



NEW YORK STATE SENATOR

Joseph P. Addabbo Jr.

## Addabbo Supports State Spending Cap and Bill to Limit Future Tax Increases

JOSEPH P. ADDABBO JR January 25, 2011

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*Two Bills Seek a State Constitutional Spending Cap and a Supermajority Requirement to Raise Taxes*

**Queens, NY, January 24, 2011 -- NYS Senator Joseph P. Addabbo, Jr. (D-Queens)**

reported to his district constituents that he voted to support two new bills, S.1892 and S.1919, both introduced by Republican Senators, during last week's legislative session in Albany. The first bill (S.1892) seeks to amend the NYS Constitution to impose a spending cap, by limiting the governor to only being able to submit appropriation bills, or the legislature from acting on an appropriation bill that increases the total state spending the lesser of 2% over the previous year or 120% of the inflation rate. If the governor declares an emergency and the comptroller concurs, the governor may submit an appropriation bill in excess of the cap. Whenever state revenues exceed the spending cap, one-half of the revenues in excess of the cap will be deposited in the tax stabilization reserve fund, while the other half will be returned to NYS personal income taxpayers on a proportional basis.

Registering his support of the new bill, Addabbo mentioned the following points: "Public

support for a spending cap is strong and the state government needs to address its spending practices. A spending cap will force more discipline over budget and tax measures, meaning state government will have to live within its means, just like our families do." Addabbo believes state government will be forced to evaluate programs and prioritize services, not only making government more accountable to the public, but also helping to identify and reduce waste, fraud and abuse. The Senator said, "Our state government will become more efficient and its agencies will be forced to do more with less, while the growth of government will be controlled at a pace that is largely consistent and foreseeable. Best of all, limiting overall spending could help diffuse the power of special interests."

While this proposed amendment will constitutionally cap state spending, government resources will still be available for emergencies and for constitutional mandates like the Article 17 responsibility to aid and care for the needy.

Although supportive, Addabbo feels the discussion should continue regarding spending caps and that the government should proceed with caution. He has concerns with the bill start when the state's finances improve. A spending cap cannot be easily increased once the recession ends. That makes it extremely difficult to restore crucial funds to programs, such as senior centers and education, which may have been previously cut. Addabbo said that since the bill is the first step of a State Constitutional amendment, which requires the legislature to vote on the measure in two consecutive sessions and then a public vote, he supports this bill to allow for the discussion to advance on the process to cap state spending and to reevaluate our fiscal condition a year from now, when the cap may be an immaterial issue.

The second bill, S.1919, would also amend the NYS Constitution to require that for any bill that increases, extends, imposes or revives any tax, fee, assessment, surcharge or any other

such levy or collection, to be passed or become a law, two-thirds of the members elected to each branch of the legislature voting separately is required. In order to become effective, this bill must also pass in two consecutive sessions (a two-year process) and be approved by New York State voters.

Addabbo supports this amendment because “our taxes are too high and this bill sends a simple, clear message that I, along with other lawmakers, am serious about addressing the need to reduce taxes.” The new requirement of a supermajority of 2/3 of the full membership of each house of the Legislature to increase existing taxes or enact new ones would help assure citizens, taxpayers and business leaders that New York will have a stable and predictable tax structure that is less subject to tweaking and manipulation by special interests. A supermajority requirement will also discourage special interests from wasting resources on lobbying and campaign contributions, which ultimately reduces the accountability of legislators and other elected leaders. And, a supermajority requirement will reduce legislators’ ability to increase taxes as an option in meeting the state’s fiscal needs.

The Senator added, “We must be careful that this amendment is not used by the minority voting members to use its veto power to secure extra pork barrel spending. Thus, members could hijack the budget process and needlessly extend the budget process for weeks or months.”

For future updates on these bills or to give input on these issues, Senator Addabbo can be reached at 718-738-1111 or 718-497-1630.

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