
A BILL FOR AN ACT

RELATING TO THE SOLEMN COVENANT OF THE STATES TO AWARD PRIZES
FOR CURING DISEASES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 SOLEMN COVENANT OF THE STATES TO AWARD PRIZES FOR CURING
6 DISEASES

7 § -1 Approval of compact. The Solemn Covenant of the
8 States to Award Prizes for Curing Diseases is hereby certified
9 and approved and the adherence of the State of Hawaii to this
10 compact is hereby declared by the legislature of the State of
11 Hawaii.

12 § -2 Terms and provisions of compact. The terms and
13 provisions of the Compact referred to in section -1 are as
14 follows:



1 SOLEMN COVENANT OF THE STATES TO AWARD PRIZES FOR CURING
2 DISEASES

3 The contracting states do hereby agree as follows:

4 ARTICLE I. DEFINITIONS

5 For purposes of this compact:

6 "Commission" means the Solemn Covenant of States Commission
7 to Award Prizes for Curing Diseases established in Article II.

8 "Compact" means the Solemn Covenant of the States to Award
9 Prizes for Curing Diseases enacted in this section.

10 "Compacting state" means either of the following:

11 (1) Any state that has enacted the compact and that
12 has not withdrawn or been suspended pursuant to
13 Article XIV of the compact; or

14 (2) The federal government in accordance with the
15 commission's bylaws.

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

18 "Public health expenses" means the amount of all costs paid
19 by taxpayers in a specified geographic area relating to a
20 particular disease.



1 "State" means any state, district, or territory of the
2 United States of America.

3 ARTICLE II. ESTABLISHMENT OF THE COMMISSION; MEMBERSHIP

4 (a) Upon the enactment of the compact by six states, the
5 compacting states shall establish the Solemn Covenant of States
6 Commission to Award Prizes for Curing Diseases.

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

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

19 ARTICLE III. POWERS OF THE COMMISSION

20 The commission may:



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- 1 (1) Adopt bylaws and rules pursuant to Articles V and VI
2 of the compact, which shall have the force and effect
3 of law and shall be binding in the compacting states
4 to the extent and in the manner provided in the
5 compact;
- 6 (2) Receive and review in an expeditious manner treatments
7 and therapeutic protocols for the cure of disease
8 submitted to the commission and to award prizes for
9 submissions that meet the commission's standards for a
10 successful cure treatment or therapeutic protocol;
- 11 (3) Make widely available a cure treatment or therapeutic
12 protocol for which a prize is awarded, including by
13 arranging or contracting for the manufacturing,
14 production, or provision of any drug, serum, or other
15 substance, device, or process;
- 16 (4) Establish and collect royalty fees imposed upon
17 manufacturers, producers, and providers in non-
18 compacting states or foreign countries of any drug,
19 serum, or other substance, device, or process used for
20 a cure treatment or therapeutic protocol, for which a
21 prize is awarded; provided that the royalty fees for a



1 particular state or country shall cumulatively be not
2 more than the estimated five-year savings in public
3 health expenses for that state or country, as
4 calculated by actuaries employed or contracted by the
5 commission;

6 (5) Do the following regarding the collected royalty fees:

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

15 (B) Annually disburse any amounts remaining after
16 making payments or reimbursements under paragraph
17 (5)(A) of this Article as refunds to compacting
18 states based on the per cent of the state's prize
19 obligation in relation to the total obligation
20 amount of all compacting states;



- 1 (6) Bring and prosecute legal proceedings or actions in
2 its name as the commission;
- 3 (7) Issue subpoenas requiring the attendance and testimony
4 of witnesses and the production of evidence;
- 5 (8) Establish and maintain offices;
- 6 (9) Borrow, accept, or contract for personnel services,
7 including personnel services from employees of a
8 compacting state;
- 9 (10) Hire employees, professionals, or specialists, and
10 elect or appoint officers, and to fix their
11 compensation, define their duties and give them
12 appropriate authority to carry out the purposes of the
13 compact, and determine their qualifications; and to
14 establish the commission's personnel policies and
15 programs relating to, among other things, conflicts of
16 interest, rates of compensation, and qualifications of
17 personnel;
- 18 (11) Accept any and all appropriate donations and grants of
19 money, equipment, supplies, materials, and services,
20 and to receive, utilize, and dispose of the same;



