THE INTERSTATE PEST CONTROL COMPACT

THE GOVERNING BOARD

PEST CONTROL INSURANCE FUND
MEMBERSHIP BOOKLET

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FOREWORD

Agricultural pest control across state lines is complex and costly. In the early 1960's, the Western Interstate Committee on Agriculture requested the Council of State Governments to develop a mechanism which could effectively pool the resources of the several states for pest control. A drafting committee was created, whose membership included legislators, state agricultural officials and others from all regions of the Country. After a series of drafting sessions, the committee submitted to the states a proposal for the establishment of a Pest Control Compact. In its 1966 report to the states, the Council of State Governments suggested state legislation that could be used by interested states to become participants in or parties to the Pest Control Compact.

As of June 2004, 35 states have become parties to the Interstate Pest Control Compact. Twenty-six projects have been funded and successfully completed. The strength of the Compact is in its membership and the maintenance of a stable insurance fund that can be drawn upon to meet significant state pest control needs.

States that are not currently party to the Compact are encouraged to join. Their membership will strengthen the Compact and increase its capacity for responding to pest control problems that threaten agriculture locally, regionally, and nationally.

Robert J. Balaam

Executive Director

Interstate Pest Control Compact

INTRODUCTION

The keen foresight of the Council of State Governments in the successful promotion and establishment of the Interstate Pest Control Compact is manifest in the multitude of agricultural and environmental threats the states now face, due to outbreaks of harmful pests and the threat of bioterrorist attack on the nation's food and fiber production system. When pest outbreaks and terrorist attacks are detected quickly and control responses are rapid, potential harm and control costs can be held to a minimum. Small problems solved quickly cannot become big problems.

Fiscal year 2002 agricultural losses caused by pests in the United States were estimated to be over $137 billion.[1] History demonstrates ever increasing food, fiber, tree and shrub losses and environmental damage due to attacks by insects, diseases and other plant pests. Pest threats have become more challenging due to the loss or restricted use of chemicals and other historical pest control methods now thought to be harmful to ecosystems or biological diversity. This has placed added emphasis on the importance of swift detection, isolation and control of pest problems of state and local, regional, national, and international concern.

The Interstate Pest Control Compact provides a cooperative mechanism for meeting these challenges. This approach is particularly vital in controlling pests that jeopardize the productivity, sanitary security, and economic viability of agriculture—the world's first, most basic, and essential industry.

The Interstate Pest Control Compact deserves and merits the membership and full participation of every state. The Compact can then more fully and effectively benefit its members as they administer programs for the protection of agriculture and the environment.

The Governing Board enthusiastically encourages states that are not parties to the Compact to enact legislation providing for their participation in the Interstate Pest Control Compact.

In Unitate Virtus … In Unity There is Strength!

The Governing Board
Interstate Pest Control Compact

[1] Reference: USDA ARS. "FY 2002 Annual Report. Crop Production and Quarantine." Agricultural Research Service, United States Department of Agriculture, *Internet Web Site* (*http://www.nps.ars.usda.gov/programs/programs.htm*). May 2, 2003.

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THE INTERSTATE PEST CONTROL COMPACT

EXPLANATORY STATEMENT

Every year plant pests cause over 137 billion dollars in damage to the country's agricultural and forest crops and products.[1] And many of the same marauding pests also attack lawns, gardens, and the general environment with further unestimated destructive consequences. These losses occur despite the expenditure for control measures of nearly nine billion dollars annually by local, state and federal governments, farmers, private timber interests and other owners of private property[2].

However, with rare and temporary exceptions, existing technology and research capabilities are adequate to provide the means for effective control, suppression, or eradication of pests. A major reason why this know-how is not always effective in curtailing staggering losses is that pests are not localized in their activities. They move about all too easily, naturally under their own power, and artificially through trade and transport of infested agricultural products, by "hitch-hiking" on air, sea, and land vehicles, in shipping containers and even among the personal effects of travelers. Consequently, the timely and coordinated efforts of many jurisdictions and agencies are necessary for effective pest control action.

While the federal government administers the nation's plant pest safeguarding program, many state/federal cooperative programs require a considerable influx of state money and personnel, which is sometimes not available. Likewise, too often federal dollars are restricted to funding control programs against exotic pests and do not adequately address domestic pest problems that may threaten a single or a small group of neighboring states. The Pest Control Compact serves to remedy funding restraints, bridge the jurisdictional gaps that exist among federal and state governments and more adequately address the realities of dynamic plant pest infestations or outbreaks. Through contractual agreements, the Compact allows individual states to contribute to plant pest control, suppression, or eradication beyond their state boundaries.

Each state has an interest in being protected against infestations originating in other states, but such protection requires mutuality of arrangements. The Compact serves to accomplish this mutuality by applying the insurance principle to the pest control field. A Pest Control Insurance Fund has been established. It consists of appropriations made by member states. The board may also accept gifts, grants and donations from public and private interests willing to contribute to the Fund. Each state appropriation can be likened to a premium with which the state purchases insurance against infestation from other states.

The Compact, through the Insurance Fund it administers may provide financial assistance to address:

- Economically significant new destructive plant pest outbreaks;
- Plant pest infestations outside the control or means of a single jurisdiction;
- Destructive plant pest outbreaks of concern to other states, if allowed to spread; and
- Infestations of a size that results can be achieved.

The Compact provides that any party, or member, state can apply to the Insurance Fund for financial support of specified pest control or eradication activities which it wishes to have undertaken on intensified in one or more other party states or, in limited circumstances, even in non-party states. When a pest is found in another state that constitutes a threat to valuable agricultural or forest crops or products within the applying state, the Insurance Fund can provide financial support for control or eradication measures. States party to the Compact are expected to maintain their existing pest control programs at normal levels, aside from any assistance from the Insurance Fund.

