
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 323 Session of
2021

INTRODUCED BY ROTHMAN, GAYDOS, JAMES, CAUSER, SAYLOR, CIRESI,
SCHLEGEL CULVER, STAATS, DeLUCA, HILL-EVANS, MOUL AND GLEIM,
JANUARY 28, 2021

REFERRED TO COMMITTEE ON HEALTH, JANUARY 28, 2021

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:

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

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2 has not withdrawn or been suspended pursuant to Article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

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

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

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

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

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

15 Article II. Establishment of the Commission; Membership

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

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

23 3. Each compacting state shall be represented by one member
24 as selected by the compacting state. Each compacting state shall
25 determine its member's qualifications and period of service and
26 shall be responsible for any action to remove or suspend its
27 member or to fill the member's position if it becomes vacant.
28 Nothing in the compact shall be construed to affect a compacting
29 state's authority regarding the qualification, selection, or
30 service of its own member.

1 Article III. Powers of the Commission

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

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

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

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

27 5. In non-compacting states and foreign countries, to
28 establish and collect royalty fees imposed on manufacturers,
29 producers, and providers of any drug, serum, or other substance,
30 device, or process used for a cure treatment or therapeutic

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

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

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

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

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

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

23 9. To establish and maintain offices;

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

27 11. To hire employees, professionals, or specialists, and
28 elect or appoint officers, and to fix their compensation, define
29 their duties and give them appropriate authority to carry out
30 the purposes of the compact, and determine their qualifications;

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

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

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

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

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

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

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

25 18. To establish a budget and make expenditures;

26 19. To borrow money;

27 20. To appoint committees, including management,
28 legislative, and advisory committees comprised of members, state
29 legislators or their representatives, medical professionals, and
30 such other interested persons as may be designated by the

1 commission;

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

5 22. To adopt and use a corporate seal;

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

8 Article IV. Meetings and Voting

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

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

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

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

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

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

30 7. Guidelines and voting requirements for all other

1 decisions of the commission shall be established in the
2 commission's bylaws.

3 Article V. Bylaws

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

9 1. Establishing the fiscal year of the commission;

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

13 3. Providing reasonable standards and procedures:

14 a. For the establishment and meetings of other
15 committees;

16 b. Governing any general or specific delegation of any
17 authority or function of the commission; and

18 c. Voting guidelines and procedures for commission
19 decisions.

20 4. Providing reasonable procedures for calling and
21 conducting meetings of the commission that shall consist of
22 requiring a quorum to be present, ensuring reasonable advance
23 notice of each such meeting and providing for the right of
24 citizens to attend each such meeting with enumerated exceptions
25 designed to protect the public's interest and the privacy of
26 individuals.

27 5. Providing a list of matters about which the commission
28 may go into executive session and requiring a majority of all
29 members of the commission vote to enter into such session. As
30 soon as practicable, the commission shall make public:

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

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

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

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

15 8. Allowing a mechanism for:

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

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

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

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

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

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

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

7 Article VI. Rules

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

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

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

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

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

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

30 i. The severity of the disease to a human

1 individual's overall health and well-being;

2 ii. The survival rate or severity of impact of the
3 disease;

4 iii. The public health expenses and treatment
5 expenses for the disease.

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

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

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

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

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

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

1 submissions.

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

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

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

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

30 ii. Donation amounts intended for the prize shall be

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

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

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

29 v. A compacting state may issue bonds or other debt
30 that are general obligations, under which the full faith

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

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

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

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

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

1 of individuals or would otherwise violate privacy laws
2 under federal law and the laws of the compacting states;

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

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

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

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

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

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

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

1 shall provide for:

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

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

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

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

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

30 So long as a researcher follows the common ethical standards

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

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

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

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

21 Article VII. Committees

22 1. Management Committee

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

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

29 c. The committee shall have such authority and duties as
30 may be set forth in the commission's bylaws and rules,

1 including:

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

6 ii. Overseeing the offices of the commission; and

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

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

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

22 2. Advisory Committees

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

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

6 Article VIII. Finance

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

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

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

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

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

9 Article IX. Records

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

24 Article X. Compliance

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

30 Article XI. Venue

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

5 Article XII. Qualified Immunity, Defense, and Indemnification

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

19 2. The commission shall defend any member, officer,
20 executive director, employee, or representative of the
21 commission in any civil action seeking to impose liability
22 arising out of any actual or alleged act, error, or omission
23 that occurred within the scope of the person's commission
24 employment, duties, or responsibilities, or that such person had
25 a reasonable basis for believing occurred within the scope of
26 commission employment, duties, or responsibilities; provided,
27 that nothing in the compact or commission bylaws or rules shall
28 be construed to prohibit that person from retaining his or her
29 own counsel; and provided further, that the actual or alleged
30 act, error, or omission did not result from that person's

1 intentional or willful and wanton misconduct.

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

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

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

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

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

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

30 Article XIV. Withdrawal, Default, and Expulsion

1 1. Withdrawal

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

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

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

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

13 II. After the repeal takes effect.

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

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

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

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

1 withdrawing state.

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

5 2. Default

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

1 compacting state was a member of the commission.

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

4 3. Dissolution of Compact

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

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

10 ii. The commission votes to dissolve the compact.

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

22 Article XV. Severability and Construction

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

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

29 Article XVI. Binding Effect of Compact and Other Laws

30 1. Other Laws: Nothing herein prevents the enforcement of

1 any other law of a compacting state, except as provided in
2 section 2.b. of this article.

3 2. Binding Effect of the Compact

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

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

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

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

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

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

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

1 jurisdiction are delegated by law in effect at the time the
2 compact becomes effective.

3 Section 3. When and how compact becomes operative.

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

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

20 Section 4. Compensation and expenses.

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

29 Section 5. Effective date.

30 This act shall take effect in 60 days.