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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - INTERSTATE COMPACT TO
AWARD PRIZES FOR CURING DISEASES

Introduced By: Representatives Shekarchi, Phillips, Kennedy, McNamara, and Bennett

Date Introduced: January 31, 2020

Referred To: House Health, Education & Welfare

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 32.1

4 INTERSTATE COMPACT TO AWARD PRIZES FOR CURING DISEASES

5 **42-32.1-1. Enactment of compact.**

6 The Solemn Covenant of the States to Award Prizes for Curing Diseases Interstate
7 Compact is hereby enacted and entered into with all other jurisdictions that legally join in the
8 compact, which is, in form, substantially as follows:

9 Article I

10 Definitions.

11 For purposes of this compact:

12 (1) "Compacting state" means either of the following:

13 (i) Any state that has enacted the compact and which has not withdrawn or been
14 suspended pursuant to Article XIV of the compact; or

15 (ii) The federal government in accordance with the commission's bylaws;

16 (2) "Compact" means the Solemn Covenant of the States to Award Prizes for Curing
17 Diseases enacted in this section;

18 (3) "Non-compacting state" means any state or the federal government, if it is not at the

1 time a compacting state;

2 (4) "Public health expenses" means the amount of all costs paid by taxpayers in a
3 specified geographic area relating to a particular disease; and

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

5 Article II

6 Establishment of the Commission Membership.

7 (a) Upon the enactment of the compact by six (6) states, the compacting states shall
8 establish the Solemn Covenant of States Commission.

9 (b) The commission is a body corporate and politic and an instrumentality of each of the
10 compacting states and is solely responsible for its liabilities, except as otherwise specifically
11 provided in the compact.

12 (c) Each compacting state shall be represented by one member as selected by the
13 compacting state. Each compacting state shall determine its member's qualifications and period of
14 service and shall be responsible for any action to remove or suspend its member or to fill the
15 member's position if it becomes vacant. Nothing in the compact shall be construed to affect a
16 compacting state's authority regarding the qualification, selection, or service of its own member.

17 Article III

18 Powers of the Commission.

19 The commission shall have the following powers:

20 (1) To adopt bylaws and rules pursuant to Articles V and VI of the compact, which shall
21 have the force and effect of law and shall be binding in the compacting states to the extent and in
22 the manner provided in the compact;

23 (2) To receive and review in an expeditious manner treatments and therapeutic protocols
24 for the cure of disease submitted to the commission and to award prizes for submissions that meet
25 the commission's standards for a successful cure treatment or therapeutic protocol;

26 (3) To make widely available a cure treatment or therapeutic protocol upon a prize
27 winner claiming a prize and transferring any intellectual property necessary for the manufacture
28 and distribution of the cure in accordance with section (c)(7)(i) of Article VI, including by
29 arranging or contracting for the manufacturing, production, or provision of any drug, serum, or
30 other substance, device, or process, provided that the commission does not market the cure or
31 conduct any other activity regarding the cure not specifically authorized in the compact;

32 (4) To establish a selling price for the cure, which shall be not more than the expenses for
33 the cure's manufacturing, distribution, licensing, and any other necessary governmental
34 requirements for compacting states, or those expenses plus any royalty fees, for noncompacting

1 states; the price shall not include the expenses of any other activities;

2 (5) In non-compacting states and foreign countries, to establish and collect royalty fees
3 imposed on manufacturers, producers, and providers of any drug, serum, or other substance,
4 device, or process used for a cure treatment or therapeutic protocol, for which a prize is awarded;
5 royalty fees may be added to the sales price of the cure pursuant to section (4) of this Article;
6 provided that the royalty fees shall cumulatively be not more than the estimated five (5) year
7 savings in public health expenses for that state or country, as calculated by actuaries employed or
8 contracted by the commission;

9 (6) To do the following regarding the collected royalty fees:

