Be it enacted by the Legislature of the State of \_\_\_\_\_\_\_\_\_\_\_\_\_:

Section 1. Title \_\_\_, \_\_\_\_\_\_\_\_, is amended by adding chapter \_\_\_, to read:

“CHAPTER \_\_\_

PROSPERITY STATES COMPACT

\_\_\_\_\_\_\_\_. Enactment and Adoption of Prosperity States Compact; text of enactment and agreement

THE STATE OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ENACTS, ADOPTS AND AGREES

TO BE BOUND BY THE FOLLOWING COMPACT:

**Article I**

**Findings and Declaration of Policy**

Whereas every State enacting, adopting and agreeing to be bound by this Prosperity States Compact legislation finds that the establishment of Prosperity Districts as provided herein advances their mutual sovereign interests in promoting prosperity;

Whereas this legislation is intended, among other things, to form an interstate compact in accordance with the Consent of Congress under 4 U.S.C. §112;

 Whereas each Member seeks to secure the additional Consent of Congress so that the entirety of this legislation achieves the status of a law of the United States when an interstate compact is formed embracing its terms and conditions;

Now, therefore, in consideration of their respective and reciprocal statutory enactments, mutual promises and obligations expressed herein, every State passing Compact legislation, herewith exercises all of their respective sovereign legislative and contractual powers as set forth herein notwithstanding any law, Regulation or policy to the contrary.

**Article II**

**Special Purpose Authority of Prosperity Districts**

Section 1. **Special Purpose Authority**. The special purpose authority of every Prosperity District is exclusively to furnish consenting communities with a local jurisdiction that is streamlined to maximize prosperity through a stable public policy environment consisting of optimal regulatory and fiscal policy. No power or authority of any Prosperity District shall serve any other purpose.

Section 2. **District Governance**. Subject to Article III, a Prosperity District formed within any Member under the authority of this Compact shall be a governmental unit and political subdivision of that Member with the following structure, authority and jurisdiction:

(a) **Legal Capacity.** Every Prosperity District is a municipal corporation in the form of a special district that can form enforceable contracts, sue, be sued and exercise exclusively the jurisdiction, power and authority specified in this Article under the law of each Member in which it is formed and expanded; however, Prosperity Districts shall not possess or claim sovereign immunity.

(b) **Governing Structure.** Supervisory and operational authority over the limited governing, management and administrative power of every Prosperity District shall be vested upon formation in a managing board consisting of seven (7) natural persons who are qualified electors under the general laws of this Member, each of whom shall serve for a term of four (4) years (with commencement and termination dates as specified in the district bylaws) during which each shall hold such authority in trust and exercise it as a fiduciary for every law-abiding landowner, resident and person rightfully within the district (“managing board”).

(1) **Board Membership**. The manner of appointment or election of the managing board shall be consistent with the Fourteenth Amendment to the United States Constitution, the guaranty of a republican form of government thereunder, and this Member’s Constitution; and it must be specified in the formation petition required by section 1 of Article IV.

(2) **Supervisory and Operational Authority**. The managing board is authorized to promulgate all necessary district bylaws, ordinances, policies, procedures, parliamentary rules, and directives subordinate to and in conformity with this Compact for the Prosperity District’s exercise of its limited authorized powers and authorities under this Article and, if desired, establishing additional criteria for withdrawal of lands pursuant to section 2(a) of Article IV, for its internal management and administration (including the collection and disbursement of revenues to which the district is entitled), the formation of committees, subordinate departments and agencies, as well as the designation and responsibilities of administrative offices and retention of subordinate officials, and, if desired, for further limiting the power, authority and jurisdiction of the Prosperity District and its managing board, departments and agencies, if any.

(3) **Official Action**. Official action by the managing board shall require a quorum consisting of an absolute majority of the board present physically or electronically and a vote in the affirmative of a majority of the board members present at a public hearing.

(4) **Separation of Powers**. Any member of the managing board who had participated in the promulgation of a Regulation shall not subsequently participate in enforcing that Regulation.

(5) **Transparency**. Subject to executive session procedures or privileges which shall be specified in the district bylaws and adopted after a public hearing, all governing instruments, records, proceedings, and accounts of the Prosperity District shall be public and open for inspection or observation by any person at all reasonable times. Detailed minutes or verbatim recordings of all official actions and public hearings shall be maintained by the managing board. The Prosperity District shall fully comply with any written public records request within the compliance deadline specified in the request, or otherwise the Prosperity District shall, within the deadline specified in the request, if one is specified, furnish a written statement to the requestor detailing the reasons for the partial compliance, noncompliance, or a requested compliance deadline extension, which specifies a reasonable alternative deadline, with specific reference to each records request. Further, the Prosperity District’s managing board directly or through a designated chief executive officer shall be required to produce annual performance audits for contracted goods and services, the cost of which must be accounted for and considered during the bidding process. In addition, the Prosperity District’s managing board directly or through a designated chief executive officer shall seek an independent audit every two (2) years to evaluate the district’s operations and performance audits. All audits shall be made public.

(c) **Governing Authority**. The governing authority of every Prosperity District is strictly limited to the following powers, which shall be exclusive of the exercise of the same or like powers by any other governmental unit within the district’s boundaries, as they exist from time to time, and no other governmental unit shall within such boundaries exercise the same or like powers as are granted to the district under this subsection, except as expressly contemplated in this Compact:

(1) police power consisting solely of: (i) enforcing the Malum in Se Criminal Law, Common Law and Regulation adopted in its formation petition as contemplated in section 1(a)(7)(iv) of Article IV; and (ii) promulgating and enforcing Regulation in strict conformity with section 3 of this Article;

(2) the power to furnish transportation, utility, and transmission infrastructure, Regulation enforcement services, other municipal services specifically authorized by the district bylaws, and internal managerial and administrative operations (including the power to supervise and coordinate the orderly enforcement of any Revenue Covenant among revenue beneficiaries thereof, as well as to collect and disburse revenues from all authorized sources) exclusively through independent contractors, intergovernmental agreements, and public-private partnerships utilizing a process of open competitive bidding specified in the district bylaws only if: (i) no Regulation is promulgated or enforced by the Prosperity District, directly or in combination with other Regulations, that restricts free and open competition in derogation of the Common Law in the provision of such infrastructure and services; (ii) all costs incurred in furnishing such infrastructure and services are to be reimbursed by either (A) uniform, non-discriminatory user fees paid voluntarily by all users of the respective infrastructure or service or (B) otherwise paid pursuant to a separate contract voluntarily and consensually binding all landowners residing in the Prosperity District during the provision of such infrastructure or service; and (iii) a designated, commensurate revenue source exists for all payment obligations incurred in connection with furnishing such infrastructure and services.

(3) the power to organize a municipal court with the concurrence and under the supervision of the highest court of the judicial branch of each Member in which any part of the Prosperity District is located, with original jurisdiction of all civil and criminal causes of action arising within that district, unless otherwise agreed by all parties to the cause of action in a contract furnishing an alternative venue or method of dispute resolution;

(4) the power to borrow exclusively by issuing bonds in accordance with such procedures as may be specified in its bylaws for the sole purpose of financing the exercise of its authorized powers provided that: (i) the total outstanding principal of all bonds issued under the authority of this section together with the sum of all other liabilities owed by the respective Prosperity District shall never exceed the fair market value of all assets held in the name of that district; (ii) the obligation of such bonds shall be secured solely and exclusively by the respective Prosperity District's receipts from Revenue Covenants running with the land in the district, by authorized gifts, or by receipts received pursuant to contract, if any; (iii) neither the United States Government nor any State nor any other government body or agency shall pay, guarantee or be liable for the obligation of any bond issued under this section (with the sole exception of any liability that may be incurred by the Member where the Prosperity District is located, if it were to violate its pledge herewith to all future bondholders of any Prosperity District that it shall refrain from any action or omission that would infringe on the district’s jurisdiction, power and authority under this Article); and (iv) the terms of such borrowing shall provide that any holder of a bond issued by a Prosperity District who induces or attempts to induce any Prosperity District or any other governmental body to violate this Article shall thereby immediately forfeit all right of repayment for any bond issued by that Prosperity District;

(5) the power to accept gifts of real or personal property exclusively from landowners and qualified electors residing within a Prosperity District for the sole purpose of defraying the costs of exercising its authorized powers provided that the fiduciary obligations of the managing board are not breached through the acceptance of the gift; and

(6) such incidental power as is both specified in the district bylaws and also essential to carrying out the foregoing powers, including the power to open and maintain bank accounts and acquire or lease real or personal property, provided that a Prosperity District may not and shall not under any circumstances, directly or indirectly, principally or incidentally, or for any purpose, enjoy, accept, claim or exercise any power: (i) to levy any Tax; (ii) of eminent domain; (iii) of civil property forfeiture based on actions or omissions that constitute a violation of criminal law unless the owner of such property has been convicted of violating that criminal law; (iv) to furnish any Subsidy to Private Enterprise; (v) to establish or enforce by Regulation or otherwise, directly or indirectly, any monopoly or cartel in the provision of any good or service within its jurisdiction in derogation of the Common Law; (vi) to accept gifts, grants or conditional grants from any governmental unit, including, but not limited to, any state, county, municipality or the United States Government, which are sourced from taxes, government-imposed fees or fines, or borrowing which is secured or to be repaid by taxes or government-imposed fees or fines; (vii) to delegate all or any portion of its governing authority to any other entity or to accept the delegation of governing authority in addition to that expressly delegated by this Compact from any other governmental unit; or (viii) to permit any other governmental unit to exercise governing authority or jurisdiction within its boundaries (except as authorized by section 2(d) of Article II or as non-governmental persons may otherwise agree in adopting a venue selection clause or choice of law provision in a valid contract between them).

(d) **External Relations**. Every Prosperity District shall maintain comity with this Member and the United States Government as provided in this subsection.

(1) **Concurrent Law Enforcement Jurisdiction**. All duly constituted law enforcement agencies of this Member or the United States Government that would otherwise have had concurrent jurisdiction to enforce Malum in Se Criminal Law within the boundaries of a Prosperity District in the absence of the formation or expansion of such district may do so within the boundaries of any Prosperity District located in whole or in part within this Member State in accordance with such jurisdiction. As an incident of its power and authority under section 2(c) of this Article, each Prosperity District may enter into intergovernmental agreements with any duly constituted law enforcement agency of this Member or the United States Government to provide specific procedures for the exercise of such concurrent jurisdiction, as well as to contract with any such agency to exercise original jurisdiction over any other criminal law in effect within the district’s boundaries. Moreover, when in hot pursuit of a suspect, arrestee or convict in relation to a violation of law occurring outside of the boundaries of a Prosperity District, law enforcement authorities of any Member or the United States Government may exercise jurisdiction within the boundaries of any Prosperity District. Further, upon notice to the managing board of the relevant Prosperity District furnishing evidence of a valid summons, subpoena, judgment, supplementary order, garnishment, warrant, extradition request or other legal process by any agency, branch, department, instrumentality or political subdivision of any Member or the United States Government having jurisdiction over the matter, which concerns any person or property within the boundaries of that district and arises from a cause of action that accrued outside of the boundaries of that district, the Prosperity District shall either: (i) serve, execute or enforce the same to the reasonable satisfaction of each such agency, branch, department, instrumentality or political subdivision in accordance with this Article; or (ii) cooperate by refraining from objecting to, challenging, disputing or impeding the exercise of jurisdiction by each such agency, branch, department, instrumentality or political subdivision within the boundaries of the district to the extent needed to serve, execute or enforce the same.

(2) **Hold Harmless for District Externalities**. Upon notice furnishing evidence of a probable District Externality to the managing board of the relevant Prosperity District by any agency, branch, department, instrumentality or political subdivision of any Member or the United States Government having jurisdiction over the matter, the Prosperity District shall either: (i) remedy within the limits of its power and authority the District Externality to the reasonable satisfaction of each such agency, branch, department, instrumentality or political subdivision in accordance with this Article; or (ii) cooperate by refraining from objecting to, challenging, disputing or impeding the exercise of jurisdiction by each such agency, branch, department, instrumentality or political subdivision within the boundaries of the district to the extent needed to remedy that District Externality. However, each Member is prohibited from discriminating against or otherwise interfering with the free transmission, transportation, ingress or egress of goods, persons, services, activities, capital or entities to or from any Prosperity District on terms not generally applicable to all similar goods, persons, services, activities, capital or entities; accordingly, a Prosperity District’s duty to remedy or cooperate as aforesaid shall not apply to facilitate any such prohibited discriminatory action.

