ALBANY, NEW YORK

July 1, 1993

3:38 p.m.

REGULAR SESSION

SENATOR HUGH T. FARLEY, Acting President

STEPHEN F. SLOAN, Secretary

P R O C E E D I N G S

ACTING PRESIDENT FARLEY: The Senate will come to order. Please rise with me for the Pledge of Allegiance to the Flag.

(The assemblage repeated the Pledge of Allegiance to the Flag.)

Today in the absence of visiting clergy, we'll bow our heads for a moment of silent prayer.

(A moment of silence was observed.)

Secretary will begin by reading the Journal.

THE SECRETARY: In Senate, Wednesday, June 30th. The Senate met pursuant to adjournment, Senator Farley in the Chair upon designation of the Temporary President. The Journal of Tuesday, June 29th, was read and approved. On motion, Senate adjourned.

ACTING PRESIDENT FARLEY: Hearing no objection, the Journal stands approved as read.

The order of business:

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

No report yet? Reports of select committees.

Communications and reports from state officers.

Motions and resolutions. We have some motions on the floor.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

On behalf of Senator Seward, on page 18, I offer the following amendments to Calendar Number 793, Senate Print 4053, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT FARLEY: Without objection.

Senator Holland.

SENATOR HOLLAND: Mr. President, would you star my bill, Calendar 1399, Senate

5975, please.

ACTING PRESIDENT FARLEY: Bill is starred at the request of the sponsor.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: Senator Gold.

SENATOR GOLD: It's an honor, Mr. President, standing before you representing one of the great women of our time, Senator Mendez, who has a bill on page 31, Calendar Number 1324, and she asks that that bill be amended but that it retain its place on the Third Reading Calendar.

ACTING PRESIDENT FARLEY: Without objection, Senator Mendez' bill is amended.

Any other motions? Seeing none, we have some substitutions, Senator Present.

SENATOR PRESENT: Take care of the substitutions.

ACTING PRESIDENT FARLEY: Substitutions.

THE SECRETARY: On page 9, Senator Holland moves to discharge the Committee

on Rules from Assembly Bill Number 5242-A, and substitute it for the identical Third Reading 441.

ACTING PRESIDENT FARLEY: Substitution ordered.

THE SECRETARY: On page 38, Senator Jones moves to discharge the Committee on Rules from Assembly Bill Number 6153-B and substitute it for the identical Third Reading 1434.

ACTING PRESIDENT FARLEY: Substitution is ordered.

THE SECRETARY: On page 39, Senator Velella moves to discharge the Committee on Rules from Assembly Bill Number 7161 and substitute it for the identical Third Reading 1440.

ACTING PRESIDENT FARLEY: Substitution ordered.

THE SECRETARY: On page 39, Senator Padavan moves to discharge the Committee on Rules from Assembly Bill Number 7872 and substitute it for the identical Third Reading

1441.

ACTING PRESIDENT FARLEY: Substitution ordered.

THE SECRETARY: On page 30, Senator Skelos moves to discharge the Committee on Rules from Assembly Bill Number 8529 and substitute it for the identical Third Reading 1446.

ACTING PRESIDENT FARLEY: Substitution ordered.

THE SECRETARY: On page 19, Senator DeFrancisco moves to discharge the Committee on Rules from Assembly Bill Number 6960 and substitute it for the identical Calendar Number 846.

ACTING PRESIDENT FARLEY: Substitution ordered.

THE SECRETARY: On page 32, Senator Spano moves to discharge the Committee on Rules from Assembly Bill Number 6985-B and substitute it for the identical Third Reading 1343.

ACTING PRESIDENT FARLEY:

Substitution ordered.

We have the Resolution Calendar.

SENATOR PRESENT: Mr. President, I move that we adopt the Senate Resolution Calendar.

ACTING PRESIDENT FARLEY: All in favor of adopting the Resolution Calendar say aye.

(Response of "Aye.")

Those opposed nay.

(There was no response.)

The Resolution Calendar is adopted.

SENATOR PRESENT: Would you recognize Senator Mega, please.

ACTING PRESIDENT FARLEY: I shall. Senator Mega.

SENATOR MEGA: Mr. President, I believe I have a privileged resolution at the desk. I would like its title read and I would like the entire resolution read and indicate to the members that the resolution would be open to anyone who wished to become a co-sponsor.

ACTING PRESIDENT FARLEY: The Secretary will read Senator Mega's resolution.

THE SECRETARY: Legislative Resolution, by Senators Mega, Marino, Galiber and other members of the Senate, expressing sincerest sorrow upon the death of Roy Campanella on June 26th, 1993, at age 71.

WHEREAS, consistent with the duty of this legislative body to recognize the contributions of the citizens of this Empire State, we remember with deepest respect and admiration the life and career of a man whose singular example has enriched the lives of his fellow New Yorkers, and indeed the known baseball world;

Attendant to such duty and fully in accord with its long-standing traditions, it is the intent of this legislative body to express sincerest sorrow upon the death of Roy Campanella, one of the greatest baseball players to ever grace the friendly confines of Ebbets Field;

Roy Campanella was born in

Philadelphia on November 19, 1921 to John and Ida Campanella. He attended Simon Gratz High School and quickly developed his baseball skills. In 1937 he joined a semi-pro team in the Negro Leagues and by the time he was 16 was the first-string catcher for the Baltimore Elite Giants of the Negro National League;

"Campy", as he was often known, had a stellar career in the Negro Leagues appearing in the East-west All-Star Game in 1941, 1944 and 1945, barnstorming through South America, the Caribbean and the American South and playing with such greats as Josh Gibson, Ray Dandridge, Cool Papa Bell, Buck Leonard, "Satchel" Paige, Monte Irvin, Judy Johnson, Oscar Charleston, Dave Malarcher and the great owner and manager, Rube Foster;

It was here that Roy Campanella caught the attention of Branch Rickey, the Brooklyn Dodgers' general manager who, in his continuing effort to end the scar of segregation in American baseball, asked Campanella to take a steep pay cut and play for the Dodgers' Nashua

team of the New England League;

In 1947, Jackie Robinson became the first African-American player to break baseball's infamous color barrier for the Brooklyn Dodgers, while Roy Campanella played for the Dodgers' Triple-A affiliate, the Montreal Monarchs, and was the first to break the color barrier in the minor league American Association;

In 1948, Roy Campanella began his ten-year Hall of Fame career with the Brooklyn Dodgers, having an impact during his very first game when he hit a home run, a double and two singles.

ACTING PRESIDENT FARLEY: Just a moment. Senator Mega, why do you rise?

SENATOR MEGA: Could we have some order, please. There is some noise in the chamber that is disturbing my concentration on the words that are being read by the Secretary.

ACTING PRESIDENT FARLEY: Your point is well taken. I would please ask that conversations stop.

Secretary will continue.

THE SECRETARY: In 1948, Roy Campanella began his ten-year Hall of Fame career with the Brooklyn Dodgers, having an impact during his first game when he hit a home run, a double and two singles. He was named the National League's Most Valuable Player in 1951, 1953 and 1955, having his greatest year in 1953 when he batted .312 and established three single-season records for a catcher by walloping 41 home runs, recording 807 put-outs and knocking in 142 RBIs;

Roy Campanella was the dominant catcher of his age playing on the dominant team of his league, "Dem Bums", as the legendary area Dodger teams of the 1950s were known. The Dodgers amassed five National League titles in a span of eight years from 1949 to 1956, defeating their arch rivals, the New York Yankees, in the 1955 World Series in which Campanella caught Johnny Podres' seventh game 2-0 complete game shut-out;

Over his storied career, Roy

Campanella caught three no-hitters, was selected for the All-Star Game eight consecutive years from 1949 to 1956, was one of only eight Dodgers to have his number (39) retired, and in 1969, was only the second African-American player to be elected to the baseball Hall of Fame in Cooperstown, New York;

Campanella played with the fabled "Boys of Summer", Duke Snider, Gil Hodges, Jackie Robinson, Peewee Reese, Joe Black, Don Newcombe, Carl Erskine, Don Drysdale, Sandy Koufax, Preacher Roe, Carl Furillo, and Leo "The Lip" Durocher;

Roy Campanella will be remembered as much for his skill as for his acumen. Ty Cobb, one of the original five members of the Hall of Fame, was once quoted as saying, "Campanella will be remembered longer than any catcher in baseball history," and although Jackie Robinson was the fire of the Dodgers, "Campy" was the undisputed heart of the team;