10 (i) Pay or reimburse expenses related to the payment of a prize, which shall include
11 employing or contracting actuaries to calculate annual taxpayer savings amounts in compacting
12 states in accordance with section (c)(7)(iii) of Article VI, and payment of interest and other
13 expenses related to a loan obtained in accordance with section (c)(7)(vi) of Article VI; and

14 (ii) Annually disburse any amounts remaining after making payments or reimbursements
15 under section (6)(i) of this Article as refunds to compacting states based on the percentage of the
16 state's prize obligation in relation to the total obligation amount of all compacting states;

17 (7) To bring and prosecute legal proceedings or actions in its name as the commission;

18 (8) To issue subpoenas requiring the attendance and testimony of witnesses and the
19 production of evidence;

20 (9) To establish and maintain offices;

21 (10) To borrow, accept, or contract for personnel services, including personnel services
22 from employees of a compacting state;

23 (11) To hire employees, professionals, or specialists, and elect or appoint officers, and to
24 fix their compensation, define their duties and give them appropriate authority to carry out the
25 purposes of the compact, and determine their qualifications; and to establish the commission's
26 personnel policies and programs relating to, among other things, conflicts of interest, rates of
27 compensation, and qualifications of personnel;

28 (12) To accept any and all appropriate donations and grants of money, equipment,
29 supplies, materials, and services, and to receive, utilize, and dispose of the same; provided that at
30 all times the commission shall strive to avoid any appearance of impropriety;

31 (13) To lease, purchase, or accept appropriate gifts or donations of, or otherwise to own,
32 hold, improve, or use, any property, real, personal, or mixed; provided, that at all times the
33 commission shall strive to avoid any appearance of impropriety;

34 (14) To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of

1 any property, real, personal, or mixed:

2 (15) To monitor compacting states for compliance with the commission's bylaws and
3 rules;

4 (16) To enforce compliance by compacting states with the commission's bylaws and
5 rules;

6 (17) To provide for dispute resolution among compacting states or between the
7 commission and those who submit treatments and therapeutic protocols for the cure of disease for
8 consideration;

9 (18) To establish a budget and make expenditures;

10 (19) To borrow money;

11 (20) To appoint committees, including management, legislative, and advisory committees
12 comprised of members, state legislators or their representatives, medical professionals, and such
13 other interested persons as may be designated by the commission;

14 (21) To establish annual membership dues for compacting states which shall be used for
15 daily expenses of the commission and not for interest or prize payments;

16 (22) To adopt and use a corporate seal; and

17 (23) To perform such other functions as may be necessary or appropriate to achieve the
18 purposes of this compact.

19 Article IV

20 Meetings and Voting.

21 (a) The commission shall meet and take such actions as are consistent with the compact,
22 bylaws, and rules.

23 (b) A majority of the members of the commission shall constitute a quorum necessary in
24 order to conduct business or take actions at meetings of the commission.

25 (c) Each member of the commission shall have the right and power to cast one vote
26 regarding matters determined or actions to be taken by the commission. Each member shall have
27 the right and power to participate in the business and affairs of the commission.

28 (d) A member shall vote in person or by such other means as provided in the
29 commission's bylaws. The commission's bylaws may provide for members' participation in
30 meetings by telephone or other means of communication.

31 (e) The commission shall meet at least once during each calendar year. Additional
32 meetings shall be held as set forth in the commission's bylaws.

33 (f) No decision of the commission with respect to the approval of an award for a
34 treatment or therapeutic process for the cure of a disease shall be effective unless two-thirds (2/3)

1 of all the members of the commission vote in favor thereof.

