STATE OF NEW YORK

2868

2023-2024 Regular Sessions

IN SENATE

January 25, 2023

Introduced by Sens. RIVERA, SEPULVEDA -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the public health law, in relation to adopting the solemn covenant of the states to award prizes for curing diseases interstate compact

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public health law is amended by adding a new article 49-A to read as follows:

ARTICLE 49-A
SOLEMN COVENANT OF THE STATES TO AWARD PRIZES FOR CURING DISEASES

Section 4999. Definitions.
4999-a. Establishment of the commission; membership.
4999-b. Powers of the commission.
4999-c. Meetings and voting.
4999-d. Bylaws.
4999-e. Rules.
4999-f. Committees.
4999-g. Finance.
4999-h. Records.
4999-i. Compliance.
4999-h. Records.
4999-j. Venue.
4999-k. Qualified immunity, defense, and indemnification.
4999-l. Compacting states, effective date, and amendment.
4999-m. Withdrawal, default, and expulsion.
4999-n. Severability and construction.
4999-o. Binding effect of compact and other laws.

§ 4999. Definitions. For purposes of this article:

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD01821-01-3

1. "Compacting state" means either of the following:

a. Any state that has enacted the compact and which has not withdrawn or been suspended pursuant section forty-nine hundred ninety-nine-m of this article;

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

2. "Compact" means the solemn covenant of the states to award prizes for curing diseases enacted in this article.

3. "Non-compacting state" means any state or the federal government, if it is not at the time a compacting state.

4. "Public health expenses" means the amount of all costs paid by taxpayers in a specified geographic area relating to a particular disease.

5. "State" means any state, district, or territory of the United States of America.

§ 4999-a. Establishment of the commission; membership. 1. Upon the enactment of the compact by six states, the compacting states shall establish the Solemn Covenant of States Commission.

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

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

§ 4999-b. Powers of the commission. 1. To adopt bylaws and rules pursuant to sections forty-nine hundred ninety-nine-d and forty-nine hundred ninety-nine-c of this article, which shall have the force and effect of law and shall be binding in the compacting states to the extent and in the manner provided in the compact;

2. To receive and review in an expeditious manner treatments and therapeutic protocols for the cure of disease submitted to the commission and to award prizes for submissions that meet the commission's standards for a successful cure treatment or therapeutic protocol;

3. To make widely available a cure treatment or therapeutic protocol upon a prize winner claiming a prize and transferring any intellectual property necessary for the manufacture and distribution of the cure in accordance with subdivision three of section forty-nine hundred ninety-nine-e of this article, including by arranging or contracting for the manufacturing, production, or provision of any drug, serum, or other substance, device, or process, provided that the commission does not market the cure or conduct any other activity regarding the cure not specifically authorized in the compact;

4. To establish a selling price for the cure, which shall be not more than the expenses for the cure's manufacturing, distribution, licensing, and any other necessary governmental requirements for compacting states, or those expenses plus any royalty fees, for noncompacting states; the price shall not include the expenses of any other activities;

5. In non-compacting states and foreign countries, to establish and collect royalty fees imposed on manufacturers, producers, and providers of any drug, serum, or other substance, device, or process used for a cure treatment or therapeutic protocol, for which a prize is awarded; royalty fees may be added to the sales price of the cure pursuant to subdivision four of this section; provided that the royalty fees shall

cumulatively be not more than the estimated five-year savings in public health expenses for that state or country, as calculated by actuaries employed or contracted by the commission;

6. To do the following regarding the collected royalty fees:

a. Pay or reimburse expenses related to the payment of a prize, which shall include employing or contracting actuaries to calculate annual taxpayer savings amounts in compacting states in accordance with subdivision three of section forty-nine hundred ninety-nine-e of this article, and payment of interest and other expenses related to a loan obtained in accordance with subdivision three of section forty-nine hundred ninety-nine-e of this article;

b. Annually disburse any amounts remaining after making payments or reimbursements under paragraph a of this subdivision as refunds to compacting states based on the per cent of the state's prize obligation in relation to the total obligation amount of all compacting states;

7. To bring and prosecute legal proceedings or actions in its name as the commission;

8. To issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence;

9. To establish and maintain offices;

10. To borrow, accept, or contract for personnel services, including personnel services from employees of a compacting state;