(3) **Hold Harmless for External Services**. Any person domiciled within any Prosperity District that voluntarily uses governmental services or infrastructure furnished by any branch, agency or political subdivision of any Member State (other than what that Prosperity District furnishes) shall be liable for the proportionate cost of such services and infrastructure usage to the extent that such cost is not defrayed by funds distributed to such branch, agency or political subdivision from the Revenue Covenant running with title to the real property in the Prosperity District or by any other revenues paid directly or indirectly by such person to the respective branch, agency or political subdivision. In order to recover such liability, all branches, agencies or political subdivisions that desire reimbursement of such costs shall first annually determine and publicly post a reasonable fee for such services and infrastructure based on uniform criteria that must be paid by persons domiciled within any such Prosperity District in order to use such services and infrastructure; the reasonableness of the fee in relation to the proportionate cost of such services and infrastructure usage and all other revenues paid directly or indirectly by such person to the respective branch, agency or political subdivision shall be subject to judicial review and alternative dispute resolution in accordance with this Compact.

(4) **External Eminent Domain**. Any person, governmental unit, Member agency or political subdivision which has jurisdiction or authority under general laws to exercise eminent domain in any location contiguous to the boundaries of a Prosperity District may continue to exercise eminent domain for transportation, utility or transmission purposes within the boundaries of that Prosperity District to the same extent as before its formation or expansion provided that any proposed or consummated taking: (i) shall take place exclusively either (A) with regard to real property within such corridors as are designated by appropriate legal description in the petition required by Article IV, section 1, or (B) otherwise within such scope as is absolutely necessary to accomplish the asserted public use of the taking; (ii) the targeted property shall not be taken for private use and shall be used exclusively for transportation, utility or transmission purposes on equal terms by all members of the public or otherwise with title held in trust for the benefit of the public; (iii) if the taking occurs within the aforesaid designated corridors, generally applicable statewide laws of the State in which the targeted property is located shall apply to the taking; (iv) if the taking occurs outside of the aforesaid designated corridors, all persons whose vested rights will be condemned, diminished or damaged by the taking shall be made whole by the condemnor as just compensation, which shall include, but is not limited to, (A) compensation consisting of payment of the maximum fair market value of the targeted property as assessed at any point in time up to the consummation of the taking and after the first public statement of any such intent to exercise eminent domain by any political subdivision or agency of the State or any public official thereof, and (B) damages for all injuries and costs incurred which were proximately caused by the proposal, initiation, or consummation of the taking, including but not limited to any loss of prospective economic advantage, legal expenses and attorneys’ fees; (v) any property taken must be dedicated to the public use upon which the taking was premised within five (5) years of the consummation of the taking or it shall revert to the original owner or successor(s) in interest; and (vi) if such taking proceedings are (A) not initiated within two (2) years of the public statement of any such intent to exercise eminent domain by any political subdivision or agency of this Member or any public official thereof, (B) timely initiated but abandoned before consummation, or (C) not consummated within four (4) years of initiation, then the respective political subdivision or agency shall pay to all persons whose vested rights have been thereby diminished or damaged compensation for all injuries and costs incurred which were proximately caused thereby, including, but not limited to, any loss of prospective economic advantage, legal expenses and attorney’s fees, unless otherwise agreed respectively by each such adversely affected person. If any agency or political subdivision of this or any Member engages in any action or omission that is the functional equivalent of exercising eminent domain within the boundaries of any Prosperity District, any person whose vested rights have been diminished or damaged thereby may bring an action at law or equity to compel institution of proceedings under this subsection. Costs incurred by any agency or political subdivision of this or any Member to exercise the power of eminent domain within the boundaries of a Prosperity District shall not be funded by proceeds from any Revenue Covenant or otherwise charged to any landowner or person domiciled within the district. This subsection may be enforced at law or equity in any venue of competent jurisdiction by any person whose vested rights have been or probably will be taken, diminished or damaged as herein contemplated.

(5) **Judicial Forum**. Subject to section 2(c)(3) of this Article, Articles III, V, and VI, and section 1 of Article VIII of this Compact, the judicial branch of this Member State shall have jurisdiction over all cognizable causes of action arising within any Prosperity District located in this Member State, unless otherwise agreed by all parties to the cause of action in a contract furnishing an alternative venue or method of dispute resolution.

e) **Exclusive Jurisdiction**. Subject to section 2(d) of this Article and Articles III, V, and VI, every Prosperity District shall have exclusive governing jurisdiction within its boundaries, as those boundaries may be established from time to time (except as non-governmental persons may otherwise agree in adopting a venue selection clause or choice of law provision in a valid contract between them). Accordingly, to the extent of such exclusive jurisdiction, every agency, department, instrumentality, unit or political subdivision of this Member, including any county, city, town, state agency or special district, is prohibited within district boundaries, as they may exist from time to time, from: (1) exercising jurisdiction or superimposing additional governing jurisdictions therein; (2) fining, penalizing, prosecuting, regulating, taxing or otherwise addressing through government action any condition, state of affairs, person, entity, service, property, action or omission located, committed or occurring therein; and (3) annexing lands therein.

Section 3. **Optimal Regulation**. The only legitimate public purpose of Regulation within the boundaries of every Prosperity District, as those boundaries may be established from time to time, is to safeguard public health and safety by protecting the individual right to life, liberty and property, which, as to any competent adult, shall be limited to defending one’s freedom to pursue a flourishing and productive existence either in consensual association with others or alone, which requires securing unobstructed action according to one’s will, provided that such action does not infringe upon another’s like freedom, and resolving conflicting claims to unobstructed action by deferring to or enforcing any governing prior agreement of the claimants or otherwise applying the principle of first in time, first in right to defer to or enforce the claim of the first actor. Accordingly, within six (6) months of formation, and periodically thereafter as determined by official action of the managing board, each Prosperity District shall hold one or more public hearings to decide whether, how and when to promulgate and enforce Regulations within its boundaries to safeguard public health and safety strictly in accordance with the following subsections; further, a Prosperity District’s authorized police power shall be exercised in strict conformity with the following subsections.

(a) **Regulatory Impact Statement.** As a precondition of promulgating or initially enforcing any Regulation within any Prosperity District (other than the exercise of police power authorized by section 2(c)(1)(i) of this Article and adopted pursuant to Section 1(a)(7)(iv) of Article IV, or an exercise of concurrent jurisdiction authorized by section 2(d) of this Article), including, but not limited to, any Regulation clarifying, modifying or superseding the Common Law in effect within district boundaries, every Prosperity District shall conduct fact-finding at one or more hearings that are open to the public with at least seven (7) days prior notice to assess the extent to which the Regulation would fulfill or, if previously promulgated or enforced prior to repeal, has fulfilled the criteria required for regulatory authority and tailoring under this section, and shall publicly report as soon as practicable exactly how such criteria have been or would be fulfilled by the Regulation in a regulatory impact statement that: (1) articulates the nature and magnitude of the threat to the individual right to life, liberty or property targeted by the Regulation by, at a minimum, characterizing the risk pathways, populations exposed and consequences of exposure and assessing whether the Regulation or similar Regulations have been effective in reducing the targeted risks; (2) articulates a theory of cause and effect, consistent with established economic and scientific theories, that shows how the Regulation could or did produce the desired outcomes and that also explicitly assesses whether the risks addressed by the Regulation are likely to increase, decrease or stay the same in the absence of the Regulation; (3) demonstrates consideration of a wide variety of alternate and less restrictive or burdensome regulatory approaches consistent with the hierarchy of Regulation contemplated by this Article, including, but not limited to, expressly assessing whether the Regulation has a negative effect on competition, whether the Regulation can be modified to reduce its anti-competitive effects, and determining whether and how private voluntary action can reduce the risks addressed by the Regulation; (4) comprehensively assesses the benefits and costs of a wide variety of alternative regulatory approaches or solutions to the asserted threat to individual rights to life, liberty or property, including a showing of how much of the problem the Regulation is likely to solve; (5) considers the foregoing criteria in light of all actual evidence of the Regulation’s efficacy or lack thereof from any previous promulgation or enforcement of the same or similar Regulation; and (6) specifies the data utilized to make the assessments shown in the report.

(b) **Criteria for Authorized Regulation**. A Prosperity District has no power to Regulate or otherwise to use or threaten coercion in connection with its governing authority except through: (1) the exercise of police power authorized by section 2(c)(1)(i) of this Article and adopted pursuant to section 1(a)(7)(iv) of Article IV; and (2) promulgating and enforcing Regulations that fulfill each of the following criteria: (i) the Regulation governs or protects the individual right to life, liberty or property of either (A) those who are not parties to a contract that furnishes a rule of governance covering the same subject matter as the Regulation; or (B) those who are in breach of a contract covering the same subject matter as the Regulation, provided that the dispute resolution procedures specified in the contract, if any, are not being observed by all parties to the contract, and at least one party to the contract requests such Regulation or enforcement; (ii) the Regulation and its enforcement: (A) accurately codifies or implements the exercise of police power authorized by section 2(c)(1)(i) of this Article and adopted pursuant to Section 1(a)(7)(iv) of Article IV, or (B) governs an act, activity, inactivity, occupation, profession, use of property, person, entity, condition or state of affairs that is not ordinarily peaceful, non-violent and non-fraudulent; (iii) neither the predominant effect of the Regulation considered alone or in the context of the Prosperity District’s existing regulatory framework, nor any part of its purpose is to protect any individual, entity, or group from otherwise rightful competition or to restrain competent adults for their own good; and (iv) the act, activity, inactivity, occupation, profession, use of property, person, entity, condition or state of affairs targeted for Regulation has violated, is violating or is an actual threat to individual right to life, liberty or property.

(c) **Targeted Regulation**. To the extent that a Prosperity District is authorized to promulgate or enforce Regulations under section 2(c)(1)(ii) of this Article, the Regulation may only: (i) furnish modified, additional or augmented civil remedies to render the exercise of police power authorized by section 2(c)(1)(i) of this Article and adopted pursuant to Section 1(a)(7)(iv) of Article IV more effective in protecting the individual rights of life, liberty or property; (ii) impose clear, objective legal standards only if the foregoing mode of Regulation will not reasonably reduce the threat to the individual rights of life, liberty or property; (iii) enable the enforcement of clear, objective legal standards by inspections and enforcement of violations by civil penalty only if the foregoing modes of Regulation will not reasonably reduce the threat to the individual rights of life, liberty or property; (iv) enable the enforcement of clear, objective legal standards by permitting, licensing or other regulatory pre-approval processes only if the foregoing modes of Regulation will not reasonably reduce the threat to the individual rights of life, liberty or property; or (v) enable the enforcement of clear, objective legal standards by criminal sanctions only if the foregoing modes of Regulation will not reasonably reduce the threat to the individual rights of life, liberty or property.

(d) **Conforming Enforcement**. Before exercising the police power authorized by section 2(c)(1)(i) of this Article and adopted pursuant to Section 1(a)(7)(iv) of Article IV, and any other Regulation authorized by section 2(c)(1)(ii) of this Article, each Prosperity District must adopt appropriate internal management and administrative procedures in the district bylaws governing such enforcement, including but not limited to ensuring that (i) the method of enforcement makes it probable that the Regulation will protect the individual right to life, liberty or property, (ii) the method of enforcement makes it probable that the Regulation will fulfill the criteria that authorized its promulgation, and (iii) that reasonable public notice of the Regulation had been furnished to any affected person before the Regulation is enforced.

(e) **Automatic Sunset**. Every Regulation adopted pursuant to section 1(a)(7)(iv)(C) of Article IV or promulgated pursuant to section 2(c)(1)(ii) of this Article shall be automatically repealed and held for naught five (5) years from their effective date, if one is specified, and otherwise from their adoption or enactment date, as the case may be, and may only be promulgated again thereafter as provided in section 3(a) through (c) of this Article (with any Regulation previously adopted pursuant to Section 1(a)(7)(iv)(C) of Article IV to be reinstated only through exercising the authority furnished by section 2(c)(1)(ii) of this Article). The Prosperity District may commence proceedings to consider reinstating such Regulation as provided in section 3(a) through (c) of this Article as early as two (2) years prior to their automatic repeal date.

Section 4. **Eminent Domain, Regulatory and Tax Overreach Defense**. It is a complete defense in any venue to the exercise of Eminent Domain or the enforcement of any Regulation or Tax within the boundaries of every Prosperity District, as those boundaries may be established from time to time, that the exercise of Eminent Domain, Regulation or Tax was promulgated or enforced in violation of this Compact. If this defense is raised, the proponent of the taking, regulatory or taxing action has the burden of proving strict compliance with the provisions of this Compact with clear and convincing evidence or with such quantum of proof as otherwise agreed to by all disputants.