Roy Campanella's career was tragically cut short by an automobile accident

in January of 1958; a four-hour operation saved his life, but he remained in a wheelchair for the rest of his days;

His stirring recovery is the stuff of which legends are made. In 1959 over 93,000 fans, the largest crowd ever recorded in baseball history, jammed into the Los Angeles Coliseum for Roy Campanella Day to witness an exhibition game between the Dodgers and the Yankees. During the ceremonies, the stadium lights were turned off as the crowd lighted matches and candles in honor of their stricken hero;

The Dodgers' greatest catcher became an instructor and coach at the winter home of the team in Vero Beach, Florida, where he imparted his wisdom and experience helping to mold a string of all-star receivers for his old team. His gritty determination to overcome his handicap was also an inspiration to a new generation of youngsters through the baseball clinics he started in 1967 for New York City children and through his work with the Dodgers'

community service office in Los Angeles;

Rare indeed is such impressive dedication shown by an individual for his craft, such as Roy Campanella has displayed throughout his years playing on the Elysian Fields of summer, and we wish to express our most heartfelt sympathy to his wife, Roxie, and children, Roy Jr., Joni Campanella Roan, Anthony, John and Ruth Campanella Effort;

Through his selfless and dedicated commitment to his sport, Roy Campanella brought joy to millions through his art, setting a standard few players can surpass or even equal. His tireless pursuit of perfection in his chosen field marks him as a committed custodian of the American work ethic, and a model for all to emulate.

THEREFORE, BE IT RESOLVED that this legislative body pause in its deliberations to express sincerest sorrow upon the death of Roy Campanella, on June 26th, 1993, fully confident that his achievements and contributions will live on to serve as a legacy

for all; and

BE IT FURTHER RESOLVED that a copy of this resolution, suitably engrossed, be transmitted to Mrs. Roy Campanella.

ACTING PRESIDENT FARLEY: Senator Mega.

SENATOR MEGA: Mr. President, the resolution tells it all, a story about an outstanding ball player, a story about an outstanding and dedicated human being, someone who was dedicated to playing our national game and someone who inspired -- inspired someone like myself, because I was a young man when the Dodgers were in their hey-day.

I saw Roy Campanella play many times and all the other players that have been mentioned in the resolution, and I just felt that it was appropriate that this body and in particular the state as a whole recognize someone like Roy Campanella and recognize that what he did for the game of baseball and what he did for young people.

He was in baseball at a time when

they didn't pay the salaries that they pay today, 5-, 6-, 10-, 15-, $20 million. He came up because of his abilities and, when you looked at Roy Campanella and when you enjoyed what he did in the game, there was never a question of his race or who he was as an individual. He was the kind of individual that we can emulate and look up to, and I was so happy to have grown up in a time when we had someone like Roy Campanella playing baseball. He left a memory in the game that will be there forever and, yes, he may be and will be one of the greatest catchers that ever played the game of baseball, and I ask that all my members support the resolution and, as I indicated, all members wishing to co-sponsor are welcome to do so.

ACTING PRESIDENT FARLEY: On the resolution, all in favor say aye.

(Response of "Aye.")

Those opposed nay.

(There was no response.)

The resolution is unanimously adopted. Senator Cook -- every member is

already on it. Every member is already on it.

Senator Present, we have a report of a standing committee.

SENATOR PRESENT: Please receive the report of the standing committee.

ACTING PRESIDENT FARLEY: Secretary will read a report of a standing committee, namely Rules.

THE SECRETARY: Senator Marino, from the Committee on Rules, reports the following bills directly for third reading:

Senate Bill Number 597, by Senator Connor, an act to allow Mary Ellen Adinolfi to file a request for Tier I;

1966, by Senator LaValle, an act to allow Elaine S. Harrison to file a request for retroactive membership in the employees retirement;

2340-A, by Senator Wright, an act to amend the Executive Law and the State Administrative Procedure Act;

3081, by Senator Masiello, Public Housing Law;

4266, by Senator Stafford, Abandoned Property Law;

4922, by Senator Maltese, an act to amend the Tax Law;

5333-A, by Senator Holland, Social Services Law;

5337-A, by Senator Johnson, Local Finance Law;

5486-B, by Senator Larkin, Real Property Tax Law;

5705-C, by Senator Larkin, General Municipal Law and the Public Authorities Law;

5803, by Senator Goodman, Charter Society of the New York Hospital;

5877, by Senator Mega, Estates, Powers and Trusts Law;

5932-B, by Senator Bruno, Civil Practice Law and Rules;

5967, by Senator Libous, Education Law;

5979, by Senator Saland, and others, an act to amend the Tax Law;

6019, by Senator Hannon, an act to amend the Banking Law;

6021, by Senator Wright, Executive Law;

6024, by Senator Halperin, Administrative Code of the city of New York;

6037, by Senator Johnson, Social Services Law;

6044-A, by Senator Nozzolio, Election Law;

6059, by the Committee on Rules, Retirement and Social Security Law;

6060, by the Committee on Rules, to provide service credit to Richard -- Rita Schick;

6062-A, by Senator Libous, the Office of Alcoholism and Substance Abuse Services; and

6065, by the Committee on Rules, state aid to the Unitego Central School District.

All bills reported directly for third reading.

ACTING PRESIDENT FARLEY: All bills are reported directly to third reading.

Are there any motions on the floor?

Senator Present, that concludes most of our housekeeping.

SENATOR PRESENT: Mr. President, can we take up the non-controversial calendar.

ACTING PRESIDENT FARLEY: Non-controversial, Secretary will read.

THE SECRETARY: On page 4, Calendar Number 59, by Senator Hannon, Senate Bill Number 279-B, authorize payments in lieu of taxes by the county of Nassau.

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 102, by Senator Bruno, Senate Bill Number 2354-B, Economic Development Law.

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 133, by the Assembly Committee on Rules, Assembly Bill Number 7767-A, an act to amend the Court of Claims Act.

ACTING PRESIDENT FARLEY: Read the last section.

SENATOR STACHOWSKI: Hold on.

ACTING PRESIDENT FARLEY: Hold it up one second.

SENATOR GOLD: Last section.

ACTING PRESIDENT FARLEY: Last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 47.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 174, by Senator Farley.

SENATOR LEICHTER: Lay it aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 232, by Senator Gold, Senate Bill Number 289-B, an act to amend the Criminal Procedure Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 47.

ACTING PRESIDENT FARLEY: Senator Gold's bill is passed.

THE SECRETARY: Calendar Number 304, by Senator Skelos, Senate Bill Number 568-B, an act to amend the Banking Law and the Real Property Tax Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 47.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 315, by the Assembly Committee on Rules, Assembly Bill Number 8273-A, State Administrative Procedure Act.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 47.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 370, by Senator Farley, Senate Bill Number 2726-B, an act to amend the Banking Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

SENATOR LEICHTER: Mr. President, may I have unanimous consent to be excused from voting on this bill?

ACTING PRESIDENT FARLEY: Senator Leichter is excused from voting.

THE SECRETARY: Ayes 47.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number -- in relation to Calendar Number 395, Senator Kuhl moves to discharge the Committee on Rules from Assembly Bill Number 3819-B and substitute it for the identical Calendar Number 395.

ACTING PRESIDENT FARLEY: Substitution is ordered. Read the last section.

SENATOR PRESENT: Lay aside for the day.

ACTING PRESIDENT FARLEY: Lay it aside for the day.

THE SECRETARY: Calendar Number 546, by the Assembly Committee on Rules, Assembly Bill Number 7884-A, Real Property Tax Law, in relation to assessment disclosure notices.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 51.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 591, by Senator Kuhl, Senate Bill Number 4426-A, Agriculture and Markets Law.

SENATOR LEICHTER: Lay it aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 727, by Senator Levy, Senate Bill Number 4887-B, an act to amend the Public Authorities Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 51.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 900, by Senator Marchi, Senate Bill Number 3919-C, amends Chapter 812 of the Laws of 1983.

ACTING PRESIDENT FARLEY: Read the last -

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: Calendar Number 950, by Senator Hannon.

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 951, by Senator Stafford.

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1001, by Senator Larkin, Senate Bill Number 4329-A, authorize the transfer of retirement service credit for Joseph Sabo.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 48, nays 3, Senators Galiber, Gold and Leichter recorded in

the negative.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 1042, by the Assembly Committee on Rules, Assembly Bill Number 7933-A, Commissioner of Social Services to convene a work group.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 51.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 1158, by member of the Assembly Connelly, Assembly Bill Number 2396 -

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1217, by Sen...

