

1                                   **INTERSTATE COMPACT ON CURING DISEASES**

2   2021 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: Norman K. Thurston**

5                                   Senate Sponsor: \_\_\_\_\_

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7 **LONG TITLE**

8 **General Description:**

9           This bill enacts the interstate compact known as the Solemn Covenant of the States to  
10 Award Prizes for Curing Diseases.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ enacts an interstate compact to award prizes for curing diseases, which includes:
- 14                   • defining terms;
  - 15                   • establishing a commission to administer this compact and defines the
  - 16 commissions powers, duties, and governance;
  - 17                   • specifying requirement regarding finances, record keeping, and compliance;
  - 18                   • creating certain qualified immunities, defenses, and indemnifications for
  - 19 activities under this compact;
  - 20                   • describing the procedures for a state to join or leave the compact; and
  - 21                   • specifying other provisions necessary to carry out the provisions of the compact.

22 **Money Appropriated in this Bill:**

23           None

24 **Other Special Clauses:**

25           None

26 **Utah Code Sections Affected:**

27 ENACTS:



- 28            **26-68-101**, Utah Code Annotated 1953
- 29            **26-68-201**, Utah Code Annotated 1953
- 30            **26-68-202**, Utah Code Annotated 1953
- 31            **26-68-203**, Utah Code Annotated 1953
- 32            **26-68-204**, Utah Code Annotated 1953
- 33            **26-68-205**, Utah Code Annotated 1953
- 34            **26-68-206**, Utah Code Annotated 1953
- 35            **26-68-207**, Utah Code Annotated 1953
- 36            **26-68-208**, Utah Code Annotated 1953
- 37            **26-68-209**, Utah Code Annotated 1953
- 38            **26-68-210**, Utah Code Annotated 1953
- 39            **26-68-211**, Utah Code Annotated 1953
- 40            **26-68-212**, Utah Code Annotated 1953
- 41            **26-68-213**, Utah Code Annotated 1953
- 42            **26-68-214**, Utah Code Annotated 1953
- 43            **26-68-215**, Utah Code Annotated 1953
- 44            **26-68-216**, Utah Code Annotated 1953

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46 *Be it enacted by the Legislature of the state of Utah:*

47            Section 1. Section **26-68-101** is enacted to read:

48                            **CHAPTER 67. SOLEMN COVENANT OF THE STATES TO AWARD**  
49    **PRIZES FOR CURING DISEASES**

50    **Part 1. General Provisions**

51            **26-68-101. Title.**

52            This chapter is known as the "Solemn Covenant of the States to Award Prizes for  
53 Curing Diseases."

54            Section 2. Section **26-68-201** is enacted to read:

55                            **Part 2. Solemn Covenant of the States to Award Prizes for Curing Diseases**

56            **26-68-201. Definitions.**

57            For purposes of this compact:

58            (1) "Compacting state" means:

59 (a) any state that has enacted the compact and which has not withdrawn or been  
60 suspended pursuant to Section 26-68-214 of the compact; or

61 (b) the federal government in accordance with the commission's bylaws.

62 (2) "Compact" means the Solemn Covenant of the States to Award Prizes for Curing  
63 Diseases enacted in this chapter.

64 (3) "Noncompacting state" means any state or the federal government, if it is not at the  
65 time a compacting state.

66 (4) "Public health expenses" means the amount of all costs paid by taxpayers in a  
67 specified geographic area relating to a particular disease.

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

69 Section 3. Section 26-68-202 is enacted to read:

70 **26-68-202. Commission -- Creation -- Membership.**

71 (1) Upon the enactment of the compact by six states, the compacting states shall  
72 establish the Solemn Covenant of States Commission.

73 (2) The commission is a body corporate and politic and an instrumentality of each of  
74 the compacting states and is solely responsible for its liabilities, except as otherwise  
75 specifically provided in the compact.

76 (3) Each compacting state shall be represented by one member as selected by the  
77 compacting state. Each compacting state shall determine its member's qualifications and period  
78 of service and shall be responsible for any action to remove or suspend its member or to fill the  
79 member's position if it becomes vacant. Nothing in the compact shall be construed to affect a  
80 compacting state's authority regarding the qualification, selection, or service of its own  
81 member.