1 provided that at all times the commission shall strive
2 to avoid any appearance of impropriety;

3 (12) Lease, purchase, or accept appropriate gifts or
4 donations of, or otherwise to own, hold, improve, or
5 use, any property, real, personal, or mixed; provided,
6 that at all times the commission shall strive to avoid
7 any appearance of impropriety;

8 (13) Sell, convey, mortgage, pledge, lease, exchange,
9 abandon, or otherwise dispose of any property, real,
10 personal, or mixed;

11 (14) Monitor compacting states for compliance with the
12 commission's bylaws and rules;

13 (15) Enforce compliance by compacting states with the
14 commission's bylaws and rules;

15 (16) Provide for dispute resolution among compacting states
16 or between the commission and those who submit
17 treatments and therapeutic protocols for the cure of
18 disease for consideration;

19 (17) Establish a budget and make expenditures;

20 (18) Borrow money;



1 (19) Appoint committees, including management, legislative,
2 and advisory committees comprising members, state
3 legislators or their representatives, medical
4 professionals, and any other interested persons as may
5 be designated by the commission;

6 (20) Establish annual membership dues for compacting
7 states;

8 (21) Adopt and use a corporate seal; and

9 (22) Perform any other functions as may be necessary or
10 appropriate to achieve the purposes of this compact.

11 ARTICLE IV. MEETINGS AND VOTING

12 (a) The commission shall meet and take any actions as are
13 consistent with the compact, bylaws, and rules.

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

17 (c) Each member of the commission shall have the right and
18 power to cast one vote regarding matters determined or actions
19 to be taken by the commission. Each member shall have the right
20 and power to participate in the business and affairs of the
21 commission.



1 (d) A member shall vote in person or by any other means as
2 provided in the commission's bylaws. The commission's bylaws
3 may provide for members' participation in meetings by telephone
4 or other means of communication.

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

8 (f) No decision of the commission with respect to the
9 approval of an award for a treatment or therapeutic process for
10 the cure of a disease shall be effective unless two-thirds of
11 all the members of the commission vote in favor thereof.

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

15 ARTICLE V. BYLAWS

16 The commission, by a majority vote of all the members of
17 the commission, shall prescribe bylaws to govern its conduct as
18 may be necessary or appropriate to carry out the purposes, and
19 exercise the powers, of the compact, including:

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



- 1 (2) Providing reasonable procedures for appointing and
2 electing members, as well as holding meetings, of the
3 management committee;
- 4 (3) Providing reasonable standards and procedures:
- 5 (A) For the establishment and meetings of other
6 committees;
- 7 (B) Governing any general or specific delegation of
8 any authority or function of the commission; and
- 9 (C) Voting guidelines and procedures for commission
10 decisions;
- 11 (4) Providing reasonable procedures for calling and
12 conducting meetings of the commission that shall
13 consist of requiring a quorum to be present, ensuring
14 reasonable advance notice of each meeting and
15 providing for the right of citizens to attend each
16 meeting with enumerated exceptions designed to protect
17 the public's interest and the privacy of individuals;
- 18 (5) Providing a list of matters about which the commission
19 may go into executive session and requiring that a
20 majority of all members of the commission vote to



1 enter into an executive session. As soon as
2 practicable, the commission shall make public:

3 (A) A copy of the vote to go into executive session,
4 revealing the vote of each member with no proxy
5 votes allowed; and

6 (B) The matter requiring executive session, without
7 identifying the actual issues or individuals
8 involved;

9 (6) Establishing the titles, duties, authority, and
10 reasonable procedures for the election of the officers
11 of the commission;

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

18 (8) Allowing a mechanism for:

19 (A) The federal government to join as a compacting
20 state; and



- 1 (B) Foreign countries or subdivisions of those
2 countries to join as liaison members by adopting
3 the compact; provided that adopting countries or
4 subdivisions shall not have voting power or the
5 power to bind the commission in any way;
- 6 (9) Adopting a code of ethics to address permissible and
7 prohibited activities of members and employees;
- 8 (10) Providing for the maintenance of the commission's
9 books and records;
- 10 (11) Governing the acceptance of and accounting for
11 donations, annual member dues, and other sources of
12 funding and establishing the proportion of these funds
13 to be allocated to prize amounts for treatments and
14 therapeutic protocols that cure disease;
- 15 (12) Governing any fundraising efforts in which the
16 commission wishes to engage; and
- 17 (13) Providing a mechanism for winding up the operations of
18 the commission and the equitable disposition of any
19 surplus funds that may exist after the termination of
20 the compact after the payment and reserving of all its
21 debts and obligations.



