

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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SENATE BILL DRS35106-MG-102

Short Title: Compact to Award Prizes for Curing Diseases. (Public)

Sponsors: Senators Burgin, Krawiec, and Corbin (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT ENACTING A COMPACT TO AWARD PRIZES FOR CURING DISEASES.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Chapter 90 of the General Statutes is amended by adding a new Article  
5 to read:

6 "Article 23B.

7 "Compact to Award Prizes for the Cure of Diseases.

8 **"§ 90-326. Definitions.**

9 As used in this Article, the following definitions have the following meanings:

10 (1) Compact. – The Solemn Covenant of the States to Award Prizes for Curing  
11 Diseases enacted in this Article.

12 (2) Compacting state. – Either of the following:

13 a. Any state that has enacted the compact and has not withdrawn or been  
14 suspended pursuant to G.S. 90-326.14.

15 b. The federal government in accordance with the Commission's bylaws.

16 (3) Non-compacting state. – Any state or the federal government if it is not at the  
17 time a compacting state.

18 (4) Public health expenses. – The amount of all costs paid by taxpayers in a  
19 specified geographic area relating to a particular disease.

20 (5) State. – Any state, district, or territory of the United States of America.

21 **"§ 90-326.1. Establishment of the Commission; membership.**

22 (1) Upon the enactment of the compact by six states, the compacting states shall  
23 establish the Solemn Covenant of States Commission.

24 (2) The Commission is a body corporate and politic and an instrumentality of each  
25 of the compacting states and is solely responsible for its liabilities, except as  
26 otherwise specifically provided in the compact.

27 (3) Each compacting state shall be represented by one member as selected by the  
28 compacting state. Each compacting state shall determine its member's  
29 qualifications and period of service and shall be responsible for any action to  
30 remove or suspend its member or to fill the member's position if it becomes  
31 vacant. Nothing in the compact shall be construed to affect a compacting  
32 state's authority regarding the qualification, selection, or service of its own  
33 member.

34 **"§ 90-326.2. Powers of the Commission.**



\* D R S 3 5 1 0 6 - M G - 1 0 2 \*

- 1           (1)    To adopt bylaws and rules pursuant to G.S. 90-326.4 and G.S. 90-326.5,  
2           which shall have the force and effect of law and shall be binding in the  
3           compacting states to the extent and in the manner provided in the compact.
- 4           (2)    To receive and review in an expeditious manner treatments and therapeutic  
5           protocols for the cure of disease submitted to the Commission and to award  
6           prizes for submissions that meet the Commission's standards for a successful  
7           cure treatment or therapeutic protocol.
- 8           (3)    To make widely available a cure treatment or therapeutic protocol upon a prize  
9           winner claiming a prize and transferring any intellectual property necessary  
10           for the manufacture and distribution of the cure in accordance with  
11           G.S. 90-326.5(a)(4)g.1., including by arranging or contracting for the  
12           manufacturing, production, or provision of any drug, serum, or other  
13           substance, device, or process, provided that the Commission does not market  
14           the cure or conduct any other activity regarding the cure not specifically  
15           authorized in the compact.
- 16           (4)    To establish a selling price for the cure, which shall be not more than the  
17           expenses for the cure's manufacturing, distribution, licensing, and any other  
18           necessary governmental requirements for compacting states, or those  
19           expenses plus any royalty fees, for non-compacting states; the price shall not  
20           include the expenses of any other activities.
- 21           (5)    In non-compacting states and foreign countries, to establish and collect royalty  
22           fees imposed on manufacturers, producers, and providers of any drug, serum,  
23           or other substance, device, or process used for a cure treatment or therapeutic  
24           protocol, for which a prize is awarded; royalty fees may be added to the sales  
25           price of the cure pursuant to subdivision (4) of this section; provided that the  
26           royalty fees shall cumulatively be not more than the estimated five-year  
27           savings in public health expenses for that state or country, as calculated by  
28           actuaries employed or contracted by the Commission.
- 29           (6)    To do the following regarding the collected royalty fees:
  - 30           a.     Pay or reimburse expenses related to the payment of a prize, which  
31           shall include employing or contracting actuaries to calculate annual  
32           taxpayer savings amounts in compacting states in accordance with  
33           G.S. 90-326.5(a)(4)g.3., and payment of interest and other expenses  
34           related to a loan obtained in accordance with G.S. 90-326.5(a)(4)g.6.
  - 35           b.     Annually disburse any amounts remaining after making payments or  
36           reimbursements under sub-subdivision a. of this subdivision as  
37           refunds to compacting states based on the percent of the state's prize  
38           obligation in relation to the total obligation amount of all compacting  
39           states.
- 40           (7)    To bring and prosecute legal proceedings or actions in its name as the  
41           Commission.
- 42           (8)    To issue subpoenas requiring the attendance and testimony of witnesses and  
43           the production of evidence.
- 44           (9)    To establish and maintain offices.
- 45           (10)   To borrow, accept, or contract for personnel services, including personnel  
46           services from employees of a compacting state.
- 47           (11)   To hire employees, professionals, or specialists, and elect or appoint officers,  
48           and to fix their compensation, define their duties, and give them appropriate  
49           authority to carry out the purposes of the compact, and determine their  
50           qualifications; and to establish the Commission's personnel policies and

