

3770

2013-2014 Regular Sessions

I N S E N A T E

February 14, 2013

Introduced by Sen. ROBACH -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

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 ASSEMBLY, 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 17

4 ANNUAL SPENDING GROWTH CAP ACT

5 SECTION 244. DEFINITIONS.

6 245. ESTABLISHMENT OF ANNUAL SPENDING GROWTH CAP.

7 246. PROVISIONS REGARDING DECLARATION OF EMERGENCY.

8 S 244. 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  
21 STATISTICS OR ANY SUCCESSOR AGENCY FOR A GIVEN CALENDAR YEAR COMPARED TO  
22 THE PRIOR CALENDAR YEAR.

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

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

LBD08608-01-3

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

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

8 S 245. ESTABLISHMENT OF ANNUAL SPENDING GROWTH CAP. 1. THERE IS HERE-  
9 BY ESTABLISHED AN ANNUAL SPENDING GROWTH CAP.

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

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

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

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

28 S 246. PROVISIONS REGARDING DECLARATION OF EMERGENCY. 1. UPON A FIND-  
29 ING OF AN EMERGENCY BY THE GOVERNOR, HE OR SHE MAY DECLARE AN EMERGENCY  
30 BY AN EXECUTIVE ORDER WHICH SHALL SET FORTH THE REASONS FOR SUCH DECLA-  
31 RATION.

32 2. BASED UPON SUCH DECLARATION, THE GOVERNOR MAY SUBMIT, AND THE  
33 LEGISLATURE MAY AUTHORIZE, BY A TWO-THIRDS SUPERMAJORITY, A BUDGET  
34 CONTAINING A PERCENTAGE INCREASE OVER THE PRIOR FISCAL YEAR IN STATE  
35 OPERATING FUNDS SPENDING THAT EXCEEDS THE ANNUAL SPENDING GROWTH CAP.

36 S 2. Subdivision 2 of section 92-cc of the state finance law, as  
37 amended by section 17 of part U of chapter 59 of the laws of 2012, is  
38 amended to read as follows:

39 2. Such fund shall have a maximum balance not to exceed [three] TEN  
40 per centum of the aggregate amount projected to be disbursed from the  
41 general fund during the fiscal year immediately following the then-cur-  
42 rent fiscal year. At the request of the director of the budget, the  
43 state comptroller shall transfer monies to the rainy day reserve fund up  
44 to and including an amount equivalent to three-tenths of one per centum  
45 of the aggregate amount projected to be disbursed from the general fund  
46 during the then-current fiscal year, unless such transfer would increase  
47 the rainy day reserve fund to an amount in excess of three per centum of  
48 the aggregate amount projected to be disbursed from the general fund  
49 during the fiscal year immediately following the then-current fiscal  
50 year, in which event such transfer shall be limited to such amount as  
51 will increase the rainy day reserve fund to such three per centum limi-  
52 tation.

53 S 3. Subdivision 2 of section 92-cc of the state finance law, as added  
54 by chapter 1 of the laws of 2007, is amended to read as follows:

55 2. Such fund shall have a maximum balance not to exceed [three] TEN  
56 per centum of the aggregate amount projected to be disbursed from the

1 general fund during the fiscal year immediately following the then-cur-  
2 rent fiscal year.

3 S 4. This act shall take effect on the thirtieth day after it shall  
4 have become a law; provided, however that the amendments to subdivision  
5 2 of section 92-cc of the state finance law made by section two of this  
6 act shall be subject to the expiration and reversion of such subdivision  
7 pursuant to section 53 of part U of chapter 59 of the laws of 2012, as  
8 amended, when upon such date the provisions of section three of this act  
9 shall take effect.