



NEW YORK STATE SENATOR

Owen H. Johnson

## Senator Owen H. Johnson Introduces Bill to Cap State Spending

OWEN H. JOHNSON March 5, 2010

| ISSUE: **BUDGET**

By all measures, the tax burden on New Yorkers is among the highest in the nation. Unchecked government spending year after year serves only to increase the tax burden on New Yorkers. Did you know that presently in New York there are no limitations on how much state spending may increase from year to year?

That's why Senator Owen H. Johnson has introduced new legislation that will prevent out-of-control spending by our state government. If Senate Bill 6960 is signed into law it will cap increases in total state spending at 4% or 120% of the Consumer Price Index (CPI), whichever is less. (Currently CPI is negative -.4%.) Only if the Governor declared an emergency and the Comptroller concurred, could state spending increase more than 4% in any fiscal year.

"When New York overspends, it overtaxes and businesses suffer along with everyone else," Senator Owen H. Johnson, former Chairman of the Senate Finance Committee said. "That's why any plan to spur the economy and create jobs must start with a cap on state spending. By limiting the amount of annual growth in the state's budget, New York can check the growth of government and the attendant tax burden on its citizens."

Enacting a spending cap last year would have saved the state \$6.4 billion in the current fiscal year and \$1.9 billion in the next fiscal year. Senate Republicans have insisted that a spending cap be included as part of any deficit reduction plan. In fact, they passed a spending cap bill twice in 2008 with bipartisan support.

"Now, with the Governor supporting our spending cap proposals, we ask his fellow Democrats in both the Senate and Assembly to take action on this bill," Senator Johnson said.