

# STATE OF NEW YORK

4483

2025-2026 Regular Sessions

## IN ASSEMBLY

February 4, 2025

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:

1 Section 1. The state finance law is amended by adding a new article 17  
2 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:

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 or two percent, whichever is less.

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 twelve-  
19 month average of the consumer price index for all urban consumers as  
20 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.

LBD01635-01-5

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 their executive budg-  
18 et, the governor 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, the governor may declare an emer-  
30 gency by an executive order which shall set forth the reasons for such  
31 declaration.

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.