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1236, by Senator Stafford, Senate Bill Number 5866-A, create a Motor Carrier Advisory Council.

ACTING PRESIDENT FARLEY: Read the last section.

SENATOR GOLD: No, hold on just a second.

ACTING PRESIDENT FARLEY: Hold on, hold it up.

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1250, by Senator Hannon.

SENATOR PRESENT: Lay aside.

ACTING PRESIDENT FARLEY: For the day?

SENATOR PRESENT: No.

ACTING PRESIDENT FARLEY: No, just lay it aside temporarily.

THE SECRETARY: Calendar Number 1260, by the Senate Committee on Rules.

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1262, by Senator Johnson, Senate Bill Number 5900, an act to amend the Environmental Conservation Law.

ACTING PRESIDENT FARLEY: Read the -

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1313, by Senator Daly, Senate Bill Number 5253-A, Real Property Law and Chapter 726 of the Laws of 1991.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

SENATOR GOLD: Hold -- hold on. Hold on.

ACTING PRESIDENT FARLEY: Withdraw the roll call for the moment.

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1316, by the Assembly Committee on Rules, Assembly Bill Number 8371, an act to amend the Education Law, in relation to the frequency of a school census.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 51.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: 1338, by Senator Hannon.

SENATOR PRESENT: Lay aside, please.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: 1364, by Senator Skelos, Senate Bill Number 2623-A.

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: Calendar Number 1371.

SENATOR PRESENT: Lay it aside, please.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1389, by Senator Pataki, Senate Bill -

SENATOR PATAKI: Lay aside.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: Calendar Number 1391, by Senator Lack.

ACTING PRESIDENT LACK: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1409, by Senator Levy, Senate Bill Number 1196-A, establish a temporary state commission on real property taxation.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

SENATOR LEICHTER: Lay aside.

ACTING PRESIDENT FARLEY: Lay that bill aside.

THE SECRETARY: Calendar Number

1412, by Senator Tully, Senate Bill Number 3527-B, to provide for the payment allowances to private blind and deaf schools.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 51.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 1413, by member of the Assembly Colman, Assembly Bill Number 6859, an act to amend the Executive Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act -

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Lay it

aside. Don't read the last section.

THE SECRETARY: Calendar Number 1418, by Senator Johnson, Senate Bill 50...

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Lay that bill aside.

THE SECRETARY: Calendar Number 1420, by Senator Daly, Senate Bill Number 5255-A, an act to amend the Not-for-Profit Corporation Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 51.

ACTING PRESIDENT FARLEY: The bill is passed.

SENATOR GOLD: Hold on a second. Last section.

ACTING PRESIDENT FARLEY: The

bill's already passed.

THE SECRETARY: Calendar Number 1422, by Senator Padavan, Senate Bill Number 5665, amends Chapter 611 of the Laws of 1977.

SENATOR LEICHTER: Lay aside.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: Calendar Number 1423, by the Senate Committee on Rules, Senate Bill Number 5702-A.

SENATOR GOLD: Lay it aside, please.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1427, by Senator Hannon, Senate Bill Number 5926, amends Chapter 50 of the Laws of 1993, constituting the state operations budget.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call

the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 52.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 1429, by Senator Cook, Senate Bill Number 6003, Retirement and Social Security Law.

ACTING PRESIDENT FARLEY: There's a home rule message here at the desk. You can read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Withdraw the roll call, lay that bill aside.

THE SECRETARY: Calendar Number 1431, by the Senate -

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Laid

aside.

THE SECRETARY: Calendar Number 1432, by Senator Stavisky, Senate Bill Number 478-A, an act to amend the Surrogate's Court Procedure Act.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 52.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 1433, by Senator Kuhl, Senate Bill Number 3407-B.

SENATOR LEICHTER: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1434, by member of the Assembly Alesi, Assembly

Bill Number 6153-B, authorize the county of Monroe to convey certain lands.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 52.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 1435, by Senator Maltese, Senate Bill Number 3800-A, an act to amend the Criminal Procedure Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1436.

SENATOR PRESENT: Lay it aside for the day, please.

ACTING PRESIDENT FARLEY: Lay it aside for the day.

THE SECRETARY: Calendar Number 1437, by Senator Seward, Senate Bill Number 4071, an act to amend the Retirement and Social Security Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 52.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 1438, by Senator Marino.

SENATOR GOLD: Lay it aside,

please.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1440, by member of the Assembly Clark, substituted earlier today, Assembly Bill Number 7161, an act to amend the Transportation Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 52.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 1441, substituted earlier today, by the Assembly Committee on Rules, Assembly Bill Number 7872, Real Property Tax Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 52.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 1442, by Senator Bruno, Senate Bill Number 5520-A, to allow certain persons to obtain -

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1443, by Senator Stachowski, Senate Bill Number 5777-A, in relation to permitting George R. Blair, a member of the New York State and local employees' retirement system to purchase service credit.

SENATOR PRESENT: Lay aside.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: Calendar Number 1444, by Senator Mega, Senate Bill Number 5985, an act to amend the Uniform City Court Act.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 51, nays one, Senator Libous recorded in the negative. Also Senator Kuhl recorded in the negative.

ACTING PRESIDENT FARLEY: That bill is passed.

THE SECRETARY: Calendar Number 1446, substituted earlier today, by the Assembly Committee on Rules, Assembly Bill Number 8529, Estates, Powers and Trusts Law.

ACTING PRESIDENT FARLEY: Read the last section.

SENATOR PRESENT: Lay aside.

ACTING PRESIDENT FARLEY: Laid

aside.

THE SECRETARY: Calendar Number 1447, by Senator Cook.

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1448, by Senator DeFrancisco, Senate Bill Number 6017, authorize Steven Kenyon to transfer credit earned in the New York State Teachers' Retirement.

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1449, by Senator Daly, Senate Bill Number 6018.

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1451, by Senator DeFrancisco, Senate Bill Number 6033, setting the taxable status date of real property in the town of Lafayette.

SENATOR GOLD: Lay aside.

ACTING PRESIDENT FARLEY: Laid aside.

THE SECRETARY: Calendar Number 1452, by the Senate Committee on Rules, Senate Bill Number 6046, an act to amend the Tax Law and the General City Law.

ACTING PRESIDENT FARLEY: Read the last section.

SENATOR PRESENT: Lay aside.

ACTING PRESIDENT FARLEY: Lay it aside.

Senator Padavan.

SENATOR PADAVAN: Yes, with unanimous consent may I be recorded in the negative on 1444.

ACTING PRESIDENT FARLEY: Without objection, 1444, Senator Padavan is in the negative.

THE SECRETARY: Calendar Number 1453, by the Senate Committee on Rules, Senate Bill Number 6047, an act to amend the General Municipal Law.

ACTING PRESIDENT FARLEY: There's a home rule message here at the desk. You can read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 50 -- ayes 51, nays 1, Senator Pataki recorded in the negative.

ACTING PRESIDENT FARLEY: The bill is passed.

Senator Skelos.

SENATOR SKELOS: Mr. President, I'd like to have unanimous consent to be recorded in the negative on Calendar Number 1444.

ACTING PRESIDENT FARLEY: Senator Skelos is in the negative on 1444.

SENATOR SEWARD: Mr. President.

ACTING PRESIDENT FARLEY: Yes.

SENATOR SEWARD: I likewise would

ask unanimous consent to be recorded in the negative on Calendar 1444.

ACTING PRESIDENT FARLEY: Without objection.

SENATOR PATAKI: Mr. President.

ACTING PRESIDENT FARLEY: Senator.

SENATOR PATAKI: I would also request unanimous consent to be recorded in the negative on Calendar 1444.

SENATOR LAVALLE: Mr. President, I request unanimous consents to be recorded in the negative on Calendar Number 1444.

ACTING PRESIDENT FARLEY: Without objection.

SENATOR GOLD: Mr. President, can we reconsider the vote by which Calendar 1444 passed the house.

ACTING PRESIDENT FARLEY: Call the roll on reconsideration.

(The Secretary called the roll on reconsideration.)

THE SECRETARY: Ayes 52.

ACTING PRESIDENT FARLEY: The bill is passed. The bill is before the house. It's laid aside. I apologize. It had passed.

THE SECRETARY: Calendar Number 1454, by the Senate Committee on Rules, Senate Bill Number 6048, an act to amend the Tax Law.

ACTING PRESIDENT FARLEY: Read the -- lay it aside.

THE SECRETARY: Calendar Number 1457, by the Senate Committee on Rules.

