

Senate Bill 227

By: Senator McKoon of the 29th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 36 of the Official Code of Georgia Annotated, relating to local government,
2 so as to provide for a process of establishing a compact with one or more other states and
3 obtaining a Consent of Congress, which would result in the authority to create new
4 sovereignties called prosperity districts; to provide for the creation of such new sovereignties
5 throughout the state that are exempt from certain local, state, and federal laws, taxation, and
6 court holdings; to provide for procedures, conditions, and limitations regarding the creation
7 and existence of such districts; to provide for related matters; to repeal conflicting laws; and
8 for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
12 by adding a new chapter to read as follows:

13 style="text-align:center">"CHAPTER 93

14 36-93-1.

15 This Interstate Prosperity States Compact shall be enacted into law and entered into by this
16 state with all other jurisdictions legally joining therein in the form substantially as follows:

17 style="text-align:center">INTERSTATE PROSPERITY STATES COMPACT

18 style="text-align:center">Article I

19 style="text-align:center">Findings and Declaration of Policy

20 (a) Whereas every state enacting, adopting, and agreeing to be bound by this Prosperity
21 States Compact legislation finds that the establishment of Prosperity Districts as provided
22 herein advances their mutual sovereign interests in promoting prosperity;

23 (b) Whereas this legislation is intended, among other things, to form an interstate compact
 24 in accordance with the Consent of Congress under 4 U.S.C. §112;
 25 (c) Whereas each member state seeks to secure the additional Consent of Congress so that
 26 the entirety of this legislation achieves the status of a law of the United States when an
 27 interstate compact is formed embracing its terms and conditions;
 28 (d) Now, therefore, in consideration of their respective and reciprocal statutory
 29 enactments, mutual promises, and obligations expressed herein, every state passing
 30 compact legislation, herewith exercises all of their respective sovereign legislative and
 31 contractual powers as set forth herein notwithstanding any law, regulation, or policy to the
 32 contrary.

33 Article II

34 Special Purpose Authority of Prosperity Districts

35 Section 1. Special Purpose Authority. The special purpose authority of every Prosperity
 36 District is exclusively to furnish consenting communities with a local jurisdiction that is
 37 streamlined to maximize prosperity through a stable public policy environment consisting
 38 of optimal regulatory and fiscal policy. No power or authority of any Prosperity District
 39 shall serve any other purpose.

40 Section 2. District Governance. Subject to Article III of this Compact, a Prosperity District
 41 formed within any member under the authority of this Compact shall be a governmental unit
 42 and political subdivision of that member with the following structure, authority, and
 43 jurisdiction:

44 (a) Legal Capacity. Every Prosperity District is a municipal corporation in the form of a
 45 special district that can form enforceable contracts, sue, be sued and exercise exclusively
 46 the jurisdiction, power, and authority specified in this article under the law of each member
 47 in which it is formed and expanded; however, Prosperity Districts shall not possess or
 48 claim sovereign immunity.

49 (b) Governing Structure. Supervisory and operational authority over the limited
 50 governing, management, and administrative power of every Prosperity District shall be
 51 vested upon formation in a managing board consisting of seven natural persons who are
 52 qualified electors under the general laws of this member, each of whom shall serve for a
 53 term of four years, with commencement and termination dates as specified in the district
 54 bylaws, during which each shall hold such authority in trust and exercise it as a fiduciary
 55 for every law-abiding landowner, resident, and person rightfully within the district.

56 (1) Board Membership. The manner of appointment or election of the managing board
 57 shall be consistent with the Fourteenth Amendment to the United States Constitution, the
 58 guaranty of a republican form of government thereunder, and this member's Constitution;

59 and it must be specified in the formation petition required by Section 1 of Article IV of
60 this Compact.

61 (2) Supervisory and Operational Authority. The managing board is authorized to
62 promulgate all necessary district bylaws, ordinances, policies, procedures, parliamentary
63 rules, and directives subordinate to and in conformity with this Compact for the
64 Prosperity District's exercise of its limited authorized powers and authorities under this
65 Article and, if desired, establishing additional criteria for withdrawal of lands pursuant
66 to Section 2(a) of Article IV of this Compact, for its internal management and
67 administration, including the collection and disbursement of revenues to which the
68 district is entitled; the formation of committees, subordinate departments, and agencies;
69 as well as the designation and responsibilities of administrative offices and retention of
70 subordinate officials; and, if desired, for further limiting the power, authority, and
71 jurisdiction of the Prosperity District and its managing board, departments, and agencies,
72 if any.

73 (3) Official Action. Official action by the managing board shall require a quorum
74 consisting of an absolute majority of the board present physically or electronically and
75 a vote in the affirmative of a majority of the board members present at a public hearing.

76 (4) Separation of Powers. Any member of the managing board who had participated in
77 the promulgation of a regulation shall not subsequently participate in enforcing that
78 regulation.

79 (5) Transparency. Subject to executive session procedures or privileges which shall be
80 specified in the district bylaws and adopted after a public hearing, all governing
81 instruments, records, proceedings, and accounts of the Prosperity District shall be public
82 and open for inspection or observation by any person at all reasonable times. Detailed
83 minutes or verbatim recordings of all official actions and public hearings shall be
84 maintained by the managing board. The Prosperity District shall fully comply with any
85 written public records request within the compliance deadline specified in the request, or
86 otherwise the Prosperity District shall, within the deadline specified in the request, if one
87 is specified, furnish a written statement to the requestor detailing the reasons for the
88 partial compliance, noncompliance, or a requested compliance deadline extension, which
89 specifies a reasonable alternative deadline, with specific reference to each records
90 request. Further, the Prosperity District's managing board directly or through a
91 designated chief executive officer shall be required to produce annual performance audits
92 for contracted goods and services, the cost of which must be accounted for and
93 considered during the bidding process. In addition, the Prosperity District's managing
94 board directly or through a designated chief executive officer shall seek an independent

95 audit every two years to evaluate the district's operations and performance audits. All
 96 audits shall be made public.

97 (c) Governing Authority. The governing authority of every Prosperity District is strictly
 98 limited to the following powers, which shall be exclusive of the exercise of the same or like
 99 powers by any other governmental unit within the district's boundaries, as they exist from
 100 time to time, and no other governmental unit shall within such boundaries exercise the
 101 same or like powers as are granted to the district under this subsection, except as expressly
 102 contemplated in this Compact:

103 (1) Police power consisting solely of:

104 (A) Enforcing the malum in se criminal law, common law, and regulation adopted in
 105 its formation petition as contemplated in Section 1(a)(7)(D) of Article IV of this
 106 Compact; and

107 (B) Promulgating and enforcing regulation in strict conformity with Section 3 of this
 108 Article;

109 (2) The power to furnish transportation, utility, and transmission infrastructure,
 110 regulation enforcement services, other municipal services specifically authorized by the
 111 district bylaws, and internal managerial and administrative operations, including the
 112 power to supervise and coordinate the orderly enforcement of any Revenue Covenant
 113 among revenue beneficiaries thereof, as well as to collect and disburse revenues from all
 114 authorized sources, exclusively through independent contractors, intergovernmental
 115 agreements, and public-private partnerships utilizing a process of open competitive
 116 bidding specified in the district bylaws only if:

117 (A) No regulation is promulgated or enforced by the Prosperity District, directly or in
 118 combination with other regulations, that restricts free and open competition in
 119 derogation of the common law in the provision of such infrastructure and services;

120 (B) All costs incurred in furnishing such infrastructure and services are to be
 121 reimbursed by either:

122 (i) Uniform, nondiscriminatory user fees paid voluntarily by all users of the
 123 respective infrastructure or service; or

124 (ii) Otherwise paid pursuant to a separate contract voluntarily and consensually
 125 binding all landowners residing in the Prosperity District during the provision of such
 126 infrastructure or service; and

127 (C) A designated, commensurate revenue source exists for all payment obligations
 128 incurred in connection with furnishing such infrastructure and services.

129 (3) The power to organize a municipal court with the concurrence and under the
 130 supervision of the highest court of the judicial branch of each member in which any part
 131 of the Prosperity District is located, with original jurisdiction of all civil and criminal

132 causes of action arising within that district, unless otherwise agreed by all parties to the
133 cause of action in a contract furnishing an alternative venue or method of dispute
134 resolution;

135 (4) The power to borrow exclusively by issuing bonds in accordance with such
136 procedures as may be specified in its bylaws for the sole purpose of financing the
137 exercise of its authorized powers provided that:

138 (A) The total outstanding principal of all bonds issued under the authority of this
139 section together with the sum of all other liabilities owed by the respective Prosperity
140 District shall never exceed the fair market value of all assets held in the name of that
141 district;

142 (B) The obligation of such bonds shall be secured solely and exclusively by the
143 respective Prosperity District's receipts from revenue covenants running with the land
144 in the district, by authorized gifts, or by receipts received pursuant to contract, if any;

145 (C) Neither the United States Government nor any State nor any other government
146 body or agency shall pay, guarantee, or be liable for the obligation of any bond issued
147 under this section (with the sole exception of any liability that may be incurred by the
148 member where the Prosperity District is located, if it were to violate its pledge herewith
149 to all future bondholders of any Prosperity District that it shall refrain from any action
150 or omission that would infringe on the district's jurisdiction, power, and authority under
151 this Article); and

152 (D) The terms of such borrowing shall provide that any holder of a bond issued by a
153 Prosperity District who induces or attempts to induce any Prosperity District or any
154 other governmental body to violate this Article shall thereby immediately forfeit all
155 right of repayment for any bond issued by that Prosperity District;

156 (5) The power to accept gifts of real or personal property exclusively from landowners
157 and qualified electors residing within a Prosperity District for the sole purpose of
158 defraying the costs of exercising its authorized powers provided that the fiduciary
159 obligations of the managing board are not breached through the acceptance of the gift;
160 and

161 (6) Such incidental power as is both specified in the district bylaws and also essential to
162 carrying out the foregoing powers, including the power to open and maintain bank
163 accounts and acquire or lease real or personal property, provided that a Prosperity District
164 may not and shall not under any circumstances, directly or indirectly, principally or
165 incidentally, or for any purpose, enjoy, accept, claim, or exercise any power:

166 (A) To levy any tax;

167 (B) Of eminent domain;

168 (C) Of civil property forfeiture based on actions or omissions that constitute a violation
 169 of criminal law unless the owner of such property has been convicted of violating that
 170 criminal law;

171 (D) To furnish any subsidy to private enterprise;

172 (E) To establish or enforce by regulation or otherwise, directly or indirectly, any
 173 monopoly or cartel in the provision of any good or service within its jurisdiction in
 174 derogation of the common law;

175 (F) To accept gifts, grants, or conditional grants from any governmental unit,
 176 including, but not limited to, any state, county, municipality, or the United States
 177 government, which are sourced from taxes, government-imposed fees or fines, or
 178 borrowing which is secured or to be repaid by taxes or government-imposed fees or
 179 fines;

180 (G) To delegate all or any portion of its governing authority to any other entity or to
 181 accept the delegation of governing authority in addition to that expressly delegated by
 182 this Compact from any other governmental unit; or

183 (H) To permit any other governmental unit to exercise governing authority or
 184 jurisdiction within its boundaries, except as authorized by paragraph (2) of
 185 subsection (d) of this Article or as nongovernmental persons may otherwise agree in
 186 adopting a venue selection clause or choice of law provision in a valid contract between
 187 them.

188 (d) External Relations. Every Prosperity District shall maintain comity with this member
 189 and the United States government as provided in this subsection.

190 (1) Concurrent Law Enforcement Jurisdiction. All duly constituted law enforcement
 191 agencies of this member or the United States government that would otherwise have had
 192 concurrent jurisdiction to enforce malum in se criminal law within the boundaries of a
 193 Prosperity District in the absence of the formation or expansion of such district may do
 194 so within the boundaries of any Prosperity District located in whole or in part within this
 195 member state in accordance with such jurisdiction. As an incident of its power and
 196 authority under paragraph (2) of subsection (c) of this Article, each Prosperity District
 197 may enter into intergovernmental agreements with any duly constituted law enforcement
 198 agency of this member or the United States government to provide specific procedures
 199 for the exercise of such concurrent jurisdiction, as well as to contract with any such
 200 agency to exercise original jurisdiction over any other criminal law in effect within the
 201 district's boundaries. Moreover, when in hot pursuit of a suspect, arrestee or convict in
 202 relation to a violation of law occurring outside of the boundaries of a Prosperity District,
 203 law enforcement authorities of any member or the United States government may
 204 exercise jurisdiction within the boundaries of any Prosperity District. Further, upon

205 notice to the managing board of the relevant Prosperity District furnishing evidence of
 206 a valid summons, subpoena, judgment, supplementary order, garnishment, warrant,
 207 extradition request or other legal process by any agency, branch, department,
 208 instrumentality or political subdivision of any member or the United States government
 209 having jurisdiction over the matter, which concerns any person or property within the
 210 boundaries of that district and arises from a cause of action that accrued outside of the
 211 boundaries of that district, the Prosperity District shall either:

212 (A) Serve, execute, or enforce the same to the reasonable satisfaction of each such
 213 agency, branch, department, instrumentality, or political subdivision in accordance with
 214 this Article; or

215 (B) Cooperate by refraining from objecting to, challenging, disputing, or impeding the
 216 exercise of jurisdiction by each such agency, branch, department, instrumentality, or
 217 political subdivision within the boundaries of the district to the extent needed to serve,
 218 execute or enforce the same.

219 (2) Hold Harmless for District Externalities. Upon notice furnishing evidence of a
 220 probable district externality to the managing board of the relevant Prosperity District by
 221 any agency, branch, department, instrumentality, or political subdivision of any member
 222 or the United States government having jurisdiction over the matter, the Prosperity
 223 District shall either:

224 (A) Remedy within the limits of its power and authority the district externality to the
 225 reasonable satisfaction of each such agency, branch, department, instrumentality, or
 226 political subdivision in accordance with this Article; or

227 (B) Cooperate by refraining from objecting to, challenging, disputing, or impeding the
 228 exercise of jurisdiction by each such agency, branch, department, instrumentality, or
 229 political subdivision within the boundaries of the district to the extent needed to remedy
 230 that district externality. However, each member is prohibited from discriminating
 231 against or otherwise interfering with the free transmission, transportation, ingress, or
 232 egress of goods, persons, services, activities, capital, or entities to or from any
 233 Prosperity District on terms not generally applicable to all similar goods, persons,
 234 services, activities, capital, or entities; accordingly, a Prosperity District's duty to
 235 remedy or cooperate as aforesaid shall not apply to facilitate any such prohibited
 236 discriminatory action.