1 programs relating to, among other things, conflicts of interest, rates of  
2 compensation, and qualifications of personnel.

3 (12) To accept any and all appropriate donations and grants of money, equipment,  
4 supplies, materials, and services, and to receive, utilize, and dispose of the  
5 same; provided that at all times the Commission shall strive to avoid any  
6 appearance of impropriety.

7 (13) To lease, purchase, or accept appropriate gifts or donations of, or otherwise to  
8 own, hold, improve, or use, any property, real, personal, or mixed; provided,  
9 that at all times the Commission shall strive to avoid any appearance of  
10 impropriety.

11 (14) To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise  
12 dispose of any property, real, personal, or mixed.

13 (15) To monitor compacting states for compliance with the Commission's bylaws  
14 and rules.

15 (16) To enforce compliance by compacting states with the Commission's bylaws  
16 and rules.

17 (17) To provide for dispute resolution among compacting states or between the  
18 Commission and those who submit treatments and therapeutic protocols for  
19 the cure of disease for consideration.

20 (18) To establish a budget and make expenditures.

21 (19) To borrow money.

22 (20) To appoint committees, including management, legislative, and advisory  
23 committees comprised of members, state legislators or their representatives,  
24 medical professionals, and such other interested persons as may be designated  
25 by the Commission.

26 (21) To establish annual membership dues for compacting states, which shall be  
27 used for daily expenses of the Commission and not for interest or prize  
28 payments.

29 (22) To adopt and use a corporate seal.

30 (23) To perform such other functions as may be necessary or appropriate to achieve  
31 the purposes of this compact.

32 **§ 90-326.3. Meetings and voting.**

33 (1) The Commission shall meet and take such actions as are consistent with the  
34 compact, bylaws, and rules.

35 (2) A majority of the members of the Commission shall constitute a quorum  
36 necessary in order to conduct business or take actions at meetings of the  
37 Commission.

38 (3) Each member of the Commission shall have the right and power to cast one  
39 vote regarding matters determined or actions to be taken by the Commission.  
40 Each member shall have the right and power to participate in the business and  
41 affairs of the Commission.

42 (4) A member shall vote in person or by such other means as provided in the  
43 Commission's bylaws. The Commission's bylaws may provide for members'  
44 participation in meetings by telephone or other means of communication.

45 (5) The Commission shall meet at least once during each calendar year.  
46 Additional meetings shall be held as set forth in the Commission's bylaws.