THE SECRETARY: Bill is high.

ACTING PRESIDENT FARLEY: That bill is high, so we got to lay it aside.

That's the first time through. Senator Volker is going to relieve me and - Senator DeFrancisco.

SENATOR DeFRANCISCO: May I have unanimous consent to be recorded in the negative on Calendar 1453, please.

ACTING PRESIDENT FARLEY: 1453, Senator DeFrancisco? 1453, you're in the negative.

SENATOR PRESENT: Mr. President,

can we call up Calendar 174, please.

ACTING PRESIDENT VOLKER: Clerk will read Calendar 174.

THE SECRETARY: Calendar Number 174, by Senator Farley, Senate Bill Number 1522, an act to amend Chapter 883 of the Laws of 1980 amending the Banking Law generally.

ACTING PRESIDENT VOLKER: Read the last section.

SENATOR GOLD: Hold on.

ACTING PRESIDENT VOLKER: Senator Farley.

SENATOR LEICHTER: Senator, I have a number of amendments to this bill and some comments, but I'd be happy to yield to you if you want to explain this piece of legislation.

ACTING PRESIDENT VOLKER: Senator Farley, would you like to explain your bill?

SENATOR FARLEY: Yes, I would. Incidentally, I think we're about to see a record number of amendments, 14, as I recall to this bill.

Let me just explain this, if I may, because this is one of the more important issues facing this Legislature this year. This is not the bill that we planned on moving. We've been under negotiations since January, still are under negotiation. Something may happen, but this is a bill that I think we need to pass.

The Assembly helped develop the package, and the Governor and the Senate were ready to finalize these pieces and to act on them. However, the Assembly has backed away. Both the Governor and the Senate are frustrated about how to conclude this issue and how to conclude it. The Superintendent is trying to convince them to act on this package and, hopefully, this bill might be a start to act on it.

Let me just talk about this for a moment. I could get into all the negotiations but I won't. This is a situation I'd hoped to avoid. We wanted to resolve it a long time ago.

This suggestion illustrates why the continued sunset date is a problem for our state's economy. We are sending an extremely negative message to the financial community. If you have to make decisions on where to locate your business, buy what you want to locate in New York, where you essentially have a gun to New York. Both in 1987 and this year, we have gone to the last day.

The Governor's office approached a financial company about the possibility of locating some of its operational facilities in New York State. The company pointed out that because of the potential of sunset deregulation, they could never be sure of their ability to operate in New York State. So why would they have any interest in building a facility in New York State?

Let me remind you, we have lost thousands of jobs and a substantial amount of tax revenue. Banks like Citibank, Chase Bank, must be congratulating themselves right now for having moved their credit card operations out of

state. Banks like Chemical, Marine, must be kicking themselves for choosing to move back to New York State.

We are sending a message to states like Delaware and South Dakota that they should continue their efforts to recruit New York operations. Let me remind you people, our state laws only have a limited impact on New York State consumers who have credit cards. These laws only affect cards issued by New York State-based issuers. Of the top 25 credit card issuers in the United States, only one, one, has a credit card operation in New York State. What a tragedy!

Let me point out that, when the federal government preempted state interest rate limits on mortgages, they enacted permanent legislation. Obviously nothing is permanent. The Legislature can always amend the law. However, the sunset serves as a gun to the head. Why would you want to locate your operations in New York if you are subject to this threat?

State laws do not effectively limit interest rates. Interest rates are beyond and out of our control. We could just as effectively pass a bill that says a gallon of gas will not cost more than a dollar. The effect of our limits on interest rates is to reduce the availability of credit and when the market rates rise above the statutory rate.

Let me address some of the facts that people portray these deregulation laws as being anti-consumer. Is it anti-consumer that we have made credit more available, allowing people to choose the type of credit they want? Is it anti-consumer that we have fostered competition in the industry which also provides people with more choices? Is it anti-consumer that we have kept jobs in New York State when they could have easily gone to another state?

After the two deregulation laws were passed in 1989 and 1992, my office received many calls from people who were angry about these new provisions and the effect they would have on credit cards. This is where we made our

laws uniform with the rest of the nation. So we asked them what credit cards did they have. They had Citibank cards, Discover cards, American Express, AT&T, USAA cards, and so forth, and so on.

We then pointed out to these people that the laws that we just passed had absolutely no effect on their cards. They were already subject to the same laws that New York State had already just passed. They did not consider themselves harmed.

What would happen if we did not pass the banking deregulation? I just want to -- this is mind-boggling. Interest on consumer loans issued in New York State would revert to a maximum of 12 percent. Currently some consumers with outstanding credit ratings would be unable to obtain auto loans, personal loans, retail installment loans, and the like. What would happen when the current rates increase again?

In the 1970s the state was continually involved in making minor adjustments to the maximum rate, but we also trailed the

market, and few people were able to obtain loans.

Interest rates on credit cards, only state-chartered cards would revert to a maximum of 18 percent on the first 500, 12 percent on over $500 and, incidentally, would be capped at $500. That's it. The authority of banks to issue variable rate loans would terminate if we don't pass this, because the legal authority of underlying loan agreements would no longer exist.

Incidentally, it's my understanding that home equity loans would become due and owing instantly. The authority of state-chartered thrifts and licensed lenders to issue second mortgages would terminate. Balances on home equity loans might become due immediately. The maximum size of a consumer loan would be reduced.

Banks would no longer be required to offer checking accounts in which they would have to return the canceled checks. Consumers would no longer be able to obtain grace periods

on their credit cards. Current card holders would see their rates increase. Banks would no longer be required to meet statutory standards for prompt clearing of checks written to small businesses, which would create cash flow problems unbelievably.

Consumers would no longer be able to obtain a cash advance using their ATM. Consumers would have to appear in person at a bank. Lenders could once again use the role of '78 in computing the amount due when a loan is paid off early. This method increases consumer costs by creating hidden prepayment penalties. The operation also disrupts bank offices, credit card issuers and lending units that would result in confusion and errors.

What does this bill do? This bill is about as simple as we could make it. This is the current law that this house, the other house and the Governor signed that is currently in place. That's all it is. There is not another period, another anything added to it except it makes it permanent. In other words, there's no

sunset date.

The provisions of this law include deregulation of interest rates on consumer loans, the ability to offer variable loans and the regulation of how these rates may vary, provision for partial refunds of credit card annual fees, revisions of credit card laws in order to make New York more attractive, business loans for credit card issuers, prohibition of the rule of '78, removal of limits from maximum length of loan, extension of expedited funds, the requirement that banks and other financial institutions which offer checking accounts must -- on which canceled checks have to be returned to the consumer.

Why should we make this law permanent? It ensures that credit is available to consumers and if somebody has to have a loan unfortunately, they have to have the loan. That's why we have loan sharks and a few other unsavory people in this business. It encourages competition between lenders. It preserves and expands the credit card jobs in New York State.

We were able, this house was able, was it last year or year before, I don't know, last year or recently, to bring back thousands of jobs to this state. When Chemical Bank merged with Manufacturers Hanover, the one credit card operation of any substance left in this state, they closed their Chemical operation in Delaware and moved it back to Long Island, a significant thing that I think the entire state is grateful for. Marine Midland moved their bank credit card operation back. Key Bank did a U-turn. They're on their way to Utah. They not only brought their credit card back to here in Albany; they came back to the state charter, the first bank to do that in years and years and years.

You know, we lost all the S & Ls to federal charters back when we wouldn't do anything in regard to interest rates. But we've made some strides. I think our Superintendent Derrick Cephas has done a magnificent job of sending a message out there that this Legisla ture is not anti the financial institutions.

New York State is the financial capital of the world and, of course, New York City is the financial capital of the world times ten, and this piece of legislation is absolutely essential.

I -- you must bear in mind, have you bear in mind that whatever you do, all the good consumer things that Senator Leichter is going to offer to us in 14 amendments of record, this will only affect a few New York state-chartered banks that we've got left. It will be a tremendous encouragement to say, Let's go get a federal charter and get away from this friend of the American banker.

I ask you to support this bill. I think it's significant and it's important and it's good for the economy of this state. It's good for the consumer and it's good for you.

SENATOR GOLD: Thank you. Mr. President.

ACTING PRESIDENT VOLKER: Senator Gold.

SENATOR GOLD: Senator Farley, I

wish I had an immediate transcript of everything you've said because there's a lot I would like to repeat, only to change some of the bill numbers and some of the references because it applies to a lot of other pieces of legislation.

