

Senate Bill 484

By: Senators Kirkpatrick of the 32nd and Burke of the 11th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 31 of the Official Code of Georgia Annotated, relating to health, so as to
2 adopt the Solemn Covenant of the States to Award Prizes for Curing Diseases; to provide for
3 the entry of the state into a multistate compact to incentivize the development of cures for
4 diseases through substantial financial awards; to provide for a commission to administer the
5 compact; to establish the powers and duties of the commission; to provide for committees;
6 to provide for financing; to provide for effectiveness; to provide for withdrawal, default, and
7 expulsion; to provide for severability and construction; to provide for related matters; to
8 repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

11 Title 31 of the Official Code of Georgia Annotated, relating to health, is amended by adding
12 a new chapter to read as follows:

13 style="text-align:center">"CHAPTER 54

14 31-54-1.

15 The Solemn Covenant of the States to Award Prizes for Curing Diseases is entered into and
16 enacted into law with all jurisdictions legally joining therein, in the form substantially as
17 follows:

18 style="text-align:center">'Solemn Covenant of the States to Award Prizes for Curing Diseases

19 style="text-align:center">Article I. Definitions

20 For purposes of this compact, the term:

- 21 1. "Compact" means the Solemn Covenant of the States to Award Prizes for Curing
 22 Diseases enacted in this Code section.
- 23 2. "Compacting state" means either of the following:
- 24 a. Any state that has enacted the compact and which has not withdrawn or been
 25 suspended pursuant to Article XIV of the compact; or
- 26 b. The federal government in accordance with the commission's bylaws.
- 27 3. "Noncompacting state" means any state or the federal government, if it is not at the time
 28 a compacting state.
- 29 4. "Public health expenses" means the amount of all costs paid by taxpayers in a specified
 30 geographic area relating to a particular disease.
- 31 5. "State" means any state, district, or territory of the United States of America.

32 Article II. Establishment of the Commission; Membership

- 33 1. Upon the enactment of the compact by six states, the compacting states shall establish
 34 the Solemn Covenant of States Commission.
- 35 2. The commission is a body corporate and politic and an instrumentality of each of the
 36 compacting states and is solely responsible for its liabilities, except as otherwise
 37 specifically provided in the compact.
- 38 3. Each compacting state shall be represented by one member as selected by the
 39 compacting state. Each compacting state shall determine its member's qualifications and
 40 period of service and shall be responsible for any action to remove or suspend its member
 41 or to fill the member's position if it becomes vacant. Nothing in the compact shall be
 42 construed to affect a compacting state's authority regarding the qualification, selection, or
 43 service of its own member.

44 Article III. Powers of the Commission

- 45 1. To adopt bylaws and rules pursuant to Articles V and VI of the compact, which shall
 46 have the force and effect of law and shall be binding in the compacting states to the extent
 47 and in the manner provided in the compact;
- 48 2. To receive and review in an expeditious manner treatments and therapeutic protocols
 49 for the cure of disease submitted to the commission and to award prizes for submissions
 50 that meet the commission's standards for a successful cure treatment or therapeutic
 51 protocol;
- 52 3. To make widely available a cure treatment or therapeutic protocol upon a prize winner
 53 claiming a prize and transferring any intellectual property necessary for the manufacture

54 and distribution of the cure in accordance with section 3.g.i. of Article VI of the compact,
55 including by arranging or contracting for the manufacturing, production, or provision of
56 any drug, serum, or other substance, device, or process, provided that the commission does
57 not market the cure or conduct any other activity regarding the cure not specifically
58 authorized in the compact;

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

63 5. In noncompacting states and foreign countries, to establish and collect royalty fees
64 imposed on manufacturers, producers, and providers of any drug, serum, or other
65 substance, device, or process used for a cure treatment or therapeutic protocol, for which
66 a prize is awarded; royalty fees may be added to the sales price of the cure pursuant to
67 section 4 of this article; provided that the royalty fees shall cumulatively be not more than
68 the estimated five-year savings in public health expenses for that state or country, as
69 calculated by actuaries employed or contracted by the commission;