47 (6) No decision of the Commission with respect to the approval of an award for a  
48 treatment or therapeutic process for the cure of a disease shall be effective  
49 unless two-thirds of all the members of the Commission vote in favor thereof.

50 (7) Guidelines and voting requirements for all other decisions of the Commission  
51 shall be established in the Commission's bylaws.

**"§ 90-326.4. Bylaws.**

The Commission shall, by a majority vote of all the members of the Commission, prescribe bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes and exercise the powers of the compact, including, but not limited to:

- (1) Establishing the fiscal year of the Commission.
- (2) Providing reasonable procedures for appointing and electing members, as well as holding meetings, of the management committee.
- (3) Providing reasonable standards and procedures for the following:
  - a. For the establishment and meetings of other committees.
  - b. Governing any general or specific delegation of any authority or function of the Commission.
  - c. Voting guidelines and procedures for Commission decisions.
- (4) Providing reasonable procedures for calling and conducting meetings of the Commission that shall consist of requiring a quorum to be present, ensuring reasonable advance notice of each such meeting, and providing for the right of citizens to attend each such meeting with enumerated exceptions designed to protect the public's interest and the privacy of individuals.
- (5) Providing a list of matters about which the Commission may go into executive session and requiring a majority of all members of the Commission to vote to enter into such session. As soon as practicable, the Commission shall make public:
  - a. A copy of the vote to go into executive session, revealing the vote of each member with no proxy votes allowed.
  - b. The matter requiring executive session, without identifying the actual issues or individuals involved.
- (6) Establishing the titles, duties, authority, and reasonable procedures for the election of the officers of the Commission.
- (7) Providing reasonable standards and procedures for the establishment of the personnel policies and programs of the Commission. Notwithstanding any civil service or other similar laws of any compacting state, the Commission's bylaws shall exclusively govern the personnel policies and programs of the Commission.
- (8) Allowing a mechanism for the following:
  - a. The federal government to join as a compacting state.
  - b. Foreign countries or subdivisions of those countries to join as liaison members by adopting the compact; provided that adopting countries or subdivisions shall not have voting power or the power to bind the Commission in any way.
- (9) Adopting a code of ethics to address permissible and prohibited activities of members and employees.
- (10) Providing for the maintenance of the Commission's books and records.
- (11) Governing the acceptance of and accounting for donations, annual member dues, and other sources of funding and establishing the proportion of these funds to be allocated to prize amounts for treatments and therapeutic protocols that cure disease.
- (12) Governing any fundraising efforts in which the Commission wishes to engage.
- (13) Providing a mechanism for winding up the operations of the Commission and the equitable disposition of any surplus funds that may exist after the termination of the compact after the payment and reserving of all its debts and obligations.

**"§ 90-326.5. Rules.**

1       (a)    The Commission shall adopt rules to do the following:

2           (1)   Effectively and efficiently achieve the purposes of this compact.

3           (2)   Govern the methods, processes, and any other aspect of the research, creation,  
4           and testing of a treatment or therapeutic protocol for each disease for which a  
5           prize may be awarded.

6           (3)   Establishing the criteria for defining and classifying the diseases for which  
7           prizes shall be awarded. The Commission may define and classify subsets of  
8           diseases, for example, tubular carcinoma of the breast. For purposes of  
9           sub-subdivisions a. and c. of subdivision (4) of this subsection, a subset of a  
10          disease shall be considered one disease. The Commission may consult the  
11          most recent edition of the International Classification of Diseases as published  
12          by the World Health Organization or other definitions agreed to by a  
13          two-thirds vote of the Commission.

14          (4)    Regarding prizes for curing diseases that establish the following:

15           a.    At least 10 major diseases for which to create prizes, which shall be  
16           determined based on the following factors:

17               1.   The severity of the disease to a human individual's overall  
18               health and well-being.

19               2.   The survival rate or severity of impact of the disease.

20               3.   The public health expenses and treatment expenses for the  
21               disease.