**Article III**

**Authorized Statewide Tailoring**

Under the authority and subject to the provisions of section 6 of Article VIII of this Compact, the following provisions shall clarify, supplement, modify or supersede, as applicable, any relevant or contrary provision of the Compact in Articles I, II, IV, V, VI, and VII solely with respect to this Member:

Section 1. **Repealer.** Subject to section 2(d) of Article II, this Article and section 2(d) of Article IV: (a) every Ordinary Member Law of this Member that extends to, applies to, penalizes, prosecutes, taxes, regulates or can otherwise be based on any condition, state of affairs, person, entity, service, property, action or omission located, committed or occurring in a Prosperity District is deemed to conflict with this Compact, and is entirely repealed, superseded and/or held for naught (as applicable to negate any legal effect) within the boundaries of every Prosperity District, as those boundaries may be established from time to time, and shall not thereafter extend to, penalize, prosecute, tax, regulate, apply to or be based on any condition, state of affairs, person, entity, service, property, action or omission located, committed or occurring within the boundaries of any such district (except as non-governmental persons may otherwise agree in adopting a venue selection clause or choice of law provision in a valid contract between them); and (b) when and to the extent that this Compact becomes an interstate compact that has contractually bound this Member and received the Consent of Congress, every Ordinary Federal Law and every other law, regulation or constitutional provision of this Member not previously repealed, which is capable of being preempted, repealed, superseded or held for naught by such Consent of Congress, that extends to, applies to, penalizes, prosecutes, taxes, regulates or can otherwise be based on any condition, state of affairs, person, entity, service, property, action or omission located, committed or occurring in a Prosperity District is deemed to conflict with this Compact and is entirely preempted, repealed, superseded and/or held for naught, as applicable to negate any legal effect, within the boundaries of every Prosperity District, as those boundaries may be established from time to time (except as non-governmental persons may otherwise agree in adopting a venue selection clause or choice of law provision in a valid contract between them).

Section 2. **Revenue Covenant Based on Unimproved Land Value**. In the case of a new or expanded Prosperity District to be located in this Member, the following Revenue Covenant may be used to fulfill the Revenue Covenant requirements of section 1(a)(9) of Article IV of this Compact (after following relevant instructions specified in brackets):

“Each landowner and each successor, assign and heir of such landowner of the land encompassed by the [insert legal name of new or expanded Prosperity District] (hereinafter collectively “owner”) shall pay, on an annual basis: (a) to [insert legal name of Member] an annual amount equal to the greater of: (1) the product of (i) [insert number] (\_\_\_%) of the fair market unimproved value of the land encompassed by the [insert legal name of new or expanded Prosperity District] (hereinafter “Prosperity District Land Value”) and (ii) the ratio of the fair market value of that owner’s respective ownership interest in such land (hereinafter “Ownership Interest Land Value”) over the Prosperity District Land Value; or (2) the product of (i) the total amount of revenue collected directly by [insert legal name of Member] in the fiscal year immediately preceding [the formation or expansion] of the [insert legal name of new or expanded Prosperity District] from all activities, inactivities, properties and entities located within the area of the land within the boundaries of [insert name of new or expanded Prosperity District], including, but not limited to, all fees, fines, assessments, as well as income, sales and property taxes, if any, and (ii) the ratio of that owner’s Ownership Interest Land Value over the Prosperity District Land Value; (b) to [insert legal name of each county in which the new or expanded Prosperity District will be located] respectively an annual amount equal to the greater of: (1) the product of (i) [insert number] (\_\_\_%) of the fair market unimproved value of the land encompassed by the [insert legal name of new or expanded Prosperity District] (hereinafter “Prosperity District Land Value”) and (ii) the ratio of the fair market value of that owner’s respective ownership interest in such land (hereinafter “Ownership Interest Land Value”) over the Prosperity District Land Value; or (2) the product of (i) the total amount of revenue collected directly by [insert legal name of each county in which the new or expanded Prosperity District will be located] in the fiscal year immediately preceding [the formation or expansion] of the [insert legal name of new or expanded Prosperity District] from all activities, inactivities, properties and entities located within the area of the land within the boundaries of [insert name of new or expanded Prosperity District], including, but not limited to, all fees, fines, assessments, as well as income, transaction, sales and property taxes, if any, and (ii) the ratio of that owner’s Ownership Interest Land Value over the Prosperity District Land Value; (c) to [insert legal name of new or expanded Prosperity District] an annual amount equal to the product of (1) [insert number] (\_\_\_%) of the fair market unimproved value of the land encompassed by the [insert legal name of new or expanded Prosperity District] (hereinafter “Prosperity District Land Value”) and (2) the ratio of the fair market value of that owner’s respective ownership interest in such land (hereinafter “Ownership Interest Land Value”) over the Prosperity District Land Value. [insert the following if any part of a new or expanded Prosperity District is located within the jurisdiction of any municipality: “d) to [insert legal name of each municipality in which the new or expanded Prosperity District will be located] respectively an annual amount equal to the greater of: (1) the product of (i) [insert number] (\_\_\_%) of the fair market unimproved value of the land encompassed by the [insert legal name of new or expanded Prosperity District] (hereinafter “Prosperity District Land Value”) and (ii) the ratio of the fair market value of that owner’s respective ownership interest in such land (hereinafter “Ownership Interest Land Value”) over the Prosperity District Land Value; or (2) the product of (i) the total amount of revenue collected directly by [insert legal name of each municipality in which the new or expanded Prosperity District will be located] in the fiscal year immediately preceding [the formation or expansion] of the [insert legal name of new or expanded Prosperity District] from all activities, inactivities, properties and entities located within the area of the land within the boundaries of [insert name of new or expanded Prosperity District], including, but not limited to, all fees, fines, assessments, as well as income, transaction, sales and property taxes, if any, and (ii) the ratio of that owner’s Ownership Interest Land Value over the Prosperity District Land Value.”] Said amounts shall be: (a) assessed by the managing board of the [insert legal name of new or expanded Prosperity District] as a first priority lien against the relevant land and a joint and several debt of each owner in favor of the relevant payee on the first business day of each calendar year after the formation or expansion, as the case may be, of the [insert legal name of Prosperity District] to include the relevant land based on the average of contemporaneous appraisals, formulated in accordance with reasonable and customary appraisal standards, previously submitted to the managing board of the [insert legal name of the new or expanded Prosperity District] by each owner and the [insert legal name of Member]; and (b) paid to the previously identified recipients of revenues by each owner on the last business day of each calendar year following [the formation or expansion] of the [insert legal name of new or expanded Prosperity District], prorated for any period of any calendar year in which the [insert legal name of new or expanded Prosperity District] was not recognized by [insert legal name of Member], provided that no adverse judicial or administrative proceedings involving any owner and [insert legal name of Member], or any political subdivision or agency thereof, had been brought by [insert legal name of Member] or any of its political subdivisions or agencies against any owner (excluding claims subject to the alternative dispute resolution process specified in Article V of the Prosperity States Compact, as enacted by [insert legal name of Member] and amended from time to time) in the preceding twelve (12) months. Upon such payment, the lien specified above shall be deemed released. subject to modification by written agreement of all affected parties, laws generally applicable to the foreclosure of real property liens in the [insert legal name of Member] shall determine available procedures and remedies in the event of nonpayment or untimely payment of the assessment hereunder due. The foregoing Revenue Covenant is a covenant running with the land encompassed by the [insert legal name of new or expanded Prosperity District] for the benefit of the previously identified recipients of revenues. [insert the following if it is desired for the provisions of this Revenue Covenant to be modified or superseded by a Negotiated Revenue Covenant: “This Revenue Covenant is subject to modification or supersession by a Negotiated Revenue Covenant pursuant to Article III of the Prosperity States Compact, as enacted by the [insert legal name of Member] and amended from time to time.”]”

Section 3. **Negotiated Revenue Covenant**. To comply with the petition requirement specified in section 1(a)(9) of Article IV, or subsequently to supplement or revise a Revenue Covenant authorized under Article IV or this Article, the petitioner(s) or their successors in interest may negotiate a Revenue Covenant (“Negotiated Revenue Covenant”) with the Governor of this Member or the Governor’s nominee (“State Official”) in the case of the formation or expansion of a Prosperity District to be located in whole or in part within this Member by giving notice of a demand for such negotiations to the Office of the Governor or a person authorized to accept service of process on behalf of the Governor, whereupon they shall commence negotiations within twenty (20) days. In addition to other relevant provisions, the Negotiated Revenue Covenant shall: (a) only concern the generation, collection and distribution of revenues; (b) be duly signed by petitioner(s) and State Official; (c) define the revenues or revenue sources to which it applies and, if applicable and desired, include terms and provisions to supplement or revise the terms of an existing Default Revenue Covenant, if any, upon recordation; (d) guarantee that the Member and any county or municipality in which any part of a proposed new Prosperity District is to be located receives on an annual basis revenues and distributions of state shared revenues, if any, that are at least equal to the total amount of revenue and distributions of state shared revenues collected or received by that Member and any such county or municipality in the fiscal year immediately preceding the respective formation of the Prosperity District from all activities, inactivities, properties and entities located within the area of the real property to be encompassed by the proposed new Prosperity District, including, but not limited to, all fees, fines, assessments, as well as income, transaction privilege, use, gas, sales and property taxes, if any; (e) guarantee that the Member and any county or municipality in which any part of the proposed expansion area of an existing Prosperity District is to be located receives on an annual basis revenues and distributions of state shared revenues, if any, that are equal to or greater than the total amount of revenue and distributions of state shared revenues collected or received by that Member and any such county or municipality in the expansion area in the fiscal year immediately preceding the proposed expansion of the Prosperity District from all activities, inactivities, properties and entities located within the area of the real property to be encompassed by the proposed expansion area, including, but not limited to, all fees, fines, assessments, as well as income, transaction privilege, use, gas, sales and property taxes, if any; (f) guarantee that the payment of income, transaction privilege, use, gas, sales and property taxes by any Third Party Beneficiary which are imposed by this Member and any of its political subdivisions on activities, inactivities, properties and entities located within the area of the real property included within the proposed new or expanded Prosperity District, if any, shall be ratably credited against that Third Party Beneficiary’s obligations under any such Negotiated Revenue Covenant; (g) apply and run with title to all real property in the proposed new or expanded Prosperity District upon the formation or expansion of the district, as the case may be, and as long as the encumbered real property is within the jurisdiction of the district; (h) be drafted in general language, without limitation to a closed class of one or more identifiable persons, and with such uniformity as to allow the entire class of landowners located within any other existing or future Prosperity District within the same State to have the option of adopting the Negotiated Revenue Covenant to fulfill the requirements of section 1(a)(9) of Article IV, or subsequently to supplement or revise an existing Revenue Covenant authorized under Article IV or this Article if such right was reserved; (i) be deemed accepted and ratified by this Member and any political subdivision of this Member benefitted by the Negotiated Revenue Covenant for use by petitioner(s), any other class of petitioner(s) under section 1 of Article IV, and their successors-in-interest within this Member’s jurisdiction when approved by joint resolution of the Legislature of this Member; and (j) if meant to revise or supplement a Revenue Covenant already running with title to real property in an existing Prosperity District, the accepted and ratified Negotiated Revenue Covenant shall be recorded with the county recorder for each county in which the respective Prosperity District is located and with each such other official responsible for the public recordation of interests in real property located within the proposed boundaries of the respective Prosperity District, if any, as the case may be.

