4964

2015-2016 Regular Sessions

IN ASSEMBLY

February 10, 2015

Introduced by M. of A. KEARNS -- 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 ASSEMBLY, DO ENACT AS FOLLOWS:

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

ARTICLE 17

ANNUAL SPENDING GROWTH CAP ACT

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SECTION 244. DEFINITIONS.

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245. ESTABLISHMENT OF ANNUAL SPENDING GROWTH CAP.

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.

"INFLATION RATE" THE PERCENTAGE CHANGE 18 3. SHALL MEAN INTHE 19 TWELVE-MONTH AVERAGE OF THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS 20 PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR AS STATISTICS OR ANY SUCCESSOR AGENCY FOR A GIVEN CALENDAR YEAR COMPARED TO 21 22 THE PRIOR CALENDAR YEAR.

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

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

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"STATE BUDGET AS ENACTED" SHALL MEAN THE BUDGET ACTED UPON BY THE 1 5. 2 LEGISLATURE IN A GIVEN FISCAL YEAR, AS SUBJECT TO SECTION FOUR OF ARTI-CLE VII OF THE STATE CONSTITUTION AND SECTION SEVEN OF ARTICLE IV OF THE 3 4 STATE CONSTITUTION. 5 "EMERGENCY" SHALL MEAN AN EXTRAORDINARY, UNFORESEEN, OR UNEXPECTED 6. 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 THE GOVERNOR SHALL NOT SUBMIT, AND THE LEGISLATURE SHALL NOT ACT 2. UPON, A BUDGET THAT CONTAINS A PERCENTAGE INCREASE OVER THE PRIOR FISCAL 11 YEAR IN STATE OPERATING FUNDS SPENDING WHICH EXCEEDS THE ANNUAL SPENDING 12 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 YET AVAILABLE AT THE TIME THE GOVERNOR SUBMITS HIS OR HER EXECUTIVE NOT 18 BUDGET, HE OR SHE SHALL FURNISH A REASONABLE ESTIMATE OF SUCH PRIOR 19 CALENDAR YEAR INFLATION RATE. 20 THE COMPTROLLER SHALL PROVIDE, WITHIN FIVE DAYS OF ACTION BY THE 4. 21 LEGISLATURE UPON THE BUDGET, A DETERMINATION AS TO WHETHER THE STATE 22 FUNDS SPENDING AS SET FORTH IN THE STATE BUDGET AS ENACTED OPERATING EXCEEDS THE ANNUAL SPENDING GROWTH CAP. 23 5. IF THE COMPTROLLER FINDS THAT STATE OPERATING FUNDS SPENDING AS SET 24 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 BY AN EXECUTIVE ORDER WHICH SHALL SET FORTH THE REASONS FOR SUCH DECLA-30 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 CONTAINING A PERCENTAGE INCREASE OVER THE PRIOR FISCAL YEAR IN STATE 34 35 OPERATING FUNDS SPENDING THAT EXCEEDS THE ANNUAL SPENDING GROWTH CAP. S 2. Subdivision 2 of section 92-cc of the state finance law, 36 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 general fund during the fiscal year immediately following the then-cur-41 rent fiscal year. At the request of the director of the budget, the 42 state comptroller shall transfer monies to the rainy day reserve fund up 43 44 to and including an amount equivalent to three-tenths of one per centum 45 the aggregate amount projected to be disbursed from the general fund of during the then-current fiscal year, unless such transfer would increase 46 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 during the fiscal year immediately following the then-current fiscal year, in which event such transfer shall be limited to such amount as 49 50 51 will increase the rainy day reserve fund to such three per centum limi-52 tation. 53 S 3. This act shall take effect on the thirtieth day after it shall 54 have become a law.