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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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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: Senators Gallo, and Goodwin

Date Introduced: February 18, 2021

Referred To: Senate Health & Human Services

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13 (i) Any state that has enacted the compact and which has not withdrawn or been suspended  
14 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 specified  
3 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 winner  
27 claiming a prize and transferring any intellectual property necessary for the manufacture and  
28 distribution of the cure in accordance with section (c)(7)(i) of Article VI, including by arranging or  
29 contracting for the manufacturing, production, or provision of any drug, serum, or other substance,  
30 device, or process, provided that the commission does not market the cure or conduct any other  
31 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, device,  
4 or process used for a cure treatment or therapeutic protocol, for which a prize is awarded; royalty  
5 fees may be added to the sales price of the cure pursuant to section (4) of this Article; provided that  
6 the royalty fees shall cumulatively be not more than the estimated five (5) year savings in public  
7 health expenses for that state or country, as calculated by actuaries employed or contracted by the  
8 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, supplies,  
29 materials, and services, and to receive, utilize, and dispose of the same; provided that at all times  
30 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 rules;  
3 (16) To enforce compliance by compacting states with the commission's bylaws and rules;  
4 (17) To provide for dispute resolution among compacting states or between the commission  
5 and those who submit treatments and therapeutic protocols for the cure of disease for consideration;  
6 (18) To establish a budget and make expenditures;  
7 (19) To borrow money;  
8 (20) To appoint committees, including management, legislative, and advisory committees  
9 comprised of members, state legislators or their representatives, medical professionals, and such  
10 other interested persons as may be designated by the commission;  
11 (21) To establish annual membership dues for compacting states which shall be used for  
12 daily expenses of the commission and not for interest or prize payments;  
13 (22) To adopt and use a corporate seal; and  
14 (23) To perform such other functions as may be necessary or appropriate to achieve the  
15 purposes of this compact.  
16 Article IV  
17 Meetings and Voting.  
18 (a) The commission shall meet and take such actions as are consistent with the compact,  
19 bylaws, and rules.  
20 (b) A majority of the members of the commission shall constitute a quorum necessary in  
21 order to conduct business or take actions at meetings of the commission.  
22 (c) Each member of the commission shall have the right and power to cast one vote  
23 regarding matters determined or actions to be taken by the commission. Each member shall have  
24 the right and power to participate in the business and affairs of the commission.  
25 (d) A member shall vote in person or by such other means as provided in the commission's  
26 bylaws. The commission's bylaws may provide for members' participation in meetings by telephone  
27 or other means of communication.  
28 (e) The commission shall meet at least once during each calendar year. Additional meetings  
29 shall be held as set forth in the commission's bylaws.  
30 (f) No decision of the commission with respect to the approval of an award for a treatment  
31 or therapeutic process for the cure of a disease shall be effective unless two-thirds (2/3) of all the  
32 members of the commission vote in favor thereof.  
33 (g) Guidelines and voting requirements for all other decisions of the commission shall be  
34 established in the commission's bylaws.

1 Article V

2 Bylaws.

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

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

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

9 (3) Providing reasonable standards and procedures:

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

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

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

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

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

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

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

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

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

31 (8) Allowing a mechanism for:

32 (i) The federal government to join as a compacting state; and

33 (ii) Foreign countries or subdivisions of those countries to join as liaison members by  
34 adopting the compact; provided that adopting countries or subdivisions shall not have voting power

1 or the power to bind the commission in any way;

2 (9) Adopting a code of ethics to address permissible and prohibited activities of members  
3 and employees;

4 (10) Providing for the maintenance of the commission's books and records;

5 (11) Governing the acceptance of and accounting for donations, annual member dues, and  
6 other sources of funding and establishing the proportion of these funds to be allocated to prize  
7 amounts for treatments and therapeutic protocols that cure disease;

8 (12) Governing any fundraising efforts in which the commission wishes to engage; and

9 (13) Providing a mechanism for winding up the operations of the commission and the  
10 equitable disposition of any surplus funds that may exist after the termination of the compact after  
11 the payment and reserving of all its debts and obligations.