82 Section 4. Section 26-68-203 is enacted to read:

83 **26-68-203. Powers and duties of the commission.**

84 The commission has the following powers and duties:

85 (1) to adopt bylaws and rules pursuant to Sections 26-68-205 and 26-68-206 of the  
86 compact, which shall have the force and effect of law and shall be binding in the compacting  
87 states to the extent and in the manner provided in the compact;

88 (2) to receive and review in an expeditious manner treatments and therapeutic  
89 protocols for the cure of disease submitted to the commission and to award prizes for

90 submissions that meet the commission's standards for a successful cure treatment or therapeutic  
91 protocol;

92 (3) to make widely available a cure treatment or therapeutic protocol upon a prize  
93 winner claiming a prize and transferring any intellectual property necessary for the manufacture  
94 and distribution of the cure in accordance with Section 26-68-206(3)(g)(i), including by  
95 arranging or contracting for the manufacturing, production, or provision of any drug, serum, or  
96 other substance, device, or process, provided that the commission does not market the cure or  
97 conduct any other activity regarding the cure not specifically authorized in the compact;

98 (4) to establish a selling price for the cure, which shall be not more than the expenses  
99 for the cure's manufacturing, distribution, licensing, and any other necessary governmental  
100 requirements for compacting states, or those expenses plus any royalty fees, for noncompacting  
101 states; the price shall not include the expenses of any other activities;

102 (5) in noncompacting states and foreign countries, to establish and collect royalty fees  
103 imposed on manufacturers, producers, and providers of any drug, serum, or other substance,  
104 device, or process used for a cure treatment or therapeutic protocol, for which a prize is  
105 awarded; royalty fees may be added to the sales price of the cure pursuant to item (4); provided  
106 that the royalty fees shall cumulatively be not more than the estimated five-year savings in  
107 public health expenses for that state or country, as calculated by actuaries employed or  
108 contracted by the commission;

109 (6) to do the following regarding the collected royalty fees:

110 (a) pay or reimburse expenses related to the payment of a prize, which shall include  
111 employing or contracting actuaries to calculate annual taxpayer savings amounts in compacting  
112 states in accordance with Section 26-68-206(3)(g)(iii), and payment of interest and other  
113 expenses related to a loan obtained in accordance with Section 26-68-206(3)(g)(vi); and

114 (b) annually disburse any amounts remaining after making payments or  
115 reimbursements under subitem (6)(a) as refunds to compacting states based on the percent of  
116 the state's prize obligation in relation to the total obligation amount of all compacting states;

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

118 (8) to issue subpoenas requiring the attendance and testimony of witnesses and the  
119 production of evidence;

120 (9) to establish and maintain offices;

121 (10) to borrow, accept, or contract for personnel services, including personnel services  
122 from employees of a compacting state;

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

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

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

134 (14) to sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose  
135 of any property, real, personal, or mixed;

136 (15) to monitor compacting states for compliance with the commission's bylaws and  
137 rules;

138 (16) to enforce compliance by compacting states with the commission's bylaws and  
139 rules;

140 (17) to provide for dispute resolution among compacting states or between the  
141 commission and those who submit treatments and therapeutic protocols for the cure of disease  
142 for consideration;

143 (18) to establish a budget and make expenditures;

144 (19) to borrow money;

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

148 (21) to establish annual membership dues for compacting states, which shall be used  
149 for daily expenses of the commission and not for interest or prize payments;

150 (22) to adopt and use a corporate seal; and

151 (23) to perform such other functions as may be necessary or appropriate to achieve the

152 purposes of this compact.

153 Section 5. Section **26-68-204** is enacted to read:

154 **26-68-204. Meetings and voting.**

155 (1) The commission shall meet and take such actions as are consistent with the  
156 compact, bylaws, and rules.

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

159 (3) Each member of the commission shall have the right and power to cast one vote  
160 regarding matters determined or actions to be taken by the commission. Each member shall  
161 have the right and power to participate in the business and affairs of the commission.

162 (4) A member shall vote in person or by such other means as provided in the  
163 commission's bylaws. The commission's bylaws may provide for members' participation in  
164 meetings by telephone or other means of communication.

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

167 (6) No decision of the commission with respect to the approval of an award for a  
168 treatment or therapeutic process for the cure of a disease shall be effective unless two-thirds of  
169 all the members of the commission vote in favor thereof.