237 (3) Hold Harmless for External Services. Any person domiciled within any Prosperity
 238 District that voluntarily uses governmental services or infrastructure furnished by any
 239 branch, agency, or political subdivision of any member state (other than what that
 240 Prosperity District furnishes) shall be liable for the proportionate cost of such services
 241 and infrastructure usage to the extent that such cost is not defrayed by funds distributed

242 to such branch, agency, or political subdivision from the revenue covenant running with
 243 title to the real property in the Prosperity District or by any other revenues paid directly
 244 or indirectly by such person to the respective branch, agency, or political subdivision.
 245 In order to recover such liability, all branches, agencies, or political subdivisions that
 246 desire reimbursement of such costs shall first annually determine and publicly post a
 247 reasonable fee for such services and infrastructure based on uniform criteria that must be
 248 paid by persons domiciled within any such Prosperity District in order to use such
 249 services and infrastructure; the reasonableness of the fee in relation to the proportionate
 250 cost of such services and infrastructure usage and all other revenues paid directly or
 251 indirectly by such person to the respective branch, agency, or political subdivision shall
 252 be subject to judicial review and alternative dispute resolution in accordance with this
 253 Compact.

254 (4) External Eminent Domain. Any person, governmental unit, member agency, or
 255 political subdivision which has jurisdiction or authority under general laws to exercise
 256 eminent domain in any location contiguous to the boundaries of a Prosperity District may
 257 continue to exercise eminent domain for transportation, utility, or transmission purposes
 258 within the boundaries of that Prosperity District to the same extent as before its formation
 259 or expansion provided that any proposed or consummated taking:

260 (A) Shall take place exclusively either:

261 (i) With regard to real property within such corridors as are designated by appropriate
 262 legal description in the petition required by Section 1 of Article IV; or

263 (ii) Otherwise within such scope as is absolutely necessary to accomplish the asserted
 264 public use of the taking;

265 (B) The targeted property shall not be taken for private use and shall be used
 266 exclusively for transportation, utility, or transmission purposes on equal terms by all
 267 members of the public or otherwise with title held in trust for the benefit of the public;

268 (C) If the taking occurs within the aforesaid designated corridors, generally applicable
 269 statewide laws of the State in which the targeted property is located shall apply to the
 270 taking;

271 (D) If the taking occurs outside of the aforesaid designated corridors, all persons whose
 272 vested rights will be condemned, diminished, or damaged by the taking shall be made
 273 whole by the condemnor as just compensation, which shall include, but is not limited
 274 to:

275 (i) Compensation consisting of payment of the maximum fair market value of the
 276 targeted property as assessed at any point in time up to the consummation of the
 277 taking and after the first public statement of any such intent to exercise eminent

278 domain by any political subdivision or agency of the State or any public official
 279 thereof; and
 280 (ii) Damages for all injuries and costs incurred which were proximately caused by the
 281 proposal, initiation, or consummation of the taking, including but not limited to any
 282 loss of prospective economic advantage, legal expenses, and attorneys' fees;
 283 (E) Any property taken must be dedicated to the public use upon which the taking was
 284 premised within five years of the consummation of the taking or it shall revert to the
 285 original owner or successor or successors in interest; and
 286 (F) If such taking proceedings are:
 287 (i) Not initiated within two years of the public statement of any such intent to
 288 exercise eminent domain by any political subdivision or agency of this member or any
 289 public official thereof;
 290 (ii) Timely initiated but abandoned before consummation; or
 291 (iii) Not consummated within four years of initiation, then the respective political
 292 subdivision or agency shall pay to all persons whose vested rights have been thereby
 293 diminished or damaged compensation for all injuries and costs incurred which were
 294 proximately caused thereby, including, but not limited to, any loss of prospective
 295 economic advantage, legal expenses, and attorney's fees, unless otherwise agreed
 296 respectively by each such adversely affected person. If any agency or political
 297 subdivision of this or any member engages in any action or omission that is the
 298 functional equivalent of exercising eminent domain within the boundaries of any
 299 Prosperity District, any person whose vested rights have been diminished or damaged
 300 thereby may bring an action at law or equity to compel institution of proceedings
 301 under this subsection. Costs incurred by any agency or political subdivision of this
 302 or any member to exercise the power of eminent domain within the boundaries of a
 303 Prosperity District shall not be funded by proceeds from any revenue covenant or
 304 otherwise charged to any landowner or person domiciled within the district. This
 305 subparagraph may be enforced at law or equity in any venue of competent jurisdiction
 306 by any person whose vested rights have been or probably will be taken, diminished,
 307 or damaged as herein contemplated.
 308 (5) Judicial Forum. Subject to Section 2(c)(3) of this Article, Articles III, V, and VI, and
 309 Section 1 of Article VIII of this Compact, the judicial branch of this member State shall
 310 have jurisdiction over all cognizable causes of action arising within any Prosperity
 311 District located in this member State, unless otherwise agreed by all parties to the cause
 312 of action in a contract furnishing an alternative venue or method of dispute resolution.
 313 (e) Exclusive Jurisdiction. Subject to paragraph (2) of subsection (d) of this Article and
 314 Articles III, V, and VI, every Prosperity District shall have exclusive governing jurisdiction

315 within its boundaries, as those boundaries may be established from time to time, except as
 316 nongovernmental persons may otherwise agree in adopting a venue selection clause or
 317 choice of law provision in a valid contract between them. Accordingly, to the extent of
 318 such exclusive jurisdiction, every agency, department, instrumentality, unit, or political
 319 subdivision of this member, including any county, city, town, state agency, or special
 320 district, is prohibited within district boundaries, as they may exist from time to time, from:

- 321 (1) Exercising jurisdiction or superimposing additional governing jurisdictions therein;
 322 (2) Fining, penalizing, prosecuting, regulating, taxing, or otherwise addressing through
 323 government action any condition, state of affairs, person, entity, service, property, action,
 324 or omission located, committed, or occurring therein; and
 325 (3) Annexing lands therein.

326 Section 3. Optimal Regulation. The only legitimate public purpose of regulation within the
 327 boundaries of every Prosperity District, as those boundaries may be established from time
 328 to time, is to safeguard public health and safety by protecting the individual right to life,
 329 liberty, and property, which, as to any competent adult, shall be limited to defending one's
 330 freedom to pursue a flourishing and productive existence either in consensual association
 331 with others or alone, which requires securing unobstructed action according to one's will,
 332 provided that such action does not infringe upon another's like freedom, and resolving
 333 conflicting claims to unobstructed action by deferring to or enforcing any governing prior
 334 agreement of the claimants or otherwise applying the principle of first in time, first in right
 335 to defer to or enforce the claim of the first actor. Accordingly, within six months of
 336 formation, and periodically thereafter as determined by official action of the managing board,
 337 each Prosperity District shall hold one or more public hearings to decide whether, how, and
 338 when to promulgate and enforce regulations within its boundaries to safeguard public health
 339 and safety strictly in accordance with the following subsections; further, a Prosperity
 340 District's authorized police power shall be exercised in strict conformity with the following
 341 subsections.

342 (a) Regulatory Impact Statement. As a precondition of promulgating or initially enforcing
 343 any regulation within any Prosperity District, other than the exercise of police power
 344 authorized by Section 2(c)(1)(A) of this Article and adopted pursuant to Section 1(a)(7)(D)
 345 of Article IV, or an exercise of concurrent jurisdiction authorized by subsection (d) of
 346 Section 2 of this Article, including, but not limited to, any regulation clarifying, modifying,
 347 or superseding the common law in effect within district boundaries, every Prosperity
 348 District shall conduct fact-finding at one or more hearings that are open to the public with
 349 at least seven days prior notice to assess the extent to which the regulation would fulfill or,
 350 if previously promulgated or enforced prior to repeal, has fulfilled the criteria required for
 351 regulatory authority and tailoring under this Section, and shall publicly report as soon as

352 practicable exactly how such criteria have been or would be fulfilled by the regulation in
 353 a regulatory impact statement that:

354 (1) Articulates the nature and magnitude of the threat to the individual right to life,
 355 liberty, or property targeted by the regulation by, at a minimum, characterizing the risk
 356 pathways, populations exposed, and consequences of exposure and assessing whether the
 357 regulation or similar regulations have been effective in reducing the targeted risks;

358 (2) Articulates a theory of cause and effect, consistent with established economic and
 359 scientific theories, that shows how the regulation could or did produce the desired
 360 outcomes and that also explicitly assesses whether the risks addressed by the regulation
 361 are likely to increase, decrease, or stay the same in the absence of the regulation;

362 (3) Demonstrates consideration of a wide variety of alternate and less restrictive or
 363 burdensome regulatory approaches consistent with the hierarchy of regulation
 364 contemplated by this Article, including, but not limited to, expressly assessing whether
 365 the regulation has a negative effect on competition, whether the regulation can be
 366 modified to reduce its anti-competitive effects, and determining whether and how private
 367 voluntary action can reduce the risks addressed by the regulation;

368 (4) Comprehensively assesses the benefits and costs of a wide variety of alternative
 369 regulatory approaches or solutions to the asserted threat to individual rights to life,
 370 liberty, or property, including a showing of how much of the problem the regulation is
 371 likely to solve;

372 (5) Considers the foregoing criteria in light of all actual evidence of the regulation's
 373 efficacy or lack thereof from any previous promulgation or enforcement of the same or
 374 similar regulation; and

375 (6) Specifies the data utilized to make the assessments shown in the report.

376 (b) Criteria for Authorized Regulation. A Prosperity District has no power to regulate or
 377 otherwise to use or threaten coercion in connection with its governing authority except
 378 through:

379 (1) The exercise of police power authorized by Section 2(c)(1)(A) of this Article and
 380 adopted pursuant to Section 1(a)(7)(D) of Article IV; and

381 (2) Promulgating and enforcing regulations that fulfill each of the following criteria:

382 (A) The regulation governs or protects the individual right to life, liberty, or property
 383 of either:

384 (i) Those who are not parties to a contract that furnishes a rule of governance
 385 covering the same subject matter as the regulation; or

386 (ii) Those who are in breach of a contract covering the same subject matter as the
 387 regulation, provided that the dispute resolution procedures specified in the contract,

388 if any, are not being observed by all parties to the contract, and at least one party to
 389 the contract requests such regulation or enforcement;

390 (B) The regulation and its enforcement:

391 (i) Accurately codifies or implements the exercise of police power authorized by
 392 Section 2(c)(1)(A) of this Article and adopted pursuant to Section 1(a)(7)(D) of
 393 Article IV; or

394 (ii) Governs an act, activity, inactivity, occupation, profession, use of property,
 395 person, entity, condition, or state of affairs that is not ordinarily peaceful, nonviolent,
 396 and nonfraudulent;

397 (C) Neither the predominant effect of the regulation considered alone or in the context
 398 of the Prosperity District's existing regulatory framework, nor any part of its purpose
 399 is to protect any individual, entity, or group from otherwise rightful competition or to
 400 restrain competent adults for their own good; and

401 (D) The act, activity, inactivity, occupation, profession, use of property, person, entity,
 402 condition, or state of affairs targeted for regulation has violated, is violating, or is an
 403 actual threat to individual right to life, liberty, or property.

404 (c) Targeted Regulation. To the extent that a Prosperity District is authorized to
 405 promulgate or enforce regulations under Section 2(c)(1)(B) of this Article, the regulation
 406 may only:

407 (1) Furnish modified, additional, or augmented civil remedies to render the exercise of
 408 police power authorized by Section 2(c)(1)(A) of this Article and adopted pursuant to
 409 Section 1(a)(7)(D) of Article IV more effective in protecting the individual rights of life,
 410 liberty, or property;

411 (2) Impose clear, objective legal standards only if the foregoing mode of regulation will
 412 not reasonably reduce the threat to the individual rights of life, liberty, or property;

413 (3) Enable the enforcement of clear, objective legal standards by inspections and
 414 enforcement of violations by civil penalty only if the foregoing modes of regulation will
 415 not reasonably reduce the threat to the individual rights of life, liberty, or property;

416 (4) Enable the enforcement of clear, objective legal standards by permitting, licensing,
 417 or other regulatory preapproval processes only if the foregoing modes of regulation will
 418 not reasonably reduce the threat to the individual rights of life, liberty, or property; or

419 (5) Enable the enforcement of clear, objective legal standards by criminal sanctions only
 420 if the foregoing modes of regulation will not reasonably reduce the threat to the
 421 individual rights of life, liberty, or property.

422 (d) Conforming Enforcement. Before exercising the police power authorized by
 423 Section 2(c)(1)(A) of this Article and adopted pursuant to Section 1(a)(7)(D) of Article IV,
 424 and any other regulation authorized by Section 2(c)(1)(B) of this Article, each Prosperity

425 District must adopt appropriate internal management and administrative procedures in the
 426 district bylaws governing such enforcement, including but not limited to ensuring that:
 427 (1) The method of enforcement makes it probable that the regulation will protect the
 428 individual right to life, liberty, or property;
 429 (2) The method of enforcement makes it probable that the regulation will fulfill the
 430 criteria that authorized its promulgation; and
 431 (3) That reasonable public notice of the regulation had been furnished to any affected
 432 person before the regulation is enforced.
 433 (e) Automatic Sunset. Every regulation adopted pursuant to Section 1(a)(7)(D)(iii) of
 434 Article IV or promulgated pursuant to Section 2(c)(1)(B) of this Article shall be
 435 automatically repealed and held for naught five years from their effective date, if one is
 436 specified, and otherwise from their adoption or enactment date, as the case may be, and
 437 may only be promulgated again thereafter as provided in subsections (a) through (c) of this
 438 Section, with any regulation previously adopted pursuant to Section 1(a)(7)(D)(iii) of
 439 Article IV to be reinstated only through exercising the authority furnished by
 440 Section 2(c)(1)(B) of this Article. The Prosperity District may commence proceedings to
 441 consider reinstating such regulation as provided in subsections (a) through (c) of this
 442 Section as early as two years prior to their automatic repeal date.
 443 Section 4. Eminent Domain, Regulatory and Tax Overreach Defense. It is a complete
 444 defense in any venue to the exercise of eminent domain or the enforcement of any regulation
 445 or tax within the boundaries of every Prosperity District, as those boundaries may be
 446 established from time to time, that the exercise of eminent domain, regulation, or tax was
 447 promulgated or enforced in violation of this Compact. If this defense is raised, the proponent
 448 of the taking, regulatory, or taxing action has the burden of proving strict compliance with
 449 the provisions of this Compact with clear and convincing evidence or with such quantum of
 450 proof as otherwise agreed to by all disputants.