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[1] Reference: USDA ARS. "FY 2002 Annual Report, Crop Production and Quarantine." Agricultural Research Service, United States Department of Agriculture, *Internet Web Site (http://www.nps.ars.usda.gov/programs/programs.htm)*. May 2, 2003.

[2] Data from table entitled, "Pesticide expenses by state, 1946-2001." Economic Research Service, U.S. Department of Agriculture, *Internet Web Site (http:/www.ers.usda.gov/Data/FarmIncome/finfidmu.htm)*, Farm Business Economics Briefing Room, February 28, 2003.

This safeguards the soundness of the Fund and makes sure that it will be used to supply the additional thrust necessary to combat outbreaks which would otherwise not be controlled.

The Insurance Fund is under the control of a Governing Board consisting of an official representative of each party state, chosen by that state in accordance with its own laws. A five-person Executive Committee is authorized to exercise certain responsibilities for the Governing Board when the Board itself does not meet. This Executive Committee is so selected as to afford a balanced geographic representation.

The Insurance Fund was developed around a one-million dollar base apportioned among all 50 states. The basis for determining the amount of the funds to be appropriated from each of the party states is as follows:

1. Base allocation – One-tenth ($100,000) of the total base fund was assigned equally to each state ($2,000 per state).
2. Crop and forest production allocation – the remainder of the base ($900,000) is proportioned to each state on the basis of the value of its crop and forest products, excluding animal and animal products.

Data on the value of crop and forest products for the 50 states is based on USDA statistics. Records are not available in comparable reports for the District of Columbia, Puerto Rico, and the Virgin Islands. Because reliable information for these jurisdictions must come from other sources, the Compact formula has been applied to production figures for the 50 states only. In the event the District of Columbia, Puerto Rico, or the Virgin Islands wish to become party to the Compact, the standard formula will apply on the basis of the best production data available from local sources. The values for the 50 states are updated every five years and the amount apportioned to each state is adjusted accordingly.

A state may become a member of the Interstate Pest Control Compact and of the Compact Insurance Fund by:

1. Adopting state legislation similar to the Pest Control Compact: Model Enabling Act, and
2. Appropriating and paying to the Compact Insurance Fund the amount shown for it under State Contributions in the accompanying chart. This contribution is a one-time charge unless the fund balance is reduced, through use, to a level where it can no longer function according to the provisions of the Compact. Also, the assessed payment can be spread over as many as six years.

The following State Contributions Chart has been compiled using data from USDA Economic Research Service following the formula stipulated in the body of the Compact. It is based on a total budget of one million dollars and is intended to serve as an illustration of each state's share at this level. Actual appropriations will be based on the latest production and value figures available.

STATE CONTRIBUTIONS TABLE

(Based on $1,000,000 Insurance Fund)

State	Year Joined	Value of Crop Products ($1,000)[1]	Value of Forest Products ($1,000)[2]	Total ($1,000)	Per Cent	State Appropriation Dollars
Alabama		710,429	149,000	859,429	0.89%	10,004
Alaska		23,893	81	23,974	0.02%	2,223
Arizona	1994	1,343,848	4,352	1,348,200	1.40%	14,555
Arkansas	1999	1,426,894	12,500	1,439,394	1.49%	15,405
California	1969	18,515,143	4,500	18,519,643	19.16%	174,469
Colorado	2001	1,379,829	75	1,379,904	1.43%	14,851
Connecticut		317,314	1,000	318,314	0.33%	4,964
Delaware	1969	181,965	3,300	185,265	0.19%	3,725
Florida	1995	4,963,168	15,000	4,978,168	5.15%	48,361
Georgia	1984	1,887,119	30,000	1,917,119	1.98%	19,854
Hawaii		419,601	200	419,801	0.43%	5,910
Idaho		1,720,937	620	1,721,557	1.78%	18,032
Illinois	1968	5,612,766	10,000	5,622,766	5.82%	54,364
Indiana		3,230,121	28,000	3,258,121	3.37%	32,342
Iowa		5,012,405	17,000	5,029,405	5.20%	48,838
Kansas	1996	2,680,690	30,010	2,710,700	2.80%	27,244
Kentucky		1,208,496	170,780	1,379,276	1.43%	14,845
Louisiana		1,074,327	52,235	1,126,562	1.17%	12,491
Maine	1986	216,310	7,500	223,810	0.23%	4,084
Maryland	1976	630,470	33,430	663,900	0.69%	8,183
Massachusetts		275,880	2,650	278,530	0.29%	4,594
Michigan	1968	1,874,357	10,000	1,884,357	1.95%	19,549
Minnesota	1969	3,133,102	7,100	3,140,202	3.25%	31,244
Mississippi		1,072,373	24,300	1,096,673	1.13%	12,213
Missouri		2,067,298	8,850	2,076,148	2.15%	21,335
Montana		617,690	2,860	620,550	0.64%	7,779
Nebraska	2004	3,490,719	3,800	3,494,519	3.62%	34,544
Nevada		151,017	100	151,117	0.16%	3,407
New Hampshire	1968	89,461	2,500	91,961	0.10%	2,856
New Jersey	1970	614,326	21,278	635,604	0.66%	7,919
New Mexico	1981	538,069	2,000	540,069	0.56%	7,030
New York	2002	1,222,057	11,135	1,233,192	1.28%	13,484

[1] Data from table entitled, "Value added to the U.S. economy by the agricultural sector via the production of goods and services, 1990-2001", Value of crop production, 2001. Economic Research Service, U.S. Department of Agriculture, *Internet Web Site (http://www.ers.usda.gov/Data/FarmIncome/finfidmu.htm)*, Farm Business Economics Briefing Room, July 30, 2002.

