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S. 198

To impose sanctions with respect to the system of compensation of the Palestine Liberation Organization and the Palestinian Authority that supports acts of terrorism.

IN THE SENATE OF THE UNITED STATES

JANUARY 22, 2025

Mr. COTTON (for himself, Mr. CRAMER, Mr. BUDD, Mr. SCOTT of Florida, Mr. HAGERTY, Mr. GRAHAM, Mr. RICKETTS, Mr. CRUZ, and Mr. SCHMITT) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To impose sanctions with respect to the system of compensation of the Palestine Liberation Organization and the Palestinian Authority that supports acts of terrorism.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “PLO and PA Terror
5 Payments Accountability Act of 2025”.

6 **SEC. 2. FINDINGS; STATEMENT OF POLICY.**

7 (a) FINDINGS.—Congress makes the following find-
8 ings:

1 (1) The Palestine Liberation Organization and
 2 the Palestinian Authority provide hundreds of mil-
 3 lions of dollars per year in payments, salaries, and
 4 benefits to terrorists and the families of terrorists as
 5 part of a system compensation that incentivizes, en-
 6 courages, rewards, and supports acts of terrorism.

7 (2) The Palestine Liberation Organization and
 8 the Palestinian Authority policies, laws, and regula-
 9 tions that direct, authorize, enact, facilitate, and im-
 10 plement a system of compensation in support of acts
 11 of terrorism require payments, salaries, and benefits
 12 to terrorists including those who are members and
 13 part of organizations designated as foreign terrorist
 14 organizations by the Secretary of State under sec-
 15 tion 219 of the Immigration and Nationality Act (8
 16 U.S.C. 1189), including Hamas and Islamic Jihad,
 17 that receive direct support including financial and
 18 military assistance from Iran, the leading state
 19 sponsor of terrorism in the world.

20 (3) In 2018, Congress passed the Taylor Force
 21 Act (title X of division S of Public Law 115–141;
 22 132 Stat. 1143) into law that calls on the Palestine
 23 Liberation Organization and the Palestinian Author-
 24 ity to end their system of compensation that
 25 incentivizes, encourages, rewards, and supports acts

1 of terrorism and restricts United States assistance
2 “that directly benefits the Palestinian Authority”
3 unless the Secretary of State certifies to Congress
4 that the Palestine Liberation Organization and the
5 Palestinian Authority have met specific conditions
6 including terminating that system of compensation
7 and revoking the policies, laws, and regulations that
8 authorize and implement the system of compensa-
9 tion.

10 (4) Despite the enactment of the Taylor Force
11 Act, the Palestine Liberation Organization and the
12 Palestinian Authority have continued their system of
13 compensation that incentivizes, encourages, rewards,
14 and supports acts of terrorism.

15 (5) On October 7, 2023, Hamas, Islamic Jihad,
16 and other Gaza-based terrorist organizations at-
17 tacked Israel on Shabbat and during the Jewish hol-
18 iday of Simchat Torah, committing the deadliest at-
19 tack on the Jewish people since the Holocaust.

20 (6) On October 7, 2023, Hamas fired thou-
21 sands of rockets into Israel, deliberately targeting
22 Israeli civilians, and thousands of terrorists invaded
23 Israeli communities—massacring, raping, torturing,
24 decapitating, burning alive, seriously injuring, and
25 kidnapping Israelis and Americans, including men,

1 women, children, babies, and grandparents, and in-
2 cluding Holocaust survivors, with children being
3 murdered in front of their parents and parents being
4 murdered in front of their children.

5 (7) On October 7, 2023, Hamas murdered more
6 than 1,200 who were mostly civilians, and kidnapped
7 more than 240, including Israeli and American men,
8 women, children, babies, and grandparents, and took
9 them to Gaza as hostages.

10 (b) STATEMENT OF POLICY.—It shall be the policy
11 of the United States to hold the Palestine Liberation Or-
12 ganization and the Palestinian Authority accountable in-
13 cluding through the imposition of sanctions for providing
14 payments, salaries, and benefits to terrorists and the fami-
15 lies of terrorists as part of a system compensation that
16 incentivizes, encourages, rewards, and supports acts of
17 terrorism.

18 **SEC. 3. DEFINITIONS.**

19 In this Act:

20 (1) ACT OF TERRORISM.—The term “act of ter-
21 rorism”—

22 (A) means an act of international ter-
23 rorism (as defined in section 2331 of title 18,
24 United States Code); and

1 (B) includes the meanings given the terms
2 “terrorist activity” and “engage in terrorist ac-
3 tivity” by section 212(a)(3)(B) of the Immigra-
4 tion and Nationality Act (8 U.S.C.
5 1182(a)(3)(B)).