451 Article III

452 Authorized Statewide Tailoring

453 Under the authority and subject to the provisions of Section 6 of Article VIII of this
 454 Compact, the following provisions shall clarify, supplement, modify, or supersede, as
 455 applicable, any relevant or contrary provision of the Compact in Articles I, II, IV, V, VI, and
 456 VII solely with respect to this member:
 457 Section 1. Repealer. Subject to subsection (d) of Section 2 of Article II, this Article and
 458 subsection (d) of Section 2 of Article IV:
 459 (a) Every ordinary member law of this member that extends to, applies to, penalizes,
 460 prosecutes, taxes, regulates, or can otherwise be based on any condition, state of affairs,

461 person, entity, service, property, action, or omission located, committed, or occurring in
 462 a Prosperity District is deemed to conflict with this Compact, and is entirely repealed,
 463 superseded, and/or held for naught (as applicable to negate any legal effect) within the
 464 boundaries of every Prosperity District, as those boundaries may be established from time
 465 to time, and shall not thereafter extend to, penalize, prosecute, tax, regulate, apply to, or be
 466 based on any condition, state of affairs, person, entity, service, property, action, or
 467 omission located, committed, or occurring within the boundaries of any such district
 468 (except as nongovernmental persons may otherwise agree in adopting a venue selection
 469 clause or choice of law provision in a valid contract between them); and

470 (b) When and to the extent that this Compact becomes an interstate compact that has
 471 contractually bound this member and received the Consent of Congress, every ordinary
 472 federal law and every other law, regulation, or constitutional provision of this member not
 473 previously repealed, which is capable of being preempted, repealed, superseded, or held
 474 for naught by such Consent of Congress, that extends to, applies to, penalizes, prosecutes,
 475 taxes, regulates, or can otherwise be based on any condition, state of affairs, person, entity,
 476 service, property, action, or omission located, committed, or occurring in a Prosperity
 477 District is deemed to conflict with this Compact and is entirely preempted, repealed,
 478 superseded, and/or held for naught, as applicable to negate any legal effect, within the
 479 boundaries of every Prosperity District, as those boundaries may be established from time
 480 to time, except as nongovernmental persons may otherwise agree in adopting a venue
 481 selection clause or choice of law provision in a valid contract between them.

482 Section 2. Revenue Covenant Based on Unimproved Land Value. In the case of a new or
 483 expanded Prosperity District to be located in this member, the following revenue covenant
 484 may be used to fulfill the revenue covenant requirements of Section 1(a)(9) of Article IV of
 485 this Compact (after following relevant instructions specified in brackets):

486 "Each landowner and each successor, assign and heir of such landowner of the land
 487 encompassed by the [insert legal name of new or expanded Prosperity District] (hereinafter
 488 collectively "owner") shall pay, on an annual basis: (a) to the State of Georgia an annual
 489 amount equal to the greater of: (1) the product of (i) [insert number] (%) of the fair
 490 market unimproved value of the land encompassed by the [insert legal name of new or
 491 expanded Prosperity District] (hereinafter "Prosperity District Land Value") and (ii) the
 492 ratio of the fair market value of that owner's respective ownership interest in such land
 493 (hereinafter "Ownership Interest Land Value") over the Prosperity District Land Value; or
 494 (2) the product of (i) the total amount of revenue collected directly by the State of Georgia
 495 in the fiscal year immediately preceding [the formation or expansion] of the [insert legal
 496 name of new or expanded Prosperity District] from all activities, inactivities, properties,
 497 and entities located within the area of the land within the boundaries of [insert name of new

498 or expanded Prosperity District], including, but not limited to, all fees, fines, assessments,
 499 as well as income, sales, and property taxes, if any, and (ii) the ratio of that owner's
 500 Ownership Interest Land Value over the Prosperity District Land Value; (b) to [insert legal
 501 name of each county in which the new or expanded Prosperity District will be located]
 502 respectively an annual amount equal to the greater of: (1) the product of (i) [insert number]
 503 (____ %) of the fair market unimproved value of the land encompassed by the [insert legal
 504 name of new or expanded Prosperity District] (hereinafter "Prosperity District Land
 505 Value") and (ii) the ratio of the fair market value of that owner's respective ownership
 506 interest in such land (hereinafter "Ownership Interest Land Value") over the Prosperity
 507 District Land Value; or (2) the product of (i) the total amount of revenue collected directly
 508 by [insert legal name of each county in which the new or expanded Prosperity District will
 509 be located] in the fiscal year immediately preceding [the formation or expansion] of the
 510 [insert legal name of new or expanded Prosperity District] from all activities, inactivities,
 511 properties, and entities located within the area of the land within the boundaries of [insert
 512 name of new or expanded Prosperity District], including, but not limited to, all fees, fines,
 513 assessments, as well as income, transaction, sales, and property taxes, if any, and (ii) the
 514 ratio of that owner's Ownership Interest Land Value over the Prosperity District Land
 515 Value; (c) to [insert legal name of new or expanded Prosperity District] an annual amount
 516 equal to the product of (1) [insert number] (____ %) of the fair market unimproved value of
 517 the land encompassed by the [insert legal name of new or expanded Prosperity District]
 518 (hereinafter "Prosperity District Land Value") and (2) the ratio of the fair market value of
 519 that owner's respective ownership interest in such land (hereinafter "Ownership Interest
 520 Land Value") over the Prosperity District Land Value. [insert the following if any part of
 521 a new or expanded Prosperity District is located within the jurisdiction of any municipality:
 522 (d) to [insert legal name of each municipality in which the new or expanded Prosperity
 523 District will be located] respectively an annual amount equal to the greater of: (1) the
 524 product of (i) [insert number] (____ %) of the fair market unimproved value of the land
 525 encompassed by the [insert legal name of new or expanded Prosperity District] (hereinafter
 526 "Prosperity District Land Value") and (ii) the ratio of the fair market value of that owner's
 527 respective ownership interest in such land (hereinafter "Ownership Interest Land Value")
 528 over the Prosperity District Land Value; or (2) the product of (i) the total amount of
 529 revenue collected directly by [insert legal name of each municipality in which the new or
 530 expanded Prosperity District will be located] in the fiscal year immediately preceding [the
 531 formation or expansion] of the [insert legal name of new or expanded Prosperity District]
 532 from all activities, inactivities, properties, and entities located within the area of the land
 533 within the boundaries of [insert name of new or expanded Prosperity District], including,
 534 but not limited to, all fees, fines, assessments, as well as income, transaction, sales, and

535 property taxes, if any, and (ii) the ratio of that owner's Ownership Interest Land Value over
 536 the Prosperity District Land Value.] Said amounts shall be: (a) assessed by the managing
 537 board of the [insert legal name of new or expanded Prosperity District] as a first priority
 538 lien against the relevant land and a joint and several debt of each owner in favor of the
 539 relevant payee on the first business day of each calendar year after the formation or
 540 expansion, as the case may be, of the [insert legal name of Prosperity District] to include
 541 the relevant land based on the average of contemporaneous appraisals, formulated in
 542 accordance with reasonable and customary appraisal standards, previously submitted to the
 543 managing board of the [insert legal name of the new or expanded Prosperity District] by
 544 each owner and the State of Georgia; and (b) paid to the previously identified recipients of
 545 revenues by each owner on the last business day of each calendar year following [the
 546 formation or expansion] of the [insert legal name of new or expanded Prosperity District],
 547 prorated for any period of any calendar year in which the [insert legal name of new or
 548 expanded Prosperity District] was not recognized by the State of Georgia, provided that no
 549 adverse judicial or administrative proceedings involving any owner and the State of
 550 Georgia, or any political subdivision or agency thereof, had been brought by the State of
 551 Georgia or any of its political subdivisions or agencies against any owner (excluding claims
 552 subject to the alternative dispute resolution process specified in Article V of the Prosperity
 553 States Compact, as enacted by the State of Georgia and amended from time to time) in the
 554 preceding twelve months. Upon such payment, the lien specified above shall be deemed
 555 released, subject to modification by written agreement of all affected parties, laws
 556 generally applicable to the foreclosure of real property liens in the State of Georgia shall
 557 determine available procedures and remedies in the event of nonpayment or untimely
 558 payment of the assessment hereunder due. The foregoing Revenue Covenant is a covenant
 559 running with the land encompassed by the [insert legal name of new or expanded
 560 Prosperity District] for the benefit of the previously identified recipients of revenues.
 561 [insert the following if it is desired for the provisions of this Revenue Covenant to be
 562 modified or superseded by a Negotiated Revenue Covenant: "This Revenue Covenant is
 563 subject to modification or supersession by a Negotiated Revenue Covenant pursuant to
 564 Article III of the Prosperity States Compact, as enacted by the State of Georgia and
 565 amended from time to time.""]

566 Section 3. Negotiated Revenue Covenant. To comply with the petition requirement
 567 specified in Section 1(a)(9) of Article IV, or subsequently to supplement or revise a Revenue
 568 Covenant authorized under Article IV or this Article, the petitioner(s) or their successors in
 569 interest may negotiate a Revenue Covenant ("Negotiated Revenue Covenant") with the
 570 Governor of this member or the Governor's nominee ("State Official") in the case of the
 571 formation or expansion of a Prosperity District to be located in whole or in part within this

572 member by giving notice of a demand for such negotiations to the Office of the Governor or
573 a person authorized to accept service of process on behalf of the Governor, whereupon they
574 shall commence negotiations within twenty days. In addition to other relevant provisions,
575 the Negotiated Revenue Covenant shall:

576 (a) Only concern the generation, collection, and distribution of revenues;

577 (b) Be duly signed by petitioner(s) and State Official;

578 (c) Define the revenues or revenue sources to which it applies and, if applicable and
579 desired, include terms and provisions to supplement or revise the terms of an existing
580 Default Revenue Covenant, if any, upon recordation;

581 (d) Guarantee that the member and any county or municipality in which any part of a
582 proposed new Prosperity District is to be located receives on an annual basis revenues and
583 distributions of state shared revenues, if any, that are at least equal to the total amount of
584 revenue and distributions of state shared revenues collected or received by that member and
585 any such county or municipality in the fiscal year immediately preceding the respective
586 formation of the Prosperity District from all activities, inactivities, properties, and entities
587 located within the area of the real property to be encompassed by the proposed new
588 Prosperity District, including, but not limited to, all fees, fines, assessments, as well as
589 income, transaction privilege, use, gas, sales, and property taxes, if any;

590 (e) Guarantee that the member and any county or municipality in which any part of the
591 proposed expansion area of an existing Prosperity District is to be located receives on an
592 annual basis revenues and distributions of state shared revenues, if any, that are equal to
593 or greater than the total amount of revenue and distributions of state shared revenues
594 collected or received by that member and any such county or municipality in the expansion
595 area in the fiscal year immediately preceding the proposed expansion of the Prosperity
596 District from all activities, inactivities, properties, and entities located within the area of
597 the real property to be encompassed by the proposed expansion area, including, but not
598 limited to, all fees, fines, assessments, as well as income, transaction privilege, use, gas,
599 sales, and property taxes, if any;

600 (f) Guarantee that the payment of income, transaction privilege, use, gas, sales, and
601 property taxes by any third party beneficiary which are imposed by this member and any
602 of its political subdivisions on activities, inactivities, properties, and entities located within
603 the area of the real property included within the proposed new or expanded Prosperity
604 District, if any, shall be ratably credited against that third party beneficiary's obligations
605 under any such Negotiated Revenue Covenant;

606 (g) Apply and run with title to all real property in the proposed new or expanded
607 Prosperity District upon the formation or expansion of the district, as the case may be, and
608 as long as the encumbered real property is within the jurisdiction of the district;

609 (h) Be drafted in general language, without limitation to a closed class of one or more
 610 identifiable persons, and with such uniformity as to allow the entire class of landowners
 611 located within any other existing or future Prosperity District within the same State to have
 612 the option of adopting the Negotiated Revenue Covenant to fulfill the requirements of
 613 Section 1(a)(9) of Article IV, or subsequently to supplement or revise an existing Revenue
 614 Covenant authorized under Article IV or this Article if such right was reserved;

615 (i) Be deemed accepted and ratified by this member and any political subdivision of this
 616 member benefitted by the Negotiated Revenue Covenant for use by petitioner(s), any other
 617 class of petitioner(s) under Section 1 of Article IV, and their successors-in-interest within
 618 this member's jurisdiction when approved by joint resolution of the legislature of this
 619 member; and

620 (j) If meant to revise or supplement a Revenue Covenant already running with title to real
 621 property in an existing Prosperity District, the accepted and ratified Negotiated Revenue
 622 Covenant shall be recorded with the county recorder for each county in which the
 623 respective Prosperity District is located and with each such other official responsible for
 624 the public recordation of interests in real property located within the proposed boundaries
 625 of the respective Prosperity District, if any, as the case may be.

626 Section 4. Relationship of Compact to Existing Laws and Jurisdictions. This Section shall
 627 be effective in this member notwithstanding the reciprocity otherwise required by Section 5
 628 of Article V, Section 2(e) of Article II, Section 1 of this Article, and Sections 3 and 4 of
 629 Article V are herewith clarified, modified, and superseded, as applicable, with respect to this
 630 member in regard to the following laws and governmental unit jurisdictions constituted
 631 thereby, and shall be construed as repealing or holding for naught, as the case may be, within
 632 the boundaries of every Prosperity District, as they exist from time to time, solely those laws
 633 and jurisdictions of governmental bodies constituted thereby in the following categories:

634 (a) Regulation of reclamation, drainage, and irrigation; including but not limited to that
 635 which is codified in Title 12 of the Official Code of Georgia Annotated, and the
 636 jurisdictions of all government units constituted thereby;

637 (b) Regulation of water, flood, and erosion control; including but not limited to that which
 638 is codified in Title 12 of the Official Code of Georgia Annotated, and the jurisdictions of
 639 all government units constituted thereby;

640 (c) Regulation of water and sewer systems; including but not limited to that which is
 641 codified in Title 52 of the Official Code of Georgia Annotated, and the jurisdictions of all
 642 government units constituted thereby;

643 (d) Regulation of waste collection and disposal; including but not limited to that which is
 644 codified in Title 12 of the Official Code of Georgia Annotated, and the jurisdictions of all
 645 government units constituted thereby;