170 (7) Guidelines and voting requirements for all other decisions of the commission shall  
171 be established in the commission's bylaws.

172 Section 6. Section **26-68-205** is enacted to read:

173 **26-68-205. Bylaws.**

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

177 (1) establishing the fiscal year of the commission;

178 (2) providing reasonable procedures for appointing and electing members, as well as  
179 holding meetings, of the management committee;

180 (3) providing reasonable standards and procedures:

181 (a) for the establishment and meetings of other committees;

182 (b) governing any general or specific delegation of any authority or function of the

183 commission; and  
184 (c) voting guidelines and procedures for commission decisions;  
185 (4) providing reasonable procedures for calling and conducting meetings of the  
186 commission that shall consist of requiring a quorum to be present, ensuring reasonable advance  
187 notice of each such meeting and providing for the right of citizens to attend each such meeting  
188 with enumerated exceptions designed to protect the public interest and the privacy of  
189 individuals;  
190 (5) providing a list of matters about which the commission may go into executive  
191 session and requiring a majority of all members of the commission vote to enter into such  
192 session. However, a soon as practicable, the commission shall make public:  
193 (a) a copy of any vote going into executive session, revealing the vote of each member  
194 with no proxy votes allowed; and  
195 (b) the matter requiring executive session, without identifying the actual issues or  
196 individuals involved;  
197 (6) establishing the titles, duties, authority, and reasonable procedures for the election  
198 of the officers of the commission;  
199 (7) providing reasonable standards and procedures for the establishment of the  
200 personnel policies and programs of the commission. Notwithstanding any civil service or other  
201 similar laws of any compacting state, the commission's bylaws shall exclusively govern the  
202 personnel policies and programs of the commission;  
203 (8) allowing a mechanism for:  
204 (a) the federal government to join as a compacting state; and  
205 (b) foreign countries or subdivisions of those countries to join as liaison members by  
206 adopting the compact; provided that adopting countries or subdivisions shall not have voting  
207 power or the power to bind the commission in any way;  
208 (9) adopting a code of ethics to address permissible and prohibited activities of  
209 members and employees;  
210 (10) providing for the maintenance of the commission's books and records;  
211 (11) governing the acceptance of and accounting for donations, annual member dues,  
212 and other sources of funding and establishing the proportion of these funds to be allocated to  
213 prize amounts for treatments and therapeutic protocols that cure disease;

214 (12) governing any fundraising efforts in which the commission wishes to engage; and  
215 (13) providing a mechanism for winding up the operations of the commission and the  
216 equitable disposition of any surplus funds that may exist after the termination of the compact  
217 after the payment and reserving of all its debts and obligations.

218 Section 7. Section **26-68-206** is enacted to read:

219 **26-68-206. Rules.**

220 (1) The commission shall adopt rules to do the following:

221 (a) effectively and efficiently achieve the purposes of this compact; and

222 (b) govern the methods, processes, and any other aspect of the research, creation, and  
223 testing of a treatment or therapeutic protocol for each disease for which a prize may be  
224 awarded.

225 (2) The commission shall adopt rules establishing the criteria for defining and  
226 classifying the diseases for which prizes shall be awarded. The commission may define and  
227 classify subsets of diseases, for example, tubular carcinoma of the breast. For purposes of  
228 Subsections (3)(a) and (c), a subset of a disease shall be considered one disease. The  
229 commission may consult the most recent edition of the international classification of disease as  
230 published by the world health organization or other definitions agreed to by a two-thirds vote  
231 of the commission.

232 (3) The commission shall adopt rules regarding prizes for curing diseases that establish  
233 the following:

234 (a) at least ten major diseases for which to create prizes, which shall be determined  
235 based on the following factors:

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

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

238 (iii) the public health expenses and treatment expenses for the disease;

239 (b) the criteria a treatment or therapeutic protocol must meet in order to be considered  
240 a cure for any of the diseases for which a prize may be awarded, which shall include the  
241 following requirements:

242 (i) it must be approved by the federal Food and Drug Administration or have otherwise  
243 obtained legal status for the compact to immediately contract to manufacture and distribute in  
244 the United States;



245 (ii) except as provided in Subsection (4), it must yield a significant increase in survival  
246 with respect to the diseases if early death is the usual outcome; and

