

# STATE OF NEW YORK

11304

## IN ASSEMBLY

May 11, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Blumencranz)  
-- read once and referred to the Committee on Governmental Operations

AN ACT to amend the executive law, the state finance law and the tax law, in relation to increasing transparency and accountability of organizations engaging in political activities and supporting terrorism

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

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "no tax dollars for terror act".

3 § 2. Legislative intent. The legislature finds that organizations  
4 operating in the state of New York, whether for-profit, not-for-profit,  
5 or politically affiliated, must not misuse public funds or abuse their  
6 tax-exempt status to support terrorism or manipulate public discourse  
7 through undisclosed paid protestors. This legislation is necessary to  
8 increase transparency, protect taxpayer resources, and ensure New York  
9 does not inadvertently fund or subsidize organizations engaged in  
10 subversive, antisemitic, or terror-sympathizing activities.

11 § 3. The executive law is amended by adding a new section 76 to read  
12 as follows:

13 § 76. Disclosure of paid protestors. 1. Any individual who is compen-  
14 sated to participate in a public demonstration, protest, or rally in the  
15 state of New York shall, while engaging in such activity, wear conspicu-  
16 ous identification indicating they are a "PAID PROTESTOR".

17 2. The sponsor or employer of such individual shall:

18 (a) file a disclosure with the attorney general within five days prior  
19 to the demonstration indicating the date, location, estimated number of  
20 paid participants, and identity of the employing organization; and

21 (b) provide visible signage at the event clearly noting the presence  
22 of compensated participants.

23 3. Any organization failing to comply with this section shall be  
24 subject to a civil penalty of up to ten thousand dollars per violation,  
25 and repeat violations may result in the revocation of state grants or  
26 contracts.

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

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1 4. The attorney general shall maintain a public registry of organiza-  
2 tions employing paid demonstrators.

3 § 4. The executive law is amended by adding a new section 77 to read  
4 as follows:

5 § 77. Mandatory duties of the attorney general regarding terrorist-  
6 supporting organizations. 1. The attorney general shall, within sixty  
7 days of receiving credible information or a federal designation that an  
8 organization has provided material support or resources to a terrorist  
9 organization as defined under 18 U.S.C. § 2339B, make a formal determi-  
10 nation of ineligibility for purposes of section fifty-three-e of the  
11 state finance law and section twenty-seven of the tax law.

12 2. The attorney general shall not exercise discretion to withhold such  
13 determination based on political, ideological, or policy considerations,  
14 and failure to act within the prescribed timeframe shall be deemed a  
15 dereliction of duty and subject to judicial review and appropriate  
16 mandamus relief.

17 3. In making such determinations, the attorney general shall be bound  
18 by:

19 (a) Any designation by the United States secretary of state, secretary  
20 of the treasury, or attorney general of an organization as a terrorist  
21 organization or as having provided material support to such;

22 (b) Any finding by a federal agency or court that an organization  
23 meets the criteria of a terrorist-supporting organization; and

24 (c) Any determination under federal tax law (including IRC §  
25 501(p)(8)) related to terrorist support.

26 4. The attorney general shall publish and maintain a publicly accessi-  
27 ble registry of all organizations deemed ineligible under these  
28 provisions, and such registry shall be updated quarterly.

29 § 5. The state finance law is amended by adding a new section 53-e to  
30 read as follows:

31 § 53-e. Prohibition on the disbursement of state funds to terrorist-  
32 supporting organizations. 1. No discretionary funds, grants, general  
33 fund allocations, or other appropriations shall be awarded to any organ-  
34 ization that, during the preceding twenty years, has provided material  
35 support, resources, advocacy, or promotion for any terrorist organiza-  
36 tion as defined in federal law (18 U.S.C. § 2339B) or designated by the  
37 United States secretary of state or secretary of the treasury.

38 2. The division of the budget shall maintain a list of ineligible  
39 organizations based on determinations made by the attorney general.

40 3. State agencies and municipalities are prohibited from contracting  
41 with or issuing any form of funding to organizations appearing on this  
42 list.

43 4. Waivers or exemptions are strictly prohibited.

44 § 6. Section 27 of the tax law is REPEALED and a new section 27 is  
45 added to read as follows:

46 § 27. Termination of tax-exempt status of terrorist-supporting organ-  
47 izations. 1. The commissioner shall revoke the tax-exempt status of any  
48 organization determined by the attorney general to have provided materi-  
49 al support to a terrorist organization within the meaning of 18 U.S.C. §  
50 2339B.

51 2. The commissioner shall coordinate with federal authorities and  
52 utilize determinations under Section 501(p)(8) of the Internal Revenue  
53 Code, as amended by H.R. 6408 (118th Congress), as the basis for revoca-  
54 tion.

1 3. Affected organizations shall be notified and may appeal within  
2 sixty days, but tax-exempt privileges shall be suspended during the  
3 pendency of such appeal.

4 4. Organizations that lose tax-exempt status under this section shall  
5 be ineligible to reapply for state or local tax exemptions for a period  
6 of ten years.

7 5. The department shall maintain a list of revoked organizations and  
8 post it on the department's website.

9 § 7. Severability. If any provision of this act, or any application of  
10 any provision of this act, is held to be invalid, that shall not affect  
11 the validity or effectiveness of any other provision of this act, or of  
12 any other application of any provision of this act, which can be given  
13 effect without that provision or application; and to that end, the  
14 provisions and applications of this act are severable.

15 § 8. This act shall take effect immediately.