- 646 (e) Regulation of pest control; including but not limited to that which is codified in
647 Title 43 of the Official Code of Georgia Annotated, and the jurisdictions of all government
648 units constituted thereby;
- 649 (f) Regulation of landscaping; including but not limited to that which is codified in Title
650 43 of the Official Code of Georgia Annotated, and the jurisdictions of all government units
651 constituted thereby;
- 652 (g) Regulation of airport facilities; including but not limited to that which is codified in
653 Title 6 of the Official Code of Georgia Annotated, and the jurisdictions of all government
654 units constituted thereby;
- 655 (h) Regulation of port facilities; including but not limited to that which is codified in Title
656 32 of the Official Code of Georgia Annotated, and the jurisdictions of all government units
657 constituted thereby;
- 658 (i) Regulation of fire protection; including but not limited to that which is codified in Title
659 25 of the Official Code of Georgia Annotated, and the jurisdictions of all government units
660 constituted thereby;
- 661 (j) Regulation of transportation; including but not limited to that which is codified in Title
662 32 of the Official Code of Georgia Annotated, and the jurisdictions of all government units
663 constituted thereby;
- 664 (k) Regulation of utilities; including but not limited to that which is codified in Title 46
665 of the Official Code of Georgia Annotated, and the jurisdictions of all government units
666 constituted thereby;
- 667 (l) Issuance of municipal bonds; including but not limited to that which is codified in Title
668 48 of the Official Code of Georgia Annotated, and the jurisdictions of all government units
669 constituted thereby;
- 670 (m) Building codes; including but not limited to that which is codified in Title 36 of the
671 Official Code of Georgia Annotated, and the jurisdictions of all government units
672 constituted thereby;
- 673 (n) Regulation of sanitation; including but not limited to that which is codified in Title 36
674 of the Official Code of Georgia Annotated, and the jurisdictions of all government units
675 constituted thereby;
- 676 (o) Comprehensive land use planning; including but not limited to that which is codified
677 in Title 36 of the Official Code of Georgia Annotated, and the jurisdictions of all
678 government units constituted thereby;
- 679 (p) Zoning; including but not limited to that which is codified in Title 36 of the Official
680 Code of Georgia Annotated, and the jurisdictions of all government units constituted
681 thereby;

682 (q) Regulation of occupations and professions except for the medical and legal profession;
 683 including but not limited to that which is codified in Title 43 of the Official Code of
 684 Georgia Annotated, and the jurisdictions of all government units constituted thereby;

685 (r) Business permitting and licensing; including but not limited to that which is codified
 686 in Title 43 of the Official Code of Georgia Annotated, and the jurisdictions of all
 687 government units constituted thereby;

688 (s) Regulation of institutions of vocational or higher education; including but not limited
 689 to that which is codified in Title 20 of the Official Code of Georgia Annotated, and the
 690 jurisdictions of all government units constituted thereby;

691 (t) Regulation of police protection; including but not limited to that which is codified in
 692 Title 35 of the Official Code of Georgia Annotated, and the jurisdictions of all government
 693 units constituted thereby;

694 (u) Government employee pension systems; including but not limited to that which is
 695 codified in Title 47 of the Official Code of Georgia Annotated, and the jurisdictions of all
 696 government units constituted thereby;

697 (v) Regulation of research, testing, and development of aerial drones; including but not
 698 limited to that which is codified in Title 6 of the Official Code of Georgia Annotated, and
 699 the jurisdictions of all government units constituted thereby;

700 (w) Regulation of electrical power generation; including but not limited to that which is
 701 codified in Title 46 of the Official Code of Georgia Annotated, and the jurisdictions of all
 702 government units constituted thereby;

703 (x) Regulation of automotive sales and manufacturing; including but not limited to that
 704 which is codified in Title 10 of the Official Code of Georgia Annotated, and the
 705 jurisdictions of all government units constituted thereby; and

706 (y) Tax on income[, transaction privilege, use, gas, sales and property]; including but not
 707 limited to that which is codified in Title 48 of the Official Code of Georgia Annotated, and
 708 the jurisdictions of all government units constituted thereby. However, the payment of any
 709 tax by any third party beneficiary which is imposed by this member and any of its political
 710 subdivisions on activities, inactivities, properties, and entities located within the area of the
 711 real property included within any proposed new or expanded Prosperity District, if any,
 712 shall be ratably credited against that third party beneficiary's obligations, if any, to the
 713 corresponding government unit under any Revenue Covenant.

714 Section 5. Income of Residents Doing Business in District. This Section shall be effective
 715 in this member notwithstanding the reciprocity otherwise required by Section 5 of Article V.
 716 This member may tax income earned by its residents from income-producing activities
 717 occurring within a Prosperity District as provided by law if such residents are neither
 718 domiciled nor residing in such Prosperity District.

719 Section 6. Federal Primacy, Mandates, and Grant Requirements Protected. This Section
 720 shall be effective in this member notwithstanding the reciprocity otherwise required by
 721 Section 5 of Article V. Until this Compact receives the Consent of Congress in such form
 722 as to obviate any need for this member to comply with otherwise applicable federal mandates
 723 and conditions of maintaining or securing federal primacy or federal grants, every Prosperity
 724 District located in this member shall cooperate with this member in fulfilling the lawful
 725 conditions of any federal grant or assumption of federal primacy and complying with any
 726 lawful federal mandate, including the adoption of appropriate bylaws and regulations, in the
 727 event that this member is specifically threatened by the federal government in writing with
 728 any sanction, the loss of federal primacy, the loss of any federal grant, or if this member loses
 729 federal primacy or a federal grant due to a failure of compliance with a federal mandate or
 730 a condition to the maintenance of federal primacy or to the grant caused by the actions or
 731 omissions of any Prosperity District. To enforce this cooperation duty, this member shall
 732 give notice of the threat or loss to the managing board of each responsible Prosperity District
 733 as soon as possible together with a specification of the sanction or the amount of the grant
 734 that has been threatened or lost, as well as a specific demand for the curative action or
 735 inaction that the Prosperity District must undertake in order to restore federal primacy, the
 736 grant, or prevent the sanction or the loss of federal primacy or the grant.

737 (a) The Prosperity District is authorized and required to respond to the foregoing demand
 738 in one or more of the following three ways as needed to ensure that federal primacy is
 739 maintained by this member or this member is kept or made whole:

740 (1) It shall strictly comply with the demand in a fashion that may supersede any
 741 limitation on its regulatory authority as otherwise specified in Article II only to the extent
 742 absolutely necessary;

743 (2) It shall post a surety bond in favor of this member or tender cash to this member for
 744 the full amount of the grant that has been threatened or lost which shall be payable
 745 without delay to this member or its designated recipient on its demand if the grant is lost
 746 (subject to this member refunding said amount immediately upon the restoration of the
 747 grant); or

748 (3) It shall delegate so much of its authority within its boundaries to this member or its
 749 designated agency, instrumentality, or political subdivision to hold and exercise in
 750 receivership as is absolutely necessary to fulfill the federal mandate or the conditions of
 751 the threatened or lost federal primacy or federal grant until such time as the threatened
 752 sanction is retracted or lifted, or the federal primacy or grant is restored and no longer
 753 specifically threatened by the federal government.

754 (b) If the Prosperity District fails to respond to the foregoing demand as aforesaid, this
 755 member shall have the right to commence a special action in state court to appoint a

756 receiver to hold and exercise all power of the Prosperity District as necessary to comply
 757 with the federal mandate or to fulfill the conditions of the threatened or lost federal primacy
 758 or federal grant until such time as the threatened sanction is retracted or lifted, or the
 759 federal primacy or grant is restored and no longer specifically threatened by the federal
 760 government, and each Prosperity District causing this member to fail to fulfill the
 761 conditions of any such federal primacy or federal grant shall be jointly and severally liable
 762 for tendering the full amount of any federal monies that are denied to this member as a
 763 result of the failure of cooperation within thirty calendar days after submission of a proof
 764 of claim by this member to each Prosperity District for the replacement funding.

765 (c) This Section shall self-repeal upon this Compact receiving the Consent of Congress in
 766 such form and substance as to declare or render the actions or omissions of a Prosperity
 767 District nonprejudicial to any obligation this member may have to comply with otherwise
 768 applicable federal mandates and conditions of maintaining or securing federal primacy or
 769 federal grants.

770 Section 7. National Security Modification to Definition of "Eligible Land." This Section
 771 shall be effective in this member notwithstanding the reciprocity otherwise required by
 772 Section 5 of Article V. The formation and expansion of a Prosperity District in this member,
 773 as well as investment in property located within an existing Prosperity District, shall be
 774 subject to the review process for controlling direct foreign investment in the United States
 775 for the purpose of protecting national security, which is managed by the multi-agency federal
 776 entity known as the Committee on Foreign Investment in the United States ("CFIUS"), in
 777 accordance with the Foreign Investment and National Security Act and 31 C.F.R. Part 800.
 778 Accordingly, any person wishing to form or expand a Prosperity District or otherwise to
 779 invest in property located within an existing Prosperity District should expect that CFIUS
 780 will review, and potentially block, direct foreign investment for the purpose of protecting the
 781 national security of the United States, but only to the same extent as it does for such
 782 investments in all other areas of the United States.

783 Section 8. County Opt-Out. This Section shall be effective in this member notwithstanding
 784 the reciprocity otherwise required by Section 5 of Article V. If a county of this member
 785 wishes to exclude land within its jurisdiction and outside of the territorial and extraterritorial
 786 jurisdiction of any municipality from being deemed "Eligible Land" under this Compact
 787 before the formation or expansion of a Prosperity District upon such land, it may pass a local
 788 law declaring such exclusion with a sufficient legal description to identify the excluded land
 789 based on such procedures as apply generally to the enactment of local laws by such county
 790 notwithstanding any other law of this member provided that:

791 (a) The local law is enacted and effective within six months of the enactment date of the
 792 compact legislation;

793 (b) A certified copy of the local law is recorded with the county recorder of deeds;

794 (c) The local law shall automatically self-repeal in four years from its enactment date
795 without prejudice to its reenactment; and

796 (d) The local law does not have the purpose or effect of rendering the authority to form,
797 expand, or withdraw from a Prosperity District a law, privilege, or immunity for a closed
798 class of one or more identifiable persons. Any such local law may be subsequently
799 amended or repealed in accordance with such procedures as apply generally to the
800 enactment of local laws by such county notwithstanding any other law of this member
801 provided that the amendment or repeal does not have the purpose or effect of rendering the
802 authority to form, expand, or withdraw from a Prosperity District a law, privilege, or
803 immunity for a closed class of one or more identifiable persons.

804 Section 9. Municipal Opt-In. This Section shall be effective in this member notwithstanding
805 the reciprocity otherwise required by Section 5 of Article V. Any consent required to be
806 given by the governing body of a municipality to deem real property within the territorial or
807 extraterritorial jurisdiction of that municipality "Eligible Land" under this Compact:

808 (a) Shall be enacted as a local law based on such procedures as apply generally to the
809 enactment of local laws by such municipality notwithstanding any other law of this
810 member, including, but not limited to, any law requiring or enforcing any local, regional,
811 or Statewide land use plan;

812 (b) Shall contractually bind such municipality to recognize the classification of such real
813 property as "Eligible Land" under this Compact;

814 (c) May include further stipulations and conditions superseding, modifying, or limiting the
815 text or applicability of provisions of this Compact as authorized by subsection (j) of
816 Section 6 of Article VIII within the territorial or extraterritorial jurisdiction of the
817 consenting municipality; and

818 (d) Must provide that any alteration to the applicability of provisions of this Compact that
819 is specified in the aforesaid local law may be repealed by subsequently enacted local law
820 provided that such repeal shall not have the effect of:

821 (1) Delegating powers or authorities to any Prosperity District in addition to those
822 expressly delegated to the district by subsection (c) of Section 2 of Article II;

823 (2) Creating or expanding the jurisdictions of any government unit within the boundaries
824 of any Prosperity District in addition to that which is expressly permitted under
825 subsection (d) of Section 2 of Article II;

826 (3) Eliminating the text or authority of any Revenue Covenant that otherwise would
827 satisfy the petition requirement under Section 1(a)(9) of Article IV;

828 (4) Preventing the formation or expansion of Prosperity Districts or the withdrawal of
829 land from a Prosperity District in that municipality; or

830 (5) Disqualifying real property as Eligible Land which would have otherwise qualified
831 as Eligible Land as of the enactment date of the respective member's original compact
832 legislation.

833 Section 10. Insurance, Performance, and Surety Bonding. This Section shall be effective in
834 this member, notwithstanding the reciprocity otherwise required by Section 5 of Article V.
835 This member and any political subdivision of this member that has the right to foreclose on
836 a Revenue Covenant lien attached to real property located within a Prosperity District or that
837 may be required by law to assume jurisdiction over lands withdrawn from a Prosperity
838 District, shall have the right to a reasonable performance or surety bond or coverage as a
839 named insured under a reasonable insurance policy from the petitioner(s) seeking district
840 formation, expansion, and withdrawal in an amount and with such limits and terms sufficient
841 to cover the reasonably anticipated costs associated with maintenance of structures on such
842 lands as well as to cover the reasonably anticipated costs of enforcing public health, safety,
843 and sanitation standards imposed by generally applicable laws within its jurisdiction with
844 regard to such land in the event of such foreclosure or withdrawal. A detailed written
845 demand for the furnishing of such insurance or the posting of such a bond specifying
846 required terms and conditions of the bond or insurance shall be interposed against the
847 relevant petitioner or petitioners by service of the demand upon each petitioner and all
848 required recipients of their petition prior to its approval. The demand shall not prevent
849 approval of the petition; however, if petitioner or petitioners do not comply with the demand
850 within 90 days of service, or if the disputants do not first settle their differences in regard to
851 the demand, then the serving member or political subdivision may institute an action in a
852 venue of competent jurisdiction to compel compliance with the demand by petitioner or
853 petitioners and such compliance shall be compelled if the terms and conditions of the
854 demand insurance policy or bond are found contractually enforceable and reasonable based
855 on admissible evidence of the magnitude and likelihood of the risk of incurring costs
856 associated with maintenance of structures on such lands as well as to cover the reasonably
857 anticipated costs of enforcing public health, safety, and sanitation standards imposed by
858 generally applicable laws within its jurisdiction with regard to such land in the event of such
859 foreclosure or withdrawal. If the terms and conditions of the demanded bond or insurance
860 are not found contractually enforceable or reasonable based on such evidence, then the
861 serving member or political subdivision shall be held liable for all legal expenses and
862 attorney's fees incurred by petitioner or petitioners in defending the action. If petitioner or
863 petitioners do not comply with the demand after being ordered to do so by the adjudicating
864 authority, then the serving member or political subdivision may seek a money judgment
865 against the relevant petitioner or petitioners jointly and severally in the amount of the
866 demand bond or limits of the demanded insurance policy or appropriate equitable relief

867 reasonably tailored to mitigate the reasonably anticipated costs of enforcing public health,
 868 safety, and sanitation standards imposed by generally applicable laws within its jurisdiction
 869 with regard to such land in the event of such foreclosure or withdrawal. If a written demand
 870 for the posting of a bond or furnishing of insurance is not timely served or if an action to
 871 compel compliance with the demanded bond or insurance policy is not commenced within
 872 six months of the approval of the relevant petition, then the right to demand a bond or
 873 insurance policy from petitioner or petitioners under this Section shall be forfeit and forever
 874 barred except as may otherwise be provided in any settlement agreement between the
 875 disputants.

