



# WHAT IS A COMPACT?

An interstate compact is a contract between two or more states. It carries the force of statutory law and allows states to perform a certain action, observe a certain standard, or cooperate in a critical policy area.

## Interstate compacts:

- Establish a formal, legal relationship among states to address common problems or promote a common agenda;
- Create independent, multistate governmental authorities (such as commissions) that can address issues more effectively than a state agency acting independently, or when no state has the authority to act unilaterally; and
- Establish uniform guidelines, standards or procedures for agencies in the compact's member states.

## How Many Interstate Compacts Are There?

There are more than 200 active interstate compacts. Twenty-two of them are national in scope, including several with 35 or more member states and an independent commission to administer the agreement. More than 30 compacts are regional, with eight or more member states. Examples of well-known interstate compacts include the New York-New Jersey Port Authority Compact, the Emergency Management Assistance Compact, the Washington Metro Area Transit Authority Compact, the Multistate Tax Compact, and the Southern Dairy Compact.

## When Are Interstate Compacts Created?

Historically, interstate compacts have been used for three reasons:

- 1) to establish state boundaries;
- 2) to establish advisory commissions to study interstate policy issues and report back to the respective states on their findings; and
- 3) to create administrative agencies to regulate and manage a variety of interstate policy concerns.

Between 1783 and 1920, states approved 36 compacts, mostly to settle boundary disputes. More recently, especially since the end of World War II, states have created a variety of compacts including conservation and resource management, civil defense, education, emergency management, energy, law enforcement, probation and parole, transportation, and taxes.

## How Are Interstate Compacts Created?

The U.S. Constitution (Art. 1, Sec. 10, Clause 3) grants states the right to enter into multistate agreements for their common benefit. Congress must approve any compact that would increase the states' political power in a manner that would encroach upon the federal government's power. When entering compacts, states must adhere to state constitutional requirements, particularly regarding separation of powers, delegation of power, and debt limitations. In 1951, the Supreme Court affirmed in *West Virginia v. Sims* that states have the authority to enter into compacts and to delegate authority to an interstate agency.

## Are All Regulatory Interstate Compacts Alike?

No, depending on the needs of the profession, interstate compacts addressing regulatory matters can be structured quite differently. Currently, there are several professions utilizing interstate compacts to address regulatory matters and each profession has taken a different approach when writing its compact language.

The professions of medicine, nursing, and physical therapy are good examples. Medicine chose to construct its compact to address expedited licensure; nursing's compact creates a multistate license; and physical therapy's compact creates a privilege to practice. Audiology and speech-language pathology chose to follow the privilege to practice model.

## What Are The Benefits Of Interstate Compacts?

Interstate compacts are powerful, durable, flexible tools to promote and ensure cooperation among the states, while avoiding federal intervention and preemption of state powers. Compacts offer the following benefits:

- settling interstate disputes;
- providing state-developed solutions to complex public policy problems unlike federally imposed mandates;
- responding to national priorities in consultation or in partnership with the federal government;
- retaining state sovereignty in matters traditionally reserved for the states; and
- creating economies of scale to reduce administrative costs.

## How Can I Get More Information?

For more information on interstate compacts, including news on recent state and federal legislation, a searchable database of compacts, links to relevant state statutes, legal and historical information, and more :

**Visit** the National Center for Interstate Compacts at [www.csg.org](http://www.csg.org) (keyword: interstate compacts).

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