1 ARTICLE VI. RULES

2 (a) The commission shall adopt rules to effectively and
3 efficiently achieve the purposes of this compact.

4 (b) The commission shall also adopt rules establishing the
5 criteria for defining and classifying the diseases for which
6 prizes shall be awarded. The commission may consult the most
7 recent edition of the international classification of disease as
8 published by the World Health Organization or other definitions
9 agreed to by a two-thirds vote of the commission.

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

12 (1) At least ten major diseases for which to create
13 prizes, which shall be determined based on the
14 following factors:

- 15 (A) The severity of the disease to a human
16 individual's overall health and well-being;
- 17 (B) The survival rate or severity of impact of the
18 disease; and
- 19 (C) The public health expenses and treatment expenses
20 for the disease;



- 1 (2) The criteria a treatment or therapeutic protocol shall
2 meet in order to be considered a cure for any of the
3 diseases for which a prize may be awarded, which shall
4 include the following requirements:
- 5 (A) It yields a ninety-five per cent survival rate
6 through at least five years after the treatment
7 or protocol has ended; and
- 8 (B) It requires not more than one year of the
9 treatment or protocol;
- 10 (3) The procedure for determining the diseases for which
11 to award prizes, which includes the option to award
12 prizes for more than ten diseases that meet the above
13 criteria, if agreed to by two-thirds vote of the
14 commission, and a requirement to update the list every
15 three years;
- 16 (4) The submission and evaluation procedures and
17 guidelines, including filing and review procedures,
18 and limitations preventing public access to treatment
19 or protocol submissions;
- 20 (5) The estimated five-year public health expenses for
21 each disease in each compacting state and a procedure



1 to update these expenses every three years in
2 conjunction with the requirements in subsection (c) (3)
3 of this Article. The estimated five-year public
4 health expenses amount shall be calculated, estimated,
5 and publicized every three years by actuaries employed
6 or contracted by the commission;

7 (6) The prize amount with respect to cures for each
8 disease, which shall be equal to the most recent
9 estimated total five-year savings in public health
10 expenses for the disease as calculated in subsection
11 (c) (5) of this Article in all of the compacting
12 states; amounts donated by charities, individuals, and
13 any other entities intended for the prize under
14 Article I of the compact; and any other factors that
15 the commission deems appropriate; and

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

18 (A) Upon acceptance of a cure, the prize winner shall
19 transfer to the commission the patent and all
20 related intellectual property for the treatment
21 or therapeutic protocol in exchange for the



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

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

10 (C) Each compacting state shall have the
11 responsibility to pay annually the compacting
12 state's actual one-year savings in public health
13 expenses for the particular disease for which a
14 cure has been accepted. The compacting state
15 shall make an annual payment until it has
16 fulfilled its prize responsibility as established
17 in subsection (c)(6) of this Article. Each
18 compacting state's payment responsibility shall
19 begin one year after the date the cure becomes
20 widely available. The commission shall employ or
21 contract with actuaries to calculate each state's



1 actual one-year savings in public health expenses
2 at the end of each year to determine each state's
3 responsibility for the succeeding year;

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

18 (E) A compacting state may issue bonds or other debt
19 that are general obligations, under which the
20 full faith and credit, revenue, and taxing power
21 of the state is pledged to pay the principal and



1 interest under those obligations, only if
2 authorized by the compacting state's constitution
3 or, if constitutional authorization is not
4 required, by other law of the compacting state;
5 and

6 (F) Upon acceptance of a cure, the commission shall
7 obtain a loan from a financial institution in an
8 amount equal to the most recently calculated
9 total estimated five-year public health expenses
10 for the disease in all compacting states, in
11 accordance with subsection (c)(5) of this
12 Article. The commission shall reserve the right
13 to continuously evaluate the cure in the interim
14 and rescind a prize offer if the commission finds
15 that the cure no longer meets the commission's
16 criteria.

