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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2325 Session of  
2020

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INTRODUCED BY TOEPEL, ROTHMAN, CIRESI, SCHLEGEL CULVER, CUTLER,  
HILL-EVANS, MALONEY, MILLARD, PICKETT, READSHAW, ROZZI,  
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FEBRUARY 24, 2020

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REFERRED TO COMMITTEE ON HEALTH, FEBRUARY 24, 2020

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AN ACT

1 Authorizing the Commonwealth of Pennsylvania to join the Solemn  
2 Covenant of the States to Award Prizes for Curing Diseases;  
3 providing for the form of the compact; imposing additional  
4 powers and duties on the Governor, the Secretary of the  
5 Commonwealth and the compact.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Solemn  
10 Covenant of the States to Award Prizes for Curing Diseases.

11 Section 2. Authority to execute compact.

12 The Governor of Pennsylvania, on behalf of this State, is  
13 authorized to execute a compact in substantially the following  
14 form with any one or more of the states of the United States,  
15 and the General Assembly signifies in advance its approval and  
16 ratification of the compact:

17 Article I. Definitions

18 For purposes of this compact:

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

2           a. Any state that has enacted the compact and which  
3           has not withdrawn or been suspended pursuant to Article  
4           XIV of the compact;

5           b. The federal government in accordance with the  
6           commission's bylaws.

7           2. "Compact" means the Solemn Covenant of the States to  
8           Award Prizes for Curing Diseases enacted in this section.

9           3. "Non-compacting state" means any state or the federal  
10          government, if it is not at the time a compacting state.

11          4. "Public health expenses" means the amount of all  
12          costs paid by taxpayers in a specified geographic area  
13          relating to a particular disease.

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

16          Article II. Establishment of the Commission; Membership

17          1. Upon the enactment of the compact by six states, the  
18          compacting states shall establish the Solemn Covenant of States  
19          Commission.

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

24          3. Each compacting state shall be represented by one member  
25          as selected by the compacting state. Each compacting state shall  
26          determine its member's qualifications and period of service and  
27          shall be responsible for any action to remove or suspend its  
28          member or to fill the member's position if it becomes vacant.

29          Nothing in the compact shall be construed to affect a compacting  
30          state's authority regarding the qualification, selection, or

1 service of its own member.

2 Article III. Powers of the Commission

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

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

12 3. To make widely available a cure treatment or therapeutic  
13 protocol upon a prize winner claiming a prize and transferring  
14 any intellectual property necessary for the manufacture and  
15 distribution of the cure in accordance with section 3.g.i. of  
16 Article VI, including by arranging or contracting for the  
17 manufacturing, production, or provision of any drug, serum, or  
18 other substance, device, or process, provided that the  
19 commission does not market the cure or conduct any other  
20 activity regarding the cure not specifically authorized in the  
21 compact;

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

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

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

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

9 a. Pay or reimburse expenses related to the payment of a  
10 prize, which shall include employing or contracting actuaries  
11 to calculate annual taxpayer savings amounts in compacting  
12 states in accordance with section 3.g.iii. of Article VI, and  
13 payment of interest and other expenses related to a loan  
14 obtained in accordance with section 3.g.vi. of Article VI;

15 b. Annually disburse any amounts remaining after making  
16 payments or reimbursements under section 6.a. of this article  
17 as refunds to compacting states based on the per cent of the  
18 state's prize obligation in relation to the total obligation  
19 amount of all compacting states;

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

22 8. To issue subpoenas requiring the attendance and testimony  
23 of witnesses and the production of evidence;

24 9. To establish and maintain offices;

25 10. To borrow, accept, or contract for personnel services,  
26 including personnel services from employees of a compacting  
27 state;

28 11. To hire employees, professionals, or specialists, and  
29 elect or appoint officers, and to fix their compensation, define  
30 their duties and give them appropriate authority to carry out

1 the purposes of the compact, and determine their qualifications;  
2 and to establish the commission's personnel policies and  
3 programs relating to, among other things, conflicts of interest,  
4 rates of compensation, and qualifications of personnel;

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

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

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

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

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

22 17. To provide for dispute resolution among compacting  
23 states or between the commission and those who submit treatments  
24 and therapeutic protocols for the cure of disease for  
25 consideration;

26 18. To establish a budget and make expenditures;

27 19. To borrow money;

28 20. To appoint committees, including management,  
29 legislative, and advisory committees comprised of members, state  
30 legislators or their representatives, medical professionals, and

1 such other interested persons as may be designated by the  
2 commission;

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

6 22. To adopt and use a corporate seal;

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

9 Article IV. Meetings and Voting

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

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

15 3. Each member of the commission shall have the right and  
16 power to cast one vote regarding matters determined or actions  
17 to be taken by the commission. Each member shall have the right  
18 and power to participate in the business and affairs of the  
19 commission.