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

71 a. Pay or reimburse expenses related to the payment of a prize, which shall include
72 employing or contracting actuaries to calculate annual taxpayer savings amounts in
73 compacting states in accordance with section 3.g.iii. of Article VI of the compact, and
74 payment of interest and other expenses related to a loan obtained in accordance with
75 section 3.g.vi. of Article VI of the compact; and

76 b. Annually disburse any amounts remaining after making payments or reimbursements
77 under section 6.a. of this article as refunds to compacting states based on the percent of
78 the state's prize obligation in relation to the total obligation amount of all compacting
79 states;

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

81 8. To issue subpoenas requiring the attendance and testimony of witnesses and the
82 production of evidence;

83 9. To establish and maintain offices;

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

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

- 91 12. To accept any and all appropriate donations and grants of money, equipment, supplies,
 92 materials, and services, and to receive, utilize, and dispose of the same; provided that at all
 93 times the commission shall strive to avoid any appearance of impropriety;
 94 13. To lease, purchase, or accept appropriate gifts or donations of, or otherwise to own,
 95 hold, improve, or use, any property, real, personal, or mixed; provided, that at all times the
 96 commission shall strive to avoid any appearance of impropriety;
 97 14. To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of
 98 any property, real, personal, or mixed;
 99 15. To monitor compacting states for compliance with the commission's bylaws and rules;
 100 16. To enforce compliance by compacting states with the commission's bylaws and rules;
 101 17. To provide for dispute resolution among compacting states or between the commission
 102 and those who submit treatments and therapeutic protocols for the cure of disease for
 103 consideration;
 104 18. To establish a budget and make expenditures;
 105 19. To borrow money;
 106 20. To appoint committees, including management, legislative, and advisory committees
 107 comprised of members, state legislators or their representatives, medical professionals, and
 108 such other interested persons as may be designated by the commission;
 109 21. To establish annual membership dues for compacting states, which shall be used for
 110 daily expenses of the commission and not for interest or prize payments;
 111 22. To adopt and use a corporate seal; and
 112 23. To perform such other functions as may be necessary or appropriate to achieve the
 113 purposes of this compact.

114 Article IV. Meetings and Voting

- 115 1. The commission shall meet and take such actions as are consistent with the compact,
 116 bylaws, and rules.
 117 2. A majority of the members of the commission shall constitute a quorum necessary in
 118 order to conduct business or take actions at meetings of the commission.
 119 3. Each member of the commission shall have the right and power to cast one vote
 120 regarding matters determined or actions to be taken by the commission. Each member
 121 shall have the right and power to participate in the business and affairs of the commission.
 122 4. A member shall vote in person or by such other means as provided in the commission's
 123 bylaws. The commission's bylaws may provide for members' participation in meetings by
 124 telephone or other means of communication.

- 125 5. The commission shall meet at least once during each calendar year. Additional
 126 meetings shall be held as set forth in the commission's bylaws.
- 127 6. No decision of the commission with respect to the approval of an award for a treatment
 128 or therapeutic process for the cure of a disease shall be effective unless two-thirds of all the
 129 members of the commission vote in favor thereof.
- 130 7. Guidelines and voting requirements for all other decisions of the commission shall be
 131 established in the commission's bylaws.

132 Article V. Bylaws

- 133 The commission shall, by a majority vote of all the members of the commission, prescribe
 134 bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes,
 135 and exercise the powers, of the compact, including, but not limited to:
- 136 1. Establishing the fiscal year of the commission;
- 137 2. Providing reasonable procedures for appointing and electing members, as well as
 138 holding meetings, of the management committee;
- 139 3. Providing reasonable standards and procedures:
- 140 a. For the establishment and meetings of other committees;
- 141 b. Governing any general or specific delegation of any authority or function of the
 142 commission; and
- 143 c. Establishing voting guidelines and procedures for commission decisions;
- 144 4. Providing reasonable procedures for calling and conducting meetings of the commission
 145 that shall consist of requiring a quorum to be present, ensuring reasonable advance notice
 146 of each such meeting, and providing for the right of citizens to attend each such meeting
 147 with enumerated exceptions designed to protect the public's interest and the privacy of
 148 individuals;
- 149 5. Providing a list of matters about which the commission may go into executive session
 150 and requiring a majority of all members of the commission to vote their approval to enter
 151 into such session. As soon as practicable, the commission shall make public:
- 152 a. A copy of the vote to go into executive session, revealing the vote of each member
 153 with no proxy votes allowed; and
- 154 b. The matter requiring executive session, without identifying the actual issues or
 155 individuals involved;
- 156 6. Establishing the titles, duties, authority, and reasonable procedures for the election of
 157 the officers of the commission;
- 158 7. Providing reasonable standards and procedures for the establishment of the personnel
 159 policies and programs of the commission. Notwithstanding any civil service or other