247 (iii) it requires less than one year of the treatment or protocol to completely cure the  
248 disease;

249 (c) the procedure for determining the diseases for which to award prizes, which  
250 includes the option to award prizes for more than ten diseases that meet the above criteria, if  
251 agreed to by two-thirds vote of the commission, and a requirement to update the list every three  
252 years;

253 (d) the submission and evaluation procedures and guidelines, including filing and  
254 review procedures, a requirement that the person or entity submitting the cure bears the burden  
255 of proof in demonstrating that the treatment or therapeutic protocol meets the above criteria,  
256 and limitations preventing public access to treatment or protocol submissions;

257 (e) the estimated five-year public health savings that would result from a cure, which  
258 shall be equal to the five-year public health expenses for each disease in each compacting state,  
259 and a procedure to update these expenses every three years in conjunction with the  
260 requirements in item (3)(c). The estimated five-year public health savings amount shall be  
261 calculated, estimated, and publicized every three years by actuaries employed or contracted by  
262 the commission;

263 (f) the prize amount with respect to cures for each disease, which shall be equal to the  
264 most recent estimated total five-year savings in public health expenses for the disease as  
265 calculated in item (3)(e) in all of the compacting states; amounts donated by charities,  
266 individuals, and any other entities intended for the prize; and any other factors that the  
267 commission deems appropriate;

268 (g) the prize distribution procedures and guidelines, which shall include the following  
269 requirements:

270 (i) Upon acceptance of a cure, the prize winner shall transfer to the commission the  
271 patent and all related intellectual property for the manufacture and distribution of the treatment  
272 or therapeutic protocol in exchange for the prize, except in the case that the prize money is  
273 considered by the commission to be too low, and that a prize will be awarded only to the first  
274 person or entity that submits a successful cure for a disease for which a prize may be awarded.

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

276 account maintained by the commission. This account shall be the only account in which prize  
277 money is kept.

278 (iii) Each compacting state shall have the responsibility to pay annually the compacting  
279 state's actual one-year savings in public health expenses for the particular disease for which a  
280 cure has been accepted. The compacting state shall make such an annual payment until it has  
281 fulfilled its prize responsibility as established in item (3)(f). Each compacting state's payment  
282 responsibility begins one year after the date the cure becomes widely available. The  
283 commission shall employ or contract with actuaries to calculate each state's actual one-year  
284 savings in public health expenses at the end of each year to determine each state's responsibility  
285 for the succeeding year.

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

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

299 (vi) Upon acceptance of a cure, the commission shall obtain a loan from a financial  
300 institution in an amount equal to the most recently calculated total estimated five-year public  
301 health expenses for the disease in all compacting states, in accordance with item (3)(f). The  
302 commission reserves the right to continuously evaluate the cure in the interim and rescind a  
303 prize offer if the commission finds that the cure no longer meets the commission's criteria.

304 (4) The commission may award a prize for a treatment or therapeutic protocol that  
305 yields a survival rate that is less than what is established in the cure criteria through at least five  
306 years after the treatment or protocol has ended. In that case, the prize amount awarded for that

307 treatment or therapeutic protocol shall be reduced from the prize amount originally determined  
308 by the commission for a cure for that disease. The reduction shall be in proportion to the  
309 survival rate yielded by that treatment or protocol as compared to the survival rate established  
310 in the cure criteria.

311 (5) The commission shall adopt rules that do the following:

312 (a) establish the following regarding commission records:

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

316 (ii) procedures for sharing with federal and state agencies, including law enforcement  
317 agencies, records and information otherwise exempt from disclosure; and

318 (iii) guidelines for entering into agreements with federal and state agencies to receive  
319 or exchange information or records subject to nondisclosure and confidentiality provisions;

320 (b) provide a process for commission review of submitted treatments and therapeutic  
321 protocols for curing diseases that includes the following:

322 (i) an opportunity for an appeal, no later than thirty days after a rejection of a treatment  
323 or protocol for prize consideration, to a review panel established under the commission's  
324 dispute resolution process;

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

327 (iii) commission reconsideration, modification, or withdrawal of approval of a  
328 treatment or protocol for prize consideration for failure to continue to meet the cure criteria  
329 established by the commission for the particular disease; and

330 (c) establish a dispute resolution process to resolve disputes or other issues under the  
331 compact that may arise between two or more compacting states or between the commission and  
332 individuals or entities who submit treatments and therapeutic protocols to cure diseases, which  
333 process shall provide for:

334 (i) administrative review by a review panel appointed by the commission;

335 (ii) judicial review of decisions issued after an administrative review;

336 (iii) qualifications to be appointed to a panel, due process requirements, including  
337 notice and hearing procedures, and any other procedure, requirement, or standard necessary to

338 provide adequate dispute resolution; and

339 (iv) establish and impose annual member dues on compacting states, which shall be  
340 calculated based on the percentage of each compacting state's population in relation to the  
341 population of all the compacting states.