[2] Data fromtable entitled, "Value added to the U.S. economy by the agricultural sector via the production of goods and services, 1990-2001", Forest products sold, 2001. Economic Research Service, U.S. Department of Agriculture, *Internet Web Site (http://www.ers.usda.gov/Data/FarmIncome/finfidmu.htm)*, Farm Business Economics Briefing Room, July 30, 2002.

STATE CONTRIBUTIONS TABLE

(Based on $1,000,000 Insurance Fund)

State	Year Joined	Value of Crop Products ($1,000)[1]	Value of Forest Products ($1,000)[2]	Total ($1,000)	Per Cent	State Appropriation Dollars
North Carolina	1975	3,159,030	1,100,000	4,259,030	4.41%	41,663
North Dakota	1973	2,158,761	1,760	2,160,521	2.24%	22,120
Ohio	1974	2,700,693	237,161	2,937,854	3.04%	29,360
Oklahoma	1999	814,927	1,500	816,427	0.84%	9,603
Oregon	1981	2,252,264	190,059	2,442,323	2.53%	24,745
Pennsylvania	1968	1,196,660	35,400	1,232,060	1.27%	13,474
Puerto Rico	1994					
Rhode Island	1999	39,262	90	39,352	0.04%	2,366
South Carolina	1972	837,632	18,000	855,632	0.89%	9,968
South Dakota		1,664,921	617	1,665,538	1.72%	17,511
Tennessee	1969	1,066,437	39,422	1,105,859	1.14%	12,299
Texas	1994	4,324,751	82,000	4,406,751	4.56%	43,039
Utah	1985	260,576	97	260,673	0.27%	4,428
Vermont	1978	66,775	4,000	70,775	0.07%	2,659
Virginia	1974	718,090	16,300	734,390	0.76%	8,839
Washington	1999	3,376,412	221,000	3,597,412	3.72%	35,502
West Virginia	1968	53,495	4,980	58,475	0.06%	2,545
Wisconsin		1,344,198	151,682	1,495,880	1.55%	15,931
Wyoming	1996	132,862	1,340	134,202	0.14%	3,250
Total		**$93,869,820**	**$2,771,564**	**$96,641,384**	**100.00%**	**$1,000,000**

MEMBER STATES

(June 2004)

Arizona	Maine	North Carolina	Tennessee
Arkansas	Maryland	North Dakota	Texas
California	Michigan	Ohio	Utah
Colorado	Minnesota	Oklahoma	Vermont
Delaware	Nebraska	Oregon	Virginia
Florida	New Hampshire	Pennsylvania	Washington
Georgia	New Jersey	Puerto Rico	West Virginia
Illinois	New Mexico	Rhode Island	Wisconsin[3]
Kansas	New York	South Carolina	Wyoming

[3] Has enacted legislation to come into the Compact when all states contiguous to its borders become members.

PROJECTS HISTORY

Since the Compact was established in 1968, it has been used for the following purposes:

Fiscal Year	Project	Claim Amount ($)	Recipient State
1969	Golden nematode eradication	6,000	Delaware
1972	Tourist vehicle check for gypsy moth	10,000	Pennsylvania
1972	Tourist vehicle check for gypsy moth	5,000	Delaware
1972	Tourist vehicle check for gypsy moth	5,000	Virginia
1974	Gypsy moth disparlure trial	1,500	North Carolina
1977	Scleroderris canker control	900	Vermont and New Hampshire
1979	White fringed beetle control	5,400[4]	Maryland
1980	Gypsy moth control	3,000	Illinois
1980	Gypsy moth control	20,000	Washington
1980	Winter moth control	2,000	Oregon
1981	Apple maggot control	20,000	Oregon
1983	Grape nematode control (Polar nematode)	45,000	Michigan
1983	Corn cyst nematode	93,000	Maryland
1992	Gypsy moth control	23,000	Georgia
1992	Africanized honey bee management	44,500	Texas
1995	Tropical soda apple management	95,355	Florida
1996	Apple Ermine moth regulatory control research	8,000	Oregon
1997	Corn cyst nematode survey	19,170	Virginia
1997	Tropical soda apple biological control	70,000	Florida
1997	Asian longhorned beetle eradication	100,000	New York
1998	Grecian foxglove control	12,093	Kansas
1999	Asian longhorned beetle eradication	100,000	Illinois
1999	Tomato yellow leaf curl virus	75,167	Florida
2001	Clover broom rape survey	20,000	Oregon
2002	Citrus longhorned beetle establishment prevention	50,000	Washington
2002	Gypsy moth eradication	50,000	Minnesota
2004	Diaprepes abbreviatus eradication	60,000	Texas
Total	**26 claims**	**$944,085**	

[4] $10,000 was initially requested and approved, but only $5,400 was finally disbursed.

PEST CONTROL COMPACT: MODELING ENABLING ACT

NOTE: The purpose of the enabling act is to fit the Compact into existing pattern of law in the party state. Except for the text of the Compact, which should be identical in all states, the language of the enabling act may be varied by each enacting state to fit its own law and policy. Some provision should be made for all the matters covered in the model enabling act; other provisions may be added if they are needed. Material enclosed in brackets should be replaced by specific language which will accomplish the purpose indicated.