17 (d) The commission also shall adopt rules that do the
18 following:

19 (1) Establish the following regarding commission records:

20 (A) Conditions and procedures for public inspection
21 and copying of its information and official



1 records, except information and records involving
2 the privacy of individuals or otherwise violating
3 privacy laws under federal law and the laws of
4 the compacting states;

5 (B) Procedures for sharing with federal and state
6 agencies, including law enforcement agencies,
7 records and information otherwise exempt from
8 disclosure; and

9 (C) Guidelines for entering into agreements with
10 federal and state agencies to receive or exchange
11 information or records subject to nondisclosure
12 and confidentiality provisions;

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

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



- 1 (B) Commission monitoring and review of treatment and
2 protocol effectiveness consistent with the cure
3 criteria established by the commission for the
4 particular disease; and
- 5 (C) Commission reconsideration, modification, or
6 withdrawal of approval of a treatment or protocol
7 for prize consideration for failure to continue
8 to meet the cure criteria established by the
9 commission for the particular disease;
- 10 (3) Establish a dispute resolution process to resolve
11 disputes or other issues under the compact that may
12 arise between two or more compacting states or between
13 the commission and individuals or entities who submit
14 treatments and therapeutic protocols to cure diseases,
15 which process shall provide for:
- 16 (A) Administrative review by a review panel appointed
17 by the commission;
- 18 (B) Judicial review of decisions issued after an
19 administrative review; and
- 20 (C) Qualifications to be appointed to a panel, due
21 process requirements, including notice and



1 hearing procedures, and any other procedure,
2 requirement, or standard necessary to provide
3 adequate dispute resolution; and

4 (4) Establish and impose annual member dues upon
5 compacting states, which shall be calculated based
6 upon the percentage of each compacting state's
7 population in relation to the population of all the
8 compacting states.

9 (e) Recognizing that the goal of the compact is to pool
10 the potential savings of as many states and countries as
11 possible to generate sufficient financial incentive to develop a
12 cure for many of the world's most devastating diseases, the
13 compact shall respect the laws of each state of the United
14 States by adopting rules that establish ethical standards for
15 research that shall be followed in order for a prize to be
16 claimed. The compact, in the rules, shall establish a common
17 set of ethical standards that embodies the laws and restrictions
18 in each of the states so that to be eligible for claiming a
19 prize, the entity submitting a cure shall not have violated any
20 of the ethical standards in any one of the fifty states, whether
21 the states have joined the compact or not. The compact shall



1 publish these common ethical standards along with the specific
2 criteria for a cure for each of the diseases the compact has
3 targeted.

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

14 (f) All rules may be amended as the commission deems
15 necessary.

16 (g) All rules shall be adopted pursuant to a rulemaking
17 process that conforms to the 1981 model state administrative
18 procedure act of the Uniform Law Commission as may be
19 appropriate to the operations of the commission.

20 (h) If the commission exercises its rulemaking authority
21 in a manner that is beyond the scope of the purpose of this



1 compact, or the powers granted hereunder, then the rule shall be
2 invalid and have no force and effect.

3 ARTICLE VII. COMMITTEES

4 (a) Management Committee.

5 (1) The commission may establish a management committee
6 comprised of not more than fourteen members when
7 twenty-six states enact the compact;

8 (2) The committee shall consist of those members
9 representing compacting states whose total public
10 health expenses of all of the established diseases are
11 the highest;

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

15 (A) Managing authority over the day-to-day affairs of
16 the commission in a manner consistent with the
17 commission's bylaws and rules and the purposes of
18 the compact;

19 (B) Overseeing the offices of the commission; and

20 (C) Planning, implementing, and coordinating
21 communications and activities with state,



1 federal, and local government organizations in
2 order to advance the goals of the compact;

3 (4) The commission annually shall elect officers for the
4 committee, with each having the authority and duties
5 as may be specified in the commission's bylaws and
6 rules; and

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

15 (b) Advisory Committees.

16 The commission may appoint advisory committees to monitor
17 all operations related to the purposes of the compact and make
18 recommendations to the commission; provided that the manner of
19 selection and term of any committee member shall be as set forth
20 in the commission's bylaws and rules. The commission shall
21 consult with an advisory committee, to the extent required by



1 the commission's bylaws or rules, before doing any of the
2 following:

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

8 ARTICLE VIII. FINANCE

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

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

19 (c) The commission shall keep complete and accurate
20 accounts of all of its internal receipts, including grants and
21 donations, and disbursements of all funds under its control.