342 (6) (a) Recognizing that the goal of the compact is to pool the potential savings of as  
343 many states and countries as possible to generate sufficient financial incentive to develop a  
344 cure for many of the world's most devastating diseases, the compact will respect the laws of  
345 each of these United States by adopting rules that establish ethical standards for research that  
346 shall be followed in order for a prize to be claimed. The compact, in the rules, shall establish a  
347 common set of ethical standards that embodies the laws and restrictions in each of the states so  
348 that to be eligible for claiming a prize the entity submitting a cure must not have violated any  
349 of the ethical standards in any one of the fifty states, whether the states have joined the compact  
350 or not. The compact will publish these common ethical standards along with the specific  
351 criteria for a cure for each of the diseases the compact has targeted.

352 (b) So long as a researcher follows the common ethical standards in effect at the time  
353 the research is done, an entity presenting a cure will be deemed to have followed the standards.  
354 On or before January first of each year, the compact shall review all state laws to determine if  
355 additional ethical standards have been enacted by any of the fifty states and the federal  
356 government. Any changes to the common ethical standards rules based on new state laws shall  
357 be adopted and published by the compact, but shall not take effect in cure criteria for a period  
358 of three years to allow for sufficient notice to researchers.

359 (7) All rules may be amended as the commission sees necessary.

360 (8) All rules shall be adopted pursuant to a rule-making process that conforms to the  
361 model state administrative procedure act of 1981 by the uniform law commissioners, as  
362 amended, as may be appropriate to the operations of the commission.

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

366 Section 8. Section **26-68-207** is enacted to read:

367 **26-68-207. Committees.**

368 (1) (a) The commission may establish a management committee comprised of no more

369 than fourteen members when twenty-six states enact the compact.

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

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

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

376 (ii) overseeing the offices of the commission; and

377 (iii) planning, implementing, and coordinating communications and activities with  
378 state, federal, and local governmental organizations in order to advance the goals of the  
379 compact.

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

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

387 (2) The commission may appoint advisory committees to monitor all operations related  
388 to the purposes of the compact and make recommendations to the commission; provided that  
389 the manner of selection and term of any committee member shall be as set forth in the  
390 commission's bylaws and rules. The commission shall consult with an advisory committee, to  
391 the extent required by the commission's bylaws or rules, before doing any of the following:

392 (a) approving cure criteria;

393 (b) amending, enacting, or repealing any bylaw or rule;

394 (c) adopting the commission's annual budget; or

395 (d) addressing any other significant matter or taking any other significant action.

396 Section 9. Section **26-68-208** is enacted to read:

397 **26-68-208. Finance.**

398 (1) The commission annually shall establish a budget to pay or provide for the payment  
399 of its reasonable expenses. To fund the cost of initial operations, the commission may accept

400 contributions and other forms of funding from the compacting states and other sources.

401 Contributions and other forms of funding from other sources shall be of such a nature that the  
402 independence of the commission concerning the performance of its duties shall not be  
403 compromised.

404 (2) The commission shall be exempt from all taxation in and by the compacting states  
404a ↯→ , except to the extent prohibited by the Utah Constitution ←↯ .

405 (3) The commission shall keep complete and accurate accounts of all of its internal  
406 receipts, including grants and donations, and disbursements of all funds under its control. The  
407 internal financial accounts of the commission shall be subject to the accounting procedures  
408 established under the commission's bylaws or rules. The financial accounts and reports  
409 including the system of internal controls and procedures of the commission shall be audited  
410 annually by an independent certified public accountant. Upon the determination of the  
411 commission, but no less frequently than every three years, the review of the independent  
412 auditor shall include a management and performance audit of the commission. The commission  
413 shall make an annual report to the governors and legislatures of the compacting states, which  
414 shall include a report of the independent audit. The commission's internal accounts shall not be  
415 confidential and such materials may be shared with any compacting state upon request  
416 provided; however, that any work papers related to any internal or independent audit and any  
417 information subject to the compacting states' privacy laws, shall remain confidential.