Suggested Legislation

[Title should conform to state requirements. The following is a suggestion.]

[An Act providing for the joinder of this state in the Pest Control Compact and for related purposes.]

Section 1. The Pest Control Compact is hereby enacted into law and entered into with all other jurisdictions legally joining therein in the form substantially as follows:

PEST CONTROL COMPACT

(At this point insert the exact text of the Pest Control Compact as set forth on the pages following this model enabling act. The text of the Compact should be enacted in identical language by all ratifying states.)

Section 2. Consistent with law and within available appropriations, the departments, agencies and officers of this state may cooperate with the Insurance Fund established by the Pest Control Compact.

Section 3. Pursuant to Article IV (h) of the Compact, copies of bylaws and amendments thereto shall be filed with [specify state agency or officer].

Section 4. The Compact administrator for this state shall be [the (insert name of the appropriate state officer)] [appointed by the Governor] [provide such other method of selection as may be desired]. [The duties of the Compact administrator shall be deemed a regular part of the duties of this office]. [Provide for payment of expenses of the Compact administrator, if such administrator does not hold another state office to which Compact administration is chargeable].

Section 5. Within the meaning of Article VI (b) or VIII (a), a request or application for assistance from the Insurance Fund may be made by [the Governor] [enumerate officials empowered to make the request] [whenever in his judgment the conditions qualifying this state for such assistance exist and it would be in the best interest of this state to make such request].

Section 6. [If desired, provide additional officers to receive notices pursuant to Article VI (d)].

Section 7. The department, agency, or officer expending or becoming liable for an expenditure on account of a control or eradication program undertaken or intensified pursuant to the Compact shall have credited to his account, in the state treasury the amount or amounts of any payments made to this state to defray the cost of such program, or any part thereof, or as reimbursement thereof.

Section 8. As used in this Compact, with reference to this state, the term "executive head" shall mean the Governor.

Section 9. [Insert effective date.]

PEST CONTROL COMPACT

Article I

Findings

The party states find that:

(a) In the absence of the higher degree of cooperation among them possible under this Compact, the annual loss of approximately 137 billion dollars from the depredations of pests is virtually certain to continue, if not to increase.

(b) Because of the varying climatic, geographic and economic factors, each state may be affected differently by particular species of pests; but all states share the inability to protect themselves fully against those pests which present serious dangers to them.

(c) The migratory character of pest infestations makes it necessary for states both adjacent to and distant from one another, to complement each other's activities when faced with conditions of infestation and reinfestation.

(d) While every state is seriously affected by a substantial number of pests, and every state is susceptible of infestation by many species of pests not now causing damage to its crops and plant life and products, the fact that relatively few species of pests present equal danger to or are of interest to all states makes the establishment and operation of an Insurance Fund, from which individual states may obtain financial support for pest control programs of benefit to them in other states and to which they may contribute in accordance with their relative interest, the most equitable means of financing cooperative pest eradication and control programs.

Article II

Definitions

As used in this Compact, unless the context clearly requires a different construction:

(a) "State" means a state, territory or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(b) "Requesting state" means a state which invokes the procedures of the Compact to secure the undertaking or intensification of measures to control or eradicate one or more pests within one or more other states.

(c) "Responding state" means a state requested to undertake or intensify the measures referred to in subdivision (b) of this Article.

(d) "Pest" means any invertebrate animal, pathogen, parasitic plant or similar or allied organism which can cause disease or damage in any crops, trees, shrubs, grasses, or other plants of substantial value.

(e) "Insurance Fund" means the Pest Control Insurance Fund established pursuant to this Compact.

(f) "Governing Board" means the administrators of this Compact representing all of the party states when such administrators are acting as a body in pursuance of authority vested in them by this Compact.

(g) "Executive committee" means the committee established pursuant to Article V (e) of this Compact.

Article III

The Insurance Fund

There is hereby established a Pest Control Insurance Fund for the purpose of financing other than normal pest control operations which states may be called upon to engage in pursuant to this Compact. The Insurance Fund shall contain moneys appropriated to it by the party states and any donations and grants accepted by it. All appropriations, except as conditioned by the rights and obligations of party states expressly set forth in this Compact, shall be unconditional and may not be restricted by the appropriating state to use in the control of any specified pest or pests. Donations and grants may be conditional or unconditional, provided that the Insurance Fund shall not accept any donation or grant whose terms are inconsistent with any provision of this Compact.

Article IV

The Insurance Fund, Internal Operations and Management

(a) The Insurance Fund shall be administered by a Governing Board and Executive Committee as hereinafter provided. The actions of the Governing Board and the Executive Committee pursuant to this Compact shall be deemed the actions of the Insurance Fund.

(b) The members of the Governing Board shall be entitled to one vote on such board. No action of the Governing Board shall be binding unless taken at a meeting at which a majority of the total number of votes on the Governing Board is cast in favor thereof. Action of the Governing Board shall be only at a meeting at which a majority of the members are present.

(c) The Insurance Fund shall have a seal which may be employed as an official symbol and which may be affixed to documents and otherwise used as the Governing Board may provide.

(d) The Governing Board shall elect annually, from among its members, a chairman, a vice chairman, a secretary and a treasurer. The chairman may not succeed himself. The Governing Board may appoint an executive director and fix his duties and his compensation, if any. Such executive director shall serve at the pleasure of the Governing Board. The Governing Board shall make provision for the bonding of such of the officers and employees of the Insurance Fund as may be appropriate.