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

4 Article V

5 Bylaws.

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

9 (1) Establishing the fiscal year of the commission;

10 (2) Providing reasonable procedures for appointing and electing members, as well as
11 holding meetings, of the management committee;

12 (3) Providing reasonable standards and procedures:

13 (i) For the establishment and meetings of other committees;

14 (ii) Governing any general or specific delegation of any authority or function of the
15 commission; and

16 (iii) Voting guidelines and procedures for commission decisions;

17 (4) Providing reasonable procedures for calling and conducting meetings of the
18 commission that shall consist of requiring a quorum to be present, ensuring reasonable advance
19 notice of each such meeting, and providing for the right of citizens to attend each such meeting
20 with enumerated exceptions designed to protect the public's interest and the privacy of
21 individuals;

22 (5) Providing a list of matters about which the commission may go into executive session
23 and requiring a majority of all members of the commission vote to enter into such session. As
24 soon as practicable, the commission shall make public:

25 (i) A copy of the vote to go into executive session, revealing the vote of each member
26 with no proxy votes allowed; and

27 (ii) The matter requiring executive session, without identifying the actual issues or
28 individuals involved;

29 (6) Establishing the titles, duties, authority, and reasonable procedures for the election of
30 the officers of the commission;

31 (7) Providing reasonable standards and procedures for the establishment of the personnel
32 policies and programs of the commission. Notwithstanding any civil service or other similar laws
33 of any compacting state, the commission's bylaws shall exclusively govern the personnel policies
34 and programs of the commission;

- 1 (8) Allowing a mechanism for:
- 2 (i) The federal government to join as a compacting state; and
- 3 (ii) Foreign countries or subdivisions of those countries to join as liaison members by
4 adopting the compact; provided that adopting countries or subdivisions shall not have voting
5 power or the power to bind the commission in any way;
- 6 (9) Adopting a code of ethics to address permissible and prohibited activities of members
7 and employees;
- 8 (10) Providing for the maintenance of the commission's books and records;
- 9 (11) Governing the acceptance of and accounting for donations, annual member dues, and
10 other sources of funding and establishing the proportion of these funds to be allocated to prize
11 amounts for treatments and therapeutic protocols that cure disease;
- 12 (12) Governing any fundraising efforts in which the commission wishes to engage; and
- 13 (13) Providing a mechanism for winding up the operations of the commission and the
14 equitable disposition of any surplus funds that may exist after the termination of the compact after
15 the payment and reserving of all its debts and obligations.
- 16 Article VI
- 17 Rules.
- 18 (a) The commission shall adopt rules to do the following:
- 19 (1) Effectively and efficiently achieve the purposes of this compact;
- 20 (2) Govern the methods, processes, and any other aspect of the research, creation, and
21 testing of a treatment or therapeutic protocol for each disease for which a prize may be awarded.
- 22 (b) The commission shall also adopt rules establishing the criteria for defining and
23 classifying the diseases for which prizes shall be awarded. The commission may define and
24 classify subsets of diseases, for example, tubular carcinoma of the breast. For purposes of
25 sections (c)(1) and (c)(3) of this Article, a subset of a disease shall be considered one disease. The
26 commission may consult the most recent edition of the international classification of disease as
27 published by the world health organization or other definitions agreed to by a two-thirds (2/3)
28 vote of the commission.
- 29 (c) The commission shall also adopt rules regarding prizes for curing diseases that
30 establish the following:
- 31 (1) At least ten (10) major diseases for which to create prizes, which shall be determined
32 based on the following factors:
- 33 (i) The severity of the disease to a human individual's overall health and well-being;
- 34 (ii) The survival rate or severity of impact of the disease; and

1 (iii) The public health expenses and treatment expenses for the disease.

2 (2) The criteria a treatment or therapeutic protocol must meet in order to be considered a
3 cure for any of the diseases for which a prize may be awarded, which shall include the following
4 requirements:

5 (i) It must be approved by the Federal Food and Drug Administration or have otherwise
6 obtained legal status for the compact to immediately contract to manufacture and distribute in the
7 United States;

8 (ii) Except as provided in section (d) of this Article, it must yield a significant increase in
9 survival with respect to the diseases if early death is the usual outcome; and

10 (iii) It requires less than one year of the treatment or protocol to completely cure the
11 disease.

12 (3) The procedure for determining the diseases for which to award prizes, which includes
13 the option to award prizes for more than ten (10) diseases that meet the above criteria, if agreed to
14 by two-thirds (2/3) vote of the commission, and a requirement to update the list every three (3)
15 years.