Section 4. **Relationship of Compact to Existing Laws and Jurisdictions**. This section shall be effective in this Member notwithstanding the reciprocity otherwise required by section 5 of Article V. Section 2(e) of Article II, section 1 of this Article, and sections 3 and 4 of Article V are herewith clarified, modified and superseded, as applicable, with respect to this Member in regard to the following laws and governmental unit jurisdictions constituted thereby, which shall continue to be effective in any Prosperity District or any portion of any Prosperity District that is located in this Member to the same extent as in any other political subdivision of this Member: (a) all interstate agreements, compacts and laws enforcing or protecting vested contractual or property rights existing in this Member as of the enactment date of the Compact legislation, including but not limited to any interstate agreement or compact concerning water rights and gaming, as well as that which is codified in \_\_\_\_ of this Member’s Revised Statutes, as well as all government units constituted thereby, shall continue to be effective in any Prosperity District located in this Member to the same extent as before the enactment date of the Compact. Vested contractual or property rights defined by reference to laws in effect in this Member upon vesting shall be construed and enforced in any Prosperity District located in this Member as if such laws were still in effect; (b) all Member laws and laws of the United States Government that concern national security, declared states of emergency, immigration, violent crime, prostitution or the possession, sale, transfer or use of controlled substances, including but not limited to that which is codified in \_\_\_\_ of this Member’s Revised Statutes, and the jurisdictions of all government units to the extent they are constituted thereby, as well as all related ongoing investigations, prosecutions and administrative proceedings; (c) all Member laws and laws of the United States Government governing the management, administration, immunity, discipline and compensation of law enforcement personnel engaged in the exercise of concurrent or original jurisdiction on behalf of this Member or the United States Government within the boundaries of any Prosperity District, as they may exist from time to time, under the authority of this subsection shall be in full force and effect as to such personnel to the same extent as would have been the case in the absence of the formation or expansion of such district; (d) any provision of this Member’s constitution requiring the taxation of property or a specific mode of taxation, and any law to implement any such provision, and the jurisdictions of all government units constituted thereby, provided that: (1) the payment of these taxes by any Third Party Beneficiary shall be ratably credited against any Revenue Covenant obligation imposed on them by this Compact in favor of the [insert legal name of Member] or any of its political subdivisions; (2) the payment of such taxes shall be credited against any required fee for external services as contemplated in section 2(d)(3) of Article II to the extent that such revenues are used directly or indirectly to defray the cost of such services; and (3) subsequent reductions in any such applicable tax rate or burden after the enactment date of the Compact shall be effective in all Prosperity Districts; (e) the Uniform Commercial Code, which is codified in \_\_\_\_ of this Member’s Revised Statutes, and the jurisdictions of all agencies to the extent they are constituted by such laws, which shall be regarded as codifying the corresponding Common Law subject matters applicable within any Prosperity District located within this Member; (f) all laws governing mining, mineral rights, oil and gas extraction rights, which are codified in \_\_\_\_\_\_\_\_\_\_\_ of this Member’s Revised Statutes and promulgated in Regulations authorized thereby, and the jurisdictions of all agencies to the extent they are constituted by such laws; (g) all laws governing mechanics liens, which are codified in \_\_\_\_\_\_\_\_\_\_\_\_ of this Member’s Revised Statutes and promulgated in Regulations authorized thereby, and the jurisdictions of all agencies to the extent they are constituted by such laws; (h) all laws governing the licensure and Regulation of medical doctors, which are codified in \_\_\_\_\_\_\_\_\_\_\_\_ of this Member’s Revised Statutes and promulgated in Regulations authorized thereby, and the jurisdictions of all agencies to the extent they are constituted by such laws; (i) all laws governing the licensure and Regulation of attorneys, which are codified in \_\_\_\_\_\_\_\_\_\_\_\_ of this Member’s Revised Statutes and promulgated in Regulations authorized thereby, and the jurisdictions of all agencies to the extent they are constituted by such laws; (j) all laws governing fraud, which are codified in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of this Member’s Revised Statutes and promulgated in Regulations authorized thereby, and the jurisdictions of all agencies to the extent they are constituted by such laws; (k) all laws governing public records and open meetings, which are codified in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of this Member’s Revised Statutes and promulgated in Regulations authorized thereby, and the jurisdictions of government units constituted thereby; (l) all State and federal laws that concern elections, election qualifications, ballot measures, referenda, and campaign finance and the jurisdictions of all government units constituted by such laws, including, but not limited to, that which is codified in \_\_\_\_\_\_\_\_\_\_\_\_\_ of this Member’s Revised Statutes, and the jurisdictions of all government units constituted thereby, as well as all related ongoing investigations, prosecutions and administrative proceedings; (m) all State and federal laws governing banking, securities and financial transactions, including, but not limited to, that which is codified in \_\_\_\_\_\_\_\_\_\_\_\_\_ of the \_\_\_\_\_\_\_\_\_\_\_ Revised Statutes, and promulgated in Regulations authorized thereby, as well as all related ongoing investigations, prosecutions and administrative proceedings; and (n) all State and federal laws specifically defining and protecting the individual right to life, liberty or property or otherwise specifically governing the adoption, guardianship, care or representation of minor children, the incompetent, and the disabled, and the jurisdictions of all government units constituted by such laws, including, but not limited to, that which is codified in \_\_\_\_\_\_\_\_\_\_\_\_\_ of the \_\_\_\_\_\_\_\_\_\_\_ Revised Statutes, and promulgated in Regulations authorized thereby, as well as all related ongoing investigations, prosecutions and administrative proceedings.

Section 5. **Income of Residents Doing Business in District**. This section shall be effective in this Member notwithstanding the reciprocity otherwise required by section 5 of Article V. This Member may tax income earned by its residents from income-producing activities occurring within a Prosperity District as provided by law if such residents are neither domiciled nor residing in such Prosperity District.

Section 6. **Federal Primacy, Mandates and Grant Requirements Protected**. This section shall be effective in this Member notwithstanding the reciprocity otherwise required by section 5 of Article V. Until this Compact receives the Consent of Congress in such form as to obviate any need for this Member to comply with otherwise applicable federal mandates and conditions of maintaining or securing federal primacy or federal grants, every Prosperity District located in this Member shall cooperate with this Member in fulfilling the lawful conditions of any federal grant or assumption of federal primacy and complying with any lawful federal mandate, including the adoption of appropriate bylaws and Regulations, in the event that this Member is specifically threatened by the federal government in writing with any sanction, the loss of federal primacy, the loss of any federal grant or if this Member loses federal primacy or a federal grant due to a failure of compliance with a federal mandate or a condition to the maintenance of federal primacy or to the grant caused by the actions or omissions of any Prosperity District. To enforce this cooperation duty, this Member shall give notice of the threat or loss to the managing board of each responsible Prosperity District as soon as possible together with a specification of the sanction or the amount of the grant that has been threatened or lost, as well as a specific demand for the curative action or inaction that the Prosperity District must undertake in order to restore federal primacy, the grant, or prevent the sanction or the loss of federal primacy or the grant. (a) The Prosperity District is authorized and required to respond to the foregoing demand in one or more of the following three ways as needed to ensure that federal primacy is maintained by this Member or this Member is kept or made whole: (1) it shall strictly comply with the demand in a fashion that may supersede any limitation on its regulatory authority as otherwise specified in Article II only to the extent absolutely necessary; (2) it shall post a surety bond in favor of this Member or tender cash to the this Member for the full amount of the grant that has been threatened or lost which shall be payable without delay to this Member or its designated recipient on its demand if the grant is lost (subject to this Member refunding said amount immediately upon the restoration of the grant); or (3) it shall delegate so much of its authority within its boundaries to this Member or its designated agency, instrumentality or political subdivision to hold and exercise in receivership as is absolutely necessary to fulfill the federal mandate or the conditions of the threatened or lost federal primacy or federal grant until such time as the threatened sanction is retracted or lifted, or the federal primacy or grant is restored and no longer specifically threatened by the federal government. (b) If the Prosperity District fails to respond to the foregoing demand as aforesaid, this Member shall have the right to commence a special action in State court to appoint a receiver to hold and exercise all power of the Prosperity District as necessary to comply with the federal mandate or to fulfill the conditions of the threatened or lost federal primacy or federal grant until such time as the threatened sanction is retracted or lifted, or the federal primacy or grant is restored and no longer specifically threatened by the federal government, and each Prosperity District causing this Member to fail to fulfill the conditions of any such federal primacy or federal grant shall be jointly and severally liable for tendering the full amount of any federal monies that are denied to this Member as a result of the failure of cooperation within thirty (30) calendar days after submission of a proof of claim by this Member to each Prosperity District for the replacement funding. (c) This section shall self-repeal upon this Compact receiving the Consent of Congress in such form and substance as to declare or render the actions or omissions of a Prosperity District non-prejudicial to any obligation this Member may have to comply with otherwise applicable federal mandates and conditions of maintaining or securing federal primacy or federal grants.

Section 7. **National Security Modification to Definition of “Eligible Land.”** This section shall be effective in this Member notwithstanding the reciprocity otherwise required by section 5 of Article V. The formation and expansion of a Prosperity District in this Member, as well as investment in property located within an existing Prosperity District, shall be subject to the review process for controlling direct foreign investment in the United States for the purpose of protecting national security, which is managed by the multi-agency federal entity known as the Committee on Foreign Investment in the United States (“CFIUS”), in accordance with the Foreign Investment and National Security Act and 31 C.F.R. Part 800. Accordingly, any person wishing to form or expand a Prosperity District or otherwise to invest in property located within an existing Prosperity District should expect that CFIUS will review, and potentially block, direct foreign investment for the purpose of protecting the national security of the United States, but only to the same extent as it does for such investments in all other areas of the United States.

Section 8. **County Opt-Out**. This section shall be effective in this Member notwithstanding the reciprocity otherwise required by section 5 of Article V. If a county of this Member wishes to exclude land within its jurisdiction and outside of the territorial and extraterritorial jurisdiction of any municipality from being deemed “Eligible Land” under this Compact before the formation or expansion of a Prosperity District upon such land, it may pass a local law declaring such exclusion with a sufficient legal description to identify the excluded land based on such procedures as apply generally to the enactment of local laws by such county notwithstanding any other law of this Member provided that: (a) the local law is enacted and effective within six (6) months of the enactment date of the Compact legislation; (b) a certified copy of the local law is recorded with the county recorder of deeds; (c) the local law shall automatically self-repeal in four (4) years from its enactment date without prejudice to its reenactment; and (d) the local law does not have the purpose or effect of rendering the authority to form, expand or withdraw from a Prosperity District a law, privilege or immunity for a closed class of one or more identifiable persons. Any such local law may be subsequently amended or repealed in accordance with such procedures as apply generally to the enactment of local laws by such county notwithstanding any other law of this Member provided that the amendment or repeal does not have the purpose or effect of rendering the authority to form, expand or withdraw from a Prosperity District a law, privilege or immunity for a closed class of one or more identifiable persons.

Section 9. **Municipal Opt-In**. This section shall be effective in this Member notwithstanding the reciprocity otherwise required by section 5 of Article V. Any consent required to be given by the governing body of a municipality to deem real property within the territorial or extraterritorial jurisdiction of that municipality “Eligible Land” under this Compact: (a) shall be enacted as a local law based on such procedures as apply generally to the enactment of local laws by such municipality notwithstanding any other law of this Member, including, but not limited to, any law requiring or enforcing any local, regional or Statewide land use plan; (b) shall contractually bind such municipality to recognize the classification of such real property as “Eligible Land” under this Compact; (c) may include further stipulations and conditions superseding, modifying or limiting the text or applicability of provisions of this Compact as authorized by Section 6(j) of Article VIII of this Compact within the territorial or extraterritorial jurisdiction of the consenting municipality; and (d) must provide that any alteration to the applicability of provisions of this Compact that is specified in the aforesaid local law may be repealed by subsequently enacted local law provided that such repeal shall not have the effect of: (1) delegating powers or authorities to any Prosperity District in addition to those expressly delegated to the district by section 2(c) of Article II of this Compact, (2) creating or expanding the jurisdictions of any government unit within the boundaries of any Prosperity District in addition to that which is expressly permitted under section 2(d) of Article II of this Compact; (3) eliminating the text or authority of any Revenue Covenant that otherwise would satisfy the petition requirement under section 1(a)(9) of Article IV, (4) preventing the formation or expansion of Prosperity Districts or the withdrawal of land from a Prosperity District in that municipality, or (5) disqualifying real property as Eligible Land which would have otherwise qualified as Eligible Land as of the enactment date of the respective Member’s original Compact legislation.

Section 10. **Insurance**, **Performance and Surety Bonding**. This section shall be effective in this Member notwithstanding the reciprocity otherwise required by section 5 of Article V. This Member and any political subdivision of this Member that has the right to foreclose on a Revenue Covenant lien attached to real property located within a Prosperity District or that may be required by law to assume jurisdiction over lands withdrawn from a Prosperity District, shall have the right to a reasonable performance or surety bond or coverage as a named insured under a reasonable insurance policy from the petitioner(s) seeking district formation, expansion and withdrawal in an amount and with such limits and terms sufficient to cover the reasonably anticipated costs associated with maintenance of structures on such lands as well as to cover the reasonably anticipated costs of enforcing public health, safety and sanitation standards imposed by generally applicable laws within its jurisdiction with regard to such land in the event of such foreclosure or withdrawal. A detailed written demand for the furnishing of such insurance or the posting of such a bond specifying required terms and conditions of the bond or insurance shall be interposed against the relevant petitioner(s) by service of the demand upon each petitioner and all required recipients of their petition prior to its approval. The demand shall not prevent approval of the petition; however, if petitioner(s) do not comply with the demand within ninety (90) days of service, or if the disputants do not first settle their differences in regard to the demand, then the serving Member or political subdivision may institute an action in a venue of competent jurisdiction to compel compliance with the demand by petitioner(s) and such compliance shall be compelled if the terms and conditions of the demanded insurance policy or bond are found contractually enforceable and reasonable based on admissible evidence of the magnitude and likelihood of the risk of incurring costs associated with maintenance of structures on such lands as well as to cover the reasonably anticipated costs of enforcing public health, safety and sanitation standards imposed by generally applicable laws within its jurisdiction with regard to such land in the event of such foreclosure or withdrawal. If the terms and conditions of the demanded bond or insurance are not found contractually enforceable or reasonable based on such evidence, then the serving Member or political subdivision shall be held liable for all legal expenses and attorney’s fees incurred by petitioner(s) in defending the action. If petitioner(s) do not comply with the demand after being ordered to do so by the adjudicating authority, then the serving Member or political subdivision may seek a money judgment against the relevant petitioner(s) jointly and severally in the amount of the demanded bond or limits of the demanded insurance policy or appropriate equitable relief reasonably tailored to mitigate the reasonably anticipated costs of enforcing public health, safety and sanitation standards imposed by generally applicable laws within its jurisdiction with regard to such land in the event of such foreclosure or withdrawal. If a written demand for the posting of a bond or furnishing of insurance is not timely served or if an action to compel compliance with the demanded bond or insurance policy is not commenced within six (6) months of the approval of the relevant petition, then the right to demand a bond or insurance policy from petitioner(s) under this section shall be forfeit and forever barred except as may otherwise be provided in any settlement agreement between the disputants.