11. To hire employees, professionals, or specialists, and elect or appoint officers, and to fix their compensation, define their duties and give them appropriate authority to carry out the purposes of the compact, and determine their qualifications; and to establish the commission's personnel policies and programs relating to, among other things, conflicts of interest, rates of compensation, and qualifications of personnel;

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

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

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

15. To monitor compacting states for compliance with the commission's bylaws and rules;

16. To enforce compliance by compacting states with the commission's bylaws and rules;

17. To provide for dispute resolution among compacting states or between the commission and those who submit treatments and therapeutic protocols for the cure of disease for consideration;

18. To establish a budget and make expenditures;

19. To borrow money;

20. To appoint committees, including management, legislative, and advisory committees comprised of members, state legislators or their representatives, medical professionals, and such other interested persons as may be designated by the commission;

21. To establish annual membership dues for compacting states, which shall be used for daily expenses of the commission and not for interest or prize payments;

22. To adopt and use a corporate seal;

23. To perform such other functions as may be necessary or appropriate to achieve the purposes of this article.

§ 4999-c. Meetings and voting. 1. The commission shall meet and take such actions as are consistent with the compact, bylaws, and rules.

2. A majority of the members of the commission shall constitute a quorum necessary in order to conduct business or take actions at meetings of the commission.

3. Each member of the commission shall have the right and power to cast one vote regarding matters determined or actions to be taken by the commission. Each member shall have the right and power to participate in the business and affairs of the commission.

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

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

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

7. Guidelines and voting requirements for all other decisions of the commission shall be established in the commission's bylaws.

§ 4999-d. 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:

a. for the establishment and meetings of other committees;

b. governing any general or specific delegation of any authority or function of the commission; and

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 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; and

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:

a. the federal government to join as a compacting state; and

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; and

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.

§ 4999-e. Rules. 1. The commission shall adopt rules to do the following:

a. effectively and efficiently achieve the purposes of this article;

b. govern the methods, processes, and any other aspect of the research, creation, and testing of a treatment or therapeutic protocol for each disease for which a prize may be awarded.

2. The commission shall also adopt rules establishing the criteria for defining and classifying the diseases for which prizes shall be awarded. The commission may define and classify subsets of diseases, for example, tubular carcinoma of the breast. For purposes of paragraphs a and c of subdivision three of this section, a subset of a disease shall be considered one disease. The commission may consult the most recent edition of the international classification of disease as published by the world health organization or other definitions agreed to by a two-thirds vote of the commission.

3. The commission shall also adopt rules regarding prizes for curing diseases that establish the following:

a. at least ten major diseases for which to create prizes, which shall be determined based on the following factors:

i. the severity of the disease to a human individual's overall health and well-being;

ii. the survival rate or severity of impact of the disease;

iii. the public health expenses and treatment expenses for the disease.

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

i. it must be approved by the federal Food and Drug Administration or have otherwise obtained legal status for the compact to immediately contract to manufacture and distribute in the United States;

ii. Except as provided in subdivision four of this section, it must yield a significant increase in survival with respect to the diseases if early death is the usual outcome;

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

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

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

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

f. The prize amount with respect to cures for each disease, which shall be equal to the most recent estimated total five-year savings in public health expenses for the disease as calculated in paragraph e of this subdivision in all of the compacting states; amounts donated by charities, individuals, and any other entities intended for the prize under this article; and any other factors that the commission deems appropriate.

g. The prize distribution procedures and guidelines, which shall include the following requirements:

i. Upon acceptance of a cure, the prize winner shall transfer to the commission the patent and all related intellectual property for the manufacture and distribution of the treatment or therapeutic protocol in exchange for the prize, except in the case that the prize money is considered by the commission to be too low, and that a prize will be awarded only to the first person or entity that submits a successful cure for a disease for which a prize may be awarded.

ii. Donation amounts intended for the prize shall be kept in a separate, interest-bearing account maintained by the commission. This account shall be the only account in which prize money is kept.

iii. Each compacting state shall have the responsibility to pay annually the compacting state's actual one-year savings in public health expenses for the particular disease for which a cure has been accepted. The compacting state shall make such an annual payment until it has fulfilled its prize responsibility as established in paragraph f of this subdivision. Each compacting state's payment responsibility begins one year after the date the cure becomes widely available. The commission shall employ or contract with actuaries to calculate each state's actual one-year savings in public health expenses at the end of each year to determine each state's responsibility for the succeeding year.