16 (4) The submission and evaluation procedures and guidelines, including filing and review
17 procedures, a requirement that the person or entity submitting the cure bears the burden of proof
18 in demonstrating that the treatment or therapeutic protocol meets the above criteria, and
19 limitations preventing public access to treatment or protocol submissions.

20 (5) The estimated five (5) year public health savings that would result from a cure, which
21 shall be equal to the five (5) year public health expenses for each disease in each compacting
22 state, and a procedure to update these expenses every three (3) years in conjunction with the
23 requirements in section (c)(3) of this Article. The estimated five (5) year public health savings
24 amount shall be calculated, estimated, and publicized every three (3) years by actuaries employed
25 or contracted by the commission.

26 (6) The prize amount with respect to cures for each disease, which shall be equal to the
27 most recent estimated total five (5) year savings in public health expenses for the disease as
28 calculated in section (c)(5) of this Article in all of the compacting states; amounts donated by
29 charities, individuals, and any other entities intended for the prize under Article I of the compact;
30 and any other factors that the commission deems appropriate.

31 (7) The prize distribution procedures and guidelines, which shall include the following
32 requirements:

33 (i) Upon acceptance of a cure, the prize winner shall transfer to the commission the patent
34 and all related intellectual property for the treatment or therapeutic protocol in exchange for the

1 prize, except in the case that the prize money is considered by the commission to be too low, and
2 that a prize will be awarded only to the first person or entity that submits a successful cure for a
3 disease for which a prize may be awarded;

4 (ii) Donation amounts intended for the prize shall be kept in a separate, interest-bearing
5 account maintained by the commission. This account shall be the only account in which prize
6 money is kept;

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

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

22 (v) A compacting state may issue bonds or other debt that are general obligations, under
23 which the full faith and credit, revenue, and taxing power of the state is pledged to pay the
24 principal and interest under those obligations, only if authorized by the compacting state's
25 constitution or, if constitutional authorization is not required, by other law of the compacting
26 state; and

27 (vi) Upon acceptance of a cure, the commission shall obtain a loan from a financial
28 institution in an amount equal to the most recently calculated total estimated five (5) year public
29 health expenses for the disease in all compacting states, in accordance with section (c)(6) of this
30 Article. The commission reserves the right to continuously evaluate the cure in the interim and
31 rescind a prize offer if the commission finds that the cure no longer meets the commission's
32 criteria.

33 (d) The commission may award a prize for a treatment or therapeutic protocol that yields
34 a survival rate that is less than what is established in the cure criteria through at least five (5)

1 years after the treatment or protocol has ended. In that case, the prize amount awarded for that
2 treatment or therapeutic protocol shall be reduced from the prize amount originally determined by
3 the commission for a cure for that disease. The reduction shall be in proportion to the survival
4 rate yielded by that treatment or protocol as compared to the survival rate established in the cure
5 criteria.

6 (e) The commission also shall adopt rules that do the following:

7 (1) Establish the following regarding commission records:

8 (i) Conditions and procedures for public inspection and copying of its information and
9 official records, except such information and records involving the privacy of individuals or
10 would otherwise violate privacy laws under federal law and the laws of the compacting states;

11 (ii) Procedures for sharing with federal and state agencies, including law enforcement
12 agencies, records and information otherwise exempt from disclosure; and

13 (iii) Guidelines for entering into agreements with federal and state agencies to receive or
14 exchange information or records subject to nondisclosure and confidentiality provisions;

15 (2) Provide a process for commission review of submitted treatments and therapeutic
16 protocols for curing diseases that includes the following:

17 (i) An opportunity for an appeal, not later than thirty (30) days after a rejection of a
18 treatment or protocol for prize consideration, to a review panel established under the
19 commission's dispute resolution process;

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

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

25 (3) Establish a dispute resolution process to resolve disputes or other issues under the
26 compact that may arise between two (2) or more compacting states or between the commission
27 and individuals or entities who submit treatments and therapeutic protocols to cure diseases,
28 which process shall provide for:

29 (i) Administrative review by a review panel appointed by the commission;

30 (ii) Judicial review of decisions issued after an administrative review; and

31 (iii) Qualifications to be appointed to a panel, due process requirements, including notice
32 and hearing procedures, and any other procedure, requirement, or standard necessary to provide
33 adequate dispute resolution;

34 (4) Establish and impose annual member dues on compacting states, which shall be

1 calculated based on the percentage of each compacting state's population in relation to the
2 population of all the compacting states.

