
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2325 Session of
2020

INTRODUCED BY TOEPEL, ROTHMAN, CIRESI, SCHLEGEL CULVER, CUTLER,
HILL-EVANS, MALONEY, MILLARD, PICKETT, READSHAW, ROZZI,
SAYLOR, SCHMITT, THOMAS, YOUNGBLOOD AND DRISCOLL,
FEBRUARY 24, 2020

REFERRED TO COMMITTEE ON HEALTH, FEBRUARY 24, 2020

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3 has not withdrawn or been suspended pursuant to Article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.