

**ANSWERS TO FREQUENTLY ASKED TECHNICAL QUESTIONS  
HB1248 – THE PROSPERITY STATES COMPACT**

Common Technical Questions	Answers
Where is the county opt-out language?	<ul style="list-style-type: none"> <li>• Article III, subsection 8 (HB1248 pp.28:20-31, 29: 1-11)</li> </ul>
Where is the municipal opt-in language?	<ul style="list-style-type: none"> <li>• Article VII, subsection 5(E)(HB1248 p.53:20-26) excludes land from being eligible for district formation if within the territorial or extraterritorial jurisdiction of a municipality unless local law consents to inclusion.</li> <li>• Article III, subsection 9 (HB1248 pp.29:12-29, 30:1-14) provides further details on how such local law consent is given.</li> </ul>
Where is the language that makes the formation process 100% consensual among affected landowners and electors?	<ul style="list-style-type: none"> <li>• Article IV, subsection 1(A) (HB1248 p.24: 12-28) specifies petitioners must attest to such 100% consent and provide verifiable contact information.</li> <li>• Article VII, subsection 5(B) (HB1248 pp:52:29-31, 53:1-4) excludes land from being eligible for district formation unless it is held free and clear or anyone claiming interests (such as rights of way) consents to inclusion.</li> </ul>
Where are criminal laws, national security laws, judicial jurisdiction, legal process, law enforcement agency jurisdiction preserved?	<ul style="list-style-type: none"> <li>• Article II, subsection 2(D)(1) (HB1248 pp.7:12-31, 8:1-14), subsection 2(D)(5) (HB1248 p.11:23-28), provides the baseline authority.</li> <li>• Article III, subsections 4(B) (HB1248 pp.23:30-31, 24:1-4), subsection 7 (HB1248 p.28:6-19), augments this to include the entire legal status quo</li> </ul>
Where are the prohibitions on the <b>district</b> exercising taxing authority and eminent domain authority?	<ul style="list-style-type: none"> <li>• Article II, subsection 2(C)(6)(a),(b) (HB1248 p.6:17-18)</li> </ul>
Where is the eminent domain authority of <b>outside</b> state agencies and political subdivisions specified?	<ul style="list-style-type: none"> <li>• Article II, subsection 2(D)(4) (HB1248 pp.9:24-30, 10:1-31, 11:1-22)</li> </ul>
Where is jurisdiction to remedy causes of externalities (violations of environmental law) preserved?	<ul style="list-style-type: none"> <li>• Article II, subsection 2(D)(2) (HB1248 p.8:15-31, 9:1-4)</li> <li>• Article VII, subsection 4 (HB1248, p.52:17-22) defines “district externality.”</li> </ul>

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<p>Where is federal primacy preserved for outside state agencies and political subdivisions to enforce environmental and other laws?</p>	<ul style="list-style-type: none"> <li>• Article III, subsection 6 (HB1248 pp.26: 10-31, 27:1-30, 28:1-5)</li> </ul>
<p>Where is the water law preserved?</p>	<ul style="list-style-type: none"> <li>• Article III, subsection 4(A) (HB1248 p.23:21-29)</li> </ul>
<p>Where is mining and oil extraction law preserved</p>	<ul style="list-style-type: none"> <li>• Article III, subsection 4(f) (HB1248 pp.24:29-30, 25:1-2)</li> </ul>
<p>Where are the “optimal regulation” criteria?</p>	<ul style="list-style-type: none"> <li>• Article II, subsection 3 (HB1248 p. 12:14-31, pp. 13-16, 17:1-3)</li> </ul>
<p>Where is the guarantee that there will be no fiscal cost to the state?</p>	<ul style="list-style-type: none"> <li>• Article II, subsection 2(D)(3) (HB1248 p.9:5-23) holds external agencies and political subdivisions harmless for cost of external services by persons domiciled in district.</li> <li>• Article III, subsection 3(D) and (E) (HB1248 pp.21:25-31, 22:1-14) ensures that landowners forming a district must agree to a foreclosable lien on their property to secure a promise to pay at least as much revenue to revenue authorities as were generated in the prior fiscal year from all sources within the district.</li> <li>• Article III, subsection 2 (HB1248 pp. 18:20-26, 19:4-11, 28-31, 20:1-4) implements the above guarantee in a suggested land covenant that guarantees state taxing authorities the greater of a percentage of unimproved land value or prior fiscal year revenues.</li> <li>• Article III, subsection 10 (HB1248 pp. 30:15-31, 31:1-27) empowers political subdivisions to obtain a reasonable performance bond/surety to recoup rehabilitation costs for abandoned or withdrawn district properties</li> </ul>