3 (f) Recognizing that the goal of the compact is to pool the potential savings of as many
4 states and countries as possible to generate sufficient financial incentive to develop a cure for
5 many of the world's most devastating diseases, the compact will respect the laws of each of these
6 United States by adopting rules that establish ethical standards for research that shall be followed
7 in order for a prize to be claimed. The compact, in the rules, shall establish a common set of
8 ethical standards that embodies the laws and restrictions in each of the states so that to be eligible
9 for claiming a prize the entity submitting a cure must not have violated any of the ethical
10 standards in any one of the fifty (50) states, whether the states have joined the compact or not.
11 The compact will publish these common ethical standards along with the specific criteria for a
12 cure for each of the diseases the compact has targeted. So long as a researcher follows the
13 common ethical standards in effect at the time the research is done, an entity presenting a cure
14 will be deemed to have followed the standards. On or before January 1 of each year, the compact
15 shall review all state laws to determine if additional ethical standards have been enacted by any of
16 the fifty (50) states and the federal government. Any changes to the common ethical standards
17 rules based on new state laws shall be adopted and published by the compact, but shall not take
18 effect in cure criteria for a period of three (3) years to allow for sufficient notice to researchers.

19 (g) All rules may be amended as the commission sees necessary.

20 (h) All rules shall be adopted pursuant to a rulemaking process that conforms to the
21 model state administrative procedure act of 1981 by the uniform law commissioners, as amended,
22 as may be appropriate to the operations of the commission.

23 (i) In the event the commission exercises its rulemaking authority in a manner that is
24 beyond the scope of the purpose of this compact, or the powers granted hereunder, then such rule
25 shall be invalid and have no force and effect.

26 Article VII

27 Committees.

28 (a) Management Committee.

29 (1) The commission may establish a management committee comprised of not more than
30 fourteen (14) members when twenty-six (26) states enact the compact.

31 (2) The committee shall consist of those members representing compacting states whose
32 total public health expenses of all of the established diseases are the highest.

33 (3) The committee shall have such authority and duties as may be set forth in the
34 commission's bylaws and rules, including:

1 (i) Managing authority over the day-to-day affairs of the commission in a manner
2 consistent with the commission's bylaws and rules and the purposes of the compact;

3 (ii) Overseeing the offices of the commission; and

4 (iii) Planning, implementing, and coordinating communications and activities with state,
5 federal, and local government organizations in order to advance the goals of the compact.

6 (4) The commission annually shall elect officers for the committee, with each having
7 such authority and duties as maybe specified in the commission's bylaws and rules.

8 (5) The management committee, subject to commission approval, may appoint or retain
9 an executive director for such period, upon such terms and conditions, and for such compensation
10 as the committee determines. The executive director shall serve as secretary to the commission,
11 but shall not be a member of the commission. The executive director shall hire and supervise such
12 other staff as may be authorized by the committee.

13 (b) Advisory Committees. The commission may appoint advisory committees to monitor
14 all operations related to the purposes of the compact and make recommendations to the
15 commission; provided that the manner of selection and term of any committee member shall be as
16 set forth in the commission's bylaws and rules. The commission shall consult with an advisory
17 committee, to the extent required by the commission's bylaws or rules, before doing any of the
18 following:

19 (1) Approving cure criteria;

20 (2) Amending, enacting, or repealing any bylaw or rule;

21 (3) Adopting the commission's annual budget; and

22 (4) Addressing any other significant matter or taking any other significant action.

