

STATE OF NEW YORK

5893

2023-2024 Regular Sessions

IN ASSEMBLY

March 24, 2023

Introduced by M. of A. JENSEN -- 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

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

Section 244. Definitions.

245. Establishment of annual spending growth cap.

246. Provisions regarding declaration of emergency.

§ 244. Definitions. As used in this article, the following terms shall have the following meanings, unless otherwise specified:

1. "Annual spending growth cap" shall mean a percentage determined by adding the inflation rates from each of the three calendar years immediately prior to the commencement of a given fiscal year and then dividing that sum by three or two percent, whichever is less.

2. "State operating funds spending" shall mean annual disbursements of all governmental fund types included in the cash-basis financial plan of the state, excluding disbursements from federal funds and capital project funds.

3. "Inflation rate" shall mean the percentage change in the twelve-month average of the consumer price index for all urban consumers as published by the United States department of labor, bureau of labor statistics or any successor agency for a given calendar year compared to 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 constitution.

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

LBD03491-01-3

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 § 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 § 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 § 2. This act shall take effect on the thirtieth day after it shall
37 have become a law.