(e) Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director, or if there be no executive director, the chairman, in accordance with such procedures as the bylaws may provide, shall appoint, remove or discharge such personnel as may be necessary for the performance of the functions of the Insurance Fund and shall fix the duties and compensation of such personnel. The Governing Board in its bylaws shall provide for the personnel policies and programs of the Insurance Fund.

(f) The Insurance Fund may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental agency, or from any person, firm, association, or corporation.

(g) The Insurance Fund may accept for any of its purposes and functions under this Compact any and all donations, and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association, or corporation, and may receive, utilize and dispose of the same. Any donation, gift, or grant accepted by the Governing Board pursuant to this paragraph or services borrowed pursuant to paragraph (f) of this Article shall be reported in the annual report of the Insurance Fund. Such report shall include the nature, amount and conditions, if any, of the donation, gift, grant, or services borrowed and the identity of the donor or lender.

(h) The Governing Board shall adopt bylaws for the conduct of the business of the Insurance Fund and shall have the power to amend and to rescind these bylaws. The Insurance Fund shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto with the appropriate agency or officer in each of the party states.

(i) The Insurance Fund annually shall make to the Governor and legislature of each party state a report covering its activities for the preceding year. The Insurance Fund may make such additional reports as it may deem desirable.

(j) In addition to the powers and duties specifically authorized and imposed, the Insurance Fund may do such other things as are necessary and incidental to the conduct of its affairs pursuant to this Compact.

Article V

Compact and Insurance Fund Administration

(a) In each party state there shall be a Compact administrator, who shall be selected and serve in such manner as the laws of his state may provide, and who shall:

1. Assist in the coordination of activities pursuant to the Compact in his state; and
2. Represent his state on the Governing Board of the Insurance Fund.

(b) If the laws of the United States specifically so provide, or if administrative provision is made therefore within the federal government, the United States may be represented on the Governing Board of the Insurance Fund by not to exceed three representatives. Any such representative or representatives of the United States shall be appointed and serve in such manner as may be provided by or pursuant to federal law, but no such representative shall have a vote on the Governing Board or the Executive Committee thereof.

(c) The Governing Board shall meet at least once each year for the purpose of determining policies and procedures in the administration of the Insurance Fund and, consistent with the provisions of the Compact,

supervising and giving direction to the expenditure of moneys from the Insurance Fund. Additional meetings of the Governing Board shall be held on call of the chairman , the Executive Committee, or a majority of the membership of the Governing Board.

(d) At such times as it may be meeting, the Governing Board shall pass upon applications for assistance from the Insurance Fund and authorize disbursements therefrom. When the Governing Board is not in session, the Executive Committee thereof shall act as agent of the Governing Board, with full authority to act for it in passing upon such applications.

(e) The Executive Committee shall be composed of the chairman of the Governing Board and four additional members of the Governing Board chosen by it so that there shall be one member representing each of four geographic groupings of party states. The Governing Board shall make such geographic groupings. If there is representation of the United States on the Governing Board, one such representative may meet with the Executive Committee. The chairman of the Governing Board shall be chairman of the Executive Committee. No action of the Executive Committee shall be binding unless taken at a meeting at which at least four members of such Committee are present and vote in favor thereof. Necessary expenses of each of the five members of the Executive Committee incurred in attending meetings of such Committee, when not held at the same time and place as a meeting of the Governing Board, shall be charges against the Insurance Fund.

Article VI

Assistance and Reimbursement

(a) Each party state pledges to each other party state that it will employ its best efforts to eradicate, or control within the strictest practicable limits, any and all pests. It is recognized that performance of this responsibility involves:

1. The maintenance of pest control and eradication activities of interstate significance by a party state at a level that would be reasonable for its own protection in the absence of this Compact.

2. The meeting of emergency outbreaks or infestations of interstate significance to no less an extent than would have been done in the absence of this Compact.

(b) Whenever a party state is threatened by a pest not present within its borders but present within another party state, or whenever a party state is undertaking or engaged in activities for the control or eradication of a pest or pests, and finds that such activities are or would be impracticable or substantially more difficult of success by reason of failure of another party state to cope with infestation or threatened infestation, that state may request the Governing Board to authorize expenditures from the Insurance Fund for eradication or control measures to be taken by one or more of such other party states at a level sufficient to prevent, or to reduce to the greatest practicable extent, infestation or reinfestation of the requesting state. Upon such authorization the responding state or states shall take or increase such eradication or control measures as may be warranted. A responding state shall use moneys available from the Insurance Fund expeditiously and efficiently to assist in affording the protection requested.

(c) In order to apply for expenditures from the Insurance Fund, a requesting state shall submit the following in writing:

1. A detailed statement of the circumstances which occasion the request for the invoking of the Compact.

2. Evidence that the pest on account of whose eradication or control assistance is requested constitutes a danger to an agricultural or forest crop, product, tree, shrub, grass, or other plant having a substantial value to the requesting state.

3. A statement of the extent of the present and projected program of the requesting state and its subdivisions, including full information as to the legal authority for the conduct of such program or programs and the expenditures being made or budgeted therefor, in connection with the eradication, control, or prevention of introduction of the pest concerned.

4. Proof that the expenditures being made or budgeted as detailed in item 3 do not constitute a reduction of the effort for the control or eradication of the pest concerned or, if there is a reduction, the reasons why the level of program detailed in item 3 constitutes a normal level of pest control activity.

5. A declaration as to whether, to the best of its knowledge and belief, the conditions which in its view occasion the invoking of the Compact in the particular instance can be abated by a program undertaken with the aid of moneys from the Insurance Fund in one year or less, or whether the request is for an installment in a program which is likely to continue for a longer period of time.