23 Article VIII

24 Finance.

25 (a) The commission annually shall establish a budget to pay or provide for the payment
26 of its reasonable expenses. To fund the cost of initial operations, the commission may accept
27 contributions and other forms of funding from the compacting states and other sources.
28 Contributions and other forms of funding from other sources shall be of such a nature that the
29 independence of the commission concerning the performance of its duties shall not be
30 compromised.

31 (b) The commission shall be exempt from all taxation in and by the compacting states.

32 (c) The commission shall keep complete and accurate accounts of all of its internal
33 receipts, including grants and donations, and disbursements of all funds under its control. The
34 internal financial accounts of the commission shall be subject to the accounting procedures

1 established under the commission's bylaws or rules. The financial accounts and reports, including
2 the system of internal controls and procedures of the commission, shall be audited annually by an
3 independent certified public accountant. Upon the determination of the commission, but not less
4 frequently than every three (3) years, the review of the independent auditor shall include a
5 management and performance audit of the commission. The commission shall make an annual
6 report to the governors and legislatures of the compacting states, which shall include a report of
7 the independent audit. The commission's internal accounts shall not be confidential and such
8 materials may be shared with any compacting state upon request; provided, however, that any
9 work papers related to any internal or independent audit and any information subject to the
10 compacting states' privacy laws, shall remain confidential.

11 (d) No compacting state shall have any claim or ownership of any property held by or
12 vested in the commission or to any commission funds held pursuant to the provisions of the
13 compact.

14 Article IX

15 Records.

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

25 Article X

26 Compliance.

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

31 Article XI

32 Venue.

33 Venue for any judicial proceedings by or against the commission shall be brought in the
34 appropriate court of competent jurisdiction for the geographical area in which the principal office

1 of the commission is located.

2 Article XII

3 Qualified Immunity, Defense, and Indemnification.

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

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

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

27 Article XIII

28 Compacting States, Effective Date, and Amendment.

29 (a) Any state is eligible to become a compacting state.

30 (b) The compact shall become effective and binding upon legislative enactment of the
31 compact into law by two (2) compacting states; provided, the commission shall only be
32 established after six (6) states become compacting states. Thereafter, the compact shall become
33 effective and binding as to any other compacting state upon enactment of the compact into law by
34 that state.

1 (c) Amendments to the compact may be proposed by the commission for enactment by
2 the compacting states. No amendment shall become effective and binding until all compacting
3 states enact the amendment into law.

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

7 Article XIV

8 Withdrawal, Default, and Expulsion.

9 (a) Withdrawal.

10 (1) Once effective, the compact shall continue in force and remain binding upon each and
11 every compacting state; provided, that a compacting state may withdraw from the compact by
12 doing both of the following:

13 (i) Repealing the law enacting the compact in that state; and

14 (ii) Notifying the commission in writing of the intent to withdraw on a date that is both of
15 the following:

16 (A) At least three (3) years after the date the notice is sent; and

17 (B) After the repeal takes effect.

18 (2) The effective date of withdrawal is the date described in section (a)(1)(ii) of this
19 Article.

20 (3) The member representing the withdrawing state shall immediately notify the
21 management committee in writing upon the introduction of legislation in that state repealing the
22 compact. If a management committee has not been established, the member shall immediately
23 notify the commission.

24 (4) The commission or management committee, as applicable, shall notify the other
25 compacting states of the introduction of such legislation within ten (10) days after its receipt of
26 notice thereof.

27 (5) The withdrawing state is responsible for all obligations, duties, and liabilities incurred
28 through the effective date of withdrawal, including any obligations, the performance of which
29 extend beyond the effective date of withdrawal. The commission's actions shall continue to be
30 effective and be given full force and effect in the withdrawing state.

31 (6) Reinstatement following a state's withdrawal shall become effective upon the
32 effective date of the subsequent enactment of the compact by that state.

33 (b) Default.