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

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

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

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

4                                   Article V. Bylaws

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

- 10       1. Establishing the fiscal year of the commission;
- 11       2. Providing reasonable procedures for appointing and  
12 electing members, as well as holding meetings, of the management  
13 committee;
- 14       3. Providing reasonable standards and procedures:
  - 15           a. For the establishment and meetings of other  
16 committees;
  - 17           b. Governing any general or specific delegation of any  
18 authority or function of the commission; and
  - 19           c. Voting guidelines and procedures for commission  
20 decisions.
- 21       4. Providing reasonable procedures for calling and  
22 conducting meetings of the commission that shall consist of  
23 requiring a quorum to be present, ensuring reasonable advance  
24 notice of each such meeting and providing for the right of  
25 citizens to attend each such meeting with enumerated exceptions  
26 designed to protect the public's interest and the privacy of  
27 individuals.
- 28       5. Providing a list of matters about which the commission  
29 may go into executive session and requiring a majority of all  
30 members of the commission vote to enter into such session. As

1 soon as practicable, the commission shall make public:

2 a. A copy of the vote to go into executive session,  
3 revealing the vote of each member with no proxy votes  
4 allowed; and

5 b. The matter requiring executive session, without  
6 identifying the actual issues or individuals involved.

7 6. Establishing the titles, duties, authority, and  
8 reasonable procedures for the election of the officers of the  
9 commission;

10 7. Providing reasonable standards and procedures for the  
11 establishment of the personnel policies and programs of the  
12 commission. Notwithstanding any civil service or other similar  
13 laws of any compacting state, the commission's bylaws shall  
14 exclusively govern the personnel policies and programs of the  
15 commission;

16 8. Allowing a mechanism for:

17 a. The federal government to join as a compacting state;  
18 and

19 b. Foreign countries or subdivisions of those countries  
20 to join as liaison members by adopting the compact; provided  
21 that adopting countries or subdivisions shall not have voting  
22 power or the power to bind the commission in any way.

23 9. Adopting a code of ethics to address permissible and  
24 prohibited activities of members and employees;

25 10. Providing for the maintenance of the commission's books  
26 and records;

27 11. Governing the acceptance of and accounting for  
28 donations, annual member dues, and other sources of funding and  
29 establishing the proportion of these funds to be allocated to  
30 prize amounts for treatments and therapeutic protocols that cure



1 disease;

2 12. Governing any fund raising efforts in which the  
3 commission wishes to engage; and

4 13. Providing a mechanism for winding up the operations of  
5 the commission and the equitable disposition of any surplus  
6 funds that may exist after the termination of the compact after  
7 the payment and reserving of all its debts and obligations.

8 Article VI. Rules

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

10 a. Effectively and efficiently achieve the purposes of  
11 this compact;

12 b. Govern the methods, processes, and any other aspect  
13 of the research, creation, and testing of a treatment or  
14 therapeutic protocol for each disease for which a prize may  
15 be awarded.

16 2. The commission shall also adopt rules establishing the  
17 criteria for defining and classifying the diseases for which  
18 prizes shall be awarded. The commission may define and classify  
19 subsets of diseases, for example, tubular carcinoma of the  
20 breast. For purposes of sections 3.a. and c. of this article, a  
21 subset of a disease shall be considered one disease. The  
22 commission may consult the most recent edition of the  
23 international classification of disease as published by the  
24 world health organization or other definitions agreed to by a  
25 two-thirds vote of the commission.

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

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

- 1           i. The severity of the disease to a human  
2 individual's overall health and well-being;  
3           ii. The survival rate or severity of impact of the  
4 disease;  
5           iii. The public health expenses and treatment  
6 expenses for the disease.