22           b.    The criteria a treatment or therapeutic protocol must meet in order to  
23           be considered a cure for any of the diseases for which a prize may be  
24           awarded, which shall include the following requirements:

25               1.   It must be approved by the federal Food and Drug  
26               Administration or have otherwise obtained legal status for the  
27               compact to immediately contract to manufacture and distribute  
28               in the United States.

29               2.   Except as provided in subsection (b) of this section, it must  
30               yield a significant increase in survival with respect to the  
31               diseases if early death is the usual outcome.

32               3.   It requires less than one year of the treatment or protocol to  
33               completely cure the disease.

34           c.    The procedure for determining the diseases for which to award prizes,  
35           which includes the option to award prizes for more than 10 diseases  
36           that meet the above criteria, if agreed to by two-thirds vote of the  
37           Commission, and a requirement to update the list every three years.

38           d.    The submission and evaluation procedures and guidelines, including  
39           filing and review procedures, a requirement that the person or entity  
40           submitting the cure bears the burden of proof in demonstrating that the  
41           treatment or therapeutic protocol meets the above criteria, and  
42           limitations preventing public access to treatment or protocol  
43           submissions.

44           e.    The estimated five-year public health savings that would result from a  
45           cure, which shall be equal to the five-year public health expenses for  
46           each disease in each compacting state, and a procedure to update these  
47           expenses every three years in conjunction with the requirements in  
48           sub-subdivision c. of this subdivision. The estimated five-year public  
49           health savings amount shall be calculated, estimated, and publicized  
50           every three years by actuaries employed or contracted by the  
51           Commission.

- 1           f.       The prize amount with respect to cures for each disease, which shall  
2                   be equal to the most recent estimated total five-year savings in public  
3                   health expenses for the disease as calculated in sub-subdivision e. of  
4                   this subdivision in all of the compacting states; amounts donated by  
5                   charities, individuals, and any other entities intended for the prize; and  
6                   any other factors that the Commission deems appropriate.
- 7           g.       The prize distribution procedures and guidelines, which shall include  
8                   the following requirements:
- 9                   1.       Upon acceptance of a cure, the prize winner shall transfer to  
10                   the Commission the patent and all related intellectual property  
11                   for the manufacture and distribution of the treatment or  
12                   therapeutic protocol in exchange for the prize, except in the  
13                   case that the prize money is considered by the Commission to  
14                   be too low, and that a prize will be awarded only to the first  
15                   person or entity that submits a successful cure for a disease for  
16                   which a prize may be awarded.
- 17                   2.       Donation amounts intended for the prize shall be kept in a  
18                   separate, interest-bearing account maintained by the  
19                   Commission. This account shall be the only account in which  
20                   prize money is kept.
- 21                   3.       Each compacting state shall have the responsibility to pay  
22                   annually the compacting state's actual one-year savings in  
23                   public health expenses for the particular disease for which a  
24                   cure has been accepted. The compacting state shall make such  
25                   an annual payment until it has fulfilled its prize responsibility  
26                   as established in sub-subdivision f. of this subdivision. Each  
27                   compacting state's payment responsibility begins one year after  
28                   the date the cure becomes widely available. The Commission  
29                   shall employ or contract with actuaries to calculate each state's  
30                   actual one-year savings in public health expenses at the end of  
31                   each year to determine each state's responsibility for the  
32                   succeeding year.
- 33                   4.       Compacting states may meet prize responsibilities by any  
34                   method including the issuance of bonds or other obligations,  
35                   with the principal and interest of those bonds or obligations to  
36                   be repaid only from revenue derived from estimated public  
37                   health expense savings from a cure to a disease. If the  
38                   compacting state does not make such revenue available to  
39                   repay some or all of the revenue bonds or obligations issued,  
40                   the owners or holders of those bonds or obligations have no  
41                   right to have excises or taxes levied to pay the principal or  
42                   interest on them. The revenue bonds and obligations are not a  
43                   debt of the issuing compacting state.
- 44                   5.       A compacting state may issue bonds or other debt that are  
45                   general obligations, under which the full faith and credit,  
46                   revenue, and taxing power of the state is pledged to pay the  
47                   principal and interest under those obligations, only if  
48                   authorized by the compacting state's constitution or, if  
49                   constitutional authorization is not required, by other law of the  
50                   compacting state.