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

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



1 ARTICLE IX. RECORDS

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

16 ARTICLE X. COMPLIANCE

17 The commission shall notify a compacting state in writing
18 of any noncompliance with commission bylaws and rules. If a
19 compacting state fails to remedy its noncompliance within the
20 time specified in the notice, the compacting state shall be
21 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 (a) The members, officers, executive director, employees,
8 and representatives of the commission shall be immune from suit
9 and liability, either personally or in their official capacity,
10 for any claim for damage to, or loss of, property or personal
11 injury or other civil liability caused by, or arising out of,
12 any actual or alleged act, error, or omission that occurred, or
13 that the person had a reasonable basis for believing occurred
14 within the scope of the person's commission employment, duties,
15 or responsibilities; provided that nothing in this subsection
16 shall be construed to protect any person from suit or liability
17 for any damage, loss, injury, or liability caused by the
18 intentional or wilful and wanton misconduct of that person.

19 (b) 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



1 arising out of any actual or alleged act, error, or omission
2 that occurred within the scope of the person's commission
3 employment, duties, or responsibilities, or that the person had
4 a reasonable basis for believing occurred within the scope of
5 commission employment, duties, or responsibilities; provided
6 that nothing in the compact or commission bylaws or rules shall
7 be construed to prohibit that person from retaining the person's
8 own counsel; and provided further that the actual or alleged
9 act, error, or omission did not result from that person's
10 intentional or willful and wanton misconduct.

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



1 ARTICLE XIII. COMPACTING STATES, EFFECTIVE DATE, AND AMENDMENT

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

3 (b) The compact shall become effective and binding upon
4 legislative enactment of the compact into law by two compacting
5 states; provided that the commission shall only be established
6 after six states become compacting states. Thereafter, the
7 compact shall become effective and binding as to any other
8 compacting state upon enactment of the compact into law by that
9 state.

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

14 ARTICLE XIV. WITHDRAWAL, DEFAULT, AND EXPULSION

15 (a) Withdrawal.

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

20 (A) Repealing the law enacting the compact in that
21 state; and



- 1 (B) Notifying the commission in writing of the intent
2 to withdraw on a date that is both of the
3 following:
- 4 (i) At least three years after the date the
5 notice is sent; and
6 (ii) After the repeal takes effect;
- 7 (2) The effective date of withdrawal is the date described
8 in subsection (a)(1)(B) of this Article;
- 9 (3) The member representing the withdrawing state shall
10 immediately notify the management committee in writing
11 upon the introduction of legislation in that state
12 repealing the compact. If a management committee has
13 not been established, the member shall immediately
14 notify the commission;
- 15 (4) The commission or management committee, as applicable,
16 shall notify the other compacting states of the
17 introduction of the legislation within ten days after
18 its receipt of notice thereof;
- 19 (5) The withdrawing state shall be responsible for all
20 obligations, duties, and liabilities incurred through
21 the effective date of withdrawal, including any



1 obligations, the performance of which extend beyond
2 the effective date of withdrawal. The commission's
3 actions shall continue to be effective and be given
4 full force and effect in the withdrawing state; and

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

8 (b) Default.

9 (1) If the commission determines that any compacting state
10 has at any time defaulted in the performance of any of
11 its obligations or responsibilities under the compact
12 or the commission's bylaws or rules, then, after
13 notice and hearing as set forth in the bylaws, all
14 rights, privileges, and benefits conferred by this
15 compact on the defaulting state shall be suspended
16 from the effective date of default as fixed by the
17 commission. The grounds for default include failure
18 of a compacting state to perform its obligations or
19 responsibilities, and any other grounds designated in
20 commission rules. The commission shall immediately
21 notify the defaulting state in writing of the



1 suspension pending cure of the default. The
2 commission shall stipulate the conditions and the time
3 period within which the defaulting state shall cure
4 its default. If the defaulting state fails to cure
5 the default within the time period specified by the
6 commission, the defaulting state shall be expelled
7 from the compact and all rights, privileges, and
8 benefits conferred by the compact shall be terminated
9 from the effective date of the expulsion. Any state
10 that is expelled from the compact shall be liable for
11 any cure prize or prizes for three years after its
12 removal. The commission shall also take appropriate
13 legal action to ensure that any compacting state that
14 withdraws from the compact remains liable for paying
15 its responsibility towards a prize for a cure that was
16 accepted while the compacting state was a member of
17 the commission; and

18 (2) The expelled state shall reenact the compact in order
19 to become a compacting state.