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

11           i. It must be approved by the Federal Food and Drug  
12 Administration or have otherwise obtained legal status  
13 for the compact to immediately contract to manufacture  
14 and distribute in the United States;

15           ii. Except as provided in section 4. of this  
16 article, it must yield a significant increase in survival  
17 with respect to the diseases if early death is the usual  
18 outcome;

19           iii. It requires less than one year of the treatment  
20 or protocol to completely cure the disease.

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

26           d. The submission and evaluation procedures and  
27 guidelines, including filing and review procedures, a  
28 requirement that the person or entity submitting the cure  
29 bears the burden of proof in demonstrating that the treatment  
30 or therapeutic protocol meets the above criteria, and

1 limitations preventing public access to treatment or protocol  
2 submissions.

3 e. The estimated five-year public health savings that  
4 would result from a cure, which shall be equal to the five-  
5 year public health expenses for each disease in each  
6 compacting state, and a procedure to update these expenses  
7 every three years in conjunction with the requirements in  
8 section 3.c. of this article. The estimated five-year public  
9 health savings amount shall be calculated, estimated, and  
10 publicized every three years by actuaries employed or  
11 contracted by the commission.

12 f. The prize amount with respect to cures for each  
13 disease, which shall be equal to the most recent estimated  
14 total five-year savings in public health expenses for the  
15 disease as calculated in section 3.e. of this article in all  
16 of the compacting states; amounts donated by charities,  
17 individuals, and any other entities intended for the prize  
18 under Article I of the compact; and any other factors that  
19 the commission deems appropriate.

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

22 i. Upon acceptance of a cure, the prize winner shall  
23 transfer to the commission the patent and all related  
24 intellectual property for the manufacture and  
25 distribution of the treatment or therapeutic protocol in  
26 exchange for the prize, except in the case that the prize  
27 money is considered by the commission to be too low, and  
28 that a prize will be awarded only to the first person or  
29 entity that submits a successful cure for a disease for  
30 which a prize may be awarded.

1           ii. Donation amounts intended for the prize shall be  
2 kept in a separate, interest-bearing account maintained  
3 by the commission. This account shall be the only account  
4 in which prize money is kept.

5           iii. Each compacting state shall have the  
6 responsibility to pay annually the compacting state's  
7 actual one-year savings in public health expenses for the  
8 particular disease for which a cure has been accepted.  
9 The compacting state shall make such an annual payment  
10 until it has fulfilled its prize responsibility as  
11 established in section 3.f. of this article. Each  
12 compacting state's payment responsibility begins one year  
13 after the date the cure becomes widely available. The  
14 commission shall employ or contract with actuaries to  
15 calculate each state's actual one-year savings in public  
16 health expenses at the end of each year to determine each  
17 state's responsibility for the succeeding year.

18           iv. Compacting states may meet prize  
19 responsibilities by any method including the issuance of  
20 bonds or other obligations, with the principal and  
21 interest of those bonds or obligations to be repaid only  
22 from revenue derived from estimated public health expense  
23 savings from a cure to a disease. If the compacting state  
24 does not make such revenue available to repay some or all  
25 of the revenue bonds or obligations issued, the owners or  
26 holders of those bonds or obligations have no right to  
27 have excises or taxes levied to pay the principal or  
28 interest on them. The revenue bonds and obligations are  
29 not a debt of the issuing compacting state.

30           v. A compacting state may issue bonds or other debt

1 that are general obligations, under which the full faith  
2 and credit, revenue, and taxing power of the state is  
3 pledged to pay the principal and interest under those  
4 obligations, only if authorized by the compacting state's  
5 constitution or, if constitutional authorization is not  
6 required, by other law of the compacting state.

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

16 4. The commission may award a prize for a treatment or  
17 therapeutic protocol that yields a survival rate that is less  
18 than what is established in the cure criteria through at least  
19 five years after the treatment or protocol has ended. In that  
20 case, the prize amount awarded for that treatment or therapeutic  
21 protocol shall be reduced from the prize amount originally  
22 determined by the commission for a cure for that disease. The  
23 reduction shall be in proportion to the survival rate yielded by  
24 that treatment or protocol as compared to the survival rate  
25 established in the cure criteria.