Section 11. **Statute of Repose**. This section shall be effective in this Member notwithstanding the reciprocity otherwise required by section 5 of Article V. Any person claiming a right to challenge the legality of this Compact shall have six (6) months after the enactment date of the Compact legislation to be forever barred from bringing any such claim or related cause of action. Any person claiming a right to challenge the legality of the formation or expansion of a Prosperity District, or the withdrawal of land from a Prosperity District, shall have six (6) months after the recordation of the petition authorized by Article IV of this Compact to file an action for such declaration of rights in a court of competent jurisdiction or thereafter be forever barred from bringing any such claim or related cause of action.

**Article IV**

**Prosperity District Formation, Expansion and Withdrawal**

Section 1. **Petition to Form or Expand Prosperity District**. A Prosperity District is formed or expanded when a petition that is deemed compliant with this section (the “petition”) is recorded with the county recorder for each county in which the new or expanded Prosperity District is located and with each such other official responsible for the public recordation of interests in real property located within the proposed boundaries of the new or expanded Prosperity District, if any. Accordingly, to form or expand a Prosperity District, a petition containing the information specified herein shall be signed, served, reviewed, deemed compliant, and recorded as follows: (a) with respect to Eligible Land to be included in the new or expanded Prosperity District, one or more landowners representing one hundred percent (100%) of the surface land ownership interests in such Eligible Land, (the “petitioner(s)”) shall sign a petition requesting the formation or expansion of a Prosperity District to include such Eligible Land under the authority of this Compact and further attesting to the accuracy of the following information under oath, which shall also be included in the petition: (1) a statement requesting the formation or expansion of a Prosperity District and avowing that the land to be encompassed by the new district or included in the expanded district is Eligible Land; (2) the name, address, telephone number and e-mail address of each such signing landowner, if any; (3) a statement that one hundred percent (100%) of the qualified electors who are residing on such Eligible Land have consented in writing to the petition or, alternatively, a statement that no qualified electors are then-residing on said Eligible Land; (4) the name, address, telephone number and e-mail address of each such resident qualified elector, if any; (5) a legal description of the external boundaries of the proposed new or expanded Prosperity District, as well as of the boundaries of any corridor for the exercise of eminent domain by external agencies pursuant to section 2(d)(4)(i)(A) of Article II and any individual parcels that are internal to such Eligible Land which shall continue to be recognized within the Prosperity District upon formation, expansion and withdrawal; (6) a map and a general description of the area to be included in the proposed new or expanded Prosperity District that is sufficiently detailed to permit a property owner to determine if a particular property is located in the proposed new or expanded Prosperity District; (7) for a new Prosperity District: (i) a unique name to be assigned to the Prosperity District; (ii) the names, addresses, phone numbers and occupations of the proposed members of the Prosperity District's initial managing board; (iii) a statement of the jurisdiction, power and authority of the district under Article II of this Compact; (iv) on behalf of the proposed district and deemed effective within the district upon formation: (A) an express adoption and verbatim specification of the Malum in Se Criminal Law effective within the area to be encompassed by the proposed district; (B) an express adoption of the Common Law effective within the area to be encompassed by the proposed district; (C) the express adoption and verbatim specification of any other Regulation which is desired by petitioner(s) to be enforced by the district after formation pursuant to sections 2(c)(1)(i) and 3 of Article II, provided that such Regulation was effective within the area to be encompassed by the district as of the enactment date of this Member’s Compact legislation; and v) initial district bylaws specifying: (A) procedures for the promulgation, amendment and repeal of district bylaws, ordinances, policies, procedures, parliamentary rules, and directives for the governance of the district (including, if desired, establishing additional criteria for withdrawal of lands pursuant to section 2(a) of this Article), for internal district management and administration (including provisions detailing supervision and coordination of Revenue Covenant enforcement, as well as the collection and disbursement of revenues to which the district is entitled), the formation of committees, subordinate departments and agencies, and the designation and responsibilities of administrative offices and retention of subordinate officials; (B) managing board member appointment, election, removal or succession procedures; (C) municipal bonding terms, issuance and repayment procedures; (D) public hearing and notice procedures; (E) Regulation promulgation and enforcement procedures; (F) the public infrastructure and services to be furnished by the district; and (G) the office, authorities and duties of the district treasurer and secretary; (8) for an expansion of an existing Prosperity District, the name of the Prosperity District to be expanded and the names, addresses, and phone numbers of the members of that district’s managing board; (9) for a new Prosperity District, a recordable Revenue Covenant to burden the Eligible Land, which is the subject of the petition, as specified or described in Article III of this Compact; (10) for an expansion of an existing Prosperity District, a recordable Revenue Covenant to burden the Eligible Land to be included in the existing Prosperity District that mirrors the Revenue Covenant then-running with title to the land in that existing district; and (11) a recordable restrictive covenant to burden the Eligible Land, which is the subject of the petition, prohibiting each landowner and any successor in interest from taking any action to preclude, hinder or obstruct the expansion of the district to adjacent lands that are outside of the district, if any, or the withdrawal of lands from the district as contemplated in this Article. (b) The petition shall be served on each of the following recipients as applicable: (1) each member of the Board of Supervisors of each County in which any portion of the new or expanded district is to be located at their offices or through their authorized service of process recipient; (2) the governing body of each affected municipality at its office or through its authorized service of process recipient if the new or expanded district is to include Eligible Land located within that municipality's jurisdiction; and (3) the managing board of each affected Prosperity District at its office or through its authorized service of process recipient if that Prosperity District is to be expanded by the inclusion of the Eligible Land or if a new Prosperity District is to be formed within any part of the jurisdiction of that Prosperity District. (c) Within twenty (20) calendar days after receipt of the petition, each recipient designated in subsection (b) of this section shall review the petition ministerially for compliance with subsection (a) of this section and deny any petition that is not compliant. Notice of the denial of a petition shall be given within said time frame in writing to the petitioner(s) stating the specific nature of any deficiency and without prejudice as to the repeated resubmittal of a corrected petition until all such deficiencies are cured. If the petition is not timely denied by any recipient designated in subsection (b) of this section, the petition shall be deemed compliant with this section for all purposes and it may be recorded by the petitioner(s) with the County Recorder for each County in which the new or expanded Prosperity District is to be located and with each such other official responsible for the public recordation of interests in real property located within the proposed boundaries of the new or expanded Prosperity District, if any. Sworn proof of service by U.S. certified mail, return receipt requested, or equivalently verifiable delivery service shall be sufficient to establish the date the petition was received by a designated recipient or any required notice was given to the petitioner(s).

Section 2. **Petition to Withdraw**. A petition may be brought to withdraw land from a Prosperity District’s jurisdiction as provided in this section. (a) The land that is the subject of the withdrawal petition must: (1) be contiguous to land that is outside of the boundaries of the affected district; (2) be contiguous to land included in the same petition that is contiguous to land that is outside of the boundaries of the affected district; (3) be at least one square mile of contiguous land; (4) be the subject of an enforceable contract governing all landowners and qualified electors residing in the affected district that gives consent to the withdrawal of such land from the district under such terms and conditions as may be specified in that contract; or (5) qualify for withdrawal under criteria otherwise specified in the bylaws of the affected district provided that such criteria are uniform for all persons domiciled in the district and they do not have the purpose or effect of rendering such withdrawal authority a law, privilege or immunity for a closed class of one or more identifiable persons. (b) The withdrawal petition must: (1) state under oath that the petitioner(s) represent one hundred percent (100%) of the surface land ownership interests in title to the proposed withdrawn land, including the same contact information for petitioners as with a petition to form or expand a Prosperity District; (2) state under oath that one hundred percent (100%) of all qualified electors residing on the affected land have given written consent to the withdrawal of the land from the Prosperity District’s jurisdiction; (3) include a map and legal description of the proposed withdrawn land; and (4) be served on the same officials as a petition to form or expand a Prosperity District, who must then within twenty (20) calendar days after receipt of the petition, review the petition ministerially for compliance with this section and deny any petition that is not compliant. (c) Notice of the denial of a withdrawal petition shall be given within said twenty (20) calendar day time frame in writing by the same method of notice to the petitioner(s) as applicable to a petition to form or expand a district. If the petition is not timely denied by all petition recipients, the petition shall be deemed approved and compliant with this section for all purposes and it may be recorded by the petitioner(s) with the county recorder for each county in which the withdrawn land is to be located and with each such other official responsible for the public recordation of interests in real property located within the proposed boundaries of the withdrawn land, if any. (d) Upon the approval and recordation of the withdrawal petition, the land specified therein shall immediately revert to the jurisdictional status of land outside of the boundaries of the affected Prosperity District, all laws generally applicable outside of the boundaries of that Prosperity District shall govern the area of such land as if the district never encompassed the withdrawn land, and all covenants or servitudes running with title to such land as a consequence of any petition to form or expand that district shall be deemed vacated; but all other encumbrances on title to the withdrawn land, including any lien that has attached to such land to secure the payment of any previously accrued and unpaid Revenue Covenant obligation, shall remain enforceable to the extent consistent with the reverted legal and jurisdictional status of the withdrawn land. (e) Petitioner(s) of an approved and recorded withdrawal petition may not subsequently petition for the expansion of the Prosperity District to include land withdrawn from that district for a period of twelve (12) months without the concurrence of the district’s managing board.

**Article V**

**Compact Formation, Effect and Amendment**

Section 1. **Offer and Acceptance of Interstate Compact**. By becoming a Member, each such Member hereby publicly pledges and offers to perform and comply strictly in accordance with this Compact's terms and conditions as a binding interstate compact, and has made such pledge and offer in anticipation and consideration of, and in substantial reliance on, such mutual and reciprocal pledge, performance and compliance by each other Member, if any. This pledge and offer shall be deemed accepted and entry into this Compact complete and contractually binding on a Member as an interstate compact upon that Member’s receipt of notice of the attainment of Member status by any other Member; further privity of contract with regard to such interstate compact shall extend to, between and among any Member with notice of the Member status of any other Member. For purposes of this section, notice shall be given to each other Member’s Governor, an official authorized to accept service of process on the Governor, and to the Compact Administrator, if any.

Section 2. **Effect of Compact Formation**. On acceptance of the pledge and offer to enter into a compact as specified in Section 1 of this Article, this Compact shall be construed and enforced as an interstate compact consisting of a solemn sovereign pledge, agreement and covenant contractually binding the Members in privity to maintain and enforce the provisions of this Compact (as they existed on the date that the Compact became contractually binding) and to refrain from taking any future action that could in any way or to any degree burden, impair or interfere with such provisions of this Compact, except as otherwise expressly authorized by this Compact. Further, upon this Compact attaining the status of a sovereign contract between and among its Members, the maintenance of and strict compliance with all of its terms, including each and every provision of Article I, II, III, IV, V, VI, VII, and VIII is required of all Members in privity. Any impairment of performance, burden on performance, impediment to performance, nonperformance, suspension, deviation from, disregard of, or violation of the terms of this Compact of any magnitude imposed by any Member in privity is prohibited, including, but not limited to, the passage of parallel legislation that directly or indirectly causes costs or imposes mandates not contemplated by this Compact to be incurred by any Member or Third Party Beneficiary as a result of compliance with, performance under, or the enjoyment of the terms of this Compact. Any violation of this prohibition of any magnitude or duration is and shall be regarded by all Members in privity as a substantial impairment of the obligation of a solemn contract between sovereigns, and is and shall be regarded as a material breach of a solemn sovereign contract, as well as ultra vires and void under United States Constitution, Article I, section 10, clause 1, and, with respect to terms receiving the Consent of Congress, under United States Constitution, Article VI, clause 2. Every Member in privity and Third Party Beneficiary has the right to the remedy of specific performance of the terms of this Compact or injunctive relief to prohibit any deviation from strict compliance with the terms of this Compact, subject to the alternative dispute resolution process and venue provisions of sections 1(j), 10 and 11 of Article VI.