6. Such other information as the Governing Board may require consistent with the provisions of this Compact.

(d) The Governing Board or Executive Committee shall give due notice of any meeting at which an application for assistance from the Insurance Fund is to be considered. Such notice shall be given to the Compact administrator of each party state and to such other officers and agencies as may be designated by the laws of the party states. The requesting state and any other party state shall be entitled to be represented and present evidence and argument at such meeting.

(e) Upon the submission as required by paragraph (c) of this Article and such other information as it may have or acquire, and upon determining that an expenditure of funds is within the purposes of this Compact and justified thereby, the Governing Board or Executive Committee shall authorize support of the program. The Governing Board or Executive Committee may meet at any time or place for the purpose of receiving and considering an application. Any and all determinations of the Governing Board or Executive Committee, with respect to an application, together with the reasons therefor shall be recorded and subscribed in such manner as to show and preserve the votes of the individual members thereof.

(f) A requesting state which is dissatisfied with a determination of the Executive Committee shall upon notice in writing given within twenty days of the determination with which it is dissatisfied, be entitled to receive a review thereof at the next meeting of the Governing Board. Determinations of the Executive Committee shall be reviewable only by the Governing Board at one of its regular meetings, or at a special meeting held in such manner as the Governing Board may authorize.

(g) Responding states required to undertake or increase measures pursuant to this Compact may receive moneys from the Insurance Fund, either at the time or times when such state incurs expenditures on account of such measures, or as reimbursement for expenses incurred and chargeable to the Insurance Fund. The Governing Board shall adopt and, from time to time, may amend or revise procedures for submission of claims upon it and for payment thereof.

(h) Before authorizing the expenditure of moneys from the Insurance Fund pursuant to an application of a requesting state, the Insurance Fund shall ascertain the extent and nature of any timely assistance or participation which may be available from the federal government and shall request the appropriate agency or agencies of the federal government for such assistance and participation.

(i) The Insurance Fund may negotiate and execute a memorandum of understanding or other appropriate instrument defining the extent and degree of assistance or participation between and among the Insurance Fund, cooperating federal agencies, states, and any other entities concerned.

Article VII

Advisory and Technical Committees

The Governing Board may establish advisory and technical committees composed of state, local, and federal officials, and private persons to advise it with respect to any one or more of its functions. Any such advisory or technical committee, or any member or members thereof may meet with and participate in its deliberations upon request of the Governing Board or Executive Committee. An advisory or technical committee may furnish information and recommendations with respect to any application for assistance from the Insurance Fund being considered by such Board or Committee and the Board or Committee may receive and consider the same: provided that any participant in a meeting of the Governing Board or Executive Committee held pursuant to Article VI (d) of the Compact shall be entitled to know the substance of any such information and recommendations, at the time of the meeting if made prior thereto or as a part thereof or, if made thereafter, no later than the time at which the Governing Board or Executive Committee makes its disposition of the application.

Article VIII

Relations with Nonparty Jurisdictions

(a) A party state may make application for assistance from the Insurance Fund in respect of a pest in a nonparty state. Such application shall be considered and disposed of by the Governing Board or Executive Committee in the same manner as an application with respect to a pest within a party state, except as provided in this Article.

(b) At or in connection with any meeting of the Governing Board or Executive Committee held pursuant to Article VI (d) of this Compact a nonparty state shall be entitled to appear, participate, and receive information only

to such extent as the Governing Board or Executive Committee may provide. A nonparty state shall not be entitled to review of any determination made by the Executive Committee.

(c) The Governing Board or Executive Committee shall authorize expenditures from the Insurance Fund to be made in a nonparty state only after determining that the conditions in such state and the value of such expenditures to the party states as a whole justify them. The Governing Board or Executive Committee may set any conditions which it deems appropriate with respect to the expenditure of moneys from the Insurance Fund in a nonparty state and may enter into such agreement or agreements with nonparty states and other jurisdictions or entities as it may deem necessary or appropriate to protect the interests of the Insurance Fund with respect to expenditures and activities outside of party states.

Article IX

Finance

(a) The Insurance Fund shall submit to the executive head or designated officer or officers of each party state a budget for the Insurance Fund for such period as may be required by the laws of that party state for a presentation to the legislature thereof.

(b) Each of the budgets shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. The request for appropriations shall be apportioned among the party states as follows: one-tenth of the total budget in equal shares and the remainder in proportion to the value of agricultural and forest crops and products, excluding animals and animal products, produced in each party state. In determining the value of such crops and products the Insurance Fund may employ such source or sources of information as in its judgment present the most equitable and accurate comparisons among the party states. Each of the budgets and requests for appropriations shall indicate the source or sources used in obtaining information concerning value of products.

(c) The financial assets of the Insurance Fund shall be maintained in two accounts to be designated respectively as the "Operating Account" and the "Claims Account." The Operating Account shall consist only of those assets necessary for the administration of the Insurance Fund during the next ensuing two-year period. The Claims Account shall contain all moneys not included in the Operating Account and shall not exceed the amount reasonably estimated to be sufficient to pay all legitimate claims on the Insurance Fund for a period of three years. At any time when the Claims Account has reached its maximum limit or would reach its maximum limit by the addition of moneys requested for appropriation by the party states, the Governing Board shall reduce its budget requests on a pro rata basis in such manner as to keep the Claims Account within such maximum limit. Any moneys in the Claims Account by virtue of conditional donations, grants, or gifts shall be included in calculations made pursuant to this paragraph only to the extent that such moneys are available to meet demands arising out of the claims.