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

- 28 a. Establish the following regarding commission records:
  - 29 i. Conditions and procedures for public inspection
  - 30 and copying of its information and official records,

1           except such information and records involving the privacy  
2           of individuals or would otherwise violate privacy laws  
3           under federal law and the laws of the compacting states;

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

7           iii. Guidelines for entering into agreements with  
8           federal and state agencies to receive or exchange  
9           information or records subject to nondisclosure and  
10          confidentiality provisions.

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

14           i. An opportunity for an appeal, not later than  
15           thirty days after a rejection of a treatment or protocol  
16           for prize consideration, to a review panel established  
17           under the commission's dispute resolution process;

18           ii. Commission monitoring and review of treatment  
19           and protocol effectiveness consistent with the cure  
20           criteria established by the commission for the particular  
21           disease;

22           iii. Commission reconsideration, modification, or  
23           withdrawal of approval of a treatment or protocol for  
24           prize consideration for failure to continue to meet the  
25           cure criteria established by the commission for the  
26           particular disease.

27          c. Establish a dispute resolution process to resolve  
28          disputes or other issues under the compact that may arise  
29          between two or more compacting states or between the  
30          commission and individuals or entities who submit treatments

1 and therapeutic protocols to cure diseases, which process  
2 shall provide for:

3 i. Administrative review by a review panel appointed  
4 by the commission;

5 ii. Judicial review of decisions issued after an  
6 administrative review; and

7 iii. Qualifications to be appointed to a panel, due  
8 process requirements, including notice and hearing  
9 procedures, and any other procedure, requirement, or  
10 standard necessary to provide adequate dispute  
11 resolution.

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

16 6. Recognizing that the goal of the compact is to pool the  
17 potential savings of as many states and countries as possible to  
18 generate sufficient financial incentive to develop a cure for  
19 many of the world's most devastating diseases, the compact will  
20 respect the laws of each of these United States by adopting  
21 rules that establish ethical standards for research that shall  
22 be followed in order for a prize to be claimed. The compact, in  
23 the rules, shall establish a common set of ethical standards  
24 that embodies the laws and restrictions in each of the states so  
25 that to be eligible for claiming a prize the entity submitting a  
26 cure must not have violated any of the ethical standards in any  
27 one of the fifty states, whether the states have joined the  
28 compact or not. The compact will publish these common ethical  
29 standards along with the specific criteria for a cure for each  
30 of the diseases the compact has targeted.

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

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

13       8. All rules shall be adopted pursuant to a rule-making  
14 process that conforms to the model state administrative  
15 procedure act of 1981 by the uniform law commissioners, as  
16 amended, as may be appropriate to the operations of the  
17 commission.

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

22                                   Article VII. Committees

23       1. Management Committee

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

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

30           c. The committee shall have such authority and duties as



1 may be set forth in the commission's bylaws and rules,

2 including:

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

7 ii. Overseeing the offices of the commission; and

8 iii. Planning, implementing, and coordinating  
9 communications and activities with state, federal, and  
10 local government organizations in order to advance the  
11 goals of the compact.

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

15 e. The management committee, subject to commission  
16 approval, may appoint or retain an executive director for  
17 such period, upon such terms and conditions, and for such  
18 compensation as the committee determines. The executive  
19 director shall serve as secretary to the commission, but  
20 shall not be a member of the commission. The executive  
21 director shall hire and supervise such other staff as may be  
22 authorized by the committee.

## 23 2. Advisory Committees

24 The commission may appoint advisory committees to monitor all  
25 operations related to the purposes of the compact and make  
26 recommendations to the commission; provided that the manner of  
27 selection and term of any committee member shall be as set forth  
28 in the commission's bylaws and rules. The commission shall  
29 consult with an advisory committee, to the extent required by  
30 the commission's bylaws or rules, before doing any of the

1 following:

- 2 a. Approving cure criteria;
- 3 b. Amending, enacting, or repealing any bylaw or rule;
- 4 c. Adopting the commission's annual budget;
- 5 d. Addressing any other significant matter or taking any  
6 other significant action.

7 Article VIII. Finance

8 1. The commission annually shall establish a budget to pay  
9 or provide for the payment of its reasonable expenses. To fund  
10 the cost of initial operations, the commission may accept  
11 contributions and other forms of funding from the compacting  
12 states and other sources. Contributions and other forms of  
13 funding from other sources shall be of such a nature that the  
14 independence of the commission concerning the performance of its  
15 duties shall not be compromised.

