STATE OF NEW YORK

10594

IN ASSEMBLY

June 20, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Rajkumar) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law, in relation to enacting the rainy day act; to increase the maximum balance of the rainy day reserve fund; and to repeal certain provisions of such law relating to the tax stabilization reserve fund

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Short title. This act shall be known and may be cited as the "rainy day act".

§ 2. All funds currently held in or due to be deposited into the tax stabilization reserve fund pursuant to section 92 of the state finance law as of the effective date of this section shall be transferred to and deposited into the rainy day reserve fund established in section 92-cc of the state finance law.

§ 3. Section 92 of the state finance law is REPEALED.

§ 4. Section 92-cc of the state finance law is amended by adding a new subdivision 6 to read as follows:

6. a. The aggregate amount disbursed from the general fund during the fiscal year shall constitute the norm for such fiscal year of the amount of revenues from such taxes, fees and other sources, and the term "norm," as used in this section, shall mean such aggregate amount.

b. At the close of each fiscal year any cash surplus remaining in the general fund over and above the norm for such fiscal year shall be transferred from or retained in such fund as hereinafter in this subdivision provided. There shall be transferred to the rainy day reserve fund all of such surplus moneys, up to and including an amount equivalent to two-tenths of one per centum of such norm, unless such transfer would increase such reserve fund to an amount in excess of two per centum of the amount of the norm for such fiscal year, in which event such transfer shall be limited to such amount as will increase such reserve fund to such two per centum limitation.

§ 5. Subdivision 2 of section 92-cc of the state finance law, as amended by section 25 of part PP of chapter 56 of the laws of 2023, is

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

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amended and three new subdivisions 2-a, 2-b and 2-c are added to read as follows:

2. Such fund shall have a maximum balance not to exceed [~~twenty-five~~] thirty per centum of the aggregate amount projected to be disbursed from the general fund during the then-current fiscal year. At the request of the director of the budget, the state comptroller shall transfer monies to the rainy day reserve fund up to and including an amount equivalent to [~~fifteen~~] twenty per centum of the aggregate amount projected to be disbursed from the general fund during the then-current fiscal year, unless such transfer would increase the rainy day reserve fund to an amount in excess of [~~twenty-five~~] thirty per centum of the aggregate amount projected to be disbursed from the general fund during the then-current fiscal year, in which event such transfer shall be limited to such amount as will increase the rainy day reserve fund to such [~~twenty-five~~] thirty per centum limitation.

2-a. The state comptroller shall annually deposit into the rainy day reserve fund an amount equal to two-thirds of common rate and base tax receipts growth in excess of two percent. "Common rate and base tax receipts" shall mean revenue calculated presuming there is no change in tax laws or other tax-related policies.

2-b. No less than ten per centum of any nonrecurring extraordinary monetary settlements of ten million dollars or more shall be deposited into the rainy day fund, unless otherwise prohibited under the terms of the receipt.

2-c. If mandatory transfers into the rainy day reserve fund as provided by this section exceed thirty per centum of the aggregate amount projected to be disbursed from the general fund during the then-current fiscal year, such excess funds shall be deposited into the retiree health benefits trust fund established by section ninety-nine-aa of this article.

§ 6. There shall be no fund established or maintained for the purpose of transfers to the state operating funds in the event of economic uncertainties, unless such fund is created pursuant to an act of the legislature in the consolidated laws of the state. Any amounts existing in any fund currently maintained for such purpose shall be transferred to the rainy day reserve fund established by section 92-cc of the state finance law.

§ 7. This act shall take effect on the first of April next succeeding the date upon which it shall have become a law.