STATE OF NEW YORK

1296

2025-2026 Regular Sessions

IN SENATE

January 9, 2025

Introduced by Sens. BORRELLO, CANZONERI-FITZPATRICK, LANZA, OBERACKER, O'MARA -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

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.

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

LBD01635-01-5

4. "Executive budget" shall mean the budget submitted annually by the governor pursuant to section one of article VII of the state constitution.

5. "State budget as enacted" shall mean the budget acted upon by the legislature in a given fiscal year, as subject to section four of article VII of the state constitution and section seven of article IV of the state constitution.

6. "Emergency" shall mean an extraordinary, unforeseen, or unexpected occurrence, or combination of circumstances, including but not limited to a natural disaster, invasion, terrorist attack, or economic calamity.

§ 245. Establishment of annual spending growth cap. 1. There is hereby established an annual spending growth cap.

2. The governor shall not submit, and the legislature shall not act upon, a budget that contains a percentage increase over the prior fiscal year in state operating funds spending which exceeds the annual spending growth cap.

3. The governor shall certify in writing that state operating funds spending in the executive budget does not exceed the annual spending growth cap. If final inflation rate data for the prior calendar year is not yet available at the time the governor submits their executive budget, the governor shall furnish a reasonable estimate of such prior calendar year inflation rate.

4. The comptroller shall provide, within five days of action by the legislature upon the budget, a determination as to whether the state operating funds spending as set forth in the state budget as enacted exceeds the annual spending growth cap.

5. If the comptroller finds that state operating funds spending as set forth in the state budget as enacted exceeds the annual spending growth cap, the governor shall take corrective action to ensure that funding is limited to the amount of the annual spending cap.

§ 246. Provisions regarding declaration of emergency. 1. Upon a finding of an emergency by the governor, the governor may declare an emergency by an executive order which shall set forth the reasons for such declaration.

2. Based upon such declaration, the governor may submit, and the legislature may authorize, by a two-thirds supermajority, a budget containing a percentage increase over the prior fiscal year in state operating funds spending that exceeds the annual spending growth cap.

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