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

18 3. The commission shall keep complete and accurate accounts  
19 of all of its internal receipts, including grants and donations,  
20 and disbursements of all funds under its control. The internal  
21 financial accounts of the commission shall be subject to the  
22 accounting procedures established under the commission's bylaws  
23 or rules. The financial accounts and reports including the  
24 system of internal controls and procedures of the commission  
25 shall be audited annually by an independent certified public  
26 accountant. Upon the determination of the commission, but not  
27 less frequently than every three years, the review of the  
28 independent auditor shall include a management and performance  
29 audit of the commission. The commission shall make an annual  
30 report to the governors and legislatures of the compacting

1 states, which shall include a report of the independent audit.  
2 The commission's internal accounts shall not be confidential and  
3 such materials may be shared with any compacting state upon  
4 request provided, however, that any work papers related to any  
5 internal or independent audit and any information subject to the  
6 compacting states' privacy laws, shall remain confidential.

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

#### 10 Article IX. Records

11 Except as to privileged records, data, and information, the  
12 laws of any compacting state pertaining to confidentiality or  
13 nondisclosure shall not relieve any member of the duty to  
14 disclose any relevant records, data, or information to the  
15 commission; provided, that disclosure to the commission shall  
16 not be deemed to waive or otherwise affect any confidentiality  
17 requirement; and further provided, that, except as otherwise  
18 expressly provided in the compact, the commission shall not be  
19 subject to the compacting state's laws pertaining to  
20 confidentiality and nondisclosure with respect to records, data,  
21 and information in its possession. Confidential information of  
22 the commission shall remain confidential after such information  
23 is provided to any member. All cure submissions received by the  
24 commission are confidential.

#### 25 Article X. Compliance

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

1 Article XI. Venue

2 Venue for any judicial proceedings by or against the  
3 commission shall be brought in the appropriate court of  
4 competent jurisdiction for the geographical area in which the  
5 principal office of the commission is located.

6 Article XII. Qualified Immunity, Defense, and Indemnification

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

20 2. The commission shall defend any member, officer,  
21 executive director, employee, or representative of the  
22 commission in any civil action seeking to impose liability  
23 arising out of any actual or alleged act, error, or omission  
24 that occurred within the scope of the person's commission  
25 employment, duties, or responsibilities, or that such person had  
26 a reasonable basis for believing occurred within the scope of  
27 commission employment, duties, or responsibilities; provided,  
28 that nothing in the compact or commission bylaws or rules shall  
29 be construed to prohibit that person from retaining his or her  
30 own counsel; and provided further, that the actual or alleged

1 act, error, or omission did not result from that person's  
2 intentional or willful and wanton misconduct.

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

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

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

16 2. The compact shall become effective and binding upon  
17 legislative enactment of the compact into law by two compacting  
18 states; provided, the commission shall only be established after  
19 six states become compacting states. Thereafter, the compact  
20 shall become effective and binding as to any other compacting  
21 state upon enactment of the compact into law by that state.

22 3. Amendments to the compact may be proposed by the  
23 commission for enactment by the compacting states. No amendment  
24 shall become effective and binding until all compacting states  
25 enact the amendment into law.

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

1 Article XIV. Withdrawal, Default, and Expulsion

2 1. Withdrawal

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

7 i. Repealing the law enacting the compact in that  
8 state;

9 ii. Notifying the commission in writing of the  
10 intent to withdraw on a date that is both of the  
11 following:

12 I. At least three years after the date the  
13 notice is sent;

14 II. After the repeal takes effect.

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

17 c. The member representing the withdrawing state shall  
18 immediately notify the management committee in writing upon  
19 the introduction of legislation in that state repealing the  
20 compact. If a management committee has not been established,  
21 the member shall immediately notify the commission.

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

26 e. The withdrawing state is responsible for all  
27 obligations, duties and liabilities incurred through the  
28 effective date of withdrawal, including any obligations, the  
29 performance of which extend beyond the effective date of  
30 withdrawal. The commission's actions shall continue to be

1 effective and be given full force and effect in the  
2 withdrawing state.