But one thing that you did say, Senator, is that sunsets are like a gun to the head, that was a great phrase, and Senator Leichter and Senator Dollinger and I wish we had thought of it. It's a great -- a great phrase. So I say to myself, if sunsets are a gun to the head, then why, thinking back to the story I think it was in the Daily News or Newsday yesterday, calling this the session of all sessions when it comes to extenders. We have a (backgrounds noise-difficult to understand) termination of railroads, ceilings it says here, runs out, the proposal is a one-year extender. I guess they need a gun to their head, regulations taking of bear, there's another one, that's a two-year extender. Co-op conversion in Nassau and Westchester, two-year extender. Rent

control, see we've done good on that; we've already run seven days and eight days and even had one day. I assume tonight there will be a half a day, and I'm waiting for that one-hour extender when Senator Present can shuttle back and forth between the Rules to make it on time.

Temporary investments, what do we have here, Erie County telephone accounts, and wagering, two-year extender, para-transit, well, they need the bill on that. Insurance Department, medical malpractice, two or three-year extenders. Alcoholic beverage, sports facilities, extenders.

I look through this, Senator Farley, and I say to myself, isn't it fascinating, the only place they're talking about permanentizing something is with the big money banks.

Well, Senator, I want this Legislature to be consistent, and I'm offering the following amendment. It's at the desk. I move it, waive its reading and I'll explain it very, very briefly.

All this does is, it changes the date and extends this for seven months. That's what we need in this situation. We need an extender. We ought to look at it a little more, make sure it's really in the best interests and show everybody that this state Legislature has a fair price. I wouldn't want, Senator Farley, anybody to get the idea that just because you're a bank and you got big money, you don't get extenders, you get permanentized, whereas if you're tenants, you get raked over the coals, if you're a telephone company, if you're doctors, God almighty, I'm getting calls from doctors, What are you guys doing to us? I mean, after all, I guess doctors, they're easy to push around, but I guess the banking lobby is a little bigger and a little better.

I think this makes us look really terrible, but I've said it so often, I get the feeling that maybe just nobody case. It's that -- it's that analogy that I thought of about a week ago, and I'm going to say it until you're sick of hearing it which may be already, the

tree falls in the forest and nobody hears it. Does it make any noise?

As long as you guys get away with it day after day, I don't blame you for not changing. I don't blame you; it's good business. If you're doing all these ridiculous outrageous things and nobody is fighting about it and nobody cares, so why should you change your ways? Doesn't make any sense to me but we're going to try.

I know Senator Leichter has some -- some really good amendments that, in addition to taking care of the banks, would take care of the people what aren't going to live in this state, but I think we ought to put this in perspective, and I offer the amendment. It would make it not permanent, but would give us a nice extender, and I offer the amendment.

ACTING PRESIDENT VOLKER: On the amendment. On the amendment, all those in favor signify by saying aye.

(Response of "Aye.")

Those opposed?

(Response of "No.")

ACTING PRESIDENT VOLKER: The nays have it. The amendment is defeated.

Senator Leichter.

SENATOR LEICHTER: Yeah, Mr. President. Let me put this debate a little more in -- in context.

I appreciate the speech that Senator Farley read. It was good reading, but let's -- but let's look at it where it is, and let's -- let's deal with the legislation. Let's deal with the facts and not press releases that have been written.

In 1981, we deregulated interested rates, and we had to deregulate interest rates because they -- nationwide, the interest rates or the prime rate was at 20 percent, 21 percent, and it was obviously difficult for us to maintain the rates which at that time we sought to regulate, although let me point out that for over a century, we had regulated rates in New York State and it was the time of the greatest prosperity.

But we appreciate, understand, that the world financial arena has changed and we have to do it, and at that time, we were promised by the banks that the interest rates that we would pay as consumers and the interest rates that you would pay on credit cards will now reflect national trends.

Oh, yes, when national interest rates are high, then your interest rates and credit cards are going to be high, but we were told, just wait until the interest rates go down and you, the consumer, are going to reap all those benefits.

So what -- what happened? Just - just going to show you.

ACTING PRESIDENT VOLKER: Senator Leichter, are you making like another member, Senator?

SENATOR LEICHTER: Well, I want to make it clear, and I want to make it simple. Senator Farley said, "I want to make it simple." Senator, you've made it extremely simple. I'm just going to bring these out

(referring to charts) at least and make it clear, not simple.

Here you see in the light gray you see the discount rate which pretty much tracks the national interest rates.

ACTING PRESIDENT VOLKER: Senator Present, why do you rise?

SENATOR PRESENT: Mr. President, I'm afraid that a practice is being taken now that's not a custom in this chamber, and I think we've called people on it before, one of our own.

SENATOR LEICHTER: Senator Present, I have the greatest respect for you and you run this house in a very fair manner and a calm manner, and I don't want to quarrel with you, but I do seem to remember some other times. In fact, I've gotten up here and used these visual displays. I don't think they're offensive.

SENATOR PRESENT: I'm not saying they are.

SENATOR LEICHTER: I know that

Senator Goodman has used these visual displays and I don't think anybody objected to his use. That's right. I'm reminded that we even had people bringing guns and brandishing them in the chamber, and I assure you that these are less dangerous than those guns, that are in place.

SENATOR PRESENT: Senator, other members have been called on this same issue and I'd like to hold to the procedure we have used in the past. I don't think anything is lost without your charts.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT VOLKER: Senator Gold, why do you rise?

SENATOR GOLD: Yeah, Mr. President. I appreciate when Senator Present says that -- that he wants to be fair, that - that comes from the heart, and I respect that, but may I say something? I think that there is a misconception here. I remember way back in the -- in the '60s debates between Senator Thaler, may he rest in peace, and Senator Knorr, may he rest in peace, and holding up pictures of art

when they were discussing pornography bills.

There is nothing offensive about a member coming here. We are not throwing other members out of their seats. He's got a chart. I assume, because of my experience here which is unfortunately vast, that we may not win these amendments, but free and open debate is aided by what Senator Leichter is doing. It's -- I don't understand why we -- we are making this objection.

I tell you, Senator Present, if any of your members want to come out here with charts, I'm not going to object. I -- I think people should be allowed to explain things in the best way they can, and that means Republican people and Democratic people. There is nothing offensive. The nude woman who was supposed to hold that up did not show up today. It's only Senator Leichter holding up a sign and explaining his amendment, and I would urge, Senator Present, I know -- I know you want to be fair, and you always are, always, I wouldn't object on your side. I think that it happens

very rarely, but when it happens it's usually helpful, and I would urge perhaps you wouldn't press your -- your point.

I see no harm being created, and you have my word that I certainly wouldn't do that to anybody on your side.

ACTING PRESIDENT VOLKER: Senator Present.

SENATOR PRESENT: I don't think we're withholding any words that might come out of Senator Leichter's mouth, and we certainly don't want to do that. I don't think that his charts -- and I haven't looked at them and no one else can really see them from where they sit -- add anything to the debate going on relative to these amendments. So I do object.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT VOLKER: Senator Leichter.

SENATOR LEICHTER: Just because of the great respect that I have for Senator Present and the very fair manner in which he's

generally run this house, I'm not going to press the issue. I think it's unfortunate. I will try to explain it. I think it would have been helpful, Senator, but somebody said that that naked woman that Senator Gold -- I brought her with me but nobody would be objecting.

But all right, be that as it may, but let's get back to, I think, something that's really important, and I think something that requires us to understand that as national interest rates decline and decline even precipitously, that the rates charged to consumers on loans and the rates charged on credit cards remain high, and what this chart would have shown you is the enormous disparity between rates that are charged by national banks on -- and major banks, not only national banks but major banks on credit cards and the amount, the cost of money to these banks.

The discount rate is now at 3.5. Interest rates until very recently averaged over 19 percent. Never in our history has there been that large a spread between what banks pay and

what -- what banks pay for monies and what they charge the consumer. So it is -

ACTING PRESIDENT VOLKER: Senator Solomon, why do you rise?

SENATOR SOLOMON: Will Senator Leichter yield, please?

ACTING PRESIDENT VOLKER: Senator Leichter, will you yield to Senator Solomon?

SENATOR SOLOMON: Senator Leichter, since we were here this late last night, I'm having difficulty understanding this debate. Is there any way you can use to show me graphically?

SENATOR LEICHTER: I'll take you aside, and say "Psst-psst", and say, "Anybody wanted to see a dirty chart?" It is a dirty chart because dirt has been done to the consumers of the state and there is no excuse whatsoever for the high interest rates, and what really happened is that, when we deregulated, we let that genie out of the bottle and it's, of course, impossible to put the genie back in.

