



NEW YORK STATE SENATOR

William Larkin

Senator Larkin and the Senate Republican Conference Push to Put a Lid on State Spending

[WILLIAM J. LARKIN JR.](#) April 2, 2009

Senator Bill Larkin (R-C, Cornwall-on-Hudson) announced that in an effort to put the brakes on runaway state spending and taxes, Senate Republicans today proposed an amendment to the state budget that would put in place a constitutional state spending cap. The Senate has previously passed the spending cap plan with bipartisan support, yet today Senate Democrats changed their position and voted unanimously against it.

The Republican proposal would enact a constitutional spending cap that would limit year-to-year State spending increases to no more than four percent and force both houses of the Legislature and Governor to live within its means. If spending growth was constitutionally capped as late as 1998-99, today's 2009-10 state funds budget Executive Budget would be less than \$68 billion, creating a multi-billion dollar surplus, rather than the current multi-billion dollar deficit.

“The 2009-2010 budget increases spending by \$12 billion and includes \$8 billion in new and higher taxes,” said Senator Bill Larkin, “New York’s citizens deserve better than this. They deserve relief, not billions in new taxes so the state can continue to spend at such an alarming and unsustainable rate. The constitutional state spending cap that is being proposed today is needed now more than ever.”

Under the Senate proposal, year-to-year State spending increases would be limited to 120 percent of the Consumer Price Index (CPI) or 4 percent, whichever is less. In any given year, fifty percent of tax revenue that exceeded the cap would be placed in a reserve fund and fifty percent would be returned to taxpayers in the form of direct tax rebates.

In addition, the amendment would force the Executive to resubmit a balanced Budget to address any shortfalls in revenue that occur after the submission of the Executive Budget, and make any necessary spending revisions to reflect the declining revenue.

The constitutional spending cap proposal would give the Executive the authority to exceed the cap in the event of a fiscal emergency or other extraordinary circumstances, however, the Comptroller would be

required to independently certify the financial crisis.

According to a 2007 report by the National Conference of State Legislatures, thirty states have put in place statutory or constitutional tax or spending limits. New York continues to rank at or near the top in combined state and local tax burden, further illustrating the need to enact a spending cap.