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

421 Section 10. Section **26-68-209** is enacted to read:

422 **26-68-209. Records.**

423 Except as to privileged records, data, and information, the laws of any compacting state  
424 pertaining to confidentiality or nondisclosure shall not relieve any member of the duty to  
425 disclose any relevant records, data, or information to the commission; provided, that disclosure  
426 to the commission shall not be deemed to waive or otherwise affect any confidentiality  
427 requirement; and further provided, that, except as otherwise expressly provided in the compact,  
428 the commission shall not be subject to the compacting state's laws pertaining to confidentiality  
429 and nondisclosure with respect to records, data, and information in its possession. Confidential  
430 information of the commission shall remain confidential after such information is provided to

431 any member. All cure submissions received by the commission are confidential.

432 Section 11. Section **26-68-210** is enacted to read:

433 **26-68-210. Compliance.**

434 The commission shall notify a compacting state in writing of any noncompliance with  
435 commission bylaws and rules. If a compacting state fails to remedy its noncompliance within  
436 the time specified in the notice, the compacting state shall be deemed to be in default as set  
437 forth in Section [26-68-214](#).

438 Section 12. Section **26-68-211** is enacted to read:

439 **26-68-211. Venue.**

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

443 Section 13. Section **26-68-212** is enacted to read:

444 **26-68-212. Qualified immunity -- Defenses -- Indemnification.**

445 (1) The members, officers, executive director, employees, and representatives of the  
446 commission shall be immune from suit and liability, either personally or in their official  
447 capacity, for any claim for damage to or loss of property or personal injury or other civil  
448 liability caused by or arising out of any actual or alleged act, error, or omission that occurred,  
449 or that such person had a reasonable basis for believing occurred within the scope of the  
450 person's commission employment, duties, or responsibilities; provided, that nothing in this  
451 subsection shall be construed to protect any such person from suit or liability for any damage,  
452 loss, injury, or liability caused by the intentional or wilful and wanton misconduct of that  
453 person.

454 (2) The commission shall defend any member, officer, executive director, employee, or  
455 representative of the commission in any civil action seeking to impose liability arising out of  
456 any actual or alleged act, error, or omission that occurred within the scope of the person's  
457 commission employment, duties, or responsibilities, or that such person had a reasonable basis  
458 for believing occurred within the scope of commission employment, duties, or responsibilities;  
459 provided, that nothing in the compact or commission bylaws or rules shall be construed to  
460 prohibit that person from retaining his or her own counsel; and provided further, that the actual  
461 or alleged act, error, or omission did not result from that person's intentional or wilful and

462 wanton misconduct.

463 (3) The commission shall indemnify and hold harmless any member, officer, executive  
464 director, employee, or representative of the commission for the amount of any settlement or  
465 judgment obtained against the person arising out of any actual or alleged act, error, or omission  
466 that occurred within the scope of the person's commission employment, duties, or  
467 responsibilities, or that such person had a reasonable basis for believing occurred within the  
468 scope of commission employment, duties, or responsibilities; provided, that the actual or  
469 alleged act, error, or omission, did not result from the intentional or wilful and wanton  
470 misconduct of that person.

471 Section 14. Section **26-68-213** is enacted to read:

472 **26-68-213. Compacting states -- Effective date -- Amendment.**

473 (1) Any state is eligible to become a compacting state.

474 (2) The compact shall become effective and binding upon legislative enactment of the  
475 compact into law by two compacting states; provided, the commission only shall be established  
476 after six states become compacting states. Thereafter, the compact shall become effective and  
477 binding as to any other compacting state upon enactment of the compact into law by that state.

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

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

484 Section 15. Section **26-68-214** is enacted to read:

485 **26-68-214. Withdrawal -- Default -- Expulsion.**

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

489 (i) repealing the law enacting the compact in that state; and

490 (ii) notifying the commission in writing of the intent to withdraw on a date that is both  
491 of the following:

492 (A) at least three years after the date the notice is sent; and



493 (B) after the repeal takes effect.