12 Article VI

13 Rules.

14 (a) The commission shall adopt rules to do the following:

15 (1) Effectively and efficiently achieve the purposes of this compact;

16 (2) Govern the methods, processes, and any other aspect of the research, creation, and  
17 testing of a treatment or therapeutic protocol for each disease for which a prize may be awarded.

18 (b) The commission shall also adopt rules establishing the criteria for defining and  
19 classifying the diseases for which prizes shall be awarded. The commission may define and classify  
20 subsets of diseases, for example, tubular carcinoma of the breast. For purposes of sections (c)(1)  
21 and (c)(3) of this Article, a subset of a disease shall be considered one disease. The commission  
22 may consult the most recent edition of the international classification of disease as published by  
23 the world health organization or other definitions agreed to by a two-thirds (2/3) vote of the  
24 commission.

25 (c) The commission shall also adopt rules regarding prizes for curing diseases that establish  
26 the following:

27 (1) At least ten (10) major diseases for which to create prizes, which shall be determined  
28 based on the following factors:

29 (i) The severity of the disease to a human individual's overall health and well-being;

30 (ii) The survival rate or severity of impact of the disease; and

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

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

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

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

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

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

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

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

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

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

29           (i) Upon acceptance of a cure, the prize winner shall transfer to the commission the patent  
30 and all related intellectual property for the treatment or therapeutic protocol in exchange for the  
31 prize, except in the case that the prize money is considered by the commission to be too low, and  
32 that a prize will be awarded only to the first person or entity that submits a successful cure for a  
33 disease for which a prize may be awarded;

34           (ii) Donation amounts intended for the prize shall be kept in a separate, interest-bearing

1 account maintained by the commission. This account shall be the only account in which prize  
2 money is kept;

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

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

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

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

27 (d) The commission may award a prize for a treatment or therapeutic protocol that yields a  
28 survival rate that is less than what is established in the cure criteria through at least five (5) years  
29 after the treatment or protocol has ended. In that case, the prize amount awarded for that treatment  
30 or therapeutic protocol shall be reduced from the prize amount originally determined by the  
31 commission for a cure for that disease. The reduction shall be in proportion to the survival rate  
32 yielded by that treatment or protocol as compared to the survival rate established in the cure criteria.

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

34 (1) Establish the following regarding commission records:

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

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

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

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

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

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

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

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

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

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

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

27           (4) Establish and impose annual member dues on compacting states, which shall be  
28 calculated based on the percentage of each compacting state's population in relation to the  
29 population of all the compacting states.

30           (f) Recognizing that the goal of the compact is to pool the potential savings of as many  
31 states and countries as possible to generate sufficient financial incentive to develop a cure for many  
32 of the world's most devastating diseases, the compact will respect the laws of each of these United  
33 States by adopting rules that establish ethical standards for research that shall be followed in order  
34 for a prize to be claimed. The compact, in the rules, shall establish a common set of ethical standards

1 that embodies the laws and restrictions in each of the states so that to be eligible for claiming a  
2 prize the entity submitting a cure must not have violated any of the ethical standards in any one of  
3 the fifty (50) states, whether the states have joined the compact or not. The compact will publish  
4 these common ethical standards along with the specific criteria for a cure for each of the diseases  
5 the compact has targeted. So long as a researcher follows the common ethical standards in effect at  
6 the time the research is done, an entity presenting a cure will be deemed to have followed the  
7 standards. On or before January 1 of each year, the compact shall review all state laws to determine  
8 if additional ethical standards have been enacted by any of the fifty (50) states and the federal  
9 government. Any changes to the common ethical standards rules based on new state laws shall be  
10 adopted and published by the compact, but shall not take effect in cure criteria for a period of three  
11 (3) years to allow for sufficient notice to researchers.

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

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

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

19 Article VII

20 Committees.

21 (a) Management Committee.