Section 3. **Effect of Existing Consent of Congress**. Subject to Article III, and otherwise notwithstanding any law to the contrary, under the authority of United States Constitution, article I, section 10, article VI, clause 2, and the Tenth Amendment to the United States Constitution, when and to the extent that this Compact becomes an interstate compact, in accordance with the Consent of Congress furnished by 4 United States Code § 112, this Compact shall: (a) have equivalent status to a law of the United States to the extent that it enables cooperative efforts and mutual assistance among the States in the prevention of crime, enforcing criminal laws and policies, and establishing desirable agencies for making effective such cooperative efforts and mutual assistance; (b) every Prosperity District’s exclusive jurisdiction under section 2(e) of Article II shall preclude every agency, branch, department, instrumentality or political subdivision of every Member in privity or the United States Government from exercising jurisdiction or authority or superimposing additional governing jurisdictions within district boundaries, as those boundaries may be established from time to time, for purposes of preventing crime, enforcing criminal laws and policies and establishing desirable agencies for making effective such cooperative efforts and mutual assistance (except as authorized by section 2(d) of Article II); and (c) any dispute between any Member in privity, the United States Government, and Third Party Beneficiary regarding cooperative efforts and mutual assistance among the States in the prevention of crime, enforcing criminal laws and policies, and establishing desirable agencies for making effective such cooperative efforts and mutual assistance, shall be subject to alternative dispute resolution pursuant to section 10 of Article VI.

Section 4. **Effect of Additional Consent of Congress**. Subject to Article III and any stipulation, condition or exception to such additional Consent of Congress, and otherwise notwithstanding any law to the contrary, under the authority of United States Constitution, article I, section 10, article VI, clause 2, and the Tenth Amendment to the United States Constitution, when and to the extent that this Compact becomes an interstate compact and has received the Consent of Congress in addition to that furnished by 4 United States Code § 112: (a) this Compact shall have equivalent status to a law of the United States; (b) every Prosperity District’s exclusive jurisdiction under section 2(e) of Article II shall preclude every agency, branch, department, instrumentality or political subdivision of every Member in privity or the United States Government from exercising jurisdiction or authority or superimposing additional governing jurisdictions within district boundaries or fining, penalizing, prosecuting, regulating, taxing or otherwise addressing through government action any condition, state of affairs, person, entity, service, property, action or omission located, committed or occurring within the boundaries of any Prosperity District, as those boundaries may be established from time to time (except as authorized by section 2(d) of Article II and as non-governmental persons may otherwise agree in adopting a venue selection clause or choice of law provision in a valid contract between them); (c) the actions or omissions of any Prosperity District or that of any Third Party Beneficiary within the boundaries of any Prosperity District as they may be established from time to time shall not prejudice or otherwise adversely affect compliance by any Member in privity with federal mandates or conditions of maintaining or securing federal primacy or federal grants; (d) real property owned or held in trust by the United States Government, which is outside of the boundaries of National Forests and National Parks existing on the effective date of such Consent of Congress, and outside of any Native American Reservation, shall qualify and be deemed consented-to by the United States Government in its proprietary or trustee capacity, as applicable, as Eligible Land under section 5 of Article VII of this Compact, and the United States Government in such capacity may be regarded as consenting to and joining in any petition required by Article IV for the formation or expansion of, or withdrawal from, a Prosperity District encompassing such real property provided that all other criteria unrelated to the ownership or trustee interest of the United States are fulfilled; and (e) any dispute between any Member in privity, the United States Government, and Third Party Beneficiary regarding the foregoing shall be subject to alternative dispute resolution pursuant to section 10 of Article VI.

Section 5. **Reciprocity, Freedom of Access, Cross-Border Prosperity Districts**. Subject to Article III, upon this Compact attaining the status of an interstate compact, any activity lawfully undertaken and any service lawfully performed within any Prosperity District located within this Member or any other Member in privity shall be reciprocally recognized as lawful within the boundaries of every other Prosperity District located within this Member and any other Member in privity on the same terms unless otherwise prohibited by the enforcement of constitutional provisions, interstate compacts, Malum in Se Criminal Law, Common Law, and any Regulation promulgated or enforced in accordance with Article II of this Compact. Further, every Prosperity District located within this Member or any other Member in privity shall allow direct ingress and egress of any person lawfully allowed ingress to and egress from any other Prosperity District located within this Member or any other Member in privity unless prohibited by the enforcement of existing property or contractual rights. Furthermore, a Prosperity District may be formed and expanded across State lines between Members in privity provided that the petition required by section 1 of Article IV: (a) specifies the Malum in Se Criminal Law and Common Law that shall be in effect within the district; (b) is served on the Governor(s) of each affected Member at their offices or through their authorized service of process recipient(s) in addition to other petition recipients required by section 1 of Article IV; and (c) compliance is made with all other terms of section 1 of Article IV, whereupon the approval process specified therein shall be construed as referencing the Governor(s) of each affected Member in addition to such other officials holding approval power.

Section 6. **Amendment**. After this Compact becomes an interstate compact, each Member in privity reserves the right to amend this Compact exclusively by repealing all or any part of the provisions set forth in Article III of this Compact which that Member included in its original Compact legislation, or by amending such provisions of Article III with such additional terms or provisions respecting that Member as are consistent with section 6 of Article VIII of this Compact and prospective in effect, at any time through ordinary legislation, provided that such repeal or amendment shall not have the purpose or effect of: (a) delegating powers or authorities to any Prosperity District (in addition to those expressly delegated to the district by section 2(c) of Article II of this Compact as specified in that Member’s original Compact legislation and as modified, if at all, by the terms of Article III as they existed immediately prior to this Compact becoming an interstate compact); (b) creating or expanding the jurisdictions of any government unit within the boundaries of any Prosperity District (in addition to that which is expressly permitted under section 2(d) of Article II of this Compact as specified in that Member’s original Compact legislation and as modified, if at all, by the terms of Article III as they existed immediately prior to this Compact becoming an interstate compact); (c) eliminating the text or authority of any Revenue Covenant that otherwise would satisfy the petition requirement under section 1(a)(9) of Article IV (as specified in that Member’s original Compact legislation and as modified, if at all, by the terms of Article III as they existed immediately prior to this Compact becoming an interstate compact); (d) disqualifying real property as Eligible Land which would have otherwise qualified as Eligible Land (as specified in that Member’s original Compact legislation and as modified, if at all, by the terms of Article III as they existed immediately prior to this Compact becoming an interstate compact); (e) impairing the legitimate investment-backed expectations of any Third Party Beneficiary; or (f) with respect to any Prosperity District formed prior to the effective date of the respective repeal or amendment: (1) preventing the expansion of that Prosperity District in accordance with the terms of this Compact as they existed upon that district’s formation; (2) preventing the withdrawal of land from that Prosperity District in accordance with the terms of this Compact as they existed upon that district’s formation; (3) directly or indirectly promulgating or enforcing any Regulation within that Prosperity District in addition to that which was authorized by the terms of this Compact as those terms existed upon that district’s formation unless such Regulation: (i) is subject to the defense afforded by section 4 of Article II (in accordance with the original terms of that Member’s Compact legislation and as modified, if at all, by the terms of Article III as they existed immediately prior to this Compact becoming an interstate compact); and (ii) either (A) is not effective until it is promulgated and enforced within that district in strict compliance with section 3 of Article II (in accordance with the original terms of that Member’s Compact legislation and as modified, if at all, by the terms of Article III as they existed immediately prior to this Compact becoming an interstate compact); or (B) replaces or modifies Regulation previously authorized by Article III of this Compact such that the resulting overall framework of Regulation within the affected Prosperity District is less restrictive and less burdensome on the exercise of the individual rights to life, liberty, and property, and more likely to protect the exercise of the individual rights to life, liberty and property, without impeding any activity or market competition that would otherwise be lawful within the district; (4) authorizing, levying, imposing or enforcing any Tax within that district in addition to that which was authorized by the terms of this Compact as those terms existed upon that district’s formation; and (5) authorizing or enforcing any exercise of Eminent Domain within that district in addition to that which was authorized by the terms of this Compact as those terms existed upon that district’s formation.

**Article VI**

**Compact Commission**

Section 1. **Commission**. When at least two Members are contractually bound to this Compact as contemplated in sections 1 and 2 of Article V, the Prosperity States Compact Commission ("Commission") shall be thereby established. The Commission initially consists of three unpaid Commissioners each serving solely a single six-year term. It has the power and duty: (a) to designate a location within the jurisdictional boundaries of the United States Court of Appeals for the Fifth Circuit for its principal place of business; (b) to appoint and oversee a Compact Administrator that maintains its principal place of business within the jurisdictional boundaries of the United States Court of Appeals for the Fifth Circuit; (c) to guard against cronyism and special interest capture of this Compact by encouraging new States to adopt this Compact and Congress to consent to the Compact without exceptions, stipulations or limitations through educational efforts; (d) to coordinate the performance of obligations under this Compact, which shall include the issuance of advisory interpretations of this Compact; (e) to oversee and direct the defense and enforcement of the Compact in appropriate legal venues; (f) to request and accept funds from Prosperity Districts and to disburse those funds to support the operations of the Commission and Compact Administrator; (g) to make public and open for inspection or observation by any person at all reasonable times all governing instruments, records, proceedings, and accounts of the Commission and Compact Administrator subject to executive session procedures or privileges specified in the Commission’s bylaws, the adoption of which shall be conducted by public hearing and shall supersede any conflicting law or Regulation of any Member; (h) to cooperate with any person that shares a common interest with the Commission and engages in policy research, public interest litigation or lobbying in support of the purposes of the Compact; (i) to establish a process of transparent, open competitive bidding in order to secure an annual contract with one or more reputable outside alternative dispute resolution services, which may, but is not required to include, adjudicative services offered by a judicial branch of a State or the United States Government, to furnish binding arbitration of disputes; (j) to direct the final resolution and settlement of all disputes involving, between or among any Member, Prosperity District, or any agency or department of the United States Government to which the Consent of Congress for this Compact can be ascribed (if such consent has been given), with all sovereign immunities, if any, deemed waived with respect to any such proceeding, final resolution and settlement, through the use of the Commission’s contracted outside alternative dispute resolution service, or such other alternative dispute resolution service which all disputants agree to use (which may, but is not required to include, adjudicative services offered by a judicial branch of a State or the United States Government); (k) to exercise only such incidental powers as are essential to carrying out the foregoing express powers and duties (in no event shall the Commission be construed as possessing eminent domain, taxation or police powers, or any other power that is functionally equivalent to the same, whether incidentally or principally); and (l) to adopt and publish corresponding bylaws, policies and procedures.

Section 2. **Commissioner Appointment**. The Commission initially consists of three unpaid Commissioners each serving solely a single six-year term. Commissioner positions shall be assigned to appointees in the order in which their respective appointing State became Members. Once at least one Prosperity District has been formed and exists within its boundaries, and until all Commissioner positions are filled, or whenever there is a vacancy, each Member in the order in which it became a Member may appoint one Commissioner through its Governor by appropriate executive action as determined by the laws of the respective Member, subject to disapproval by official notice of any Prosperity District located within such Member that is received by the Office of its Governor or such person who is authorized to receive service of process on behalf of said Governor within ten (10) calendar days of such appointment. Timely disapproval shall have the effect of requiring a new appointment until such time as a timely disapproval is not received.

Section 3. **Commissioner Removal**. A Commissioner representing a given Member may be removed from his position at any time and for any reason by the official action of at least two-thirds of the governing boards of all Prosperity Districts located within the jurisdiction of that Member. Any Commissioner representing any Member shall be removed from his position at any time by the official action of at least two-thirds of all Prosperity Districts. To be effective, notice of the foregoing official action of removal must be received by the Office of the Governor of the appointing Member or such person as is authorized to receive service of process on behalf of said Governor. Upon removal, the vacant position shall be filled as provided in section 2 of this Article.

Section 4. **Commission Action**. The Commission shall meet at least once a year, and may meet more frequently. Each Commissioner is entitled to one vote. The Commission shall not act unless a majority of its appointed Commissioners is present, and no action shall be binding unless approved by a majority of the appointed Commissioners. However, two-thirds of all Prosperity Districts may override and nullify any action of the Commission, including a direction to use alternative dispute resolution, by official notice given to the Commission or the Compact Administrator within thirty (30) calendar days after such action.

Section 5. **First Order of Business**. The Commission shall at the earliest possible time elect from among its Membership a chairperson, determine a principal place of doing business within the jurisdictional boundaries of the United States Court of Appeals for the Fifth Circuit and appoint an Compact Administrator.