494 (b) The effective date of withdrawal is the date described in item (1)(a)(ii).

495 (c) The member representing the withdrawing state immediately shall notify the  
496 management committee in writing upon the introduction of legislation in that state repealing  
497 the compact. If a management committee has not been established, the member immediately  
498 shall notify the commission.

499 (d) The commission or management committee, as applicable, shall notify the other  
500 compacting states of the introduction of such legislation within ten days after its receipt of  
501 notice.

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

506 (f) Reinstatement following a state's withdrawal shall become effective upon the  
507 effective date of the subsequent enactment of the compact by that state.

508 (2) (a) If the commission determines that any compacting state has at any time  
509 defaulted in the performance of any of its obligations or responsibilities under the compact or  
510 the commission's bylaws or rules, then, after notice and hearing as set forth in the bylaws, all  
511 rights, privileges, and benefits conferred by this compact on the defaulting state shall be  
512 suspended from the effective date of default as fixed by the commission. The grounds for  
513 default include failure of a compacting state to perform its obligations or responsibilities, and  
514 any other grounds designated in commission rules. The commission immediately shall notify  
515 the defaulting state in writing of the suspension pending cure of the default. The commission  
516 shall stipulate the conditions and the time period within which the defaulting state shall cure its  
517 default. If the defaulting state fails to cure the default within the time period specified by the  
518 commission, the defaulting state shall be expelled from the compact and all rights, privileges,  
519 and benefits conferred by the compact shall be terminated from the effective date of the  
520 expulsion. Any state that is expelled from the compact shall be liable for any cure prize or  
521 prizes for three years after its removal. The commission also shall take appropriate legal action  
522 to ensure that any compacting state that withdraws from the compact remains liable for paying  
523 its responsibility towards a prize for a cure that was accepted while the compacting state was a

524 member of the commission.

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

526 (3) (a) The compact dissolves effective upon the date of either of the following:

527 (i) the withdrawal or expulsion of a compacting state, which withdrawal or expulsion

528 reduces membership in the compact to one compacting state; or

529 (ii) the commission votes to dissolve the compact.

530 (b) Upon the dissolution of the compact, the compact becomes null and void and shall

531 be of no further force or effect, and the business and affairs of the commission shall be

532 concluded and any surplus funds shall be distributed in accordance with the commission's

533 bylaws; provided, that the commission shall pay all outstanding prizes awarded before the

534 dissolution of the compact, as well as any other outstanding debts and obligations incurred

535 during the existence of the compact. Any unawarded funds donated to be a part of a prize shall

536 be returned to the donor, along with any interest earned on the amount.

537 Section 16. Section **26-68-215** is enacted to read:

538 **26-68-215. Severability and construction.**

539 (1) The provisions of the compact shall be severable; and if any phrase, clause,

540 sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall

541 be enforceable.

542 (2) The provisions of the compact shall be liberally construed to effectuate its

543 purposes.

544 Section 17. Section **26-68-216** is enacted to read:

545 **26-68-216. Binding effect of compact and other laws.**

546 (1) Nothing herein prevents the enforcement of any other law of a compacting state,

547 except as provided in Subsection (2)(b).

548 (2) (a) All lawful actions of the commission, including all commission rules, are

549 binding upon the compacting states.

550 (b) All agreements between the commission and the compacting states are binding in

551 accordance with their terms.

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

553 constitutional authorization is not required, by other law of the compacting state, such state, by

554 entering into the compact does not:

555           (i) commit the full faith and credit or taxing power of the compacting state for the  
556 payment of prizes or other obligations under the compact; and

557           (ii) make prize payment responsibilities or other obligations under the compact a debt  
558 of the compacting state.

559           (d) Upon the request of a party to a conflict over the meaning or interpretation of  
560 commission actions, and upon a majority vote of the compacting states, the commission may  
561 issue advisory opinions regarding the meaning or interpretation in dispute.

562           (e) In the event any provision of the compact exceeds the constitutional limits imposed  
563 on any compacting state, the obligations, duties, powers, or jurisdiction sought to be conferred  
564 by that provision upon the commission shall be ineffective as to that compacting state, and  
565 those obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall  
566 be exercised by the agency to which those obligations, duties, powers, or jurisdiction are  
567 delegated by law in effect at the time the compact becomes effective.