876 Section 11. Statute of Repose. This Section shall be effective in this member
 877 notwithstanding the reciprocity otherwise required by Section 5 of Article V. Any person
 878 claiming a right to challenge the legality of this Compact shall have six months after the
 879 enactment date of the compact legislation to be forever barred from bringing any such claim
 880 or related cause of action. Any person claiming a right to challenge the legality of the
 881 formation or expansion of a Prosperity District, or the withdrawal of land from a Prosperity
 882 District, shall have six months after the recordation of the petition authorized by Article IV
 883 to file an action for such declaration of rights in a court of competent jurisdiction or
 884 thereafter be forever barred from bringing any such claim or related cause of action.

885 Section 12. Termination. This Compact shall terminate and be held for naught as to this
 886 member if a Prosperity District within the jurisdiction of this member is not formed within
 887 ten years after the respective member passes compact legislation.

888 Article IV

889 Prosperity District Formation, Expansion and Withdrawal

890 Section 1. Petition to Form or Expand Prosperity District. A Prosperity District is formed
 891 or expanded when a petition that is deemed compliant with this Section (the "petition") is
 892 recorded with the county recorder for each county in which the new or expanded Prosperity
 893 District is located and with each such other official responsible for the public recordation of
 894 interests in real property located within the proposed boundaries of the new or expanded
 895 Prosperity District, if any. Accordingly, to form or expand a Prosperity District, a petition
 896 containing the information specified herein shall be signed, served, reviewed, deemed
 897 compliant, and recorded as follows:

898 (a) With respect to eligible land to be included in the new or expanded Prosperity District,
 899 one or more landowners representing 100 percent of the surface land ownership interests
 900 in such eligible land, (the "petitioner(s))" shall sign a petition requesting the formation or
 901 expansion of a Prosperity District to include such eligible land under the authority of this

902 Compact and further attesting to the accuracy of the following information under oath,
 903 which shall also be included in the petition:

904 (1) A statement requesting the formation or expansion of a Prosperity District and
 905 avowing that the land to be encompassed by the new district or included in the expanded
 906 district is eligible land;

907 (2) The name, address, telephone number, and e-mail address of each such signing
 908 landowner, if any;

909 (3) A statement that 100 percent of the qualified electors who are residing on such
 910 eligible land have consented in writing to the petition or, alternatively, a statement that
 911 no qualified electors are then-residing on said eligible land;

912 (4) The name, address, telephone number, and e-mail address of each such resident
 913 qualified elector, if any;

914 (5) A legal description of the external boundaries of the proposed new or expanded
 915 Prosperity District, as well as of the boundaries of any corridor for the exercise of
 916 eminent domain by external agencies pursuant to Section 2(d)(4)(i)(A) of Article II and
 917 any individual parcels that are internal to such eligible land which shall continue to be
 918 recognized within the Prosperity District upon formation, expansion, and withdrawal;

919 (6) A map and a general description of the area to be included in the proposed new or
 920 expanded Prosperity District that is sufficiently detailed to permit a property owner to
 921 determine if a particular property is located in the proposed new or expanded Prosperity
 922 District;

923 (7) For a new Prosperity District:

924 (A) A unique name to be assigned to the Prosperity District;

925 (B) The names, addresses, phone numbers, and occupations of the proposed members
 926 of the Prosperity District's initial managing board;

927 (C) A statement of the jurisdiction, power, and authority of the district under Article II;

928 (D) On behalf of the proposed district and deemed effective within the district upon
 929 formation:

930 (i) An express adoption and verbatim specification of the malum in se criminal law
 931 effective within the area to be encompassed by the proposed district;

932 (ii) An express adoption of the common law effective within the area to be
 933 encompassed by the proposed district;

934 (iii) The express adoption and verbatim specification of any other regulation which
 935 is desired by petitioner or petitioners to be enforced by the district after formation
 936 pursuant to Sections 2(c)(1)(A) and Section 3 of Article II, provided that such
 937 regulation was effective within the area to be encompassed by the district as of the
 938 enactment date of this member's compact legislation; and

- 939 (E) Initial district bylaws specifying:
- 940 (i) Procedures for the promulgation, amendment, and repeal of district bylaws,
 941 ordinances, policies, procedures, parliamentary rules, and directives for the
 942 governance of the district, including, if desired, establishing additional criteria for
 943 withdrawal of lands pursuant to subsection (a) of Section 2 of this Article, for internal
 944 district management and administration, including provisions detailing supervision
 945 and coordination of Revenue Covenant enforcement, as well as the collection and
 946 disbursement of revenues to which the district is entitled, the formation of
 947 committees, subordinate departments and agencies, and the designation and
 948 responsibilities of administrative offices and retention of subordinate officials;
- 949 (ii) Managing board member appointment, election, removal, or succession procedures;
- 950 (iii) Municipal bonding terms, issuance, and repayment procedures;
- 951 (iv) Public hearing and notice procedures;
- 952 (v) Regulation promulgation and enforcement procedures;
- 953 (vi) The public infrastructure and services to be furnished by the district; and
- 954 (vii) The office, authorities, and duties of the district treasurer and secretary;
- 955 (8) For an expansion of an existing Prosperity District, the name of the Prosperity
 956 District to be expanded and the names, addresses, and phone numbers of the members of
 957 that district's managing board;
- 958 (9) For a new Prosperity District, a recordable Revenue Covenant to burden the eligible
 959 land, which is the subject of the petition, as specified or described in Article III;
- 960 (10) For an expansion of an existing Prosperity District, a recordable Revenue Covenant
 961 to burden the eligible land to be included in the existing Prosperity District that mirrors
 962 the Revenue Covenant then-running with title to the land in that existing district; and
- 963 (11) A recordable restrictive covenant to burden the eligible land, which is the subject
 964 of the petition, prohibiting each landowner and any successor in interest from taking any
 965 action to preclude, hinder, or obstruct the expansion of the district to adjacent lands that
 966 are outside of the district, if any, or the withdrawal of lands from the district as
 967 contemplated in this Article.
- 968 (b) The petition shall be served on each of the following recipients as applicable:
- 969 (1) Each member of the board of supervisors of each county in which any portion of the
 970 new or expanded district is to be located at their offices or through their authorized
 971 service of process recipient;
- 972 (2) The governing body of each affected municipality at its office or through its
 973 authorized service of process recipient if the new or expanded district is to include
 974 eligible land located within that municipality's jurisdiction; and

975 (3) The managing board of each affected Prosperity District at its office or through its
 976 authorized service of process recipient if that Prosperity District is to be expanded by the
 977 inclusion of the eligible land or if a new Prosperity District is to be formed within any
 978 part of the jurisdiction of that Prosperity District.

979 (c) Within 20 calendar days after receipt of the petition, each recipient designated in
 980 subsection (b) of this Section shall review the petition ministerially for compliance with
 981 subsection (a) of this Section and deny any petition that is not compliant. Notice of the
 982 denial of a petition shall be given within said time frame in writing to the petitioner or
 983 petitioners stating the specific nature of any deficiency and without prejudice as to the
 984 repeated resubmittal of a corrected petition until all such deficiencies are cured. If the
 985 petition is not timely denied by any recipient designated in subsection (b) of this Section,
 986 the petition shall be deemed compliant with this Section for all purposes and it may be
 987 recorded by the petitioner or petitioners with the county recorder for each county in which
 988 the new or expanded Prosperity District is to be located and with each such other official
 989 responsible for the public recordation of interests in real property located within the
 990 proposed boundaries of the new or expanded Prosperity District, if any. Sworn proof of
 991 service by United States certified mail, return receipt requested, or equivalently verifiable
 992 delivery service shall be sufficient to establish the date the petition was received by a
 993 designated recipient or any required notice was given to the petitioner or petitioners.

994 Section 2. Petition to Withdraw. A petition may be brought to withdraw land from a
 995 Prosperity District's jurisdiction as provided in this Section.

996 (a) The land that is the subject of the withdrawal petition must:

- 997 (1) Be contiguous to land that is outside of the boundaries of the affected district;
 998 (2) Be contiguous to land included in the same petition that is contiguous to land that is
 999 outside of the boundaries of the affected district;
 1000 (3) Be at least one square mile of contiguous land;
 1001 (4) Be the subject of an enforceable contract governing all landowners and qualified
 1002 electors residing in the affected district that gives consent to the withdrawal of such land
 1003 from the district under such terms and conditions as may be specified in that contract; or
 1004 (5) Qualify for withdrawal under criteria otherwise specified in the bylaws of the
 1005 affected district provided that such criteria are uniform for all persons domiciled in the
 1006 district and they do not have the purpose or effect of rendering such withdrawal authority
 1007 a law, privilege, or immunity for a closed class of one or more identifiable persons.

1008 (b) The withdrawal petition must:

- 1009 (1) State under oath that the petitioner(s) represent 100 percent of the surface land
 1010 ownership interests in title to the proposed withdrawn land, including the same contact
 1011 information for petitioners as with a petition to form or expand a Prosperity District;

1012 (2) State under oath that 100 percent of all qualified electors residing on the affected land
 1013 have given written consent to the withdrawal of the land from the Prosperity District's
 1014 jurisdiction;

1015 (3) Include a map and legal description of the proposed withdrawn land; and

1016 (4) Be served on the same officials as a petition to form or expand a Prosperity District,
 1017 who must then within 20 calendar days after receipt of the petition, review the petition
 1018 ministerially for compliance with this section and deny any petition that is not compliant.

1019 (c) Notice of the denial of a withdrawal petition shall be given within said 20 calendar day
 1020 time frame in writing by the same method of notice to the petitioner(s) as applicable to a
 1021 petition to form or expand a district. If the petition is not timely denied by all petition
 1022 recipients, the petition shall be deemed approved and compliant with this Section for all
 1023 purposes and it may be recorded by the petitioner(s) with the county recorder for each
 1024 county in which the withdrawn land is to be located and with each such other official
 1025 responsible for the public recordation of interests in real property located within the
 1026 proposed boundaries of the withdrawn land, if any.

1027 (d) Upon the approval and recordation of the withdrawal petition, the land specified
 1028 therein shall immediately revert to the jurisdictional status of land outside of the boundaries
 1029 of the affected Prosperity District, all laws generally applicable outside of the boundaries
 1030 of that Prosperity District shall govern the area of such land as if the district never
 1031 encompassed the withdrawn land, and all covenants or servitudes running with title to such
 1032 land as a consequence of any petition to form or expand that district shall be deemed
 1033 vacated; but all other encumbrances on title to the withdrawn land, including any lien that
 1034 has attached to such land to secure the payment of any previously accrued and unpaid
 1035 Revenue Covenant obligation, shall remain enforceable to the extent consistent with the
 1036 reverted legal and jurisdictional status of the withdrawn land.

1037 (e) Petitioner(s) of an approved and recorded withdrawal petition may not subsequently
 1038 petition for the expansion of the Prosperity District to include land withdrawn from that
 1039 district for a period of 12 months without the concurrence of the district's managing board.

1040 Article V

1041 Compact Formation, Effect and Amendment

1042 Section 1. Offer and Acceptance of Interstate Compact. By becoming a member, each such
 1043 member hereby publicly pledges and offers to perform and comply strictly in accordance
 1044 with this Compact's terms and conditions as a binding interstate compact, and has made such
 1045 pledge and offer in anticipation and consideration of, and in substantial reliance on, such
 1046 mutual and reciprocal pledge, performance and compliance by each other member, if any.
 1047 This pledge and offer shall be deemed accepted and entry into this Compact complete and

1048 contractually binding on a member as an interstate compact upon that member's receipt of
1049 notice of the attainment of member status by any other member; further privity of contract
1050 with regard to such interstate compact shall extend to, between and among any member with
1051 notice of the member status of any other member. For purposes of this section, notice shall
1052 be given to each other member's Governor, an official authorized to accept service of process
1053 on the Governor, and to the Compact Administrator, if any.

1054 Section 2. Effect of Compact Formation. On acceptance of the pledge and offer to enter into
1055 a compact as specified in Section 1 of this Article, this Compact shall be construed and
1056 enforced as an interstate compact consisting of a solemn sovereign pledge, agreement, and
1057 covenant contractually binding the members in privity to maintain and enforce the provisions
1058 of this Compact (as they existed on the date that the Compact became contractually binding)
1059 and to refrain from taking any future action that could in any way or to any degree burden,
1060 impair, or interfere with such provisions of this Compact, except as otherwise expressly
1061 authorized by this Compact. Further, upon this Compact attaining the status of a sovereign
1062 contract between and among its members, the maintenance of and strict compliance with all
1063 of its terms, including each and every provision of Article I, II, III, IV, V, VI, VII, and VIII
1064 is required of all members in privity. Any impairment of performance, burden on
1065 performance, impediment to performance, nonperformance, suspension, deviation from,
1066 disregard of, or violation of the terms of this Compact of any magnitude imposed by any
1067 member in privity is prohibited, including, but not limited to, the passage of parallel
1068 legislation that directly or indirectly causes costs or imposes mandates not contemplated by
1069 this Compact to be incurred by any member or third party beneficiary as a result of
1070 compliance with, performance under, or the enjoyment of the terms of this Compact. Any
1071 violation of this prohibition of any magnitude or duration is and shall be regarded by all
1072 members in privity as a substantial impairment of the obligation of a solemn contract
1073 between sovereigns, and is and shall be regarded as a material breach of a solemn sovereign
1074 contract, as well as ultra vires and void under United States Constitution, Article I, Section
1075 10, Clause 1, and, with respect to terms receiving the Consent of Congress, under United
1076 States Constitution, Article VI, Clause 2. Every member in privity and third party
1077 beneficiary has the right to the remedy of specific performance of the terms of this Compact
1078 or injunctive relief to prohibit any deviation from strict compliance with the terms of this
1079 Compact, subject to the alternative dispute resolution process and venue provisions of
1080 subsection (j) of Section 1 and Sections 10 and 11 of Article VI.

1081 Section 3. Effect of Existing Consent of Congress. Subject to Article III, and otherwise
1082 notwithstanding any law to the contrary, under the authority of United States Constitution,
1083 Article I, Section 10, Article VI, Clause 2, and the Tenth Amendment to the United States
1084 Constitution, when and to the extent that this Compact becomes an interstate compact, in

1085 accordance with the Consent of Congress furnished by 4 United States Code § 112, this
 1086 Compact shall:

1087 (a) Have equivalent status to a law of the United States to the extent that it enables
 1088 cooperative efforts and mutual assistance among the states in the prevention of crime,
 1089 enforcing criminal laws and policies, and establishing desirable agencies for making
 1090 effective such cooperative efforts and mutual assistance;

1091 (b) Every Prosperity District's exclusive jurisdiction under subsection (e) of Section 2 of
 1092 Article II shall preclude every agency, branch, department, instrumentality, or political
 1093 subdivision of every member in privity or the United States government from exercising
 1094 jurisdiction or authority or superimposing additional governing jurisdictions within district
 1095 boundaries, as those boundaries may be established from time to time, for purposes of
 1096 preventing crime, enforcing criminal laws and policies, and establishing desirable agencies
 1097 for making effective such cooperative efforts and mutual assistance (except as authorized
 1098 by subsection (d) of Section 2 of Article II); and

1099 (c) Any dispute between any member in privity, the United States government, and third
 1100 party beneficiary regarding cooperative efforts and mutual assistance among the states in
 1101 the prevention of crime, enforcing criminal laws and policies, and establishing desirable
 1102 agencies for making effective such cooperative efforts and mutual assistance, shall be
 1103 subject to alternative dispute resolution pursuant to Section 10 of Article VI.