- 160 similar laws of any compacting state, the commission's bylaws shall exclusively govern the
161 personnel policies and programs of the commission;
- 162 8. Allowing a mechanism for:
- 163 a. The federal government to join as a compacting state; and
164 b. Foreign countries or subdivisions of those countries to join as liaison members by
165 adopting the compact; provided that adopting countries or subdivisions shall not have
166 voting power or the power to bind the commission in any way;
- 167 9. Adopting a code of ethics to address permissible and prohibited activities of members
168 and employees;
- 169 10. Providing for the maintenance of the commission's books and records;
- 170 11. Governing the acceptance of and accounting for donations, annual member dues, and
171 other sources of funding and establishing the proportion of these funds to be allocated to
172 prize amounts for treatments and therapeutic protocols that cure disease;
- 173 12. Governing any fundraising efforts in which the commission wishes to engage; and
- 174 13. Providing a mechanism for winding up the operations of the commission and the
175 equitable disposition of any surplus funds that may exist after the termination of the
176 compact after the payment and reserving of all its debts and obligations.

177 Article VI. Rules

- 178 1. The commission shall adopt rules to do the following:
- 179 a. Effectively and efficiently achieve the purposes of this compact; and
180 b. Govern the methods, processes, and any other aspect of the research, creation, and
181 testing of a treatment or therapeutic protocol for each disease for which a prize may be
182 awarded.
- 183 2. The commission shall also adopt rules establishing the criteria for defining and
184 classifying the diseases for which prizes shall be awarded. The commission may define
185 and classify subsets of diseases, for example, tubular carcinoma of the breast. For purposes
186 of sections 3.a. and c. of this article, a subset of a disease shall be considered one disease.
187 The commission may consult the most recent edition of the International Classification of
188 Diseases as published by the World Health Organization or other definitions agreed to by
189 a two-thirds' vote of the commission.
- 190 3. The commission shall also adopt rules regarding prizes for curing diseases that establish
191 the following:
- 192 a. At least ten major diseases for which to create prizes, which shall be determined based
193 on the following factors:
- 194 i. The severity of the disease to a human individual's overall health and well-being;

- 195 ii. The survival rate or severity of impact of the disease; and
196 iii. The public health expenses and treatment expenses for the disease;
197 b. The criteria a treatment or therapeutic protocol must meet in order to be considered
198 a cure for any of the diseases for which a prize may be awarded, which shall include the
199 following requirements:
200 i. It must be approved by the federal Food and Drug Administration or have otherwise
201 obtained legal status for the compact to immediately contract to manufacture and
202 distribute in the United States;
203 ii. Except as provided in section 4. of this article, it must yield a significant increase
204 in survival with respect to the diseases if early death is the usual outcome; and
205 iii. It requires less than one year of the treatment or protocol to completely cure the
206 disease;
207 c. The procedure for determining the diseases for which to award prizes, which includes
208 the option to award prizes for more than ten diseases that meet the above criteria, if
209 agreed to by two-thirds' vote of the commission, and a requirement to update the list
210 every three years;
211 d. The submission and evaluation procedures and guidelines, including filing and review
212 procedures, a requirement that the person or entity submitting the cure bears the burden
213 of proof in demonstrating that the treatment or therapeutic protocol meets the above
214 criteria, and limitations preventing public access to treatment or protocol submissions;
215 e. The estimated five-year public health savings that would result from a cure, which
216 shall be equal to the five-year public health expenses for each disease in each compacting
217 state, and a procedure to update these expenses every three years in conjunction with the
218 requirements in section 3.c. of this article. The estimated five-year public health savings
219 amount shall be calculated, estimated, and publicized every three years by actuaries
220 employed or contracted by the commission;
221 f. The prize amount with respect to cures for each disease, which shall be equal to the
222 most recent estimated total five-year savings in public health expenses for the disease as
223 calculated in section 3.e. of this article in all of the compacting states; amounts donated
224 by charities, individuals, and any other entities intended for the prize under Article I of
225 the compact; and any other factors that the commission deems appropriate; and
226 g. The prize distribution procedures and guidelines, which shall include the following
227 requirements:
228 i. Upon acceptance of a cure, the prize winner shall transfer to the commission the
229 patent and all related intellectual property for the manufacture and distribution of the
230 treatment or therapeutic protocol in exchange for the prize, except in the case that the
231 prize money is considered by the commission to be too low, and that a prize will be