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

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

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

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

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

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

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

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

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

12 (1) Approving cure criteria;

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

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

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

16 Article VIII

17 Finance.

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

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

25 (c) The commission shall keep complete and accurate accounts of all of its internal receipts,  
26 including grants and donations, and disbursements of all funds under its control. The internal  
27 financial accounts of the commission shall be subject to the accounting procedures established  
28 under the commission's bylaws or rules. The financial accounts and reports, including the system  
29 of internal controls and procedures of the commission, shall be audited annually by an independent  
30 certified public accountant. Upon the determination of the commission, but not less frequently than  
31 every three (3) years, the review of the independent auditor shall include a management and  
32 performance audit of the commission. The commission shall make an annual report to the governors  
33 and legislatures of the compacting states, which shall include a report of the independent audit. The  
34 commission's internal accounts shall not be confidential and such materials may be shared with any

1 compacting state upon request; provided, however, that any work papers related to any internal or  
2 independent audit and any information subject to the compacting states' privacy laws, shall remain  
3 confidential.

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

#### 7 Article IX

##### 8 Records.

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

#### 18 Article X

##### 19 Compliance.

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

#### 23 Article XI

##### 24 Venue.

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

#### 28 Article XII

##### 29 Qualified Immunity, Defense, and Indemnification.

30 (a) The members, officers, executive director, employees, and representatives of the  
31 commission shall be immune from suit and liability, either personally or in their official capacity,  
32 for any claim for damage to or loss of property or personal injury or other civil liability caused by  
33 or arising out of any actual or alleged act, error, or omission that occurred, or that such person had  
34 a reasonable basis for believing occurred within the scope of the person's commission employment,

1 duties, or responsibilities; provided, that nothing in section (a) of this Article shall be construed to  
2 protect any such person from suit or liability for any damage, loss, injury, or liability caused by the  
3 intentional or willful and wanton misconduct of that person.

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

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

### 19 Article XIII

#### 20 Compacting States, Effective Date, and Amendment.

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

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

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

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

### 32 Article XIV

#### 33 Withdrawal, Default, and Expulsion.

34 (a) Withdrawal.

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

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

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

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

8           (B) After the repeal takes effect.

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

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

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

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

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

23          (b) Default.

24          (1) If the commission determines that any compacting state has at any time defaulted in the  
25 performance of any of its obligations or responsibilities under the compact or the commission's  
26 bylaws or rules, then, after notice and hearing as set forth in the bylaws, all rights, privileges, and  
27 benefits conferred by this compact on the defaulting state shall be suspended from the effective  
28 date of default as fixed by the commission. The grounds for default include failure of a compacting  
29 state to perform its obligations or responsibilities, and any other grounds designated in commission  
30 rules. The commission shall immediately notify the defaulting state in writing of the suspension  
31 pending cure of the default. The commission shall stipulate the conditions and the time period  
32 within which the defaulting state shall cure its default. If the defaulting state fails to cure the default  
33 within the time period specified by the commission, the defaulting state shall be expelled from the  
34 compact and all rights, privileges, and benefits conferred by the compact shall be terminated from

1 the effective date of the expulsion. Any state that is expelled from the compact shall be liable for  
2 any cure prize or prizes for three (3) years after its removal. The commission shall also take  
3 appropriate legal action to ensure that any compacting state that withdraws from the compact  
4 remains liable for paying its responsibility towards a prize for a cure that was accepted while the  
5 compacting state was a member of the commission.

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

7 (c) Dissolution of Compact.

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

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

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

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

19 Article XV

20 Severability and Construction.

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

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

25 Article XVI

26 Binding Effect of Compact and Other Laws.

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

29 (b) Binding Effect of the Compact.

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

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

34 (3) Except to the extent authorized by the compacting state's constitution or, if

1 constitutional authorization is not required, by other law of the compacting state, such state, by  
2 entering into the compact does not:

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

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

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

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

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

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LC001209  
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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

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

4           This act would take effect upon passage.

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