

15 U.S.C. §3719. Prize competitions

(a) Definitions

In this section:

(1) Agency The term "agency" means a Federal agency.

(2) Director The term "Director" means the Director of the Office of Science and Technology Policy.

(3) Federal agency The term "Federal agency" has the meaning given under [section 3703 of this title](#), except that term shall not include any agency of the legislative branch of the Federal Government.

(4) Head of an agency The term "head of an agency" means the head of a Federal agency.

(b) In general

Each head of an agency, or the heads of multiple agencies in cooperation, may carry out a program to award prizes competitively to stimulate innovation that has the potential to advance the mission of the respective agency.

(c) Prize competitions

For purposes of this section, a prize competition may be 1 or more of the following types of activities:

(1) A point solution prize that rewards and spurs the development of solutions for a particular, well-defined problem.

(2) An exposition prize competition that helps identify and promote a broad range of ideas and practices that may not otherwise attract attention, facilitating further development of the idea or practice by third parties.

(3) Participation prize competitions that create value during and after the competition by encouraging contestants to change their behavior or develop new skills that may have beneficial effects during and after the competition.

(4) Such other types of prize competitions as each head of an agency considers appropriate to stimulate innovation that has the potential to advance the mission of the respective agency.

(d) Topics

In selecting topics for prize competitions, the head of an agency shall consult widely both within and outside the Federal Government, and may empanel advisory committees.

(e) Advertising

The head of an agency shall widely advertise each prize competition to encourage broad participation.

(f) Requirements and registration

For each prize competition, the head of an agency shall publish a notice on a publicly accessible Government website, such as www.challenge.gov, announcing-

(1) the subject of the prize competition;

(2) the rules for being eligible to participate in the prize competition;

(3) the process for participants to register for the prize competition;

(4) the amount of the cash prize purse or non-cash prize award; and

(5) the basis on which a winner will be selected.

(g) Eligibility

To be eligible to win a cash prize purse under this section, an individual or entity-

(1) shall have registered to participate in the prize competition under any rules promulgated by the head of an agency under subsection (f);

- (2) shall have complied with all the requirements under this section;
- (3) in the case of a private entity, shall be incorporated in and maintain a primary place of business in the United States, and in the case of an individual, whether participating singly or in a group, shall be a citizen or permanent resident of the United States; and
- (4) may not be a Federal entity or Federal employee acting within the scope of their employment.

(h) Consultation with Federal employees

An individual or entity shall not be deemed ineligible under subsection (g) because the individual or entity used Federal facilities or consulted with Federal employees during a prize competition if the facilities and employees are made available to all individuals and entities participating in the prize competition on an equitable basis.

(i) Liability

(1) In general

(A) Definition

In this paragraph, the term "related entity" means a contractor or subcontractor at any tier, and a supplier, user, customer, cooperating party, grantee, investigator, or detailee.

(B) Liability

Registered participants shall be required to agree to assume any and all risks and waive claims against the Federal Government and its related entities, except in the case of willful misconduct, for any injury, death, damage, or loss of property, revenue, or profits, whether direct, indirect, or consequential, arising from their participation in a prize competition, whether the injury, death, damage, or loss arises through negligence or otherwise.

(2) Insurance

Participants shall be required to obtain liability insurance or demonstrate financial responsibility, in amounts determined by the head of an agency, for claims by-

(A) a third party for death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with participation in a prize competition, with the Federal Government named as an additional insured under the registered participant's insurance policy and registered participants agreeing to indemnify the Federal Government against third party claims for damages arising from or related to prize competition activities; and

(B) the Federal Government for damage or loss to Government property resulting from such an activity.

(3) Waivers

(A) In general

An agency may waive the requirement under paragraph (2).

(B) List

The Director shall include a list of all of the waivers granted under this paragraph during the preceding fiscal year, including a detailed explanation of the reason for granting the waiver.

(4) Exception

The head of an agency may not require a participant to waive claims against the administering entity arising out of the unauthorized use or disclosure by the agency of the intellectual property, trade secrets, or confidential business information of the participant.

(j) Intellectual property

(1) Prohibition on the government acquiring intellectual property rights

The Federal Government may not gain an interest in intellectual property developed by a participant in a prize competition without the written consent of the participant.

(2) Licenses

As appropriate and to further the goals of a prize competition, the Federal Government may negotiate a license for the use of intellectual property developed by a registered participant in a prize competition.

(k) Judges

(1) In general

For each prize competition, the head of an agency, either directly or through an agreement under subsection (l), shall appoint one or more qualified judges to select the winner or winners of the prize competition on the basis described under subsection (f). Judges for each prize competition may include individuals from outside the agency, including from the private sector.

(2) Restrictions

A judge may not-

- (A) have personal or financial interests in, or be an employee, officer, director, or agent of any entity that is a registered participant in a prize competition; or
- (B) have a familial or financial relationship with an individual who is a registered participant.

(3) Guidelines

The heads of agencies who carry out prize competitions under this section shall develop guidelines to ensure that the judges appointed for such prize competitions are fairly balanced and operate in a transparent manner.