232 awarded only to the first person or entity that submits a successful cure for a disease for
233 which a prize may be awarded;

234 ii. Donation amounts intended for the prize shall be kept in a separate, interest-bearing
235 account maintained by the commission. This account shall be the only account in
236 which prize money is kept;

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

245 iv. Compacting states may meet prize responsibilities by any method including the
246 issuance of bonds or other obligations, with the principal and interest of those bonds or
247 obligations to be repaid only from revenue derived from estimated public health
248 expense savings from a cure to a disease. If the compacting state does not make such
249 revenue available to repay some or all of the revenue bonds or obligations issued, the
250 owners or holders of those bonds or obligations have no right to have excises or taxes
251 levied to pay the principal or interest thereon. The revenue bonds and obligations are
252 not a debt of the issuing compacting state;

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

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

264 4. The commission may award a prize for a treatment or therapeutic protocol that yields
265 a survival rate that is less than what is established in the cure criteria through at least five
266 years after the treatment or protocol has ended. In that case, the prize amount awarded for
267 that treatment or therapeutic protocol shall be reduced from the prize amount originally
268 determined by the commission for a cure for that disease. The reduction shall be in

269 proportion to the survival rate yielded by that treatment or protocol as compared to the
270 survival rate established in the cure criteria.

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

272 a. Establish the following regarding commission records:

273 i. Conditions and procedures for public inspection and copying of its information and
274 official records, except such information and records involving the privacy of
275 individuals or otherwise violating privacy laws under federal law and the laws of the
276 compacting states;

277 ii. Procedures for sharing with federal and state agencies, including law enforcement
278 agencies, records and information otherwise exempt from disclosure; and

279 iii. Guidelines for entering into agreements with federal and state agencies to receive
280 or exchange information or records subject to nondisclosure and confidentiality
281 provisions;

282 b. Provide a process for commission review of submitted treatments and therapeutic
283 protocols for curing diseases that includes the following:

284 i. An opportunity for an appeal, not later than 30 days after a rejection of a treatment
285 or protocol for prize consideration, to a review panel established under the
286 commission's dispute resolution process;

287 ii. Commission monitoring and review of treatment and protocol effectiveness
288 consistent with the cure criteria established by the commission for the particular
289 disease; and

290 iii. Commission reconsideration, modification, or withdrawal of approval of a
291 treatment or protocol for prize consideration for failure to continue to meet the cure
292 criteria established by the commission for the particular disease;

293 c. Establish a dispute resolution process to resolve disputes or other issues under the
294 compact that may arise between two or more compacting states or between the
295 commission and individuals or entities who submit treatments and therapeutic protocols
296 to cure diseases, which process shall provide for:

297 i. Administrative review by a review panel appointed by the commission;
298 ii. Judicial review of decisions issued after an administrative review; and
299 iii. Qualifications to be appointed to a panel, due process requirements, including
300 notice and hearing procedures, and any other procedure, requirement, or standard
301 necessary to provide adequate dispute resolution; and

302 d. Establish and impose annual member dues on compacting states, which shall be
303 calculated based on the percentage of each compacting state's population in relation to
304 the population of all the compacting states.

