



NEW YORK STATE SENATOR

Thomas P. Morahan

SENATE LEADERS UNVEIL TAXPAYER EMPOWERMENT ACT

THOMAS P. MORAHAN June 11, 2009

I recently joined Senator Dean Skelos and other Senate leaders to unveil the “Taxpayer Empowerment Act” (TEA), a five-part program that addresses the root causes of New York’s fiscal and economic problems -- spending too much and taxing too much. This plan goes to the heart of the reasons that people, businesses and jobs are leaving New York for other states. The TEA will strictly limit taxes, spending and mandates and will increase accountability at the state and local levels.

The TEA program 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 as well as eliminating unnecessary regulations that hold back businesses; requiring a two-thirds vote to increase state taxes; and Initiative and Referendum to give the people greater authority to change state laws.

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

Constitutional Spending Cap - The 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. This cap would force state government to live within its means. The spending cap would reduce state spending by \$2.8 billion in the next fiscal year.

Property Tax Cap – Last year, the Senate passed a school property tax cap bill that would place 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 Assembly.

No Unfunded Mandates or Unnecessary Regulations – The Senate 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.

Ban On Unfunded Mandates – The ban on unfunded mandates would prevent the Legislature from imposing a mandate whose fiscal implications are greater than \$10,000 to a municipality, or in excess of \$1 million when combined statewide.

Eliminate Unnecessary Regulations on Business – We are proposing the creation of a Regulatory Reform and Competitiveness Commission to review all state regulations for their impact on the state's businesses.

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.

We need to limit taxes, cap spending, stop wasteful, expensive mandates and regulations and give more power to the people to make real change and real reforms.

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