



NEW YORK STATE SENATOR

James L. Seward

TEA Time In New York

JAMES L. SEWARD June 4, 2009

For those of you who have been following state politics recently you are almost certainly aware of the new state budget enacted at the beginning of April. I voted against this plan for several reasons. It taxes too much, fails to create much needed upstate jobs and it includes record state spending. These are among the reasons why New York is struggling right now with deep economic and fiscal issues. I believe, however, that we can turn things around and a new plan, the “Taxpayer Empowerment Act” (TEA) is the start.

TEA is a five part program which calls for enactment of a constitutional state spending cap, a school property tax cap, a ban on unfunded state mandates on local governments and school districts, the elimination of unnecessary regulations that hold back business, requiring two-thirds vote to increase state taxes, and initiative and referendum to give the people greater authority to change state laws.

Simply put, the TEA program is a commonsense plan that will hold the line on government spending and put an end to overbearing mandates forced on schools, businesses and local governments. The plan will also give the residents of New York the opportunity to shape the future of our state.

People are fleeing the state and businesses are closing their doors, a trend that will continue unless we take immediate action. On April 15th, thousands of people turned out for “tea

parties” across New York to protest and voice their anger over skyrocketing taxes. The TEA program addresses many of the concerns that were brought to a boiling point at those rallies.

The senate Taxpayer Empowerment Act (TEA) includes the following:

Constitutional Spending Cap - The Republican proposal would enact a constitutional spending cap that would limit year-to-year state spending increases to 120 percent of the consumer price index (CPI) or 4 percent, whichever is less. The cap would force state government to live within its means. Had this constitutional amendment been in place the last five years, state taxpayers would have saved \$13.1 billion, half of which would have been returned to taxpayers and the other half placed in a rainy day reserve fund;

Property Tax Cap – Last year, the senate Republicans passed Governor Paterson’s school property tax cap bill that would have placed a cap on the growth of school property taxes at four percent or 120 percent of consumer price index (CPI), whichever is less. The bill passed the senate with bipartisan support, but was not acted on by the Democrat-controlled assembly;

No Unfunded Mandates or Unnecessary Regulations – The TEA plan takes a strong stand against unfunded state mandates on school districts and local governments, and would eliminate costly and often unnecessary state regulations that drive up costs for businesses and cost jobs;

Two-thirds Majority Vote to Increase Taxes – The TEA plan requires that any state tax increase must be approved by at least a two-thirds “supermajority” vote of each house to pass and be sent to the governor for consideration;

Initiative and Referendum – This proposal would amend the state constitution to allow for direct initiative and referendum, whereby measures are placed on the ballot at the November general election for a popular vote after a certain number of signatures are collected. Twenty-seven states currently have some form of initiative and referendum.

Families want to raise their children here and business owners want to provide for their employees. We need to do all we can at the state level to assist them. The senate TEA program is exactly what the state needs to provide meaningful reform, and help pave the way for a prosperous future. I am committed to enacting real reforms that will address the state's core problems and return our state to greatness. Now we need the governor and the rest of the legislative leaders to join us and put the components of our TEA plan into law.