(d) The Insurance Fund shall not pledge the credit of any party state. The Insurance Fund may meet any of its obligations in whole or in part with moneys available to it under Article IV (g) of this Compact, provided that the Governing Board take specific action setting aside such moneys prior to incurring any obligation to be met in whole or in part in such manner. Except where the Insurance Fund makes use of moneys available to it under Article IV (g) hereof, the Insurance Fund shall not incur any obligation prior to the allotment of moneys by the party states adequate to meet the same.

(e) The Insurance Fund shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Insurance Fund shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Insurance Fund shall be audited yearly by a certified or licensed public accountant and report of the audit shall be included in and become part of the annual report of the Insurance Fund.

(f) The accounts of the Insurance Fund shall be open at any reasonable time for inspection by duly authorized officers of the party states and by any persons authorized by the Insurance Fund.

Article X

Entry Into Force and Withdrawal

(a) This Compact shall enter into force when enacted into law by any five or more states. Thereafter, this Compact shall become effective as to any other state upon its enactment thereof.

(b) Any party state may withdraw from this Compact by enacting a statute repealing the same, but no such withdrawal shall take effect until two years after the executive head of the withdrawing state has given notice in writing of the withdrawal to the executive heads of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

Article XI

Construction and Severability

This Compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Compact shall be severable and if any phrase, clause, sentence, or provision of this Compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this Compact shall be held contrary to the constitution of any state participating herein the Compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters."

BYLAWS

PEST CONTROL INSURANCE FUND

Adopted January 23, 1968

1. DEFINITIONS

The terms defined or referred to in the Compact shall have the same meanings when used in these bylaws as they have when used in the Compact.

2. PURPOSE AND STATUS

It is the purpose of these bylaws to govern and facilitate the business of the Pest Control Insurance Fund. These bylaws are supplementary to the Compact pursuant to which the Insurance Fund and its Governing Board function. Whether or not specifically set forth in these bylaws, the provisions of the Compact, wherever relevant, govern all proceedings of the Insurance Fund and its Governing Board.

3. OFFICERS AND PERSONNEL

(a) The Governing Board annually shall elect from among its members a Chairman, Vice Chairman, Secretary and a Treasurer. These officers shall serve for terms of one year, and until their successors have been qualified; provided that no person shall continue as an officer if he ceases to be a Compact administrator.

(b) In the event of the death, resignation or inability to serve for any reason of the Chairman, Vice Chairman, Secretary or Treasurer, the vacancy in any such office shall be filled as follows:

1. A vacancy in the office of Chairman shall be filled by the Vice Chairman who shall be Chairman until the next election of officers.
2. A vacancy in the office of Vice Chairman, Secretary, or Treasurer shall be filled for the unexpired term by the Governing Board, no later than its next regular meeting following the occurrence of the vacancy. If the Chairman finds that a vacancy in any of the aforementioned offices is interfering with the efficient management of the Insurance Fund, he may appoint a member of the Governing Board to serve in that office, or may assign the duties of that officer to the Executive Director, until an election to fill that vacancy is held pursuant to this paragraph.

(c) The Chairman shall preside at all meetings. He shall appoint such committees as may be necessary, and shall act as an ex-officio member of each subcommittee, except that his presence or absence shall not be counted in determining any quorum requirement therefore. Nothing in this paragraph shall be construed to prevent the Governing Board from providing by resolution for the establishing and functioning of any particular committee or committees which it believes to be appropriate and specifying a different method of selection therefore.

(d) The Vice Chairman shall perform the duties of the Chairman in the event that the Chairman is unable to perform them by reason of illness, absence or any other cause.

(e) The Executive Director shall be selected by the Chairman with the approval of the Executive Committee and shall serve at the pleasure of the Chairman and Executive Committee. The Executive Director shall be in general administrative charge of the affairs of the Insurance Fund. Subject to any directions given by the Insurance Fund and within its policies, he shall hire, promote, supervise, discharge and fix the duties of members of the Insurance Fund staff. He shall prepare the annual report required by Article IV (i) of the Compact in time to be submitted and acted upon at the regular summer meeting of the Insurance Fund and transmitted to the Governors and legislators of the party states prior to the first day of January next following. The Executive Director also shall prepare or cause to be prepared an annual financial report which shall be distributed to the members of the Governing Board on or before August 31. Such Report shall contain a tentative budget and recommendations for requests for appropriations. In addition, the Executive Director shall halve such other duties as a conferred upon him elsewhere in these bylaws and by action of the Governing Board. During any time when the Insurance Fund does not have an Executive Director, the Chairman, may act as such on a temporary basis and may select an Acting Executive Director.

(f) The personnel policies of the Insurance Fund shall be determined by the Governing Board and implemented by the Executive Director.

4. EXECUTIVE COMMITTEE

(a) The Executive Committee shall meet on the call of the Chairman of the Governing Board or of the Executive Director. Its meetings shall be at such times as the business of the Insurance Fund may require, and at such places as may be appropriate. Whenever practicable, notice shall be given to each member of the executive Committee by mail, at least fifteen days in advance of the meeting to which it applies. If circumstances make a meeting of the Executive Committee on shorter notice necessary, notice may be given by any means of communication reasonably calculated to afford the members expeditious, actual notice.

(b) If not inconsistent with policies established by the Governing Board, the Executive Committee may act for the Governing Board. However, only the Governing Board shall give final approval to budgets of the Insurance Fund and to requests for appropriations to be made of the party states.