20 (c) Dissolution of Compact.



- 1 (1) The compact shall dissolve effective upon the date of
2 either of the following:
- 3 (A) The withdrawal or expulsion of a compacting
4 state, which withdrawal or expulsion reduces
5 membership in the compact to one compacting
6 state; or
- 7 (B) The commission votes to dissolve the compact; and
- 8 (2) Upon the dissolution of the compact, the compact
9 becomes null and void and shall be of no further force
10 or effect, and the business and affairs of the
11 commission shall be wound up and any surplus funds
12 shall be distributed in accordance with the
13 commission's bylaws; provided that the commission
14 shall pay all outstanding prizes awarded before the
15 dissolution of the compact, as well as any other
16 outstanding debts and obligations incurred during the
17 existence of the compact. Any unawarded funds donated
18 to be a part of a prize shall be returned to the
19 donor, along with any interest earned on the amount.



1 ARTICLE XV. SEVERABILITY AND CONSTRUCTION

2 (a) The provisions of the compact shall be severable; and
3 if any phrase, clause, sentence, or provision is deemed
4 unenforceable, the remaining provisions of the compact shall be
5 enforceable.

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

8 ARTICLE XVI. BINDING EFFECT OF COMPACT AND OTHER LAWS

9 (a) Other Laws: Nothing herein prevents the enforcement of
10 any other law of a compacting state, except as provided in
11 subsection (b) (2) of this Article.

12 (b) Binding Effect of the Compact.

13 (1) All lawful actions of the commission, including all
14 commission rules, are binding upon the compacting
15 states;

16 (2) All agreements between the commission and the
17 compacting states are binding in accordance with their
18 terms;

19 (3) Except to the extent authorized by the compacting
20 state's constitution or, if constitutional
21 authorization is not required, by other law of the



1 compacting state, the state, by entering into the
2 compact does not:

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

6 (B) Make prize payment responsibilities or other
7 obligations under the compact a debt of the
8 compacting state;

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

14 (5) If any provision of the compact exceeds the
15 constitutional limits imposed on any compacting state,
16 the obligations, duties, powers or jurisdiction sought
17 to be conferred by that provision upon the commission
18 shall be ineffective as to that compacting state, and
19 those obligations, duties, powers, or jurisdiction
20 shall remain in the compacting state and shall be
21 exercised by the agency thereof to which those



1 obligations, duties, powers, or jurisdiction are
2 delegated by law in effect at the time the compact
3 becomes effective.

4 § -3 Execution. The governor shall execute the compact
5 on behalf of this State and perform any other acts that may be
6 deemed requisite to its formal ratification and promulgation.

7 § -4 State commissioner. (a) The governor, with the
8 advice and consent of the senate, shall appoint the member of
9 the commission for this State of the Solemn Covenant of the
10 States to Award Prizes for Curing Diseases that is created under
11 the provisions of Article II of the Solemn Covenant of the
12 States to Award Prizes for Curing Diseases. The position of
13 commissioner shall be placed within the department of health for
14 administrative purposes.

15 (b) The qualifications and terms of office of the member
16 of the commission for this State shall conform with Article II
17 of the compact.

18 (c) The commissioner shall serve without compensation, but
19 shall be reimbursed for any actual and necessary expenses
20 incurred in the performance of the commissioner's duties for the



1 Solemn Covenant of the States to Award Prizes for Curing
2 Diseases.

3 § -5 Expenditures; reports. Expenditures by the Hawaii
4 commissioner shall be made upon warrants issued by the state
5 comptroller based upon vouchers approved by the Hawaii
6 commissioner. A report of the activities and expenses of the
7 Hawaii commissioner and a proposed program for the State's
8 continuing participation in the activities of the Solemn
9 Covenant of the States to Award Prizes for Curing Diseases,
10 including a budget request, shall be submitted by the Hawaii
11 commissioner to the legislature for each regular legislative
12 session."

13 SECTION 2. This Act shall take effect upon its approval.
14

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S.B. NO. 2071

Report Title:

Health; Interstate Commission; Awards

Description:

Enacts an interstate compact to award prizes for the curing of diseases.

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