(4) Exemption from [chapter 10 of title 5](#)

[Chapter 10 of title 5](#) shall not apply to any committee, board, commission, panel, task force, or similar entity, created solely for the purpose of judging prize competitions under this section.

(l) Administering the competition

The head of an agency may enter into a grant, contract, cooperative agreement, or other agreement with a private sector for-profit or nonprofit entity or State or local government agency to administer the prize competition, subject to the provisions of this section.

(m) Funding

(1) In general

Support for a prize competition under this section, including financial support for the design and administration of a prize competition or funds for a cash prize purse, may consist of Federal appropriated funds and funds provided by private sector for-profit and nonprofit entities. The head of an agency may request and accept funds from other Federal agencies, State, United States territory, local, or tribal government agencies, private sector for-profit entities, and nonprofit entities, to be available to the extent provided by appropriations Acts, to support such prize competitions. The head of an agency may not give any special consideration to any agency or entity in return for a donation.

(2) Availability of funds

Notwithstanding any other provision of law, funds appropriated for cash prize purses or non-cash prize awards under this section shall remain available until expended. No provision in this section permits obligation or payment of funds in violation of [section 1341 of title 31](#).

(3) Amount of prize

(A) Announcement

No prize competition may be announced under subsection (f) until all the funds needed to pay out the announced amount of the cash prize purse have been appropriated or committed in writing by a private or State, United States territory, local, or tribal government source.

(B) Increase in amount

The head of an agency may increase the amount of a cash prize purse or non-cash prize award after an initial announcement is made under subsection (f) only if-

- (i) notice of the increase is provided in the same manner as the initial notice of the prize competition; and
- (ii) the funds needed to pay out the announced amount of the increase have been appropriated or committed in writing by a private or State, United States territory, local, or tribal government source.

(4) Limitation on amount

(A) Notice to Congress

No prize competition under this section may offer a cash prize purse or a non-cash prize award in an amount greater than \$50,000,000 unless 30 days have elapsed after written notice has been transmitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives.

(B) Approval of head of agency

No prize competition under this section may result in the award of more than \$1,000,000 in cash prize purses or non-cash prize awards without the approval of the head of an agency.

(n) General Services Administration assistance

Not later than 180 days after January 6, 2017, the General Services Administration shall provide government wide services to share best practices and assist agencies in developing guidelines for issuing prize competitions. The General Services Administration shall develop a contract vehicle for both for-profit and nonprofit entities and State, United States territory, local, and tribal government entities, to provide agencies access to relevant products and services, including technical assistance in structuring and conducting prize competitions to take maximum benefit of the marketplace as they identify and pursue prize competitions to further the policy objectives of the Federal Government.

(o) Compliance with existing law

(1) In general

The Federal Government shall not, by virtue of offering a prize competition or providing a cash prize purse or non-cash prize award under this section, be responsible for compliance by registered participants in a prize competition with Federal law, including licensing, export control, and nonproliferation laws, and related regulations.

(2) Other prize authority

Nothing in this section affects the prize authority authorized by any other provision of law.

(p) Biennial report

(1) In general

Not later than March 1 of every other year, the Director shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives a report on the activities carried out during the preceding 2 fiscal years under the authority in subsection (b).

(2) Information included

A report under this subsection shall include, for each prize competition under subsection (b), the following:

(A) Proposed goals

A description of the proposed goals of each prize competition.

(B) Preferable method

An analysis of why the utilization of the authority in subsection (b) was the preferable method of achieving the goals described in subparagraph (A) as opposed to other authorities available to the agency, such as contracts, grants, and cooperative agreements.

(C) Amount of cash prize purses or non-cash prize awards

The total amount of cash prize purses or non-cash prize awards awarded for each prize competition, including a description of amount of private funds contributed to the program, the sources of such funds, and the manner in which the amounts of cash prize purses or non-cash prize awards awarded and claimed were allocated among the accounts of the agency for recording as obligations and expenditures.

(D) Solicitations and evaluation of submissions

The methods used for the solicitation and evaluation of submissions under each prize competition, together with an assessment of the effectiveness of such methods and lessons learned for future prize competitions.

(E) Resources

A description of the resources, including personnel and funding, used in the execution of each prize competition together with a detailed description of the activities for which such resources were used and an accounting of how funding for execution was allocated among the accounts of the agency for recording as obligations and expenditures.

(F) Results

A description of how each prize competition advanced the mission of the agency concerned.

(G) Plan

A description of crosscutting topical areas and agency-specific mission needs that may be the strongest opportunities for prize competitions during the upcoming 2 fiscal years.

(Pub. L. 96–480, §24, as added [Pub. L. 111–358, title I, §105\(a\), Jan. 4, 2011, 124 Stat. 3989](#) ; amended [Pub. L. 114–329, title IV, §401\(b\), Jan. 6, 2017, 130 Stat. 3016](#) ; [Pub. L. 117–286, §4\(a\)\(71\), Dec. 27, 2022, 136 Stat. 4313](#) .)