE XIV

15.11 WITHDRAWAL, DEFAULT, AND EXPULSION

15.12 1. Withdrawal

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

15.16 i. repealing the law enacting the compact in that state;

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

15.19 I. at least three years after the date the notice is sent;

15.20 II. after the repeal takes effect.

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

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

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

15.29 e. The withdrawing state is responsible for all obligations, duties and liabilities incurred
15.30 through the effective date of withdrawal, including any obligations, the performance of

16.1 which extend beyond the effective date of withdrawal. The commission's actions shall
16.2 continue to be effective and be given full force and effect in the withdrawing state.

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

16.5 2. Default

16.6 a. If the commission determines that any compacting state has at any time defaulted in
16.7 the performance of any of its obligations or responsibilities under the compact or the
16.8 commission's bylaws or rules, then, after notice and hearing as set forth in the bylaws, all
16.9 rights, privileges, and benefits conferred by this compact on the defaulting state shall be
16.10 suspended from the effective date of default as fixed by the commission. The grounds for
16.11 default include failure of a compacting state to perform its obligations or responsibilities,
16.12 and any other grounds designated in commission rules. The commission shall immediately
16.13 notify the defaulting state in writing of the suspension pending cure of the default. The
16.14 commission shall stipulate the conditions and the time period within which the defaulting
16.15 state shall cure its default. If the defaulting state fails to cure the default within the time
16.16 period specified by the commission, the defaulting state shall be expelled from the compact
16.17 and all rights, privileges, and benefits conferred by the compact shall be terminated from
16.18 the effective date of the expulsion. Any state that is expelled from the compact shall be
16.19 liable for any cure prize or prizes for three years after its removal. The commission shall
16.20 also take appropriate legal action to ensure that any compacting state that withdraws from
16.21 the compact remains liable for paying its responsibility towards a prize for a cure that was
16.22 accepted while the compacting state was a member of the commission.

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

16.24 3. Dissolution of Compact

16.25 a. The compact dissolves effective upon the date of either of the following:

16.26 i. the withdrawal or expulsion of a compacting state, which withdrawal or expulsion
16.27 reduces membership in the compact to one compacting state;

16.28 ii. the commission votes to dissolve the compact.

16.29 b. Upon the dissolution of the compact, the compact becomes null and void and shall
16.30 be of no further force or effect, and the business and affairs of the commission shall be
16.31 wound up and any surplus funds shall be distributed in accordance with the commission's
16.32 bylaws, provided, that the commission shall pay all outstanding prizes awarded before the
16.33 dissolution of the compact, as well as any other outstanding debts and obligations incurred

17.1 during the existence of the compact. Any unawarded funds donated to be a part of a prize
 17.2 shall be returned to the donor, along with any interest earned on the amount.

17.3 **ARTICLE XV**

17.4 **SEVERABILITY AND CONSTRUCTION**

17.5 1. The provisions of the compact shall be severable; and if any phrase, clause, sentence,
 17.6 or provision is deemed unenforceable, the remaining provisions of the compact shall be
 17.7 enforceable.

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

17.9 **ARTICLE XVI**

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

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

17.13 2. Binding Effect of the Compact

17.14 a. All lawful actions of the commission, including all commission rules, are binding
 17.15 upon the compacting states.

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

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

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

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

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

17.28 e. In the event any provision of the compact exceeds the constitutional limits imposed
 17.29 on any compacting state, the obligations, duties, powers, or jurisdiction sought to be conferred
 17.30 by that provision upon the commission shall be ineffective as to that compacting state, and
 17.31 those obligations, duties, powers, or jurisdiction shall remain in the compacting state and

- 18.1 shall be exercised by the agency thereof to which those obligations, duties, powers, or
- 18.2 jurisdiction are delegated by law in effect at the time the compact becomes effective.