Section 6. **Funding**. The Commission and the Compact Administrator's activities shall be funded, if at all, exclusively by Prosperity Districts, on an annual basis as follows: (a) the Commission shall propose an annual budget in accordance with its bylaws; (b) two-thirds of all Prosperity Districts must approve the Commission’s annual budget by official notice given to the Compact Administrator in order for the Commission’s budget to become authorized; (c) if and when the Commission’s budget is authorized, the Compact Administrator shall establish and/or maintain an account to receive and disburse funding for the Commission and shall also periodically request by notice given to all Prosperity Districts a specific total amount of money needed to fund the Commission’s operations under the authorized budget; (d) upon receipt of such notice, every Prosperity District shall pay into the Commission account the lesser amount of an equal share of the Compact Administrator’s funding request or one percent (1%) of gross revenue in the immediately preceding fiscal year; and (e) if there is a funding shortfall, the Compact Administrator shall request further funding from every Prosperity District until the shortfall is closed or the Commission shall adjust its authorized budget to the level of the available funding.

Section 7. **Compact Administrator.** The Compact Administrator serves at the pleasure of the Commission and must keep the Commission seasonably apprised of the performance or nonperformance of the terms and conditions of this Compact. Any notice sent by a Member to the Compact Administrator concerning this Compact shall be adequate notice to each other Member provided that a copy of said notice is seasonably delivered by the Compact Administrator to each other Member's respective Governor or chief executive officer. The Compact Administrator has the power and duty: (a) to organize and direct the logistical operations of the Commission; (b) to maintain an accurate list of all Members, including contact information; (c) to formulate, transmit and maintain all official notices, records and communications relating to this Compact; and (d) such incidental powers as are essential to carrying out the foregoing express powers and duties (in no event shall the Compact Administrator be construed as possessing eminent domain, taxation or police powers, or any other power that is functionally equivalent to the same, whether incidentally or principally).

Section 8. **Notice of Key Events**. On the occurrence of each of the following described events, or otherwise as soon as possible, the Compact Administrator shall immediately send the following notices to the Governor of each Member and the managing boards of each Prosperity District, if any, together with certified conforming copies of the chaptered version of this Compact as maintained in the statutes of each Member: (a) whenever any State becomes a Member, notice of that fact shall be given; (b) whenever any Prosperity District is formed or expanded, notice of that fact shall be given; (c) once Congress consents to this Compact as contemplated herein, notice of that fact shall be given; and (d) whenever any portion of this Compact is proposed to be amended or is actually amended, notice of that fact shall be given.

Section 9. **Cooperation**. The Commission, Members, Prosperity Districts and the Compact Administrator shall cooperate with each other and give each other mutual assistance in enforcing this Compact.

Section 10. **Alternative Dispute Resolution Procedure**. As soon as practicable after receipt of a notice of a demand for alternative dispute resolution by a Member, Prosperity District, Third Party Beneficiary, or the United States Government (if the requisite Consent of Congress has been given), the Commission shall consolidate all such demands which relate to the same transaction or operative facts and direct the identified disputants to reach a final resolution and settlement on all of the related causes of action, defenses and issues using alternative dispute resolution as contemplated in section 1(j) of this Article, whereupon each Member, Prosperity District, and the United States Government (if the requisite Consent of Congress has been given), if applicable, shall comply with such direction unless it is first nullified as provided in section 4 of this Article. The Commission's direction to use alternative dispute resolution as aforesaid may be enforced by any disputant Third Party Beneficiary, Member, Prosperity District, or the United States Government (if the requisite Consent of Congress has been given) against any other such disputant (except that a Third Party Beneficiary cannot be compelled to use alternative dispute resolution as aforesaid) in a court of competent jurisdiction, with all litigation expenses to be assessed jointly and severally against each such noncompliant disputant. In the case of any dispute over the existence of a District Externality, the burden of proof by clear and convincing evidence shall be on the disputant asserting the existence of the District Externality. An arbitration award may include equitable remedies, such as specific performance and injunctive relief, and a judgment on any arbitration award may be entered in a court having competent jurisdiction. A disputant may also seek in a court of competent jurisdiction (a) provisional or ancillary remedies against any disputant Member, Prosperity District, or the United States Government (if the requisite Consent of Congress has been given), including preliminary injunctive relief, pending the outcome of an arbitration proceeding, or (b) permanent injunctive relief against any such disputant to enforce an arbitration award. Alternative dispute resolution awards shall not be precedential.

Section 11. **Venue.** Subject to strict compliance with the alternative dispute resolution process required by section 10 of this Article and the exercise of such original or appellate jurisdiction of the United States Supreme Court that is required by the United States Constitution, upon the designation of the Compact Administrator, any legal action concerning or implicating the legality of this Compact shall only be conducted: (a) as to original proceedings either in: (1) the municipal court, if any, established pursuant to section 2(c)(3) of Article II within the jurisdiction of any Prosperity District in which a substantial part of the cause of action arose; or (2) a court of competent jurisdiction located in the same State in which the principal place of business of either the Commission or the Compact Administrator is located; or (b) otherwise within the jurisdiction of the United States Court of Appeals for the Circuit in which the principal place of business of either the Commission or the Compact Administrator is located.

**Article VII**

**Definitions**

The following definitions shall govern the construction of this Compact, unless the context clearly requires otherwise.

Section 1. **“Common Law”** is a descriptive term used for convenience to reference English judge-made law (including such acts of parliament as overrode judge-made law) administered by the King’s courts and the English courts of chancery, which purports to be derived from ancient custom and usage, as adopted or adapted and deemed precedential by this Member and pronounced as governing law through its judiciary through adjudications of specific disputes and fact patterns so as to furnish rules for dispute resolution in the categories of agency, business associations, conflict of laws, contracts, contracts for deeds, judgments, land sales, property, restitution, security, torts, trusts, equity and remedies. The term also includes: (a) the judge-made law of other States in the foregoing categories which this Member has adopted or adapted and deemed precedential through pronouncements of its judiciary; (b) statutory law as of the enactment date of this Member’s Compact legislation to the extent (i) the ascertainment of a rule of governance in the foregoing categories is intelligible only by such reference, (ii) this Member has adopted tribal law, Roman, Spanish or French civil law or otherwise not adopted or adapted English judge-made law in the foregoing categories, or (iii) this Member has codified English judge-made law in the foregoing categories; and (c) interstitial common law arising from the adjudication of Malum in Se Criminal Law or any Regulation adopted pursuant to section 1(a)(7)(iv)(A) and (C) of Article IV, and effective provisions of this Member’s constitution and the United States Constitution. However, it does not otherwise include statutory law, administrative law, executive orders, ecclesiastical law, nor the body of decisional law developed by the federal judiciary of the United States Government. Where not inconsistent with the precedential adjudications of this Member as of the enactment date of this Member’s Compact legislation, the term may be construed as incorporating the relevant governing rules published in the First Restatement of the Law of Agency, Conflict of Laws, Contracts, Judgments, Property, Restitution, Security, Torts, and Trusts, as approved by the American Law Institute in May 1942.

Section 2. **"Compact"** is a descriptive term used for convenience to reference the entirety of the text of the Prosperity States Compact advanced hereby, including all of its sections and Articles regardless of whether they initially only have the status of statute law, serve to manifest an intent to enter into an interstate compact, or furnish the terms of a binding interstate compact.

Section 3. **"Consent of Congress"** means any act of the Congress of the United States or any action of the United States Government which was authorized by Congress, including any statute, appropriation, joint resolution, concurrent resolution, administrative rule, or Regulation, that expressly or impliedly consents to this Compact before or after it becomes an interstate compact such that the Compact attains equivalent status to a Law of the United States when it becomes an interstate compact. An act or action giving such consent to this Compact shall be regarded as the Consent of Congress even if it includes stipulations, conditions and exceptions that limit the extent to which Ordinary Federal Law is repealed or held for naught under the terms of this Compact; and all such stipulations, conditions and exceptions, if any, shall be honored by the Member governed thereby until and unless they are repealed or amended.

Section 4. **“District Externality”** means any condition, state of affairs, action or omission occurring outside of the boundaries of a Prosperity District that violates Ordinary Member Law, Ordinary Federal Law, Malum in Se Criminal Law, or the Common Law in effect outside of the boundaries of the district, which was proximately caused by a condition, state of affairs, person, entity, service, property, action or omission located, committed or occurring within the boundaries of a Prosperity District.

Section 5. **"Eligible Land"** means land that fulfills the following criteria: (a) it either consists of at least one square mile of contiguous land or consists of any quantity of contiguous land adjacent to an existing Prosperity District to expand that district (including any quantity of land that is contiguous to land that is adjacent to the district to be expanded and included in the same expansion petition) (the “land”); (b) title to the land is held either (1) free from any recorded valid and enforceable security interests, rights of way, easements, or restrictive covenants (collectively “Encumbrance Interests”), or (2) subject to Encumbrance Interests provided that all non-governmental persons holding any such Encumbrance Interest (or the right to enforce such Encumbrance Interests), who are identifiable in the chain of title to the land, consent in writing to the classification of the land as Eligible Land under this Compact; (c) the land either is (1) outside of the jurisdiction of an existing Prosperity District or (2) otherwise within the jurisdiction of an existing Prosperity District provided that the following entities consent in writing to the classification of the real property as Eligible Land under this Compact: (i) all bondholders of each such existing Prosperity District; and (ii) any other person or entity holding a valid and enforceable security interest secured by the existing Prosperity District's rights under an existing Revenue Covenant; (d) the land either is (1) outside of the jurisdiction of a special taxing district as of the enactment date of this Member’s Compact legislation, or (2) otherwise within the jurisdiction of a special taxing district provided that the following entities consent in writing to the classification of the real property as Eligible Land: (i) all bondholders of the respective special taxing district; and (ii) any other person or entity holding a valid and enforceable security interest secured by the district's taxing authority; (e) the land either is (1) outside of the territorial and extraterritorial jurisdiction (provided that such extraterritorial jurisdiction does not span more than six miles from the boundary of the territorial jurisdiction) of a municipality as of the enactment date of this Member’s Compact legislation, or (2) otherwise within such territorial and extraterritorial jurisdiction of a municipality provided that the governing body of the municipality consents by local law to the classification of the real property as Eligible Land under this Compact; and (f) the land was not acquired by any landowner in its chain of title within the five (5) years preceding the inclusion of the land in any petition to form or expand a Prosperity District through the exercise of eminent domain or civil forfeiture for alleged criminal acts and omissions that did not result in a conviction.

Section 6. **“Landowner”** means the owner of the freehold estate (also known as fee simple estate), as appears by the deed record, and shall not include reversioners, remaindermen, trustees (other than persons owning the freehold estate as of deed record) or mortgagees.

Section 7. **“Malum in Se Criminal Law”** means those laws that prohibit under penalty of imprisonment or punitive fines acts or omissions that injure or threaten injury to another person or another person’s property by a person who possesses evil intent, such as laws against assault, burglary, child abuse, fraud, kidnapping, murder, rape, robbery, and theft;

Section 8. **"Member"** means a State that has passed legislation that enacts, adopts and agrees to be bound to this Compact or in which a measure having the same force and effect as such legislation has been passed by popular ballot initiative (collectively “Compact legislation”). For any State to be regarded as a Member in privity with regard to any other State, each such State must have passed substantively identical Compact legislation as aforesaid and manifested mutual consent to be bound by this Compact as provided in section 1 of Article V of this Compact. Such legislation shall be deemed substantively identical notwithstanding material differences among such States in regard to terms or provisions set forth in Article III of this Compact within the categories authorized by section 6 of Article VIII of this Compact (“Authorized Statewide Tailoring”), provided that all other terms of such legislation are substantively identical. Terms or provisions set forth in Article III of this Compact which are not categories of Authorized Statewide Tailoring are void ab initio, shall be held for naught, and shall not obstruct the formation of an interstate compact between the respectively enacting Member and any other Member, provided that all other terms of the Compact legislation are substantively identical.

Section 9. **“Municipality”** means a political subdivision of a State which has general local governing authority and an elected governing body, such as a city or town; the term does not include special taxing districts or Prosperity Districts.

Section 10. **"Ordinary Federal Law"** means any treaty, statute, agreement, Regulation or executive order, as well as any other similar act or action that has the force of law or the effect of substantively changing the status of legal rights and obligations, that is lawfully and constitutionally ratified, enacted, adopted, consented-to or otherwise promulgated by the government of the United States, or any of its agencies, instrumentalities, or political subdivisions, that is under the authority of, and subordinate to, the United States Constitution and that is subject to amendment, repudiation or repeal by a legislative act or resolution that has the same ultimate passage requirements as the legislation or resolution giving Consent of Congress to this Compact, if any; excepting only: a) any act or action that furnishes Consent of Congress for all or any portion of this Compact; and b) any treaty, statute, Regulation, ordinance or executive order that is essential to enforcing, strictly performing or complying with this Compact or the Consent of Congress in accordance with its terms.

