

# STATE OF NEW YORK

7084

## IN SENATE

(Prefiled)

January 3, 2018

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

### CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY

proposing an amendment to article 7 of the constitution, in relation to the diversion of dedicated funds

Section 1. Resolved (if the Assembly concur), That article 7 of the constitution be amended by adding a new section 20 to read as follows:

§ 20. Restrictions on diversion of dedicated funds; declaration of fiscal emergency. 1. The legislature shall not divert revenues derived from taxes and fees paid by the public into any dedicated fund for purposes other than those for which that fund was intended. Prohibited diversions shall include, without limitation:

(a) budgetary transfers of dedicated fund revenues into the general fund of the state or into any other fund maintained for the support of another governmental purpose;

(b) administrative acts by the executive that would transfer dedicated fund revenues into the general fund of the state or into any other fund maintained for the support of another governmental purpose;

(c) addition, by statute or administrative action, of new purposes for which appropriation shall be made available for use of dedicated fund revenues, including addition of new purposes into dedicated fund enacting legislation; and

(d) removal, by statute or administrative action, of sources of revenue created by statute, unless replaced with a greater source of dedicated revenue.

2. The only instance in which dedicated revenues may be diverted shall be upon declaration of a fiscal emergency by the governor, which shall be accompanied by a diversion impact statement.

(a) A fiscal emergency may be declared by the governor and diversion of funds may be authorized if the governor needs the revenues to repel invasion, suppress insurrection, defend the state after a declaration of war, respond to an act of terrorism, or respond to a natural disaster. Prior to diverting revenues, the governor shall notify the majority and

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

LBD89007-01-7

1 minority leadership of the legislature. The diversion impact statement  
2 may be provided retroactively under these circumstances.

3 (b) No other diversions shall be authorized until the governor  
4 declares a state of fiscal emergency to the majority and minority lead-  
5 ership of the legislature, which shall, by concurrent resolution, ratify  
6 this fiscal emergency declaration. The assent of two-thirds of the  
7 members elected to the legislature shall be requisite to pass such  
8 resolution and any legislative appropriations that authorize the diver-  
9 sion of funds.

10 (c) If any diversion of funds occurs upon declaration of fiscal emer-  
11 gency during a regular or extraordinary session of the legislature, the  
12 budget or legislation diverting funds shall include a diversion impact  
13 statement which includes the following information:

14 (i) The amount diverted from each fund;

15 (ii) The cumulative amount diverted from each of the funds subject to  
16 diversion during the preceding five years, which shall also be categor-  
17 ized by fund type;

18 (iii) The date or dates when the diversion or diversions are to occur;

19 (iv) A detailed estimate of the impact of diversion from each fund;  
20 and

21 (v) The purpose for which the funds will be diverted.

22 (d) The diversion impact statement may be provided retroactively upon  
23 declaration of a fiscal emergency under the circumstances of paragraph  
24 (a) of this subdivision. The diversion impact statement shall be  
25 provided concurrently with the governor's fiscal emergency declaration  
26 and prior to introduction of the concurrent legislative resolution if  
27 the fiscal emergency is declared pursuant to paragraph (b) of this  
28 subdivision.

29 (e) Notwithstanding paragraph (a) of this subdivision, a fiscal emer-  
30 gency may only be declared if certain economic conditions are met.  
31 These indicators and the process for briefing the legislature and public  
32 shall be established by statute. If the fiscal emergency declaration is  
33 made before passage of the aforementioned statute, the governor shall  
34 use the composite index of business cycle indicators established pursu-  
35 ant to section 14 of chapter 1 of the laws of 2007.

36 § 2. Resolved (if the Assembly concur), That the foregoing be referred  
37 to the first regular legislative session convening after the next  
38 succeeding general election of members of the assembly, and, in conform-  
39 ity with section 1 of article 19 of the constitution, be published for 3  
40 months previous to the time of such election.