1       **(b)**    The Commission may award a prize for a treatment or therapeutic protocol that yields  
2 a survival rate that is less than what is established in the cure criteria through at least five years  
3 after the treatment or protocol has ended. In that case, the prize amount awarded for that treatment  
4 or therapeutic protocol shall be reduced from the prize amount originally determined by the  
5 Commission for a cure for that disease. The reduction shall be in proportion to the survival rate  
6 yielded by that treatment or protocol as compared to the survival rate established in the cure  
7 criteria.

8       **(c)**    Recognizing that the goal of the compact is to pool the potential savings of as many  
9 states and countries as possible to generate sufficient financial incentive to develop a cure for  
10 many of the world's most devastating diseases, the compact will respect the laws of each of these  
11 United States by adopting rules that establish ethical standards for research that shall be followed  
12 in order for a prize to be claimed. The compact, in the rules, shall establish a common set of  
13 ethical standards that embodies the laws and restrictions in each of the states so that to be eligible  
14 for claiming a prize the entity submitting a cure must not have violated any of the ethical  
15 standards in any one of the 50 states, whether the states have joined the compact or not. The  
16 compact will publish these common ethical standards along with the specific criteria for a cure  
17 for each of the diseases the compact has targeted. So long as a researcher follows the common  
18 ethical standards in effect at the time the research is done, an entity presenting a cure will be  
19 deemed to have followed the standards. On or before January 1 of each year, the compact shall  
20 review all state laws to determine if additional ethical standards have been enacted by any of the  
21 50 states and the federal government. Any changes to the common ethical standards rules based  
22 on new state laws shall be adopted and published by the compact but shall not take effect in cure  
23 criteria for a period of three years to allow for sufficient notice to researchers.

24       **(d)**    All rules may be amended as the Commission sees necessary.

25       **(e)**    All rules shall be adopted pursuant to a rulemaking process that conforms to the  
26 Model State Administrative Procedure Act of 1981 by the uniform law commissioners, as  
27 amended, as may be appropriate to the operations of the Commission.

28       **(f)**    In the event the Commission exercises its rulemaking authority in a manner that is  
29 beyond the scope of the purpose of this compact or the powers granted hereunder, then such rule  
30 shall be invalid and have no force and effect.

31 **§ 90-326.6. Management committee.**

32       **(a)**    The Commission may establish a management committee comprised of not more than  
33 14 members when 26 states enact the compact.

34       **(b)**    The committee shall consist of those members representing compacting states whose  
35 total public health expenses of all of the established diseases are the highest.

36       **(c)**    The committee shall have such authority and duties as may be set forth in the  
37 Commission's bylaws and rules, including:

38           **(1)**   Managing authority over the day-to-day affairs of the Commission in a  
39 manner consistent with the Commission's bylaws and rules and the purposes  
40 of the compact.

41           **(2)**   Overseeing the offices of the Commission.

42           **(3)**   Planning, implementing, and coordinating communications and activities with  
43 state, federal, and local government organizations in order to advance the  
44 goals of the compact.

45       **(d)**    The Commission annually shall elect officers for the committee, with each having  
46 such authority and duties as may be specified in the Commission's bylaws and rules.

47       **(e)**    The management committee, subject to Commission approval, may appoint or retain  
48 an executive director for such period, upon such terms and conditions, and for such compensation  
49 as the committee determines. The executive director shall serve as secretary to the Commission  
50 but shall not be a member of the Commission. The executive director shall hire and supervise  
51 such other staff as may be authorized by the committee.