Section 11. **"Ordinary Member Law"** means any measure, statute, Regulation, ordinance or executive order, as well as any other similar act that has the force of law, that is enacted, adopted or otherwise promulgated by the government of this Member or any of its agencies, instrumentalities or political subdivisions, that is under the authority of, and subordinate to, the United States Constitution and the constitution of this Member, and that is subject to amendment or repeal by a legislative act that has the same ultimate passage requirements as the respective Member’s Compact legislation; excepting only: a) the Compact legislation; b) any measure, statute, Regulation, ordinance or executive order that is essential to enforcing, strictly performing or complying with this Compact in accordance with its terms; c) the Malum in Se Criminal Law of this Member; and d) the Common Law of this Member.

Section 12. **“Person”** means a natural person and any entity, organization, or association that possesses some or all of the rights and powers of a natural person.

Section 13. **"Prosperity District"** means a governing unit and political subdivision of this Member that is formed pursuant to Article IV of this Compact and strictly limited to the powers and authorities specified in this Compact.

Section 14. **"Regulation"** means a rule of governance for the general public within the jurisdiction of the regulator that is compulsory and enforceable through legal sanction, liability, penalty, direct or indirect physical coercion or violence (or under the threat of such) without the actual and concurrent express consent of the person against whom the rule is applied. The term includes both civil and criminal rules of governance; however, the term excludes the district bylaws, directives, policies or procedures that limit the power and jurisdiction of a Prosperity District's managing board or otherwise that are applicable to the internal management and administration of the district’s authorized powers and authorities by its managing board, contractors and employees, if any, in their capacity as agents or servants of the Prosperity District rather than as members of the general public.

Section 15. **"Revenue Covenant"** means an agreement entered to pay certain specified revenues to one or more designated recipients that encumbers title to identified land as a covenant and passes with title to such land from owner to owner so that the land cannot be conveyed to a new owner without the covenant.

Section 16. **"State"** means one of the several States of the United States and includes all of the State's branches, departments, agencies, instrumentalities, political subdivisions and officers, employees and representatives acting in their official capacity.

Section 17. “**Subsidy to Private Enterprise”** means an economic benefit, direct or indirect, granted by a governmental unit or an instrumentality or agency of a governmental unit with the primary purpose or predominate effect of encouraging or maintaining particular or specific classes of ventures, in which private persons have a substantial financial or ownership interest; including, but not limited to, cash, cash-equivalents, goods, property or services given or contributed to or invested in such ventures for less than equivalent fair market value in exchange, gratuitous bail-outs of actual or anticipated economic losses sustained by such ventures, gratuitous loan or liability guarantees benefitting such ventures, insurance at below market rates or terms against investment losses by such ventures, loans or extensions of credit given to such ventures at below-market rates or terms or without recourse, gratuitous forgiveness of debts or liabilities owed by such ventures, compensation in excess of fair market value for goods, services or property furnished by such ventures, and the promulgation or enforcement of Regulations or fees that restrict competition directly or indirectly to the benefit of such ventures. Economic benefits to private enterprise from the following shall not be considered a subsidy to private enterprise: (a) the Prosperity District’s performance of any authorized municipal service in compliance with Article II; (b) the retention of private enterprise to perform any authorized municipal service in compliance with Article II for fair market value; (c) the procurement of supplies and services from private enterprise for the Prosperity District’s internal management and administrative operations for fair market value; and (d) the relaxation or repeal of Regulations.

Section 18. **“Tax”** refers to any compulsory contribution to the revenue, property, goods or services received by any governmental unit (or any other recipient designated by any governmental unit) directly or indirectly from any person, and any obligation to make any such compulsory contribution (including, but not limited to, any excise, impost, duty or tariff) directly or indirectly imposed on any person, which is collected, demanded, levied or imposed by any governmental unit (or at the direction of any governmental unit) on any property or source of revenue, goods or services, and which is enforceable through legal sanction, liability, penalties, direct or indirect physical coercion or violence (or under the threat of such). The term does not include any obligation or contribution made pursuant to an agreement, enforceable contract or covenant entered into voluntarily or otherwise voluntarily assumed or undertaken with the actual consent of the person against whom the obligation is imposed or the contribution is to be exacted, such as a Revenue Covenant.

Section 19. **"Third Party Beneficiary"** means any non-governmental person petitioning for the formation or expansion of a Prosperity District, petitioning for withdrawal of land from a Prosperity District, contributing real property to, residing or domiciled within, owning real property within, or lawfully doing business within a Prosperity District, either on formation of the district or after formation or expansion.

**Article VIII**

**Miscellaneous**

Section 1. **Nature of Enactment and Effective Date.** Articles I, II, III, Article IV, section 1 of Article V, Article VII, and sections 1 through 7 of Article VIII of this Compact shall have the effect and authority of statute law in this Member upon passage of its Compact legislation regardless of whether at such time a conforming interstate compact has been formed embracing this Member as contemplated by section 1 of Article V; and their effective date as such is the earliest date permitted by law, subject to their express terms, which effectiveness is not to be delayed until the formation of an interstate compact embracing them. The effective date of sections 2 through 6 of Article V and Article VI of this Compact is the earliest date permitted by law, subject to their express terms, upon the formation of an interstate compact embracing this Member as contemplated in section 1 of Article V. Any violation of any effective provision of this Compact is void ab initio.

Section 2. **Legislative Drafting.** This Compact shall be liberally construed so as to effectuate its purposes. To the extent that the effectiveness of this Compact or any of its provisions requires the alteration of local legislative rules, legislative drafting policies or statutes, or parliamentary procedure to be effective, the enactment of Compact legislation shall be deemed to waive, repeal, supersede or otherwise amend and conform all such rules, policies, statutes or procedures to allow for the effectiveness of all provisions of this Compact according to their terms and conditions to the fullest extent permitted by the constitution of any affected Member, consistent with the prohibition on states impairing the obligation of contract under United States Constitution, Article I, section 10, clause 1.

Section 3. **Severance.** If any phrase, clause, sentence or provision of this Compact, or the applicability of any phrase, clause, sentence or provision of this Compact to any government, agency, person or circumstance, is declared in a final judgment by a court of competent jurisdiction to be contrary to the United States Constitution, contrary to the state constitution of any Member, subject to the prohibition on states impairing the obligation of contract under United States Constitution, article I, section 10, clause 1, or is otherwise held invalid by a court of competent jurisdiction, such phrase, clause, sentence or provision shall be severed and held for naught, and the validity of the remainder of this Compact and the applicability of the remainder of this Compact to any government, agency, person or circumstance shall not be affected. Furthermore, if this Compact is declared in a final judgment by a court of competent jurisdiction to be entirely contrary to the state constitution of any Member, violative of the prohibition on States impairing the obligation of contract under United States Constitution, article I, section 10, clause 1, or otherwise entirely invalid as to any Member, such Member shall be deemed to have withdrawn from the Compact, and the Compact shall remain in full force and effect as to any remaining Member. Finally, if this Compact or any amendment thereto is declared in a final judgment by a court of competent jurisdiction to be wholly or substantially in violation of article I, section 10, clause 3, of the United States Constitution (the “Compact Clause”), then it shall be construed and enforced solely as reciprocal legislation enacted by each of the affected Members with none of the provisions of Articles V and VI of this Compact being in effect until such time as the legal deficiency prompting such judgment is cured.

Section 4. **Notice.** All notices required by this Compact shall be by United States certified mail, return receipt requested, or an equivalent or superior form of notice, such as personal delivery documented by evidence of actual receipt.

Section 5. **Third Party Beneficiary and Vested Rights.** Every Third Party Beneficiary has a vested property right to strict compliance with this Compact’s provisions by all government units that are governed by it.

Section 6. **Authorized Statewide Tailoring.** Article III of this Compact may only include provisions that clarify, modify, supplement or supersede provisions of this Compact in the following categories: (a) conforming the Compact to a Member's respective local political structure, usage and style; (b) modifying the definition of “Eligible Land” with respect to the respectively enacting Member provided that such modifications do not have the purpose or effect of rendering the authority to form or expand or withdraw from a Prosperity District a law, privilege or immunity for a closed class of one or more identifiable persons; (c) modifying the petition process for the formation or expansion of or withdrawal from Prosperity Districts provided that such modifications do not: (1) include land within the boundaries of a Prosperity District or impose a covenant on any land without the voluntary and written consent of each affected landowner; and (2) have the purpose or effect of rendering the authority to form or expand or withdraw from a Prosperity District a law, privilege or immunity for a closed class of one or more identifiable persons; (d) furnishing authority for one or more Revenue Covenants with respect to the respectively enacting Member; (e) specifying existing interstate compacts, constitutional provisions, laws (statutory, common and civil), Regulations or policies, or prosecution or administrative or enforcement actions or agency, political subdivision or instrumentality jurisdictions that will or will not continue to exist, have effect or the force of law in a Prosperity District within the respectively enacting Member and to what extent; (f) limiting or modifying the effect of any provision of this Compact as necessary to furnish greater due process of law, transparency in government, or to enforce the respectively enacting Member's constitution or the United States Constitution; (g) limiting or modifying the effect of any provision of this Compact as necessary to enforce federal primacy, federal mandates or conditions on the receipt of federal grants as to the respectively enacting Member; (h) limiting or modifying reciprocity with respect to the recognition of activities deemed lawful in Prosperity Districts located within the respectively enacting Member; (i) requiring insurance, performance bonding or sureties to indemnify the Member and any political subdivision, in which any part of a proposed new or expanded Prosperity District is to be located, from damages, liabilities and costs incurred by them as a result of: (1) any District Externality; (2) a default under a Revenue Covenant applicable to lands within the new or expanded district; (3) structure maintenance costs or costs incurred from enforcement of external public health, safety and sanitation laws in foreclosed or withdrawn district lands; or (4) the abandonment of the district; (j) furnishing authority for political subdivisions (other than Prosperity Districts) within the respectively enacting Member to further modify, limit and condition the terms of this Compact by local law with such provisions as fall within the categories of Section 6(a), (b), (c), (e), (g), and (i) of this Article with respect to Prosperity Districts formed or expanded within their territorial and extraterritorial jurisdictions (provided that such extraterritorial jurisdiction does not span more than six miles from the boundary of the territorial jurisdiction) provided that any such local law: (1) shall be uniform for each Prosperity District to be formed or expanded within each respective jurisdiction; (2) may not impose unique conditions or requirements for the formation or expansion of any particular Prosperity District; and (3) does not have the purpose or effect of rendering the authority to form, expand or withdraw from a Prosperity District a law, privilege or immunity for a closed class of one or more identifiable persons; (k) including national security, international travel, regulatory, taxing, interstate commerce, international commerce and immigration policies governing Prosperity Districts within the respectively enacting Member that shall have effect upon the Compact becoming an interstate compact and receiving the Consent of Congress; (l) modifying the definitions used in the Compact to allow a Native American community located within the respectively enacting Member and recognized as sovereign by the government of the United States to qualify as a Member under this Compact on the Compact becoming an interstate compact and receiving Consent of Congress, if necessary; (m) specifying terms and conditions under which the enacting Member may terminate or withdraw from this Compact; (n) specifying terms and conditions under which the Governor of each Member or his nominee may negotiate and enter into separate contractual arrangements to protect the investment-backed expectations of any Third Party Beneficiary that Prosperity Districts, once formed, shall operate as herein contemplated; (o) specifying uniform rules of construction and limitations on the subject matter, duration or enforceability of any servitude burdening title or restrictive covenant running with title to land within the jurisdiction of Prosperity District located within the enacting Member; (p) authorizing specific continuing appropriations for statewide tax relief or expenditures from revenues received pursuant to any Revenue Covenant; and (q) specifying a statute of repose or limitations for any claim or cause of action arising from the passage of this Compact or Prosperity District formation, expansion and withdrawal.

Section 7. **Preservation of Person Status for Artificial Persons.** A corporation, trust, company, association, organization or other non-natural person entity (“artificial person”) that enjoys or is capable of enjoying certain duties, rights and powers of a natural person under law existing outside of the boundaries of a Prosperity District, such as the right to sue or be sued, contract or own property in its own name, shall be recognized as enjoying the corresponding duties, rights and powers, if any, of a natural person within the boundaries of a Prosperity District upon giving notice in such form and with such content as may be specified in the district’s bylaws to the managing board of the district of its intent to conduct operations, do business or establish a place of business or domicile within the Prosperity District. Further, the articles of incorporation, certificate of formation, articles of organization, charter, bylaws, operating agreement or equivalent governing instrument of a foreign artificial person, if any, shall be recognized as contractually binding the trustees, owners, officers, managers, agents, beneficiaries and employees, as the case may be, of such foreign artificial person within the boundaries of a Prosperity District. However, an artificial person shall otherwise be governed by the law and Regulations, if any, existing within the boundaries of a Prosperity District.