1104 Section 4. Effect of Additional Consent of Congress. Subject to Article III and any
 1105 stipulation, condition, or exception to such additional Consent of Congress, and otherwise
 1106 notwithstanding any law to the contrary, under the authority of United States Constitution,
 1107 Article I, Section 10, Article VI, Clause 2, and the Tenth Amendment to the United States
 1108 Constitution, when and to the extent that this Compact becomes an interstate compact and
 1109 has received the Consent of Congress in addition to that furnished by 4 U.S.C. § 112:

1110 (a) This Compact shall have equivalent status to a law of the United States;

1111 (b) Every Prosperity District's exclusive jurisdiction under subsection (e) of Section 2 of
 1112 Article II shall preclude every agency, branch, department, instrumentality, or political
 1113 subdivision of every member in privity or the United States government from exercising
 1114 jurisdiction or authority or superimposing additional governing jurisdictions within district
 1115 boundaries or fining, penalizing, prosecuting, regulating, taxing, or otherwise addressing
 1116 through government action any condition, state of affairs, person, entity, service, property,
 1117 action, or omission located, committed, or occurring within the boundaries of any
 1118 Prosperity District, as those boundaries may be established from time to time (except as
 1119 authorized by subsection (d) of Section 2 of Article II and as nongovernmental persons
 1120 may otherwise agree in adopting a venue selection clause or choice of law provision in a
 1121 valid contract between them);

1122 (c) The actions or omissions of any Prosperity District or that of any third party
1123 beneficiary within the boundaries of any Prosperity District as they may be established
1124 from time to time shall not prejudice or otherwise adversely affect compliance by any
1125 member in privity with federal mandates or conditions of maintaining or securing federal
1126 primacy or federal grants;

1127 (d) Real property owned or held in trust by the United States government, which is outside
1128 of the boundaries of National Forests and National Parks existing on the effective date of
1129 such Consent of Congress, and outside of any Native American Reservation, shall qualify
1130 and be deemed consented-to by the United States government in its proprietary or trustee
1131 capacity, as applicable, as Eligible Land under Section 5 of Article VII of this Compact,
1132 and the United States government in such capacity may be regarded as consenting to and
1133 joining in any petition required by Article IV for the formation or expansion of, or
1134 withdrawal from, a Prosperity District encompassing such real property provided that all
1135 other criteria unrelated to the ownership or trustee interest of the United States are fulfilled;
1136 and

1137 (e) Any dispute between any member in privity, the United States government, and third
1138 party beneficiary regarding the foregoing shall be subject to alternative dispute resolution
1139 pursuant to Section 10 of Article VI.

1140 Section 5. Reciprocity, Freedom of Access, Cross-Border Prosperity Districts. Subject to
1141 Article III, upon this Compact attaining the status of an interstate compact, any activity
1142 lawfully undertaken and any service lawfully performed within any Prosperity District
1143 located within this member or any other member in privity shall be reciprocally recognized
1144 as lawful within the boundaries of every other Prosperity District located within this member
1145 and any other member in privity on the same terms unless otherwise prohibited by the
1146 enforcement of constitutional provisions, interstate compacts, malum in se criminal law,
1147 common law, and any regulation promulgated or enforced in accordance with Article II of
1148 this Compact. Further, every Prosperity District located within this member or any other
1149 member in privity shall allow direct ingress and egress of any person lawfully allowed
1150 ingress to and egress from any other Prosperity District located within this member or any
1151 other member in privity unless prohibited by the enforcement of existing property or
1152 contractual rights. Furthermore, a Prosperity District may be formed and expanded across
1153 state lines between members in privity provided that the petition required by Section 1 of
1154 Article IV:

1155 (a) Specifies the malum in se criminal law and common law that shall be in effect within
1156 the district;

1157 (b) Is served on the governors of each affected member at their offices or through their
 1158 authorized service of process recipients in addition to other petition recipients required by
 1159 Section 1 of Article IV; and

1160 (c) Compliance is made with all other terms of Section 1 of Article IV, whereupon the
 1161 approval process specified therein shall be construed as referencing the governors of each
 1162 affected member in addition to such other officials holding approval power.

1163 Section 6. Amendment. After this Compact becomes an interstate compact, each member
 1164 in privity reserves the right to amend this Compact exclusively by repealing all or any part
 1165 of the provisions set forth in Article III of this Compact which that member included in its
 1166 original compact legislation, or by amending such provisions of Article III with such
 1167 additional terms or provisions respecting that member as are consistent with Section 6 of
 1168 Article VIII of this Compact and prospective in effect, at any time through ordinary
 1169 legislation, provided that such repeal or amendment shall not have the purpose or effect of:

1170 (a) Delegating powers or authorities to any Prosperity District, in addition to those
 1171 expressly delegated to the district by subsection (c) of Section 2 of Article II of this
 1172 Compact as specified in that member's original compact legislation and as modified, if at
 1173 all, by the terms of Article III as they existed immediately prior to this Compact becoming
 1174 an interstate compact;

1175 (b) Creating or expanding the jurisdictions of any government unit within the boundaries
 1176 of any Prosperity District, in addition to that which is expressly permitted under
 1177 subsection (d) of Section 2 of Article II of this Compact as specified in that member's
 1178 original Compact legislation and as modified, if at all, by the terms of Article III as they
 1179 existed immediately prior to this Compact becoming an interstate compact;

1180 (c) Eliminating the text or authority of any Revenue Covenant that otherwise would satisfy
 1181 the petition requirement under Section 1(a)(9) of Article IV, as specified in that member's
 1182 original compact legislation and as modified, if at all, by the terms of Article III as they
 1183 existed immediately prior to this Compact becoming an interstate compact;

1184 (d) Disqualifying real property as Eligible Land which would have otherwise qualified as
 1185 Eligible Land, as specified in that member's original compact legislation and as modified,
 1186 if at all, by the terms of Article III as they existed immediately prior to this Compact
 1187 becoming an interstate compact;

1188 (e) Impairing the legitimate investment-backed expectations of any third party beneficiary;
 1189 or

1190 (f) With respect to any Prosperity District formed prior to the effective date of the
 1191 respective repeal or amendment:

1192 (1) Preventing the expansion of that Prosperity District in accordance with the terms of
 1193 this Compact as they existed upon that district's formation;

- 1194 (2) Preventing the withdrawal of land from that Prosperity District in accordance with
 1195 the terms of this Compact as they existed upon that district's formation;
- 1196 (3) Directly or indirectly promulgating or enforcing any regulation within that Prosperity
 1197 District in addition to that which was authorized by the terms of this Compact as those
 1198 terms existed upon that district's formation unless such regulation:
- 1199 (A) Is subject to the defense afforded by Section 4 of Article II, in accordance with the
 1200 original terms of that member's compact legislation and as modified, if at all, by the
 1201 terms of Article III as they existed immediately prior to this Compact becoming an
 1202 interstate compact; and either:
- 1203 (i) Is not effective until it is promulgated and enforced within that district in strict
 1204 compliance with Section 3 of Article II (in accordance with the original terms of that
 1205 member's compact legislation and as modified, if at all, by the terms of Article III as
 1206 they existed immediately prior to this Compact becoming an interstate compact); or
- 1207 (ii) Replaces or modifies regulation previously authorized by Article III of this
 1208 Compact such that the resulting overall framework of regulation within the affected
 1209 Prosperity District is less restrictive and less burdensome on the exercise of the
 1210 individual rights to life, liberty, and property, and more likely to protect the exercise
 1211 of the individual rights to life, liberty, and property, without impeding any activity or
 1212 market competition that would otherwise be lawful within the district;
- 1213 (4) Authorizing, levying, imposing, or enforcing any tax within that district in addition
 1214 to that which was authorized by the terms of this Compact as those terms existed upon
 1215 that district's formation; and
- 1216 (5) Authorizing or enforcing any exercise of eminent domain within that district in
 1217 addition to that which was authorized by the terms of this Compact as those terms existed
 1218 upon that district's formation.

Article VI

Compact Commission

- 1221 Section 1. Commission. When at least two members are contractually bound to this
 1222 Compact as contemplated in Sections 1 and 2 of Article V, the Prosperity States Compact
 1223 Commission ("Commission") shall be thereby established. The Commission initially consists
 1224 of three unpaid commissioners each serving solely a single six-year term. It has the power
 1225 and duty:
- 1226 (a) To designate a location within the jurisdictional boundaries of the United States Court
 1227 of Appeals for the Fifth Circuit for its principal place of business;

- 1228 (b) To appoint and oversee a Compact Administrator that maintains its principal place of
1229 business within the jurisdictional boundaries of the United States Court of Appeals for the
1230 Fifth Circuit;
- 1231 (c) To guard against cronyism and special interest capture of this Compact by encouraging
1232 new States to adopt this Compact and Congress to consent to the Compact without
1233 exceptions, stipulations, or limitations through educational efforts;
- 1234 (d) To coordinate the performance of obligations under this Compact, which shall include
1235 the issuance of advisory interpretations of this Compact;
- 1236 (e) To oversee and direct the defense and enforcement of the Compact in appropriate legal
1237 venues;
- 1238 (f) To request and accept funds from Prosperity Districts and to disburse those funds to
1239 support the operations of the Commission and Compact Administrator;
- 1240 (g) To make public and open for inspection or observation by any person at all reasonable
1241 times all governing instruments, records, proceedings, and accounts of the Commission and
1242 Compact Administrator subject to executive session procedures or privileges specified in
1243 the Commission's bylaws, the adoption of which shall be conducted by public hearing and
1244 shall supersede any conflicting law or Regulation of any member;
- 1245 (h) To cooperate with any person that shares a common interest with the Commission and
1246 engages in policy research, public interest litigation, or lobbying in support of the purposes
1247 of the Compact;
- 1248 (i) To establish a process of transparent, open, and competitive bidding in order to secure
1249 an annual contract with one or more reputable outside alternative dispute resolution
1250 services, which may, but is not required to include, adjudicative services offered by a
1251 judicial branch of a state or the United States government, to furnish binding arbitration of
1252 disputes;
- 1253 (j) To direct the final resolution and settlement of all disputes involving, between or
1254 among any member, Prosperity District, or any agency or department of the United States
1255 government to which the Consent of Congress for this Compact can be ascribed (if such
1256 consent has been given), with all sovereign immunities, if any, deemed waived with respect
1257 to any such proceeding, final resolution, and settlement, through the use of the
1258 Commission's contracted outside alternative dispute resolution service, or such other
1259 alternative dispute resolution service which all disputants agree to use (which may, but is
1260 not required to, include adjudicative services offered by a judicial branch of a State or the
1261 United States Government);
- 1262 (k) To exercise only such incidental powers as are essential to carrying out the foregoing
1263 express powers and duties (in no event shall the Commission be construed as possessing

1264 eminent domain, taxation, or police powers, or any other power that is functionally
1265 equivalent to the same, whether incidentally or principally); and

1266 (l) To adopt and publish corresponding bylaws, policies, and procedures.

1267 Section 2. Commissioner Appointment. The Commission initially consists of three unpaid
1268 commissioners each serving solely a single six-year term. Commissioner positions shall be
1269 assigned to appointees in the order in which their respective appointing state became
1270 members. Once at least one Prosperity District has been formed and exists within its
1271 boundaries, and until all commissioner positions are filled, or whenever there is a vacancy,
1272 each member, in the order in which it became a member, may appoint one commissioner
1273 through its Governor by appropriate executive action as determined by the laws of the
1274 respective member, subject to disapproval by official notice of any Prosperity District located
1275 within such member that is received by the office of its Governor or such person who is
1276 authorized to receive service of process on behalf of said Governor within ten calendar days
1277 of such appointment. Timely disapproval shall have the effect of requiring a new
1278 appointment until such time as a timely disapproval is not received.

1279 Section 3. Commissioner Removal. A commissioner representing a given member may be
1280 removed from his position at any time and for any reason by the official action of at least
1281 two-thirds of the governing boards of all Prosperity Districts located within the jurisdiction
1282 of that member. Any commissioner representing any member shall be removed from his
1283 position at any time by the official action of at least two-thirds of all Prosperity Districts. To
1284 be effective, notice of the foregoing official action of removal must be received by the office
1285 of the Governor of the appointing member or such person as is authorized to receive service
1286 of process on behalf of said Governor. Upon removal, the vacant position shall be filled as
1287 provided in Section 2 of this Article.

1288 Section 4. Commission Action. The Commission shall meet at least once a year, and may
1289 meet more frequently. Each commissioner is entitled to one vote. The Commission shall not
1290 act unless a majority of its appointed commissioners is present, and no action shall be
1291 binding unless approved by a majority of the appointed commissioners. However, two-thirds
1292 of all Prosperity Districts may override and nullify any action of the Commission, including
1293 a direction to use alternative dispute resolution, by official notice given to the Commission
1294 or the Compact Administrator within 30 calendar days after such action.

1295 Section 5. First Order of Business. The Commission shall, at the earliest possible time, elect
1296 from among its membership a chairperson, determine a principal place of doing business
1297 within the jurisdictional boundaries of the United States Court of Appeals for the Fifth
1298 Circuit, and appoint a Compact Administrator.

