

Budget Foundations Law (Amendment No. 40) 5771 – 2011*

Adding section 3B 1. Budget Foundations Law 5745 – 1985,¹ after Section 3A will come:

Reducing a budget or support due to activity that is contrary to the principles of the state

3B.(A) In this section –

“Entity” – A budgeted entity and a supported entity as defined in Section 21, and a public institution supported under Section 3A;

“Expenditure” – including a concession of revenue.

(B) If the Minister of Finance sees that an entity has made an expenditure that, in essence, constitutes one of those specified below (in this section – an unsupported expenditure), he is entitled, with the authorization of the minister responsible for the budget item under which this entity is budgeted or supported, after hearing the entity, to reduce the sums earmarked to be transferred from the state budget to this entity under any law:

(1) Rejecting the existence of the State of Israel as a Jewish and democratic state;

(2) Incitement to racism, violence or terrorism;

(3) Support for an armed struggle or act of terror by an enemy state or a terrorist organization against the State of Israel;

(4) Commemorating Independence Day or the day of the establishment of the state as a day of mourning;

(5) An act of vandalism or physical desecration that dishonors the state’s flag or symbol.

(C) The reduction under subsection (B) will

¹ Book of Laws 5745, p. 15; 5771, p. 195.

not exceed three times [the amount of] the unsupported expenditure.

(D) (1) The Minister of Finance will decide as stipulated in Subsection (B), after receiving an opinion from the legal advisor to the Ministry of Finance regarding the fulfillment of what is stipulated in that subsection, and after receiving the recommendations of a professional team regarding the scope of the unsupported expenditure, the repercussions of the reduction on the entity or on other bodies connected to it, and the appropriate sum to be reduced in consideration of all the relevant circumstances.

(2) In this subsection, “professional team” – a team appointed by the Minister of Finance whose members include an employee of the Ministry of Justice, as nominated by the Minister of Justice, an employee of the Ministry of Finance, and an employee of the ministry whose minister is responsible for the budget item under which the entity is budgeted or supported, as nominated by this minister.”

Amendment to the 2.
Administrative
Affairs Courts Law
[No. 56]

In the Administrative Affairs Courts Law, 5760-2000,² in the first addition, at the end will come:

“40. Reductions in the amounts of support – decision of the Minister of Finance under Section 3B of the Budget Foundations Law, 5745-1985.”

Application 3.

The directives of Section 3B of the primary legislation, as stated in Section 1 of this law, will apply to an unsupported expenditure that is made starting from the day of its publication.

Yuval Steinitz
Minister of Finance

Benjamin Netanyahu
Prime Minister

Reuven Rivlin
Speaker of the
Knesset

Shimon Peres
President of the State

² Book of Laws, 5760, p. 190; 5771 p. ...