So I think those of us ought to

be very clear that bank deregulation was a mixed benefit at the time to the people of this state. I mean Senator Farley would like you to believe it was the best thing that happened since sliced bread. Indeed, it was something that caused a lot of economic pain in this state because what do high interest rates mean? High interest rates mean less consumer activity. What do high interest rates mean? High interest rates mean less borrowing by small businesses.

Senator Farley said, so, we make credit available. You tell me, in the last few years, has credit been available in this state? Have small businesses had access to credit? Of course they haven't. So it's been a mixed picture.

But I'm not up here arguing, nor is anybody arguing that we ought to reregulate. I think there are ways to set up fair caps on interest but, in this respect, Senator Farley is correct that it probably requires national legislation, and indeed we had such legislation under consideration in the house. Our

Representative Biaggi was one of the main exponents of that, as was Representative Schumer.

So we're not proposing, and I'm not proposing by any amendment that we put any cap on interest rates, but we need to understand what it is we're dealing with and we ought to understand both the good and the bad and we ought to give a balanced picture because I'm going to be leading up to some amendments that will actually try to create that balance which I think we need to do between the interest of financial institutions and the interest of the consumer.

Now, we've been extending bank deregulation over the years. I don't know whether it was two years or six years but there have been a number of extenders, and this year the proposal was made by the financial institution, Hey, guys, make it permanent.

Well, if we're going to give you the benefit, you, the financial institution whose record has been very, very mixed not only

on how they treated the consumers but in the way they ran their business, the terrible mistakes they have made, in loans to Third World countries, the term mistakes they made in real estate loans which really very much affected the financial viability of these institutions, and we were very concerned two or three years ago that we would have major banks that could conceivably fail, and we know that the banks responded by trying to get more and more profit out of consumer banking, not only the high interest rates, but also the charges that they made for basic banking services, to the point that many people were really priced out of banking services. They couldn't afford it. Senior citizens could not afford it.

We also know that, particularly in urban areas, banks closed branches, and we found vast -- vast areas of our urban communities, many neighborhoods with no banking services whatsoever.

So having in mind that very mixed picture and having in mind the difficulties and

the hardship that consumers were having and also the economic needs of small businesses to try to really create jobs, Senator Farley, not a lot of illusory jobs, there was an effort this year and it still is continuing that, if we're going to make bank deregulation permanent that there needs to be focus on the consumer also.

Senator Farley, our job here is not just to serve the large financial interests, and I -- I would imagine you would agree with that, but when I take a look at what we've been doing, yesterday we served -- I say we; it was the Majority or those people who voted for the so-called luxury decontrol bill. Who was being served? The large real estate holders. And today, who is being served by a bill, Senator Farley's bill, which makes bank deregulation permanent without any -- without any new help or assistance to the consumers? Who's being served? The large financial institutions.

So, Senator Farley, the effort that's been made this year is to try to always provide some benefits for the consumers. Now, I

know you're going to say, well, they're -- we're also making permanent in this bill, consumer provisions such as quicker access to money which, by the way, was my bill originally, my proposal and, yes, that's in there.

But how about dealing with all of the ills that have flown from deregulation - the high interest rates, the lack of credit, the way that consumers are being hoodwinked as to interest rates, and so on? Why not address that? And the Assembly has sought to do this, but it's this house once again serving mainly the interest of special interests and wealthy special interests, that has refused to do that.

SENATOR FARLEY: Senator, would you yield?

SENATOR LEICHTER: Yes, I will yield.

ACTING PRESIDENT VOLKER: Senator Farley.

SENATOR FARLEY: You mean to tell me that part of this banking deregulation that's in there, you want me to expunge that or what do

you want me to do?

SENATOR LEICHTER: Senator, I just said that.

SENATOR FARLEY: I'm saying -

SENATOR LEICHTER: I just said that it's in there. I said that. You get up like an echo and say that I'm correct.

SENATOR FARLEY: No, I'm not saying that. I'm saying, are you concerned about that? Do you want to take that away or are you going to vote against that?

SENATOR LEICHTER: Senator, I am going to vote against a bill that completely ignores the needs of the consumer as they exist now in 1993. That's what I'm going to vote against, and what I'm addressing, Senator, is that in a bill which makes permanent deregulation which is very much desired and wanted by the banks that you have, I think, an obligation and certainly an opportunity to provide for the consumers, and I'm asking you not to be so one-sided, not to be so unbalanced, but to have some concern for the consumer.

There are millions of consumers out there who I'm sure will agree that the interest rates are shockingly high, who will agree that, when you get your statement from your credit card company, it is highly misleading or certainly not informative.

There are millions of consumers who would agree that we ought to have lifeline banking. There are millions of consumers who would say that we ought to let -- we ought to know whether many local banks are serving small businesses. That's what we're talking about.

SENATOR FARLEY: Let me answer.

ACTING PRESIDENT VOLKER: Senator Leichter, you continue to yield.

SENATOR LEICHTER: Yes.

SENATOR FARLEY: Would you yield? I'll just answer to this concern because let me just tell you that there was an essence of agreement on a number of areas that you're concerned with, but somehow or other it keeps coming unravelled over in that other house.

A proposal to establish two small

business investment companies, one that would help minority businesses, one that would help small businesses leverage close to $93 million to help the economy of this state. We also had life line banking. We also had a part of the agreement to prevent geographic criteria such as the "ten block rule" which I think you can understand. We also were going to establish a toll-free telephone where they could get the interest rates on credit cards, and I know you're very concerned about that, the lowest interest rates I presume, and the highest.

We were working on a proposal to collect and make readily available to the public information on commercial and geo... and agricultural loans and several other things. So those were pretty much agreed to and we were ready to do it in this house.

SENATOR LEICHTER: Senator, let me ask you by asking you a question if I may, if you would yield. Senator, do you think that these matters, those issues that you've just mentioned should be done?

SENATOR FARLEY: Yes.

SENATOR LEICHTER: Well, Senator, then why aren't you doing them?

SENATOR FARLEY: Because the other house won't do 'em.

SENATOR LEICHTER: Senator, Senator, if you'll yield again.

ACTING PRESIDENT VOLKER: Senator, please address the Chair, if you would.

SENATOR LEICHTER: I'm sorry. If -- Mr. President, if Senator Farley would just yield again because he's totally confused me.

ACTING PRESIDENT VOLKER: Senator Farley.

SENATOR LEICHTER: Senator Farley has now conceded, as I've tried to maintain, that this is an unbalanced bill, that it needs certain things to address unfairness to the consumers. You gave me six items that you just said should be done.

SENATOR FARLEY: I didn't say that. That's your wording.

SENATOR LEICHTER: Well, I think the -

SENATOR FARLEY: You're jumping, making a quantum leap, Senator Leichter.

SENATOR LEICHTER: Mr. President, I'm not going to ask the reporter to read but -

SENATOR FARLEY: No, it isn't that. I said we had agreed to do this, to get permanency.

SENATOR LEICHTER: Excuse me.

SENATOR FARLEY: Do I think we need permanency? I certainly do. Does the financial community think we need permanency? They certainly do. Does the Governor think we need permanency? I believe he does. Does the Superintendent of Banks? Yes. Does the Speaker? He says he's committed to it. Only trouble of it is, we can't seem to be getting it.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT VOLKER: Senator Leichter.

SENATOR LEICHTER: I suppose

those members that are listening will remember distinctly that I asked Senator Farley, do you think those items that you just mentioned which Senator Farley said are helpful to the consumer should be in the bill, and his answer was yes.

Well, Mr. President, if those things should be in the bill, I don't know why Senator Farley put before you -- puts before us a bill that does not contain these provisions and to say that the Assembly didn't agree on something else, I can't understand it, because I think what it shows very clearly is that it's the other house that has been pushing for these consumer measures.

Your role, as you see it, is to serve the banks. Our role as I see it, Senator is to serve the banks and the consumers and those matters that you mentioned should be in here and they should be in here in a meaningful way. Some of the bills that I saw really provided these so-called consumer benefits as a fig leaf to cover up what was an enormous benefit, and a gain and a gift to financial

institutions.

I'm going to move my amendments. I'm going to do them very quickly. I just want to just mention a few other things.

One of the real problems we have in this state in job loss is because of the inability to get credit, and one of the things we need to address is having credit more available, and my amendments and other proposals do that. The bill that Senator Farley has before us does not because it gives the banks what they want and it gives nothing back to the people of the state.