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

## 6 2. Default

7 a. If the commission determines that any compacting  
8 state has at any time defaulted in the performance of any of  
9 its obligations or responsibilities under the compact or the  
10 commission's bylaws or rules, then, after notice and hearing  
11 as set forth in the bylaws, all rights, privileges, and  
12 benefits conferred by this compact on the defaulting state  
13 shall be suspended from the effective date of default as  
14 fixed by the commission. The grounds for default include  
15 failure of a compacting state to perform its obligations or  
16 responsibilities, and any other grounds designated in  
17 commission rules. The commission shall immediately notify the  
18 defaulting state in writing of the suspension pending cure of  
19 the default. The commission shall stipulate the conditions  
20 and the time period within which the defaulting state shall  
21 cure its default. If the defaulting state fails to cure the  
22 default within the time period specified by the commission,  
23 the defaulting state shall be expelled from the compact and  
24 all rights, privileges, and benefits conferred by the compact  
25 shall be terminated from the effective date of the expulsion.  
26 Any state that is expelled from the compact shall be liable  
27 for any cure prize or prizes for three years after its  
28 removal. The commission shall also take appropriate legal  
29 action to ensure that any compacting state that withdraws  
30 from the compact remains liable for paying its responsibility

1 towards a prize for a cure that was accepted while the  
2 compacting state was a member of the commission.

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

5 3. Dissolution of Compact

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

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

11 ii. The commission votes to dissolve the compact.

12 b. Upon the dissolution of the compact, the compact  
13 becomes null and void and shall be of no further force or  
14 effect, and the business and affairs of the commission shall  
15 be wound up and any surplus funds shall be distributed in  
16 accordance with the commission's bylaws, provided, that the  
17 commission shall pay all outstanding prizes awarded before  
18 the dissolution of the compact, as well as any other  
19 outstanding debts and obligations incurred during the  
20 existence of the compact. Any unawarded funds donated to be a  
21 part of a prize shall be returned to the donor, along with  
22 any interest earned on the amount.

23 Article XV. Severability and Construction

24 1. The provisions of the compact shall be severable; and if  
25 any phrase, clause, sentence, or provision is deemed  
26 unenforceable, the remaining provisions of the compact shall be  
27 enforceable.

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

30 Article XVI. Binding Effect of Compact and Other Laws



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

4        2. Binding Effect of the Compact

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

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

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

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

16            ii. Make prize payment responsibilities or other  
17 obligations under the compact a debt of the compacting  
18 state.

19            d. Upon the request of a party to a conflict over the  
20 meaning or interpretation of commission actions, and upon a  
21 majority vote of the compacting states, the commission may  
22 issue advisory opinions regarding the meaning or  
23 interpretation in dispute.

24            e. In the event any provision of the compact exceeds the  
25 constitutional limits imposed on any compacting state, the  
26 obligations, duties, powers or jurisdiction sought to be  
27 conferred by that provision upon the commission shall be  
28 ineffective as to that compacting state, and those  
29 obligations, duties, powers, or jurisdiction shall remain in  
30 the compacting state and shall be exercised by the agency

1       thereof to which those obligations, duties, powers, or  
2       jurisdiction are delegated by law in effect at the time the  
3       compact becomes effective.

4 Section 3. When and how compact becomes operative.

5       (a) General rule.--When the Governor executes the compact on  
6 behalf of this State and files a verified copy thereof with the  
7 Secretary of the Commonwealth and when the compact is ratified  
8 by one or more other states, then the compact shall become  
9 operative and effective between this State and such other state  
10 or states. The Governor is hereby authorized and directed to  
11 take such action as may be necessary to complete the exchange of  
12 official documents between this State and any other state  
13 ratifying the compact.

14       (b) Notice in Pennsylvania Bulletin.--The Secretary of the  
15 Commonwealth shall transmit a notice when the conditions set  
16 forth in subsection (a) are satisfied and shall include in the  
17 notice the date on which the compact became effective and  
18 operative between this State and any other state or states in  
19 accordance with this act to the Legislative Reference Bureau for  
20 publication in the Pennsylvania Bulletin.

21 Section 4. Compensation and expenses.

22       The members, officers, executive director, employees and  
23 representatives of the commission who represent this State shall  
24 not be entitled to any additional compensation for their duties  
25 and responsibilities on the commission but shall be entitled to  
26 reimbursement for reasonable expenses actually incurred in  
27 connection with their duties and responsibilities in the same  
28 manner as for expenses incurred in connection with other duties  
29 and responsibilities of their offices or employment.

30 Section 5. Effective date.

1        This act shall take effect in 60 days.