34 (1) If the commission determines that any compacting state has at any time defaulted in

1 the performance of any of its obligations or responsibilities under the compact or the
2 commission's bylaws or rules, then, after notice and hearing as set forth in the bylaws, all rights,
3 privileges, and benefits conferred by this compact on the defaulting state shall be suspended from
4 the effective date of default as fixed by the commission. The grounds for default include failure
5 of a compacting state to perform its obligations or responsibilities, and any other grounds
6 designated in commission rules. The commission shall immediately notify the defaulting state in
7 writing of the suspension pending cure of the default. The commission shall stipulate the
8 conditions and the time period within which the defaulting state shall cure its default. If the
9 defaulting state fails to cure the default within the time period specified by the commission, the
10 defaulting state shall be expelled from the compact and all rights, privileges, and benefits
11 conferred by the compact shall be terminated from the effective date of the expulsion. Any state
12 that is expelled from the compact shall be liable for any cure prize or prizes for three (3) years
13 after its removal. The commission shall also take appropriate legal action to ensure that any
14 compacting state that withdraws from the compact remains liable for paying its responsibility
15 towards a prize for a cure that was accepted while the compacting state was a member of the
16 commission.

17 (2) The expelled state must reenact the compact in order to become a compacting state.

18 (c) Dissolution of Compact.

19 (1) The compact dissolves effective upon the date of either of the following:

20 (i) The withdrawal or expulsion of a compacting state, which withdrawal or expulsion
21 reduces membership in the compact to one compacting state; and

22 (ii) The commission votes to dissolve the compact.

23 (2) Upon the dissolution of the compact, the compact becomes null and void and shall be
24 of no further force or effect, and the business and affairs of the commission shall be wound up
25 and any surplus funds shall be distributed in accordance with the commission's bylaws; provided,
26 that the commission shall pay all outstanding prizes awarded before the dissolution of the
27 compact, as well as any other outstanding debts and obligations incurred during the existence of
28 the compact. Any unawarded funds donated to be a part of a prize shall be returned to the donor,
29 along with any interest earned on the amount.

30 Article XV

31 Severability and Construction.

32 (a) The provisions of the compact shall be severable; and if any phrase, clause, sentence,
33 or provision is deemed unenforceable, the remaining provisions of the compact shall be
34 enforceable.

1 (b) The provisions of the compact shall be liberally construed to effectuate its purposes.

2 Article XVI

3 Binding Effect of Compact and Other Laws.

4 (a) Other Laws: Nothing herein prevents the enforcement of any other law of a
5 compacting state, except as provided in section (b)(2) of this Article.

6 (b) Binding Effect of the Compact.

7 (1) All lawful actions of the commission, including all commission rules, are binding
8 upon the compacting states.

9 (2) All agreements between the commission and the compacting states are binding in
10 accordance with their terms.

11 (3) Except to the extent authorized by the compacting state's constitution or, if
12 constitutional authorization is not required, by other law of the compacting state, such state, by
13 entering into the compact does not:

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

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

18 (4) Upon the request of a party to a conflict over the meaning or interpretation of
19 commission actions, and upon a majority vote of the compacting states, the commission may
20 issue advisory opinions regarding the meaning or interpretation in dispute.

21 (5) In the event any provision of the compact exceeds the constitutional limits imposed
22 on any compacting state, the obligations, duties, powers or jurisdiction sought to be conferred by
23 that provision upon the commission shall be ineffective as to that compacting state, and those
24 obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall be
25 exercised by the agency thereof to which those obligations, duties, powers, or jurisdiction are
26 delegated by law in effect at the time the compact becomes effective.

27 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - INTERSTATE COMPACT TO
AWARD PRIZES FOR CURING DISEASES

- 1 This act would adopt the Interstate Compact to Award Prizes for Curing Diseases. The
- 2 act would also provide that upon enactment by six (6) states, a commission would be established.
- 3 The Commission may award prizes for successful cures for diseases.
- 4 This act would take effect upon passage.

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