

5370

2011-2012 Regular Sessions

I N A S S E M B L Y

February 16, 2011

Introduced by M. of A. KOLB, AMEDORE, FITZPATRICK, HAYES, JORDAN,
J. MILLER, CASTELLI -- Multi-Sponsored by -- M. of A. BARCLAY, BOYLE,
BURLING, BUTLER, CALHOUN, CONTE, CORWIN, CROUCH, DUPREY, FINCH,
GIGLIO, HAWLEY, P. LOPEZ, McKEVITT, MOLINARO, OAKS, RABBITT, REILICH,
SAYWARD, TEDISCO, THIELE, TOBACCO -- read once and referred to the
Committee on Ways and Means

AN ACT to amend the state finance law, in relation to establishing a
spending cap and increasing the maximum capacity of the rainy day fund

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. The state finance law is amended by adding a new article 17
2 to read as follows:

3 ARTICLE XVII

4 SPENDING GROWTH CAP ACT

5 SECTION 250. DEFINITIONS.

6 251. ESTABLISHMENT OF ANNUAL SPENDING GROWTH CAP.

7 252. PROVISIONS REGARDING DECLARATION OF EMERGENCY.

8 S 250. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL
9 HAVE THE FOLLOWING MEANINGS, UNLESS OTHERWISE SPECIFIED:

10 1. "ANNUAL SPENDING GROWTH CAP" SHALL MEAN A PERCENTAGE DETERMINED BY
11 ADDING THE INFLATION RATES FROM EACH OF THE THREE CALENDAR YEARS IMME-
12 DIATELY PRIOR TO THE COMMENCEMENT OF A GIVEN FISCAL YEAR AND THEN DIVID-
13 ING THAT SUM BY THREE.

14 2. "STATE OPERATING FUNDS SPENDING" SHALL MEAN ANNUAL DISBURSEMENTS OF
15 ALL GOVERNMENTAL FUND TYPES INCLUDED IN THE CASH-BASIS FINANCIAL PLAN OF
16 THE STATE, EXCLUDING DISBURSEMENTS FROM FEDERAL FUNDS AND CAPITAL
17 PROJECT FUNDS.

18 3. "INFLATION RATE" SHALL MEAN THE PERCENTAGE CHANGE IN THE
19 TWELVE-MONTH AVERAGE OF THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
20 AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR

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

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1 STATISTICS OR ANY SUCCESSOR AGENCY FOR A GIVEN CALENDAR YEAR COMPARED TO
2 THE PRIOR CALENDAR YEAR.

3 4. "EXECUTIVE BUDGET" SHALL MEAN THE BUDGET SUBMITTED ANNUALLY BY THE
4 GOVERNOR PURSUANT TO SECTION ONE OF ARTICLE VII OF THE STATE CONSTITU-
5 TION.

6 5. "STATE BUDGET AS ENACTED" SHALL MEAN THE BUDGET ACTED UPON BY THE
7 LEGISLATURE IN A GIVEN FISCAL YEAR, AS SUBJECT TO SECTION FOUR OF ARTI-
8 CLE VII OF THE STATE CONSTITUTION AND SECTION SEVEN OF ARTICLE IV OF THE
9 STATE CONSTITUTION.

10 6. "EMERGENCY" SHALL MEAN AN EXTRAORDINARY, UNFORESEEN, OR UNEXPECTED
11 OCCURRENCE, OR COMBINATION OF CIRCUMSTANCES, INCLUDING BUT NOT LIMITED
12 TO A NATURAL DISASTER, INVASION, TERRORIST ATTACK, OR ECONOMIC CALAMITY.

13 S 251. ESTABLISHMENT OF ANNUAL SPENDING GROWTH CAP. 1. THERE IS HERE-
14 BY ESTABLISHED AN ANNUAL SPENDING GROWTH CAP.

15 2. THE GOVERNOR SHALL NOT SUBMIT, AND THE LEGISLATURE SHALL NOT ACT
16 UPON, A BUDGET THAT CONTAINS A PERCENTAGE INCREASE OVER THE PRIOR FISCAL
17 YEAR IN STATE OPERATING FUNDS SPENDING WHICH EXCEEDS THE ANNUAL SPENDING
18 GROWTH CAP.

19 3. THE GOVERNOR SHALL CERTIFY IN WRITING THAT STATE OPERATING FUNDS
20 SPENDING IN THE EXECUTIVE BUDGET DOES NOT EXCEED THE ANNUAL SPENDING
21 GROWTH CAP. IF FINAL INFLATION RATE DATA FOR THE PRIOR CALENDAR YEAR IS
22 NOT YET AVAILABLE AT THE TIME THE GOVERNOR SUBMITS HIS OR HER EXECUTIVE
23 BUDGET, HE OR SHE SHALL FURNISH A REASONABLE ESTIMATE OF SUCH PRIOR
24 CALENDAR YEAR INFLATION RATE.

25 4. THE COMPTROLLER SHALL PROVIDE, WITHIN FIVE DAYS OF ACTION BY THE
26 LEGISLATURE UPON THE BUDGET, A DETERMINATION AS TO WHETHER THE STATE
27 OPERATING FUNDS SPENDING AS SET FORTH IN THE STATE BUDGET AS ENACTED
28 EXCEEDS THE ANNUAL SPENDING GROWTH CAP.

29 5. IF THE COMPTROLLER FINDS THAT STATE OPERATING FUNDS SPENDING AS SET
30 FORTH IN THE STATE BUDGET AS ENACTED EXCEEDS THE ANNUAL SPENDING GROWTH
31 CAP, THE GOVERNOR SHALL TAKE CORRECTIVE ACTION TO ENSURE THAT FUNDING IS
32 LIMITED TO THE AMOUNT OF THE ANNUAL SPENDING CAP.

33 S 252. PROVISIONS REGARDING DECLARATION OF EMERGENCY. 1. UPON A FIND-
34 ING OF AN EMERGENCY BY THE GOVERNOR, HE OR SHE MAY DECLARE AN EMERGENCY
35 BY AN EXECUTIVE ORDER WHICH SHALL SET FORTH THE REASONS FOR SUCH DECLA-
36 RATION.

37 2. BASED UPON SUCH DECLARATION, THE GOVERNOR MAY SUBMIT, AND THE
38 LEGISLATURE MAY AUTHORIZE, BY A TWO-THIRDS SUPER MAJORITY, A BUDGET
39 CONTAINING A PERCENTAGE INCREASE OVER THE PRIOR FISCAL YEAR IN STATE
40 OPERATING FUNDS SPENDING THAT EXCEEDS THE ANNUAL SPENDING GROWTH CAP.

41 S 2. Subdivision 2 of section 92-cc of the state finance law, as added
42 by chapter 1 of the laws of 2007, is amended to read as follows:

43 2. Such fund shall have a maximum balance not to exceed [three] TEN
44 per centum of the aggregate amount projected to be disbursed from the
45 general fund during the fiscal year immediately following the then-cur-
46 rent fiscal year.

47 S 3. This act shall take effect immediately.