Let me finally just say, Senator Farley, in general comment on your bill as you described it, it was the sort of thing where the people ought to go to the banks, run with the - rush to the banks and kiss the hands of the bank officers and thank you so much, thank you so much for those high interest rates, thank you so much for not making credit available to -- to small businesses.

I mean are people supposed to

jump for joy, Senator, for the way that the banking consumers have been treated. I submit not. Now, there are things that we can do under the law that affect not only state-chartered banks, and obviously we can affect them and Senator Farley is correct there are certain things, for instance, if we reregulated interest rates or sought to put any cap on it, that would apply only to state-chartered banks, but if we have provisions as I'm going to propose which require disclosure, Senator, require disclosure, fairness -- fairness -- that can apply to national banks as well as to state-chartered banks.

I'm going to move some of the amendments now, just to give people an idea what we should be doing and hopefully try to get some support here, try to create a consensus so that we do provide service to the people of the state and not just to large financial institutions, and I'm going to move, Mr. President -- and I know there are certain amendments that I have up there. I want to make it easy for the desk. I

think we have them in numbers and if you could move at this time amendment that is numbered 6, and I'm going to -

ACTING PRESIDENT VOLKER: Amendment Number 6.

SENATOR LEICHTER: If you would just bring that out, please.

ACTING PRESIDENT VOLKER: Just a second.

SENATOR LEICHTER: I'm going to waive its reading and move it.

ACTING PRESIDENT VOLKER: Senator, Senator, just one second. Just one second.

SENATOR LEICHTER: This is Amendment Number 6, and it's credit card, credit card disclosure.

ACTING PRESIDENT VOLKER: Thank you, Senator.

SENATOR LEICHTER: This requires financial institutions that issue credit cards in this state, whether they're located in the state or not, to disclose the grace period,

whether the grace period during which the banks will not charge interest applies if the full amount of the balance is not paid off in that billing cycle because, as you know, cards issued with grace periods nevertheless if you don't pay off the full amounts, the banks will charge you on the entire amount. This is not disclosed. All that does is to say disclose it.

What's wrong with that? Is that unfair? Is that going to cripple financial institutions? Is that going to make it difficult for financial institutions to carry on business? Absolutely not, and that, as I just want to emphasize, can be done for national institutions -- we've checked it out; I'll give you the citation -- as well as state-chartered institu tions. I'm going to move that amendment.

ACTING PRESIDENT VOLKER: On Amendment Number 6, Senator Leichter's amendment, all those in favor signify by saying aye.

(Response of "Aye.")

Those opposed nay.

(Response of "Nay.")

The amendment is defeated.

SENATOR LEICHTER: All right, let's try Number 7. This is a minimum credit card disclosure on minimum monthly payment.

ACTING PRESIDENT VOLKER: Amendment Number 7. We have it here, Senator.

SENATOR LEICHTER: This is the minimum balance percentage that must be paid off in each billing cycle. There are some credit card companies that fail to disclose that, and by failing to disclose it, they end up being able to charge over the life of the loan, that's really what we're talking about, a greater amount of interest.

Anything wrong in saying that they clearly and explicitly show what that minimum payment should be? I think not. I move the amendment.

ACTING PRESIDENT VOLKER: Just one second.

SENATOR LEICHTER: This is Number 7.

ACTING PRESIDENT VOLKER: On Amendment Number 7, Senator Leichter's -

SENATOR GOLD: Mr. President.

ACTING PRESIDENT VOLKER: Senator Gold.

SENATOR GOLD: Would Senator Farley yield to a question?

ACTING PRESIDENT VOLKER: Would you yield to Senator Gold on the amendment?

SENATOR FARLEY: I'll be happy to.

SENATOR GOLD: Senator Farley, what's wrong with them showing the minimum balance?

SENATOR FARLEY: Pardon me?

SENATOR GOLD: What's wrong with the credit card company showing the minimum balance?

SENATOR FARLEY: As I understand, when I get my credit card bill, they tell me what my minimum payment would be.

SENATOR GOLD: Some of them do, some of them don't. What's wrong with doing

it?

SENATOR FARLEY: That would affect a minuscule -- I don't know whether it would affect any New York credit cards, in my judgment.

SENATOR GOLD: Well, Senator.

SENATOR FARLEY: You've got to realize, and I don't have that percentage, but I would venture to say 90 percent or 95 percent, a disproportionate amount of credit cards are issued outside the state.

SENATOR GOLD: Yeah, but, Senator, if you will yield to a question.

SENATOR FARLEY: Yes.

ACTING PRESIDENT VOLKER: Senator Farley yields.

SENATOR GOLD: No matter what the numbers are, what's wrong with New York having in its law that people make that disclosure?

SENATOR FARLEY: Well, going back to what New York did on disclosure laws, I'm told that we passed some of this a few years ago and the Congress and the federal government

superseded all our laws on disclosure.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT VOLKER: Senator Leichter on the amendment.

SENATOR LEICHTER: In moving that amendment, Senator Farley, I can assure you, and I will stake my reputation such as it is, that when it comes to matters of disclosure, we were not preempted by the federal government and there is case law which makes it very clear that we are entitled to do this, and you stated to Senator Gold correctly, 80, 90 percent of card companies do this, although I want to make it clear that we're not only talking about saying what the minimum amount is, but what the percentage is, which is important for people to understand. And some banks do it. Why not require all banks to do it? What is wrong with this amendment, Senator Farley?

ACTING PRESIDENT VOLKER: On Senator Leichter's amendment, all those in favor signify by saying aye.

(Response of "Aye.")

Those opposed nay.

(Response of "Nay.")

The amendment is defeated.

Senator Leichter.

SENATOR LEICHTER: Well, all right, let's try Number 8. This is credit card disclosure on total interest to be paid.

ACTING PRESIDENT VOLKER: We have it, Senator, Amendment Number 8.

Senator Leichter.

SENATOR LEICHTER: Number 8 provides that a company that issues credit cards must disclose the total amount to be paid in interest over the life of the loan so that, if you pay off the minimum balance, interest is charged at the remaining balance that you are told what your entire interest bill is going to be.

Again, disclosure; fairness; so consumers know what it is they're paying in total amount, in interest over the life of the loan. And we can do that. We can have it apply

to national banks as well as state-chartered banks. Why should we not give consumers that protection?

Mr. President, I move the amendment.

ACTING PRESIDENT VOLKER: On Senator Leichter's amendment, all those in favor signify by saying aye.

(Response of "Aye.")

Those opposed nay.

(Response of "Nay.")

The amendment is defeated. Senator Leichter.

SENATOR LEICHTER: O.K. Let's try Number 9.

ACTING PRESIDENT VOLKER: Senator Leichter's Amendment Number 9.

SENATOR LEICHTER: This is banking privacy.

ACTING PRESIDENT VOLKER: Banking privacy, Senator Leichter's amendment Number 9. Senator Leichter.

SENATOR LEICHTER: Amendment

Number 9 would prohibit financial institutions from selling, exchanging or disclosing information as to the names of credit card holders or depositors or getting access to Social Security numbers.

As you well know, because your mail box is as full as mine with mail, that you receive solicitations from financial institutions, they sell each other the list of their customers. That should be prohibited. That shouldn't be done. What this amendment says that banking institutions should not sell the list of their customers to anyone.

ACTING PRESIDENT VOLKER: Oh, Senator Gold.

SENATOR GOLD: Senator Farley, will you yield to a question?

SENATOR FARLEY: Always delighted to yield.

ACTING PRESIDENT VOLKER: Senator Farley yields.

SENATOR FARLEY: Are you his surrogate here, or what gives?

SENATOR GOLD: Pardon me? No, Senator Leichter is too good in this area to need me, believe me, but I want to ask you a question, Senator Farley. If I could and it's a little bit off of what Senator Leichter is talking about, but I'm curious about it.

The -- a person opens up an account with the bank, and let's say once they open the account, they have a checking account, they have savings, they have, let's say they have a loan, an overdraft privilege, I assume that the customer has a file. Are those files confidential at all, Senator Farley?

SENATOR FARLEY: I'm not a banker; I'm a law professor. I never worked in a bank in my life. I've never been into their files.

SENATOR GOLD: No, but, Professor Farley, if you will yield to a question. What I'm saying is, based upon your knowledge, are those files that the banks maintain, is there any degree of privacy in the file?

SENATOR FARLEY: I don't think

that the average guy off the street can go in and look in the bank's files.