1299 Section 6. Funding. The Commission and the Compact Administrator's activities shall be
1300 funded, if at all, exclusively by Prosperity Districts, on an annual basis as follows:

- 1301 (a) The Commission shall propose an annual budget in accordance with its bylaws;
 1302 (b) Two-thirds of all Prosperity Districts must approve the Commission's annual budget
 1303 by official notice given to the Compact Administrator in order for the Commission's budget
 1304 to become authorized;
 1305 (c) If and when the Commission's budget is authorized, the Compact Administrator shall
 1306 establish or maintain or both an account to receive and disburse funding for the
 1307 Commission and shall also periodically request by notice given to all Prosperity Districts
 1308 a specific total amount of money needed to fund the Commission's operations under the
 1309 authorized budget;
 1310 (d) Upon receipt of such notice, every Prosperity District shall pay into the Commission
 1311 account the lesser amount of an equal share of the Compact Administrator's funding request
 1312 or one percent of gross revenue in the immediately preceding fiscal year; and
 1313 (e) If there is a funding shortfall, the Compact Administrator shall request further funding
 1314 from every Prosperity District until the shortfall is closed or the Commission shall adjust
 1315 its authorized budget to the level of the available funding.
- 1316 Section 7. Compact Administrator. The Compact Administrator serves at the pleasure of the
 1317 Commission and shall keep the Commission seasonably apprised of the performance or
 1318 nonperformance of the terms and conditions of this Compact. Any notice sent by a member
 1319 to the Compact Administrator concerning this Compact shall be adequate notice to each other
 1320 member provided that a copy of said notice is seasonably delivered by the Compact
 1321 Administrator to each other member's respective Governor or chief executive officer. The
 1322 Compact Administrator has the power and duty:
- 1323 (a) To organize and direct the logistical operations of the Commission;
 1324 (b) To maintain an accurate list of all members, including contact information;
 1325 (c) To formulate, transmit, and maintain all official notices, records, and communications
 1326 relating to this Compact; and
 1327 (d) Such incidental powers as are essential to carrying out the foregoing express powers
 1328 and duties (in no event shall the Compact Administrator be construed as possessing
 1329 eminent domain, taxation, or police powers, or any other power that is functionally
 1330 equivalent to the same, whether incidentally or principally).
- 1331 Section 8. Notice of Key Events. On the occurrence of each of the following described
 1332 events, or otherwise as soon as possible, the Compact Administrator shall immediately send
 1333 the following notices to the Governor of each member and the managing boards of each
 1334 Prosperity District, if any, together with certified conforming copies of the chaptered version
 1335 of this Compact as maintained in the statutes of each member:
- 1336 (a) Whenever any state becomes a member, notice of that fact shall be given;

1337 (b) Whenever any Prosperity District is formed or expanded, notice of that fact shall be
 1338 given;

1339 (c) Once Congress consents to this Compact as contemplated herein, notice of that fact
 1340 shall be given; and

1341 (d) Whenever any portion of this Compact is proposed to be amended or is actually
 1342 amended, notice of that fact shall be given.

1343 Section 9. Cooperation. The Commission, Members, Prosperity Districts, and the Compact
 1344 Administrator shall cooperate with each other and give each other mutual assistance in
 1345 enforcing this Compact.

1346 Section 10. Alternative Dispute Resolution Procedure. As soon as practicable after receipt
 1347 of a notice of a demand for alternative dispute resolution by a member, Prosperity District,
 1348 Third Party Beneficiary, or the United States government (if the requisite Consent of
 1349 Congress has been given), the Commission shall consolidate all such demands which relate
 1350 to the same transaction or operative facts and direct the identified disputants to reach a final
 1351 resolution and settlement on all of the related causes of action, defenses, and issues using
 1352 alternative dispute resolution as contemplated in subsection (j) of Section 1 of this Article,
 1353 whereupon each member, Prosperity District, and the United States government (if the
 1354 requisite Consent of Congress has been given), if applicable, shall comply with such
 1355 direction unless it is first nullified as provided in Section 4 of this Article. The Commission's
 1356 direction to use alternative dispute resolution as aforesaid may be enforced by any disputant
 1357 Third Party Beneficiary, member, Prosperity District, or the United States government (if the
 1358 requisite Consent of Congress has been given) against any other such disputant (except that
 1359 a Third Party Beneficiary cannot be compelled to use alternative dispute resolution as
 1360 aforesaid) in a court of competent jurisdiction, with all litigation expenses to be assessed
 1361 jointly and severally against each such noncompliant disputant. In the case of any dispute
 1362 over the existence of a District Externality, the burden of proof by clear and convincing
 1363 evidence shall be on the disputant asserting the existence of the District Externality. An
 1364 arbitration award may include equitable remedies, such as specific performance and
 1365 injunctive relief, and a judgment on any arbitration award may be entered in a court having
 1366 competent jurisdiction. A disputant may also seek in a court of competent jurisdiction:

1367 (a) Provisional or ancillary remedies against any disputant member, Prosperity District,
 1368 or the United States government (if the requisite Consent of Congress has been given),
 1369 including preliminary injunctive relief, pending the outcome of an arbitration proceeding;
 1370 or

1371 (b) Permanent injunctive relief against any such disputant to enforce an arbitration award.

1372 Alternative dispute resolution awards shall not be precedential.

1373 Section 11. Venue. Subject to strict compliance with the alternative dispute resolution
 1374 process required by Section 10 of this Article and the exercise of such original or appellate
 1375 jurisdiction of the United States Supreme Court that is required by the United States
 1376 Constitution, upon the designation of the Compact Administrator, any legal action
 1377 concerning or implicating the legality of this Compact shall only be conducted:

1378 (a) As to original proceedings either in:

1379 (1) The municipal court, if any, established pursuant to Section 2(c)(3) of Article II
 1380 within the jurisdiction of any Prosperity District in which a substantial part of the cause
 1381 of action arose; or

1382 (2) A court of competent jurisdiction located in the same state in which the principal
 1383 place of business of either the Commission or the Compact Administrator is located; or

1384 (b) Otherwise within the jurisdiction of the United States Court of Appeals for the Circuit
 1385 in which the principal place of business of either the Commission or the Compact
 1386 Administrator is located.

1387 Article VII

1388 Definitions

1389 The following definitions shall govern the construction of this Compact, unless the context
 1390 clearly requires otherwise.

1391 Section 1. "Common Law" is a descriptive term used for convenience to reference English
 1392 judge-made law (including such acts of parliament as overrode judge-made law)
 1393 administered by the King's courts and the English courts of chancery, which purports to be
 1394 derived from ancient custom and usage, as adopted or adapted and deemed precedential by
 1395 this member and pronounced as governing law through its judiciary through adjudications
 1396 of specific disputes and fact patterns so as to furnish rules for dispute resolution in the
 1397 categories of agency, business associations, conflict of laws, contracts, contracts for deeds,
 1398 judgments, land sales, property, restitution, security, torts, trusts, equity, and remedies. The
 1399 term also includes:

1400 (a) The judge-made law of other states in the foregoing categories which this member has
 1401 adopted or adapted and deemed precedential through pronouncements of its judiciary;

1402 (b) Statutory law as of the enactment date of this member's Compact legislation to the
 1403 extent:

1404 (1) The ascertainment of a rule of governance in the foregoing categories is intelligible
 1405 only by such reference;

1406 (2) This member has adopted tribal law, Roman, Spanish, or French civil law or
 1407 otherwise not adopted or adapted English judge-made law in the foregoing categories; or

1408 (3) This Member has codified English judge-made law in the foregoing categories; and

1409 (c) Interstitial common law arising from the adjudication of malum in se criminal law or
 1410 any regulation adopted pursuant to Section 1(a)(7)(D)(i) and (iii) of Article IV, and
 1411 effective provisions of this member's constitution and the United States Constitution.
 1412 However, it does not otherwise include statutory law, administrative law, executive orders,
 1413 ecclesiastical law, nor the body of decisional law developed by the federal judiciary of the
 1414 United States government. Where not inconsistent with the precedential adjudications of
 1415 this member as of the enactment date of this member's Compact legislation, the term may
 1416 be construed as incorporating the relevant governing rules published in the First
 1417 Restatement of the Law of Agency, Conflict of Laws, Contracts, Judgments, Property,
 1418 Restitution, Security, Torts, and Trusts, as approved by the American Law Institute in May
 1419 1942.

1420 Section 2. "Compact" is a descriptive term used for convenience to reference the entirety of
 1421 the text of the Prosperity States Compact advanced hereby, including all of its Sections and
 1422 Articles regardless of whether they initially only have the status of statute law, serve to
 1423 manifest an intent to enter into an interstate compact, or furnish the terms of a binding
 1424 interstate compact.

1425 Section 3. "Consent of Congress" means any act of the Congress of the United States or any
 1426 action of the United States government which was authorized by Congress, including any
 1427 statute, appropriation, joint resolution, concurrent resolution, administrative rule, or
 1428 regulation, that expressly or impliedly consents to this Compact before or after it becomes
 1429 an interstate compact such that the Compact attains equivalent status to a law of the United
 1430 States when it becomes an interstate compact. An act or action giving such consent to this
 1431 Compact shall be regarded as the Consent of Congress even if it includes stipulations,
 1432 conditions, and exceptions that limit the extent to which ordinary federal law is repealed or
 1433 held for naught under the terms of this Compact; and all such stipulations, conditions, and
 1434 exceptions, if any, shall be honored by the member governed thereby until and unless they
 1435 are repealed or amended.

1436 Section 4. "District Externality" means any condition, state of affairs, action, or omission
 1437 occurring outside of the boundaries of a Prosperity District that violates ordinary member
 1438 law, ordinary federal law, malum in se criminal law, or the common law in effect outside of
 1439 the boundaries of the district, which was proximately caused by a condition, state of affairs,
 1440 person, entity, service, property, action, or omission located, committed, or occurring within
 1441 the boundaries of a Prosperity District.

1442 Section 5. "Eligible Land" means land that fulfills the following criteria:

1443 (a) It either consists of at least one square mile of contiguous land or consists of any
 1444 quantity of contiguous land adjacent to an existing Prosperity District to expand that district

- 1445 (including any quantity of land that is contiguous to land that is adjacent to the district to
 1446 be expanded and included in the same expansion petition) (the "land");
 1447 (b) Title to the land is held either:
 1448 (1) Free from any recorded valid and enforceable security interests, rights of way,
 1449 easements, or restrictive covenants (collectively "encumbrance interests"); or
 1450 (2) Subject to encumbrance interests provided that all nongovernmental persons holding
 1451 any such encumbrance interest (or the right to enforce such encumbrance interests), who
 1452 are identifiable in the chain of title to the land, consent in writing to the classification of
 1453 the land as eligible land under this Compact;
 1454 (c) The land either is:
 1455 (1) Outside of the jurisdiction of an existing Prosperity District; or
 1456 (2) Otherwise within the jurisdiction of an existing Prosperity District provided that the
 1457 following entities consent in writing to the classification of the real property as eligible
 1458 land under this Compact:
 1459 (A) All bondholders of each such existing Prosperity District; and
 1460 (B) Any other person or entity holding a valid and enforceable security interest secured
 1461 by the existing Prosperity District's rights under an existing Revenue Covenant;
 1462 (d) The land either is:
 1463 (1) Outside of the jurisdiction of a special taxing district as of the enactment date of this
 1464 member's Compact legislation; or
 1465 (2) Otherwise within the jurisdiction of a special taxing district provided that the
 1466 following entities consent in writing to the classification of the real property as eligible
 1467 land:
 1468 (A) All bondholders of the respective special taxing district; and
 1469 (B) Any other person or entity holding a valid and enforceable security interest
 1470 secured by the district's taxing authority;
 1471 (e) The land either is:
 1472 (1) Outside of the territorial and extraterritorial jurisdiction (provided that such
 1473 extraterritorial jurisdiction does not span more than six miles from the boundary of the
 1474 territorial jurisdiction) of a municipality as of the enactment date of this member's
 1475 Compact legislation; or
 1476 (2) Otherwise within such territorial and extraterritorial jurisdiction of a municipality
 1477 provided that the governing body of the municipality consents by local law to the
 1478 classification of the real property as eligible land under this Compact; and
 1479 (f) The land was not acquired by any landowner in its chain of title within the five years
 1480 preceding the inclusion of the land in any petition to form or expand a Prosperity District

1481 through the exercise of eminent domain or civil forfeiture for alleged criminal acts and
1482 omissions that did not result in a conviction.

1483 Section 6. "Landowner" means the owner of the freehold estate (also known as fee simple
1484 estate), as appears by the deed record, and shall not include reversioners, remaindermen,
1485 trustees (other than persons owning the freehold estate as of deed record), or mortgagees.

1486 Section 7. "Malum in se criminal law" means those laws that prohibit, under penalty of
1487 imprisonment or punitive fines, acts or omissions that injure or threaten injury to another
1488 person or another person's property by a person who possesses evil intent, such as laws
1489 against assault, burglary, child abuse, fraud, kidnapping, murder, rape, robbery, and theft.

1490 Section 8. "Member" means a state that has passed legislation that enacts, adopts, and agrees
1491 to be bound to this Compact or in which a measure having the same force and effect as such
1492 legislation has been passed by popular ballot initiative (collectively "Compact legislation").
1493 For any state to be regarded as a member in privity with regard to any other state, each such
1494 state must have passed substantively identical Compact legislation as aforesaid and
1495 manifested mutual consent to be bound by this Compact as provided in Section 1 of Article
1496 V of this Compact. Such legislation shall be deemed substantively identical notwithstanding
1497 material differences among such states in regard to terms or provisions set forth in Article
1498 III of this Compact within the categories authorized by Section 6 of Article VIII of this
1499 Compact ("Authorized Statewide Tailoring"), provided that all other terms of such legislation
1500 are substantively identical. Terms or provisions set forth in Article III of this Compact which
1501 are not categories of authorized statewide tailoring are void ab initio, shall be held for
1502 naught, and shall not obstruct the formation of an interstate compact between the respectively
1503 enacting member and any other member, provided that all other terms of the Compact
1504 legislation are substantively identical.

1505 Section 9. "Municipality" means a political subdivision of a state which has general local
1506 governing authority and an elected governing body, such as a city or town; the term does not
1507 include special taxing districts or Prosperity Districts.

1508 Section 10. "Ordinary federal law" means any treaty, statute, agreement, regulation, or
1509 executive order, as well as any other similar act or action that has the force of law or the
1510 effect of substantively changing the status of legal rights and obligations, that is lawfully and
1511 constitutionally ratified, enacted, adopted, consented-to, or otherwise promulgated by the
1512 government of the United States, or any of its agencies, instrumentalities, or political
1513 subdivisions, that is under the authority of, and subordinate to, the United States Constitution
1514 and that is subject to amendment, repudiation, or repeal by a legislative act or resolution that
1515 has the same ultimate passage requirements as the legislation or resolution giving Consent
1516 of Congress to this Compact, if any; excepting only:

1517 (a) Any act or action that furnishes Consent of Congress for all or any portion of this
 1518 Compact; and

1519 (b) Any treaty, statute, regulation, ordinance, or executive order that is essential to
 1520 enforcing, strictly performing, or complying with this Compact or the Consent of Congress
 1521 in accordance with its terms.

1522 Section 11. "Ordinary member law" means any measure, statute, regulation, ordinance, or
 1523 executive order, as well as any other similar act that has the force of law, that is enacted,
 1524 adopted, or otherwise promulgated by the government of this member or any of its agencies,
 1525 instrumentalities, or political subdivisions, that is under the authority of, and subordinate to,
 1526 the United States Constitution and the constitution of this member, and that is subject to
 1527 amendment or repeal by a legislative act that has the same ultimate passage requirements as
 1528 the respective member's Compact legislation; excepting only:

1529 (a) The Compact legislation;

1530 (b) Any measure, statute, regulation, ordinance, or executive order that is essential to
 1531 enforcing, strictly performing, or complying with this Compact in accordance with its
 1532 terms;

1533 (c) The malum in se criminal law of this member; and

1534 (d) The common law of this member.