305 6. Recognizing that the goal of the compact is to pool the potential savings of as many
 306 states and countries as possible to generate sufficient financial incentive to develop a cure
 307 for many of the world's most devastating diseases, the compact will respect the laws of
 308 each of these United States by adopting rules that establish ethical standards for research
 309 that shall be followed in order for a prize to be claimed. The compact, in the rules, shall
 310 establish a common set of ethical standards that embodies the laws and restrictions in each
 311 of the states so that to be eligible for claiming a prize the entity submitting a cure must not
 312 have violated any of the ethical standards in any one of the fifty states, whether the states
 313 have joined the compact or not. The compact will publish these common ethical standards
 314 along with the specific criteria for a cure for each of the diseases the compact has targeted.
 315 So long as a researcher follows the common ethical standards in effect at the time the
 316 research is done, an entity presenting a cure will be deemed to have followed the standards.
 317 On or before January 1 of each year, the compact shall review all state laws to determine
 318 if additional ethical standards have been enacted by any of the fifty states and the federal
 319 government. Any changes to the common ethical standards rules based on new state laws
 320 shall be adopted and published by the compact, but shall not take effect in cure criteria for
 321 a period of three years to allow for sufficient notice to researchers.

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

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

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

329 Article VII. Committees

330 1. Management Committee

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

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

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

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

339 ii. Overseeing the offices of the commission; and

340 iii. Planning, implementing, and coordinating communications and activities with state,
 341 federal, and local government organizations in order to advance the goals of the
 342 compact.

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

345 e. The management committee, subject to commission approval, may appoint or retain
 346 an executive director for such period, upon such terms and conditions, and for such
 347 compensation, as the committee determines. The executive director shall serve as
 348 secretary to the commission, but shall not be a member of the commission. The
 349 executive director shall hire and supervise such other staff as may be authorized by the
 350 committee.

351 2. Advisory Committees

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

358 a. Approving cure criteria;

359 b. Amending, enacting, or repealing any bylaw or rule;

360 c. Adopting the commission's annual budget; or

361 d. Addressing any other significant matter or taking any other significant action.

362 Article VIII. Finance

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

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

370 3. The commission shall keep complete and accurate accounts of all of its internal receipts,
 371 including grants and donations, and disbursements of all funds under its control. The
 372 internal financial accounts of the commission shall be subject to the accounting procedures
 373 established under the commission's bylaws or rules. The financial accounts and reports
 374 including the system of internal controls and procedures of the commission shall be audited

375 annually by an independent certified public accountant. Upon the determination of the
 376 commission, but not less frequently than every three years, the review of the independent
 377 auditor shall include a management and performance audit of the commission. The
 378 commission shall make an annual report to the governors and legislatures of the
 379 compacting states, which shall include a report of the independent audit. The commission's
 380 internal accounts shall not be confidential, and such materials may be shared with any
 381 compacting state upon request; provided, however, that any work papers related to any
 382 internal or independent audit and any information subject to the compacting states' privacy
 383 laws shall remain confidential.

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

387 Article IX. Records

388 Except as to privileged records, data, and information, the laws of any compacting state
 389 pertaining to confidentiality or nondisclosure shall not relieve any member of the duty to
 390 disclose any relevant records, data, or information to the commission; provided that
 391 disclosure to the commission shall not be deemed to waive or otherwise affect any
 392 confidentiality requirement; and provided, further, that, except as otherwise expressly
 393 provided in the compact, the commission shall not be subject to the compacting state's laws
 394 pertaining to confidentiality and nondisclosure with respect to records, data, and
 395 information in its possession. Confidential information of the commission shall remain
 396 confidential after such information is provided to any member. All cure submissions
 397 received by the commission are confidential.

398 Article X. Compliance

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

403

Article XI. Venue

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

407

Article XII. Qualified Immunity, Defense, and Indemnification

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

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

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

434 Article XIII. Compacting States, Effective Date, and Amendment

- 435 1. Any state is eligible to become a compacting state.
 436 2. The compact shall become effective and binding upon legislative enactment of the
 437 compact into law by two compacting states; provided that the commission shall only be
 438 established after six states become compacting states. Thereafter, the compact shall
 439 become effective and binding as to any other compacting state upon enactment of the
 440 compact into law by that state.
 441 3. Amendments to the compact may be proposed by the commission for enactment by the
 442 compacting states. No amendment shall become effective and binding until all compacting
 443 states enact the amendment into law.
 444 4. If funding is requested or required, the legislative authority of each compacting state
 445 shall be responsible for making the appropriations it determines necessary to pay for the
 446 costs of the compact, including annual member dues and prize distributions.