iv. Compacting states may meet prize responsibilities by any method including the issuance of bonds or other obligations, with the principal and interest of those bonds or obligations to be repaid only from revenue derived from estimated public health expense savings from a cure to a disease. If the compacting state does not make such revenue available to repay some or all of the revenue bonds or obligations issued, the owners or holders of those bonds or obligations have no right to have excises

or taxes levied to pay the principal or interest on them. The revenue bonds and obligations are not a debt of the issuing compacting state.

v. A compacting state may issue bonds or other debt that are general obligations, under which the full faith and credit, revenue, and taxing power of the state is pledged to pay the principal and interest under those obligations, only if authorized by the compacting state's constitution or, if constitutional authorization is not required, by other law of the compacting state.

vi. Upon acceptance of a cure, the commission shall obtain a loan from a financial institution in an amount equal to the most recently calculated total estimated five-year public health expenses for the disease in all compacting states, in accordance with paragraph f of this subdivision. The commission reserves the right to continuously evaluate the cure in the interim and rescind a prize offer if the commission finds that the cure no longer meets the commission's criteria.

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

5. The commission also shall adopt rules that do the following:

a. Establish the following regarding commission records:

i. conditions and procedures for public inspection and copying of its information and official records, except such information and records involving the privacy of individuals or would otherwise violate privacy laws under federal law and the laws of the compacting states;

ii. procedures for sharing with federal and state agencies, including law enforcement agencies, records and information otherwise exempt from disclosure;

iii. guidelines for entering into agreements with federal and state agencies to receive or exchange information or records subject to nondisclosure and confidentiality provisions.

b. Provide a process for commission review of submitted treatments and therapeutic protocols for curing diseases that includes the following:

i. an opportunity for an appeal, not later than thirty days after a rejection of a treatment or protocol for prize consideration, to a review panel established under the commission's dispute resolution process;

ii. commission monitoring and review of treatment and protocol effectiveness consistent with the cure criteria established by the commission for the particular disease;

iii. commission reconsideration, modification, or withdrawal of approval of a treatment or protocol for prize consideration for failure to continue to meet the cure criteria established by the commission for the particular disease.

c. Establish a dispute resolution process to resolve disputes or other issues under the compact that may arise between two or more compacting states or between the commission and individuals or entities who submit treatments and therapeutic protocols to cure diseases, which process shall provide for:

i. administrative review by a review panel appointed by the commission;

ii. judicial review of decisions issued after an administrative review; and

iii. qualifications to be appointed to a panel, due process requirements, including notice and hearing procedures, and any other procedure, requirement, or standard necessary to provide adequate dispute resolution.

d. Establish and impose annual member dues on compacting states, which shall be calculated based on the percentage of each compacting state's population in relation to the population of all the compacting states.

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

7. All rules may be amended as the commission sees necessary.

8. All rules shall be adopted pursuant to a rulemaking process that conforms to the model state administrative procedure act of 1981 by the uniform law commissioners, as amended, as may be appropriate to the operations of the commission.

9. In the event the commission exercises its rulemaking authority in a manner that is beyond the scope of the purpose of this article, or the powers granted hereunder, then such rule shall be invalid and have no force and effect.

§ 4999-f. Committees. a. The commission may establish a management committee comprised of not more than fourteen members when twenty-six states enact the compact.

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

c. The committee shall have such authority and duties as may be set forth in the commission's bylaws and rules, including:

i. managing authority over the day-to-day affairs of the commission in a manner consistent with the commission's bylaws and rules and the purposes of the compact;

ii. overseeing the offices of the commission; and

iii. planning, implementing, and coordinating communications and activities with state, federal, and local government organizations in order to advance the goals of the compact.

d. The commission annually shall elect officers for the committee, with each having such authority and duties as may be specified in the commission's bylaws and rules.

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

2. 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:

a. approving cure criteria;

b. amending, enacting, or repealing any bylaw or rule;

c. adopting the commission's annual budget;

d. addressing any other significant matter or taking any other significant action.

§ 4999-g. Finance. 1. 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.

2. The commission shall be exempt from all taxation in and by the compacting states.

3. 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.

4. 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.

§ 4999-h. 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 other-

wise 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.

§ 4999-i. 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 section forty-nine hundred ninety-nine-m of this article.

§ 4999-j. Venue. Venue for any judicial proceedings by or against the commission shall be brought in the appropriate court of competent jurisdiction for the geographical area in which the principal office of the commission is located.