1535 Section 12. "Person" means a natural person and any entity, organization, or association that
 1536 possesses some or all of the rights and powers of a natural person.

1537 Section 13. "Prosperity District" means a governing unit and political subdivision of this
 1538 member that is formed pursuant to Article IV of this Compact and strictly limited to the
 1539 powers and authorities specified in this Compact.

1540 Section 14. "Regulation" means a rule of governance for the general public within the
 1541 jurisdiction of the regulator that is compulsory and enforceable through legal sanction,
 1542 liability, penalty, direct or indirect physical coercion, or violence (or under the threat of such)
 1543 without the actual and concurrent express consent of the person against whom the rule is
 1544 applied. The term includes both civil and criminal rules of governance; however, the term
 1545 excludes the district bylaws, directives, policies, or procedures that limit the power and
 1546 jurisdiction of a Prosperity District's managing board or otherwise that are applicable to the
 1547 internal management and administration of the district's authorized powers and authorities
 1548 by its managing board, contractors, and employees, if any, in their capacity as agents or
 1549 servants of the Prosperity District rather than as members of the general public.

1550 Section 15. "Revenue Covenant" means an agreement entered to pay certain specified
 1551 revenues to one or more designated recipients that encumbers title to identified land as a
 1552 covenant and passes with title to such land from owner to owner so that the land cannot be
 1553 conveyed to a new owner without the covenant.

1554 Section 16. "State" means one of the several states of the United States and includes all of
1555 the state's branches, departments, agencies, instrumentalities, political subdivisions, and
1556 officers, employees, and representatives acting in their official capacity.

1557 Section 17. "Subsidy to private enterprise" means an economic benefit, direct or indirect,
1558 granted by a governmental unit or an instrumentality or agency of a governmental unit with
1559 the primary purpose or predominate effect of encouraging or maintaining particular or
1560 specific classes of ventures, in which private persons have a substantial financial or
1561 ownership interest; including, but not limited to, cash, cash-equivalents, goods, property or
1562 services given or contributed to or invested in such ventures for less than equivalent fair
1563 market value in exchange, gratuitous bail-outs of actual or anticipated economic losses
1564 sustained by such ventures, gratuitous loan or liability guarantees benefitting such ventures,
1565 insurance at below-market rates or terms against investment losses by such ventures, loans
1566 or extensions of credit given to such ventures at below-market rates or terms or without
1567 recourse, gratuitous forgiveness of debts or liabilities owed by such ventures, compensation
1568 in excess of fair market value for goods, services or property furnished by such ventures, and
1569 the promulgation or enforcement of regulations or fees that restrict competition directly or
1570 indirectly to the benefit of such ventures. Economic benefits to private enterprise from the
1571 following shall not be considered a subsidy to private enterprise:

1572 (a) The Prosperity District's performance of any authorized municipal service in
1573 compliance with Article II;

1574 (b) The retention of private enterprise to perform any authorized municipal service in
1575 compliance with Article II for fair market value;

1576 (c) The procurement of supplies and services from private enterprise for the Prosperity
1577 District's internal management and administrative operations for fair market value; and

1578 (d) The relaxation or repeal of regulations.

1579 Section 18. "Tax" refers to any compulsory contribution to the revenue, property, goods, or
1580 services received by any governmental unit (or any other recipient designated by any
1581 governmental unit) directly or indirectly from any person, and any obligation to make any
1582 such compulsory contribution (including, but not limited to, any excise, impost, duty, or
1583 tariff) directly or indirectly imposed on any person, which is collected, demanded, levied, or
1584 imposed by any governmental unit (or at the direction of any governmental unit) on any
1585 property or source of revenue, goods, or services, and which is enforceable through legal
1586 sanction, liability, penalties, direct, or indirect physical coercion or violence (or under the
1587 threat of such). The term does not include any obligation or contribution made pursuant to
1588 an agreement, enforceable contract, or covenant entered into voluntarily or otherwise
1589 voluntarily assumed or undertaken with the actual consent of the person against whom the
1590 obligation is imposed or the contribution is to be exacted, such as a Revenue Covenant.

1591 Section 19. "Third Party Beneficiary" means any nongovernmental person petitioning for
 1592 the formation or expansion of a Prosperity District, petitioning for withdrawal of land from
 1593 a Prosperity District, contributing real property to, residing or domiciled within, owning real
 1594 property within, or lawfully doing business within a Prosperity District, either on formation
 1595 of the district or after formation or expansion.

1596 Article VIII

1597 Miscellaneous

1598 Section 1. Nature of Enactment and Effective Date. Articles I, II, III, Article IV, Section 1
 1599 of Article V, Article VII, and Sections 1 through 7 of Article VIII of this Compact shall have
 1600 the effect and authority of statute law in this member upon passage of its Compact legislation
 1601 regardless of whether at such time a conforming interstate compact has been formed
 1602 embracing this member as contemplated by Section 1 of Article V; and their effective date
 1603 as such is the earliest date permitted by law, subject to their express terms, which
 1604 effectiveness is not to be delayed until the formation of an interstate compact embracing
 1605 them. The effective date of Sections 2 through 6 of Article V and Article VI of this Compact
 1606 is the earliest date permitted by law, subject to their express terms, upon the formation of an
 1607 interstate compact embracing this member as contemplated in Section 1 of Article V. Any
 1608 violation of any effective provision of this Compact is void ab initio.

1609 Section 2. Legislative Drafting. This Compact shall be liberally construed so as to effectuate
 1610 its purposes. To the extent that the effectiveness of this Compact or any of its provisions
 1611 requires the alteration of local legislative rules, legislative drafting policies or statutes, or
 1612 parliamentary procedure to be effective, the enactment of Compact legislation shall be
 1613 deemed to waive, repeal, supersede, or otherwise amend and conform all such rules, policies,
 1614 statutes, or procedures to allow for the effectiveness of all provisions of this Compact
 1615 according to their terms and conditions to the fullest extent permitted by the constitution of
 1616 any affected member, consistent with the prohibition on states impairing the obligation of
 1617 contract under United States Constitution, Article I, Section 10, Clause 1.

1618 Section 3. Severance. If any phrase, clause, sentence, or provision of this Compact, or the
 1619 applicability of any phrase, clause, sentence, or provision of this Compact to any
 1620 government, agency, person, or circumstance, is declared in a final judgment by a court of
 1621 competent jurisdiction to be contrary to the United States Constitution, contrary to the state
 1622 constitution of any member, subject to the prohibition on states impairing the obligation of
 1623 contract under United States Constitution, Article I, Section 10, Clause 1, or is otherwise held
 1624 invalid by a court of competent jurisdiction, such phrase, clause, sentence, or provision shall
 1625 be severed and held for naught, and the validity of the remainder of this Compact and the
 1626 applicability of the remainder of this Compact to any government, agency, person, or

1627 circumstance shall not be affected. Furthermore, if this Compact is declared in a final
 1628 judgment by a court of competent jurisdiction to be entirely contrary to the state constitution
 1629 of any member, violative of the prohibition on states impairing the obligation of contract
 1630 under United States Constitution, Article I, Section 10, Clause 1, or otherwise entirely invalid
 1631 as to any member, such member shall be deemed to have withdrawn from the Compact, and
 1632 the Compact shall remain in full force and effect as to any remaining member. Finally, if this
 1633 Compact or any amendment thereto is declared in a final judgment by a court of competent
 1634 jurisdiction to be wholly or substantially in violation of Article I, Section 10, Clause 3, of the
 1635 United States Constitution (the "Compact Clause"), then it shall be construed and enforced
 1636 solely as reciprocal legislation enacted by each of the affected members with none of the
 1637 provisions of Articles V and VI of this Compact being in effect until such time as the legal
 1638 deficiency prompting such judgment is cured.

1639 Section 4. Notice. All notices required by this Compact shall be by United States certified
 1640 mail, return receipt requested, or an equivalent or superior form of notice, such as personal
 1641 delivery documented by evidence of actual receipt.

1642 Section 5. Third Party Beneficiary and Vested Rights. Every third party beneficiary has a
 1643 vested property right to strict compliance with this Compact's provisions by all government
 1644 units that are governed by it.

1645 Section 6. Authorized Statewide Tailoring. Article III of this Compact may only include
 1646 provisions that clarify, modify, supplement, or supersede provisions of this Compact in the
 1647 following categories:

1648 (a) Conforming the Compact to a member's respective local political structure, usage, and
 1649 style;

1650 (b) Modifying the definition of "eligible land" with respect to the respectively enacting
 1651 member provided that such modifications do not have the purpose or effect of rendering
 1652 the authority to form or expand or withdraw from a Prosperity District a law, privilege, or
 1653 immunity for a closed class of one or more identifiable persons;

1654 (c) Modifying the petition process for the formation or expansion of or withdrawal from
 1655 Prosperity Districts provided that such modifications do not:

1656 (1) Include land within the boundaries of a Prosperity District or impose a covenant on
 1657 any land without the voluntary and written consent of each affected landowner; and

1658 (2) Have the purpose or effect of rendering the authority to form or expand or withdraw
 1659 from a Prosperity District a law, privilege, or immunity for a closed class of one or more
 1660 identifiable persons;

1661 (d) Furnishing authority for one or more revenue covenants with respect to the respectively
 1662 enacting member;

- 1663 (e) Specifying existing interstate compacts, constitutional provisions, laws (statutory,
1664 common and civil), regulations or policies, or prosecution or administrative or enforcement
1665 actions or agency, political subdivision, or instrumentality jurisdictions that will or will not
1666 continue to exist, have effect or the force of law in a Prosperity District within the
1667 respectively enacting Member and to what extent;
- 1668 (f) Limiting or modifying the effect of any provision of this Compact as necessary to
1669 furnish greater due process of law, transparency in government, or to enforce the
1670 respectively enacting member's constitution or the United States Constitution;
- 1671 (g) Limiting or modifying the effect of any provision of this Compact as necessary to
1672 enforce federal primacy, federal mandates, or conditions on the receipt of federal grants as
1673 to the respectively enacting member;
- 1674 (h) Limiting or modifying reciprocity with respect to the recognition of activities deemed
1675 lawful in Prosperity Districts located within the respectively enacting member;
- 1676 (i) Requiring insurance, performance bonding, or sureties to indemnify the member and
1677 any political subdivision, in which any part of a proposed new or expanded Prosperity
1678 District is to be located, from damages, liabilities, and costs incurred by them as a result
1679 of:
- 1680 (1) Any district externality;
1681 (2) A default under a revenue covenant applicable to lands within the new or expanded
1682 district;
1683 (3) Structure maintenance costs or costs incurred from enforcement of external public
1684 health, safety, and sanitation laws in foreclosed or withdrawn district lands; or
1685 (4) The abandonment of the district;
- 1686 (j) Furnishing authority for political subdivisions (other than Prosperity Districts) within
1687 the respectively enacting member to further modify, limit, and condition the terms of this
1688 Compact by local law with such provisions as fall within the categories of subsections (a),
1689 (b), (c), (e), (g), and (i) of this Section with respect to Prosperity Districts formed or
1690 expanded within their territorial and extraterritorial jurisdictions (provided that such
1691 extraterritorial jurisdiction does not span more than six miles from the boundary of the
1692 territorial jurisdiction) provided that any such local law:
- 1693 (1) Shall be uniform for each Prosperity District to be formed or expanded within each
1694 respective jurisdiction;
1695 (2) May not impose unique conditions or requirements for the formation or expansion
1696 of any particular Prosperity District; and
1697 (3) Does not have the purpose or effect of rendering the authority to form, expand, or
1698 withdraw from a Prosperity District a law, privilege, or immunity for a closed class of
1699 one or more identifiable persons;

1700 (k) Including national security, international travel, regulatory, taxing, interstate
 1701 commerce, international commerce, and immigration policies governing Prosperity
 1702 Districts within the respectively enacting member that shall have effect upon the Compact
 1703 becoming an interstate compact and receiving the Consent of Congress;

1704 (l) Modifying the definitions used in the Compact to allow a Native American community
 1705 located within the respectively enacting member and recognized as sovereign by the
 1706 government of the United States to qualify as a member under this Compact on the
 1707 Compact becoming an interstate compact and receiving Consent of Congress, if necessary;

1708 (m) Specifying terms and conditions under which the enacting member may terminate or
 1709 withdraw from this Compact;

1710 (n) Specifying terms and conditions under which the Governor of each member or his
 1711 nominee may negotiate and enter into separate contractual arrangements to protect the
 1712 investment-backed expectations of any third party beneficiary that Prosperity Districts,
 1713 once formed, shall operate as herein contemplated;

1714 (o) Specifying uniform rules of construction and limitations on the subject matter,
 1715 duration, or enforceability of any servitude burdening title or restrictive covenant running
 1716 with title to land within the jurisdiction of Prosperity District located within the enacting
 1717 member;

1718 (p) Authorizing specific continuing appropriations for statewide tax relief or expenditures
 1719 from revenues received pursuant to any revenue covenant; and

1720 (q) Specifying a statute of repose or limitations for any claim or cause of action arising
 1721 from the passage of this Compact or Prosperity District formation, expansion, and
 1722 withdrawal.

1723 Section 7. Preservation of Person Status for Artificial Persons. A corporation, trust,
 1724 company, association, organization, or other nonnatural person entity ("artificial person") that
 1725 enjoys or is capable of enjoying certain duties, rights, and powers of a natural person under
 1726 law existing outside of the boundaries of a Prosperity District, such as the right to sue or be
 1727 sued, contract or own property in its own name, shall be recognized as enjoying the
 1728 corresponding duties, rights, and powers, if any, of a natural person within the boundaries
 1729 of a Prosperity District upon giving notice in such form and with such content as may be
 1730 specified in the district's bylaws to the managing board of the district of its intent to conduct
 1731 operations, do business, or establish a place of business or domicile within the Prosperity
 1732 District. Further, the articles of incorporation, certificate of formation, articles of
 1733 organization, charter, bylaws, operating agreement, or equivalent governing instrument of
 1734 a foreign artificial person, if any, shall be recognized as contractually binding the trustees,
 1735 owners, officers, managers, agents, beneficiaries, and employees, as the case may be, of such
 1736 foreign artificial person within the boundaries of a Prosperity District. However, an artificial

1737 person shall otherwise be governed by the law and regulations, if any, existing within the
1738 boundaries of a Prosperity District."

1739

SECTION 2.

1740 All laws and parts of laws in conflict with this Act are repealed.