6 (2) APPROPRIATE CONGRESSIONAL COMMIT-
7 TEES.—The term “appropriate congressional com-
8 mittees” means—

9 (A) the Committee on Foreign Affairs and
10 the Committee on the Judiciary of the House of
11 Representatives; and

12 (B) the Committee on Foreign Relations,
13 the Committee on Banking, Housing, and
14 Urban Affairs, and the Committee on the Judi-
15 ciary of the Senate.

16 (3) FOREIGN PERSON.—The term “foreign per-
17 son” means any person or entity that is not a
18 United States person.

19 (4) KNOWINGLY.—The term “knowingly”, with
20 respect to conduct, a circumstance, or a result,
21 means that a person had actual knowledge, or
22 should have known, of the conduct, the cir-
23 cumstance, or the result.

24 (5) SYSTEM OF COMPENSATION.—The term
25 “system of compensation”, with respect to the Pales-

tinian Authority and the Palestinian Liberation Organization, means the payments described in subparagraph (B) of section 1004(a)(1) of the Taylor Force Act (22 U.S.C. 2378c–1(a)(1)) and the system of compensation described in subparagraph (C) of that section.

(6) UNITED STATES PERSON.—The term “United States person” means—

(A) a United States citizen or an alien lawfully admitted for permanent residence to the United States;

(B) an entity organized under the laws of the United States or any jurisdiction within the United States, including a foreign branch of such an entity; or

(C) a person in the United States.

SEC. 4. IMPOSITION OF SANCTIONS ON CERTAIN FOREIGN PERSONS SUPPORTING TERRORISM.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and an ongoing basis thereafter, the President shall impose the sanctions described in subsection (b) on—

(1) any foreign person that—

(A) has served in a position as a representative, minister, official, or employee of the Pal-

1 estine Liberation Organization, the Palestinian
 2 Authority, or any other foreign person that has
 3 directed, authorized, been responsible for, mate-
 4 rially assisted with, enacted, implemented, or
 5 otherwise facilitated the Palestine Liberation
 6 Organization and the Palestinian Authority sys-
 7 tem of compensation supporting acts of ter-
 8 rorism; or

9 (B) has provided payments, salaries, and
 10 benefits to terrorists and the families of terror-
 11 ists as part of the Palestine Liberation Organi-
 12 zation and the Palestinian Authority system of
 13 compensation supporting acts of terrorism;

14 (2) any entity that directly or indirectly has op-
 15 erated, ordered, controlled, directed, or otherwise fa-
 16 cilitated the Palestine Liberation Organization and
 17 the Palestinian Authority system of compensation
 18 supporting acts of terrorism including the Commis-
 19 sion of Prisoners and Released Prisoners, the Insti-
 20 tute for the Care of the Families of the Martyrs and
 21 the Wounded, the Palestine National Fund, National
 22 Association of the Families of the Martyrs of Pal-
 23 estine, or any successor, agency, instrumentality, or-
 24 ganization, or affiliated entities thereof; or

1 (3) any foreign person that has knowingly pro-
2 vided significant financial, technological, or material
3 support and resources support to, or knowingly en-
4 gaged in a significant transaction with a foreign per-
5 son described in subparagraphs (1) or (2).

6 (b) SANCTIONS DESCRIBED.—The sanctions that
7 shall be imposed with respect to a foreign person described
8 in subsection (a) are the following:

9 (1) BLOCKING OF PROPERTY.—The President
10 shall exercise all of the powers granted to the Presi-
11 dent under the International Emergency Economic
12 Powers Act (50 U.S.C. 1701 et seq.) to the extent
13 necessary to block and prohibit all transactions in
14 property and interests in property of the foreign per-
15 son if such property and interests in property are in
16 the United States, come within the United States, or
17 are or come within the possession or control of a
18 United States person.

19 (2) INELIGIBILITY FOR VISAS, ADMISSION, OR
20 PAROLE.—

21 (A) VISAS, ADMISSION, OR PAROLE.—An
22 alien described in subsection (a) is—

23 (i) inadmissible to the United States;

1 (ii) ineligible to receive a visa or other
2 documentation to enter the United States;
3 and

4 (iii) otherwise ineligible to be admitted
5 or paroled into the United States or to re-
6 ceive any other benefit under the Immigra-
7 tion and Nationality Act (8 U.S.C. 1101 et
8 seq.).