§ 4999-k. Qualified immunity, defense, and indemnification. 1. The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred within the scope of the person's commission employment, duties, or responsibilities; provided, that nothing in this section shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of that person.

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

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

§ 4999-l. Compacting states, effective date, and amendment. 1. Any state is eligible to become a compacting state.

2. The compact shall become effective and binding upon legislative enactment of the compact into law by two compacting states; provided, the commission shall only be established after six states become compacting states. Thereafter, the compact shall become effective and

binding as to any other compacting state upon enactment of the compact into law by that state.

3. Amendments to the compact may be proposed by the commission for enactment by the compacting states. No amendment shall become effective and binding until all compacting states enact the amendment into law.

4. If funding is requested or required, the legislative authority of each compacting state shall be responsible for making the appropriations it determines necessary to pay for the costs of the compact, including annual member dues and prize distributions.

§ 4999-m. Withdrawal, default, and expulsion. 1. a. Once effective, the compact shall continue in force and remain binding upon each and every compacting state; provided, that a compacting state may withdraw from the compact by doing both of the following:

i. repealing the law enacting the compact in that state;

ii. notifying the commission in writing of the intent to withdraw on a date that is both of the following:

A. at least three years after the date the notice is sent;

B. after the repeal takes effect.

b. The effective date of withdrawal is the date described in subparagraph ii of paragraph a of this subdivision.

c. The member representing the withdrawing state shall immediately notify the management committee in writing upon the introduction of legislation in that state repealing the compact. If a management committee has not been established, the member shall immediately notify the commission.

d. The commission or management committee, as applicable, shall notify the other compacting states of the introduction of such legislation within ten days after its receipt of notice thereof.

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

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

2. a. If the commission determines that any compacting state has at any time defaulted in the performance of any of its obligations or responsibilities under the compact or the commission's bylaws or rules, then, after notice and hearing as set forth in the bylaws, all rights, privileges, and benefits conferred by this article on the defaulting state shall be suspended from the effective date of default as fixed by the commission. The grounds for default include failure of a compacting state to perform its obligations or responsibilities, and any other grounds designated in commission rules. The commission shall immediately notify the defaulting state in writing of the suspension pending cure of the default. The commission shall stipulate the conditions and the time period within which the defaulting state shall cure its default. If the defaulting state fails to cure the default within the time period specified by the commission, the defaulting state shall be expelled from the compact and all rights, privileges, and benefits conferred by the compact shall be terminated from the effective date of the expulsion. Any state that is expelled from the compact shall be liable for any cure prize or prizes for three years after its removal. The commission shall also take appropriate legal action to ensure that any compacting state

that withdraws from the compact remains liable for paying its responsibility towards a prize for a cure that was accepted while the compacting state was a member of the commission.

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

3. a. The compact dissolves effective upon the date of either of the following:

i. the withdrawal or expulsion of a compacting state, which withdrawal or expulsion reduces membership in the compact to one compacting state;

ii. the commission votes to dissolve the compact.

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

§ 4999-n. Severability and construction. 1. The provisions of the compact shall be severable; and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

2. The provisions of the compact shall be liberally construed to effectuate its purposes.

§ 4999-o. Binding effect of compact and other laws. 1. Nothing herein prevents the enforcement of any other law of a compacting state, except as provided in paragraph b of subdivision two of this section.

2. a. All lawful actions of the commission, including all commission rules, are binding upon the compacting states.

b. All agreements between the commission and the compacting states are binding in accordance with their terms.

c. Except to the extent authorized by the compacting state's constitution or, if constitutional authorization is not required, by other law of the compacting state, such state, by entering into the compact does not:

i. commit the full faith and credit or taxing power of the compacting state for the payment of prizes or other obligations under the compact;

ii. make prize payment responsibilities or other obligations under the compact a debt of the compacting state.

d. Upon the request of a party to a conflict over the meaning or interpretation of commission actions, and upon a majority vote of the compacting states, the commission may issue advisory opinions regarding the meaning or interpretation in dispute.

e. In the event any provision of the compact exceeds the constitutional limits imposed on any compacting state, the obligations, duties, powers or jurisdiction sought to be conferred by that provision upon the commission shall be ineffective as to that compacting state, and those obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall be exercised by the agency thereof to which those obligations, duties, powers, or jurisdiction are delegated by law in effect at the time the compact becomes effective.

§ 2. This act shall take effect immediately.