447 Article XIV. Withdrawal, Default, and Expulsion

- 448 1. Withdrawal
 449 a. Once effective, the compact shall continue in force and remain binding upon each and
 450 every compacting state; provided that a compacting state may withdraw from the compact
 451 by doing both of the following:
 452 i. Repealing the law enacting the compact in that state; and
 453 ii. Notifying the commission in writing of the intent to withdraw on a date that is both
 454 of the following:
 455 I. At least three years after the date the notice is sent; and
 456 II. After the repeal takes effect.
 457 b. The effective date of withdrawal is the date described in section 1.a.ii. of this article.
 458 c. The member representing the withdrawing state shall immediately notify the
 459 management committee in writing upon the introduction of legislation in that state
 460 repealing the compact. If a management committee has not been established, the member
 461 shall immediately notify the commission.
 462 d. The commission or management committee, as applicable, shall notify the other
 463 compacting states of the introduction of such legislation within ten days after its receipt
 464 of notice thereof.
 465 e. The withdrawing state is responsible for all obligations, duties and liabilities incurred
 466 through the effective date of withdrawal, including any obligations, the performance of

467 which extend beyond the effective date of withdrawal. The commission's actions shall
468 continue to be effective and be given full force and effect in the withdrawing state.
469 f. Reinstatement following a state's withdrawal shall become effective upon the effective
470 date of the subsequent enactment of the compact by that state.

471 2. Default

472 a. If the commission determines that any compacting state has at any time defaulted in
473 the performance of any of its obligations or responsibilities under the compact or the
474 commission's bylaws or rules, then, after notice and hearing as set forth in the bylaws, all
475 rights, privileges, and benefits conferred by this compact on the defaulting state shall be
476 suspended from the effective date of default as fixed by the commission. The grounds
477 for default include failure of a compacting state to perform its obligations or
478 responsibilities and any other grounds designated in commission rules. The commission
479 shall immediately notify the defaulting state in writing of the suspension pending cure of
480 the default. The commission shall stipulate the conditions and the time period within
481 which the defaulting state shall cure its default. If the defaulting state fails to cure the
482 default within the time period specified by the commission, the defaulting state shall be
483 expelled from the compact and all rights, privileges, and benefits conferred by the
484 compact shall be terminated from the effective date of the expulsion. Any state that is
485 expelled from the compact shall be liable for any cure prize or prizes for three years after
486 its removal. The commission shall also take appropriate legal action to ensure that any
487 compacting state that withdraws from the compact remains liable for paying its
488 responsibility towards a prize for a cure that was accepted while the compacting state was
489 a member of the commission.

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

491 3. Dissolution of Compact

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

493 i. The withdrawal or expulsion of a compacting state, which withdrawal or expulsion
494 reduces membership in the compact to one compacting state; or

495 ii. The commission votes to dissolve the compact.

496 b. Upon the dissolution of the compact, the compact becomes null and void and shall be
497 of no further force or effect, and the business and affairs of the commission shall be
498 wound up and any surplus funds shall be distributed in accordance with the commission's
499 bylaws; provided that the commission shall pay all outstanding prizes awarded before the
500 dissolution of the compact, as well as any other outstanding debts and obligations
501 incurred during the existence of the compact. Any unawarded funds donated to be a part
502 of a prize shall be returned to the donor, along with any interest earned on the amount.

503 Article XV. Severability and Construction

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

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

508 Article XVI. Binding Effect of Compact and Other Laws

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

511 2. Binding Effect of the Compact

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

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

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

519 i. Commit the full faith and credit or taxing power of the compacting state for the
 520 payment of prizes or other obligations under the compact; or

521 ii. Make prize payment responsibilities or other obligations under the compact a debt
 522 of the compacting state.

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

526 e. In the event any provision of the compact exceeds the constitutional limits imposed
 527 on any compacting state, the obligations, duties, powers, or jurisdiction sought to be
 528 conferred by that provision upon the commission shall be ineffective as to that
 529 compacting state, and those obligations, duties, powers, or jurisdiction shall remain in the
 530 compacting state and shall be exercised by the agency thereof to which those obligations,
 531 duties, powers, or jurisdiction are delegated by law in effect at the time the compact
 532 becomes effective."

533 **SECTION 2.**

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