9 (B) CURRENT VISAS REVOKED.—

10 (i) IN GENERAL.—An alien described
11 in subsection (a) is subject to revocation of
12 any visa or other entry documentation re-
13 gardless of when the visa or other entry
14 documentation is or was issued.

15 (ii) IMMEDIATE EFFECT.—A revoca-
16 tion under clause (i) shall—

17 (I) take effect immediately; and

18 (II) automatically cancel any
19 other valid visa or entry documenta-
20 tion that is in the alien's possession.

21 (iii) PENALTIES.—The penalties pro-
22 vided for in subsections (b) and (c) of sec-
23 tion 206 of the International Emergency
24 Economic Powers Act (50 U.S.C. 1705)
25 shall apply to a person that violates, at-

1 tempts to violate, conspires to violate, or
2 causes a violation of this section or any
3 regulations promulgated to carry out this
4 section to the same extent that such pen-
5 alties apply to a person that commits an
6 unlawful act described in section 206(a) of
7 that Act.

8 (c) CONGRESSIONAL REQUESTS.—Not later than 30
9 days after receiving a request from the chairman or rank-
10 ing member of one of the appropriate congressional com-
11 mittees with respect to whether a person meets the criteria
12 of a person described in subsection (a), the President
13 shall—

14 (1) determine if the person meets such criteria;
15 and

16 (2) submit a classified or unclassified report to
17 the chairman or ranking member, that submitted the
18 request with respect to that determination that in-
19 cludes a statement of whether or not the President
20 imposed or intends to impose sanctions with respect
21 to the person.

22 (d) IMPLEMENTATION; REGULATIONS.—

23 (1) IN GENERAL.—The President may exercise
24 all authorities provided under sections 203 and 205
25 of the International Emergency Economic Powers

1 Act (50 U.S.C. 1702 and 1704) for purposes of car-
2 rying out this section.

3 (2) REGULATIONS.—Not later than 60 days
4 after the date of the enactment of this Act, the
5 President shall issue such regulations or other guid-
6 ance as may be necessary for the implementation of
7 this section.

8 (e) MATERIAL SUPPORT OR RESOURCES DEFINED.—
9 In this section, the term “material support or resources”
10 has the meaning given that term in section 2339A(b) of
11 title 18, United States Code.

12 **SEC. 5. IMPOSITION OF SANCTIONS WITH RESPECT TO FI-**
13 **NANCIAL INSTITUTIONS THAT FACILITATE**
14 **TRANSACTIONS SUPPORTING TERRORISM.**

15 (a) IN GENERAL.—Not later than 90 days after the
16 date of the enactment of this Act, and on an ongoing basis
17 thereafter, the President shall impose the sanctions de-
18 scribed in subsection (c) with respect to each foreign fi-
19 nancial institution that engages in the activities described
20 in subsection (b).

21 (b) ACTIVITIES DESCRIBED.—A foreign financial in-
22 stitution engages in an activity described in this subsection
23 if the institution—

24 (1) processes, participates in, facilitates, or pro-
25 vides a transaction that are payments, salaries, or

1 benefits, or any other conduct described in section
2 4(a); or

3 (2) knowingly conducted or facilitated any sig-
4 nificant financial transaction with any foreign per-
5 son subject to sanctions under section 4(a).

6 (c) SANCTIONS DESCRIBED.—The President shall
7 prohibit the opening, and prohibit or impose strict condi-
8 tions on the maintaining, in the United States of a cor-
9 respondent account or a payable-through account by a for-
10 eign financial institution described in subsection (a).

11 (d) DEFINITIONS.—In this section:

12 (1) CORRESPONDENT ACCOUNT; PAYABLE-
13 THROUGH ACCOUNT.—The terms “correspondent ac-
14 count” and “payable-through account” have the
15 meanings given those terms in section 5318A of title
16 31, United States Code.

17 (2) FOREIGN FINANCIAL INSTITUTION.—The
18 term “foreign financial institution” has the meaning
19 of that term as determined by the Secretary of the
20 Treasury pursuant to section 104(i) of the Com-
21 prehensive Iran Sanctions, Accountability, and Di-
22 vestment Act of 2010 (22 U.S.C. 8513(i)).

23 **SEC. 6. TERMINATION.**

24 The provisions of this Act shall have no force or effect
25 only if the Secretary of State certifies in writing to the

1 appropriate congressional committees that the Palestine
2 Liberation Organization and the Palestinian Authority
3 system of compensation providing payments, salaries, and
4 benefits to terrorists and the families of terrorists that
5 incentivizes, encourages, rewards, and supports acts of
6 terrorism as described in this Act, has ceased to be in ef-
7 fect and is no longer taking place.

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