STATE OF NEW YORK

10970

IN ASSEMBLY

April 14, 2026

Introduced by M. of A. VALDEZ -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the state finance law, in relation to boycott-based adverse actions by affected state entities and public retirement systems

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

Section 1. Legislative findings. Divestment of public funds, or precluding entities from contracting with the state, based on participation in a political boycott carries significant economic, political and constitutional implications. Such decisions are the province of the legislature, and not appropriately accomplished by unilateral executive action.

Executive Order 157, issued June 5, 2016, directed state agencies and authorities to divest public funds from and exclude from state contracting entities identified as participating in the Boycott, Divestment and Sanctions ("BDS") movement. This action was taken outside of the deliberative processes through which such consequential policy judgements should be made.

The legislature takes no position on the merits of any political boycott. It acts solely to restore the proper constitutional order under which the legislature authorizes the use of public investment and procurement power for political or economic purposes.

§ 2. The state finance law is amended by adding a new section 139-n to read as follows:

§ 139-n. Boycott-based adverse actions by affected state entities and public retirement systems. 1. Definitions. For the purposes of this section, the following terms shall have the following meanings:

(a) "Political boycott" means a collective, organized refusal to purchase goods, utilize services, or engage in social or economic relations with a business, nation or organization to demand political, social or policy change.

(b) "Affected state entity" means (i) all agencies and departments over which the governor has executive authority, and (ii) all public-be-

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

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nefit corporations, public authorities, boards and commissions for which the governor appoints the chair, the chief executive or the majority of board members.

(c) "Public retirement system" means the New York state and local retirement system, the New York state teachers' retirement system and any other public pension or retirement fund administered by the state comptroller or any other state official or body.

(d) "Boycott-based adverse action" means any action to (i) divest or cause divestiture of public retirement system or affected state entity funds from any security or investment; (ii) deny, terminate or decline to renew a state contract; or (iii) disqualify any person or entity from bidding on a state contract, where such action is based on such person's or entity's participation in, promotion of or support for a political boycott.

2. Notwithstanding any law, rule, executive order or regulation to the contrary, no affected state entity or public retirement system shall take any boycott-based adverse action or compile, maintain or publish any list of persons or entities for purposes of such action unless expressly authorized by the legislature. No executive order, administrative rule, regulation or guidance shall constitute authorization for any affected state entity or public retirement system to take any boycott-based adverse action or to compile, maintain or publish any list of persons or entities for purposes of such action.

3. The commissioner of general services shall remove from publication and cease to maintain any list of entities compiled pursuant to executive order number one hundred fifty-seven of two thousand sixteen.

4. Nothing in this section shall be construed to impair the operation of any divestment or contracting exclusion program established by statute or to limit the legislature's authority to enact future such programs by statute.

5. If any clause, sentence, paragraph, or subdivision of this section shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or subdivision thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this section would have been enacted even if such invalid provisions had not been included herein.

§ 3. This act shall take effect immediately.