**"§ 90-326.7. Advisory committees.**

The Commission may appoint advisory committees to monitor all operations related to the purposes of the compact and make recommendations to the Commission; provided that the manner of selection and term of any committee member shall be as set forth in the Commission's bylaws and rules. The Commission shall consult with an advisory committee, to the extent required by the Commission's bylaws or rules, before doing any of the following:

- (1) Approving cure criteria.
- (2) Amending, enacting, or repealing any bylaw or rule.
- (3) Adopting the Commission's annual budget.
- (4) Addressing any other significant matter or taking any other significant action.

**"§ 90-326.8. Finance.**

(a) The Commission annually shall establish a budget to pay or provide for the payment of its reasonable expenses. To fund the cost of initial operations, the Commission may accept contributions and other forms of funding from the compacting states and other sources. Contributions and other forms of funding from other sources shall be of such a nature that the independence of the Commission concerning the performance of its duties shall not be compromised.

(b) The Commission shall be exempt from all taxation in and by the compacting states.

(c) The Commission shall keep complete and accurate accounts of all of its internal receipts, including grants and donations, and disbursements of all funds under its control. The internal financial accounts of the Commission shall be subject to the accounting procedures established under the Commission's bylaws or rules. The financial accounts and reports, including the system of internal controls and procedures of the Commission, shall be audited annually by an independent certified public accountant. Upon the determination of the Commission but not less frequently than every three years, the review of the independent auditor shall include a management and performance audit of the Commission. The Commission shall make an annual report to the governors and legislatures of the compacting states, which shall include a report of the independent audit. The Commission's internal accounts shall not be confidential, and such materials may be shared with any compacting state upon request, provided, however, that any work papers related to any internal or independent audit and any information subject to the compacting states' privacy laws shall remain confidential.

(d) No compacting state shall have any claim or ownership of any property held by or vested in the Commission or to any Commission funds held pursuant to the provisions of the compact.

**"§ 90-326.9. Records.**

Except as to privileged records, data, and information, the laws of any compacting state pertaining to confidentiality or nondisclosure shall not relieve any member of the duty to disclose any relevant records, data, or information to the Commission; provided, that disclosure to the Commission shall not be deemed to waive or otherwise affect any confidentiality requirement; and further provided, that, except as otherwise expressly provided in the compact, the Commission shall not be subject to the compacting state's laws pertaining to confidentiality and nondisclosure with respect to records, data, and information in its possession. Confidential information of the Commission shall remain confidential after such information is provided to any member. All cure submissions received by the Commission are confidential.

**"§ 90-326.10. Compliance.**

The Commission shall notify a compacting state in writing of any noncompliance with Commission bylaws and rules. If a compacting state fails to remedy its noncompliance within the time specified in the notice, the compacting state shall be deemed to be in default as set forth in G.S. 90-326.14.

**"§ 90-326.11. Venue.**

1 Venue for any judicial proceedings by or against the Commission shall be brought in the  
2 appropriate court of competent jurisdiction for the geographical area in which the principal office  
3 of the Commission is located.

4 **"§ 90-326.12. Qualified immunity, defense, and indemnification.**

5 (a) The members, officers, executive director, employees, and representatives of the  
6 Commission shall be immune from suit and liability, either personally or in their official capacity,  
7 for any claim for damage to or loss of property or personal injury or other civil liability caused  
8 by or arising out of any actual or alleged act, error, or omission that occurred, or that such person  
9 had a reasonable basis for believing occurred within the scope of the person's Commission  
10 employment, duties, or responsibilities; provided, that nothing in this subsection shall be  
11 construed to protect any such person from suit or liability for any damage, loss, injury, or liability  
12 caused by the intentional or willful and wanton misconduct of that person.