(c) The Governing Board recognizes its responsibility to group party States, pursuant to Article V (e) of the Compact in order that there may be appropriate geographic distribution of membership on the Executive Committee. However, it is also recognized that until the Compact is enacted by substantially more than the five States required to bring it into initial operation, such groupings may be impractical or artificial and that, in consequence the only satisfactory means of implementing the intent of Article V (e) and of the Compact as a whole may be to proceed as follows:

1. So long as there are five party States, each State shall constitute a separate grouping for purposes of Article V (e).
2. So long as there are ten or fewer party States, the general groupings shall be Western, Midwestern, New England, and Eastern-Southern, but no specific listing of States shall be made to determine assignment to each group. It is the specific intent that as soon as a Southern State becomes party to the Compact, or the geographic distribution of States party to the Compact undergoes material change regions provided herein shall be altered to conform more closely with usually accepted regions for pest control activity.

5. MEETINGS

(a) The Executive Committee shall set the place and date for the annual meeting of the Governing Board. The election of officers for the ensuing year, as required by the Compact, shall be held at the time of the annual meeting. *(Adopted 9-26-73)*.

(b) Special meetings of the Governing Board may be called at any time and place by the Chairman, or if the Chairman is incapacitated, by the Vice-Chairman. The Chairman or the Vice Chairman, as the case may be, shall be required to call a special meeting, upon reasonable notice, on the request in writing of one-fourth or more of the Governing Board membership: provided that any time when there are fewer than twelve States party to the Compact, it shall nevertheless take at least three members of the Governing Board to require the calling of a special meeting.

(c) In addition to the notice of the regular meetings of the Governing Board afforded by subparagraph (a) hereof, the Chairman or the Executive Director shall give special notice of each regular meeting by written communication to all members of the Governing Board. Such notice shall be at least twenty days in advance of the meeting to which it refers. Whenever practicable, notice of a special meeting shall be in accordance with that required for regular meetings, but if the Chairman or the Executive Director determines that greater urgency exists, he may give notice by any means of communication sufficient to afford actual notice to all persons entitled to receive it, at least five days in advance of the meeting. Notice of a special meeting, in addition to setting forth the time and place thereof, shall detail the reason for its being called and shall enumerate the matter or matters intended for discussion and Governing Board action.

6. QUORUM, VOTING AND MINUTES

(a) A quorum shall require that actual presence of a majority of the members of the Governing Board. No voting by proxy, through the mail, or otherwise by persons not present shall be allowed.

(b) Upon demand of any member of the Governing Board, the vote on any matter before the Governing Board shall be taken in such manner as to show how each member voted, and a record thereof shall appear in the minutes of the meeting. Minutes of all meetings shall be made by the Executive Director and drafts thereof shall be circulated to all Governing Board members not less than seventy days prior to the next regular

meeting. In the case of a special meeting, the draft minutes shall be circulated as soon as practicable after the meeting.

7. FINANCIAL AFFAIRS

(a) All checks, drafts or other documents for the withdrawal of funds of the Insurance Fund shall be signed by the Executive Director or, in his absence and if specifically authorized in writing approved by the Governing Board, by an employee specifically designated by the Executive Director. Any such check, draft or other document also shall be countersigned by the Chairman, or Vice Chairman: provided that if the amount involved does not exceed five hundred dollars, countersignature shall not be necessary. Endorsement of checks to be deposited to the credit of the Insurance Fund shall be by either the Executive Director, an employee designated as previously provided in this paragraph, the Chairman, or the Vice Chairman.

(b) The officers of the Insurance Fund and the Executive Director shall each be bonded in a minimum amount of ten thousand dollars, or in such larger amounts as the Governing Board may determine. Other Insurance Fund employees regularly handling or having access to the funds of the Insurance Fund (other than such amounts as may be kept in the office of the Insurance Fund as petty cash, not to exceed one hundred dollars) shall be bonded in such amounts as the Governing Board may determine. The Insurance Fund may secure either a blanket or individual bonds.

(c) The fiscal year for the Insurance Fund shall commence on the first day of July and conclude on the thirtieth day of the following June.

8. SEAL

The seal of the Insurance Fund shall be affixed to or imprinted on official reports of the Insurance Fund, certifications of copies of papers or records, official copies of minutes of meetings, and any other instruments which by law are required to be under seal.

9. ORDER OF BUSINESS

The order of business at regular meetings of the Governing Board shall be:

1. Approval of the minutes of the last regular meeting and any special meetings held since the last regular meeting.
2. Report of the Chairman.
3. Report of the Treasurer.
4. Election of Officers and Executive Committee (at Winter Meeting).
5. Report of the Executive Director.
6. Communications.
7. Unfinished Business.
8. New Business.

The Governing Board may order any matter placed on the agenda for any meeting as special business, or in his discretion, the Chairman may place upon the agenda any matter which he deems of sufficient or pressing importance.

10. PARLIAMENTARY AUTHORITY

Except where inconsistent with the provisions of the Compact or these bylaws, "Roberts Rules of Order, Revised," shall be the parliamentary authority at all meetings of the Governing Board.

11. AMENDMENT

These bylaws or any part thereof may be amended, repealed or replaced by other bylaws at any regular meeting of the Governing Board: provided that notice of the proposed amendment, repeal or replacement is given at the next preceding regular meeting. Such notice shall include the full text of the motion or resolution by which the amendment, repeal or replacement is proposed to be made. Such text shall include verbatim the proposed

amendment or replacement, if any. The notice shall be carried in full in the draft minutes of the meeting. Nothing contained herein shall be construed to limit action amendatory of a proposed amendment at any regular meeting of the Governing Board, except that any amendment in the nature of a substitute shall not be in order.

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