13 (b) The Commission shall defend any member, officer, executive director, employee, or  
14 representative of the Commission in any civil action seeking to impose liability arising out of  
15 any actual or alleged act, error, or omission that occurred within the scope of the person's  
16 Commission employment, duties, or responsibilities, or that such person had a reasonable basis  
17 for believing occurred within the scope of the person's Commission employment, duties, or  
18 responsibilities; provided, that nothing in the compact or Commission bylaws or rules shall be  
19 construed to prohibit that person from retaining his or her own counsel; and provided further,  
20 that the actual or alleged act, error, or omission did not result from that person's intentional or  
21 willful and wanton misconduct.

22 (c) The Commission shall indemnify and hold harmless any member, officer, executive  
23 director, employee, or representative of the Commission for the amount of any settlement or  
24 judgment obtained against the person arising out of any actual or alleged act, error, or omission  
25 that occurred within the scope of the person's Commission employment, duties, or  
26 responsibilities, or that such person had a reasonable basis for believing occurred within the scope  
27 of Commission employment, duties, or responsibilities; provided, that the actual or alleged act,  
28 error, or omission did not result from the intentional or willful and wanton misconduct of that  
29 person.

30 **"§ 90-326.13. Compacting states, effective date, amendments, and funding.**

31 (a) Compacting States. – Any state is eligible to become a compacting state.

32 (b) Effective Date. – The compact shall become effective and binding upon legislative  
33 enactment of the compact into law by two compacting states; provided that the Commission shall  
34 only be established after six states become compacting states. Thereafter, the compact shall  
35 become effective and binding as to any other compacting state upon enactment of the compact  
36 into law by that state.

37 (c) Amendments. – Amendments to the compact may be proposed by the Commission  
38 for enactment by the compacting states. No amendment shall become effective and binding until  
39 all compacting states enact the amendment into law.

40 (d) Funding. – If funding is requested or required, the legislative authority of each  
41 compacting state shall be responsible for making the appropriations it determines necessary to  
42 pay for the costs of the compact, including annual member dues and prize distributions.

43 **"§ 90-326.14. Withdrawal, default, and expulsion.**

44 (a) Once effective, the compact shall continue in force and remain binding upon each and  
45 every compacting state; provided, that a compacting state may withdraw from the compact by  
46 doing both of the following:

47 (1) Repealing the law enacting the compact in that state.

48 (2) Notifying the Commission in writing of the intent to withdraw on a date that  
49 is both of the following:

50 a. At least three years after the date the notice is sent.

51 b. After the repeal takes effect.

1       (b)    The effective date of withdrawal is the date described in subdivision (2) of subsection  
2 (a) of this section.

3       (c)    The member representing the withdrawing state shall immediately notify the  
4 management committee in writing upon the introduction of legislation in that state repealing the  
5 compact. If a management committee has not been established, the member shall immediately  
6 notify the Commission.

7       (d)    The Commission or management committee, as applicable, shall notify the other  
8 compacting states of the introduction of such legislation within 10 days after its receipt of notice  
9 thereof.

10       (e)   The withdrawing state is responsible for all obligations, duties, and liabilities incurred  
11 through the effective date of withdrawal, including any obligations, the performance of which  
12 extend beyond the effective date of withdrawal. The Commission's actions shall continue to be  
13 effective and be given full force and effect in the withdrawing state.

14 **"§ 90-326.15. Reinstatement.**

15       Reinstatement following a state's withdrawal shall become effective upon the effective date  
16 of the subsequent enactment of the compact by that state.

17 **"§ 90-326.16. Default.**

18       (a)   If the Commission determines that any compacting state has at any time defaulted in  
19 the performance of any of its obligations or responsibilities under the compact or the  
20 Commission's bylaws or rules, then, after notice and hearing as set forth in the bylaws, all rights,  
21 privileges, and benefits conferred by this compact on the defaulting state shall be suspended from  
22 the effective date of default as fixed by the Commission. The grounds for default include failure  
23 of a compacting state to perform its obligations or responsibilities and any other grounds  
24 designated in Commission rules. The Commission shall immediately notify the defaulting state  
25 in writing of the suspension pending cure of the default. The Commission shall stipulate the  
26 conditions and the time period within which the defaulting state shall cure its default. If the  
27 defaulting state fails to cure the default within the time period specified by the Commission, the  
28 defaulting state shall be expelled from the compact, and all rights, privileges, and benefits  
29 conferred by the compact shall be terminated from the effective date of the expulsion. Any state  
30 that is expelled from the compact shall be liable for any cure prize or prizes for three years after  
31 its removal. The Commission shall also take appropriate legal action to ensure that any  
32 compacting state that withdraws from the compact remains liable for paying its responsibility  
33 toward a prize for a cure that was accepted while the compacting state was a member of the  
34 Commission.

35       (b)   The expelled state must reenact the compact in order to become a compacting state.

36 **"§ 90-326.17. Dissolution of compact.**

37       (a)   The compact dissolves effective upon the date of either of the following:

38           (1)   The withdrawal or expulsion of a compacting state, which withdrawal or  
39 expulsion reduces membership in the compact to one compacting state.

40           (2)   The Commission votes to dissolve the compact.

41       (b)   Upon the dissolution of the compact, the compact becomes null and void and shall be  
42 of no further force or effect, and the business and affairs of the Commission shall be wound up,  
43 and any surplus funds shall be distributed in accordance with the Commission's bylaws, provided,  
44 that the Commission shall pay all outstanding prizes awarded before the dissolution of the  
45 compact, as well as any other outstanding debts and obligations incurred during the existence of  
46 the compact. Any unawarded funds donated to be part of a prize shall be returned to the donor,  
47 along with any interest earned on the amount.

48 **"§ 90-326.18. Severability and construction.**

49       (a)   The provisions of the compact shall be severable, and if any phrase, clause, sentence,  
50 or provision is deemed unenforceable, the remaining provisions of the compact shall be  
51 enforceable.

1 (b) The provisions of the compact shall be liberally construed to effectuate its purposes.

2 **"§ 90-326.19. Binding effect of compact and other laws.**

3 (a) Other Laws. – Nothing in this Article prevents the enforcement of any other law of a  
4 compacting state, except as provided in subdivision (2) of subsection (b) of this section.

5 (b) Binding Effect of the Compact. – All of the following are binding:

6 (1) All lawful actions of the Commission, including all Commission rules, are  
7 binding upon the compacting states.

8 (2) All agreements between the Commission and the compacting states are  
9 binding in accordance with their terms.

10 (3) Except to the extent authorized by the compacting state's constitution or, if  
11 constitutional authorization is not required, by other law of the compacting  
12 state, such state, by entering into the compact, does not:

13 a. Commit the full faith and credit or taxing power of the compacting  
14 state for the payment of prizes or other obligations under the compact.

15 b. Make prize payment responsibilities or other obligations under the  
16 compact a debt of the compacting state.

17 (4) Upon the request of a party to a conflict over the meaning or interpretation of  
18 Commission actions, and upon a majority vote of the compacting states, the  
19 Commission may issue advisory opinions regarding the meaning or  
20 interpretation in dispute.

21 (5) In the event any provision of the compact exceeds the constitutional limits  
22 imposed on any compacting state, the obligations, duties, powers, or  
23 jurisdiction sought to be conferred by that provision upon the Commission  
24 shall be ineffective as to that compacting state, and those obligations, duties,  
25 powers, or jurisdiction shall remain in the compacting state and shall be  
26 exercised by the agency thereof to which those obligations, duties, powers, or  
27 jurisdiction are delegated by law in effect at the time the compact becomes  
28 effective."

29 **SECTION 2.** This act becomes effective upon the enactment of the compact into law  
30 by at least two compacting states.