SENATOR GOLD: Well, if you will yield to a question, Senator.

SENATOR FARLEY: Are your files confidential?

SENATOR GOLD: Pardon me?

SENATOR FARLEY: Are your files confidential?

SENATOR GOLD: My law files?

SENATOR FARLEY: Your banking files.

SENATOR GOLD: That's the point I'm getting at.

ACTING PRESIDENT VOLKER: Senator Gold, Senator Farley, please address your remarks through the Chair.

SENATOR GOLD: Senator Farley yield again?

SENATOR FARLEY: Yes.

SENATOR GOLD: Mr. President, what I was getting at is this bill deals with names, addresses, Social Security numbers, but I

want to go past that for a minute, but I'm saying supposing someone knows the name "Hugh Farley" and they go to your bank, and let's say they know the banker. The banker is Charlie, and Mike comes over to Charlie, and says, "You got a depositor by the name of Hugh Farley and you got a file on him. I'd like to see what's in the file." Is there any confidentiality or can the bank officer show that file to anybody without violating any laws?

SENATOR FARLEY: Well, I -- I would think -- again, you're asking me a question that you don't know the answer to and -

SENATOR GOLD: Well, I don't ask questions I don't know the answers to.

SENATOR FARLEY: No, but I would -- I would presume that Charlie would be in a lot of trouble if he showed that file to somebody that came in off the street, even if it was his close friend.

SENATOR GOLD: All right. Thank you, Senator. On the amendment.

ACTING PRESIDENT VOLKER: Senator Gold, on the amendment.

SENATOR GOLD: Just one of those rare opportunities.

Senator Farley, I think you are, unfortunately, dead wrong and it's one of the things, Senator Leichter, that you got it out of my mind because of this privacy word, and you're just the person to take care of this.

I know of a situation, Senator Farley, where an individual worked for a bank, transferred to another bank. There was a lawsuit involving the second bank by an individual who had been harmed by the bank and he called up his old bank and they sent him a total transcript of this private file of a depositor, and it was introduced into a court proceeding, and the answer was that there was nothing anybody could do about it because it wasn't confidential.

Now, the information in there wasn't libelous; it wasn't this or it wasn't that. It was confidential, so the depositor

thought and, Senator, if you know what these banks do behind the backs of their own depositors, you would be shocked. What if I tell you that within the last month I know of one situation where a bank who had wrong - which had wrongfully withheld its depositors' money and had to be sued by the depositor, agreed in a lawsuit to settle a lawsuit by releasing the money of the depositor but only did that after another bank secured a lien against that fund.

I mean what the banks do in the back rooms could make you throw up and, when we talk about bank privacy, Senator Leichter, I can congratulate you but let me tell you a New York state bank, you're only the tip of the iceberg and I support your amendment totally.

ACTING PRESIDENT VOLKER: Senator Leichter.

SENATOR LEICHTER: Move the amendment.

ACTING PRESIDENT VOLKER: On Senator Leichter's amendment, all those in favor

signify by saying aye.

(Response of "Aye.")

Those opposed nay.

(Response of "Nay.")

The amendment is defeated.

Senator Tully.

SENATOR TULLY: Would there be an opportunity to explain my vote on that particular amendment?

ACTING PRESIDENT VOLKER: Senator Tully, to explain your vote.

SENATOR TULLY: My vote is in the negative, Mr. President, because while I think Senator Farley is wrong, Senator Gold is wrong as well, and that's based upon the Bank Secrecy Act and FDIC regulations and in no case would that information be available as described by Senator Gold except in the case of an errant employee or someone who did something that was inopportune and wrong, and now that he has that information, if he knows who was involved in the case, he should go and seek appeal and utilize that information, and I won't even charge a

forwarding fee.

ACTING PRESIDENT VOLKER: Thank you.

Senator Gold to explain his vote.

SENATOR GOLD: Thank you very much.

Senator Tully, you know what I say about you behind your back. I respect you very much. Unfortunately, Senator, the difference between this room and the real world is the difference between here and Mars, and the banks involved which I'd rather not name, Citibank and Marine Midland, this was all made known out in the open, and I want you to know even made known to the New York State Banking Department which was about as much impressed by it as your side of the aisle is with the story.

SENATOR TULLY: Mr. President, if I can further explain it and state to Senator Gold that I'm sure he knows since he's researched this so well, that if both parties have a financial interest in the situation that that is an exception to the law as it exists. I

know he knows that, and he certainly wouldn't have forgotten that when he said that Senator Farley was incorrect.

ACTING PRESIDENT VOLKER: Senator Leichter, to explain his vote.

SENATOR LEICHTER: Mr. President, to explain my vote.

Let me just point out to Senator Tully and to Senator Gold and all the colleagues that irrespective of that, this particular issue, that this amendment is much broader, Senator, and prohibits the sale of customer lists, which is certainly not covered by the Secrecy Act, and which we know occurs all the time which I think should not occur, which leads to fraud, and the amendment addresses that, and I think that's an important prohibition that we should have in the law.

Could we have the results on the amendment?

ACTING PRESIDENT VOLKER: The amendment is still defeated, Senator.

SENATOR LEICHTER: O.K. Let's

take Number 12.

ACTING PRESIDENT VOLKER: Senator Leichter's Amendment Number 12. Hold on just a second. Credit card rate increases, Number 12, is that correct?

SENATOR LEICHTER: Yes, right.

ACTING PRESIDENT VOLKER: Senator Leichter, on the amendment.

SENATOR LEICHTER: This amendment would prohibit credit card issuers from applying rate or fee increases to balances in existence before rate increases.

Now, this one, Senator Farley, I would agree you could probably only apply to state-chartered institutions, but we know that the issuers of credit cards change their interest rates, will jack up the interest rates and will apply it to balances that were created or incurred when the interest rate was at a different level.

That's just unfair. You can't justify by saying, Oh, well, I don't want to scare these banks out of the state. Senator,

there needs to be some fairness. We have an obligation to protect the consumers from an over-reaching practice. This is an over reaching practice. We can't negate our obligation or shed our obligation by saying, Oh, well, you know, there's national banks and they can still do it, and so on, because I think that, if we impose this requirement on state-chartered banks that -- and state-chartered banks, by doing this, would, if anything, gain customers.

I think we would force -- we would shame the national banks into doing - into discontinuing a practice which is really so outrageous and so unfair.

So, Mr. President, I'd like to move Amendment Number 12.

SENATOR FARLEY: Mr. President.

ACTING PRESIDENT VOLKER: Senator Farley, on the amendment.

SENATOR FARLEY: Just a point of clarification. Now, I don't want you to be confused on that, Senator Leichter. That would

apply to just the state-chartered banks. It would apply to national banks, only -- excuse me, only people that have their operations within this state. You see a state-chartered bank can have it out of state which they're inclined to do.

SENATOR LEICHTER: Yes.

SENATOR FARLEY: So you're talking about a very few endangered species that are left here.

SENATOR LEICHTER: Well, Senator.

ACTING PRESIDENT VOLKER: Senator Leichter.

SENATOR LEICHTER: I'm concerned about the endangered consumer and don't do the work of the financial institution, don't carry their codes and say, Well, I'm doing it really because I'm trying to preserve jobs in this state.

You're hurting the consumers. You're hurting the economy of the state when you do this. Move the amendment, Mr. President.

ACTING PRESIDENT VOLKER: Senator Leichter -- on Senator Leichter's amendment. All those in favor signify by saying aye.

(Response of "Aye.")

Those opposed, nay.

(Response of "Nay.")

The amendment is defeated. Senator Leichter.

SENATOR LEICHTER: Yes, we'll do Number 4 now.

ACTING PRESIDENT VOLKER: Senator Leichter's Amendment Number 4, just one second. Branch bank closings, Number 4.

SENATOR LEICHTER: Yes.

ACTING PRESIDENT VOLKER: Senator Leichter, on the amendment.

SENATOR LEICHTER: This would permit the Superintendent of Banks to delay branch closings for 120 days upon finding that significant reduction in banking services to the community would result.

We have a very serious problem in many areas of this state in the unavailability

of banking services. That hurts not only senior citizens and people who live there who need to cash their checks or get a money order, but it hurts small businesses. When a branch closes, there's no banking services left in that community. That's a signal that that's a neighborhood that's under decline. It's a very serious problem.

The Superintendent has acknowledged that the problem exists but unfortunately, very little has been done. This bill at least will put 120 days hold so that the community, the Superintendent, others, can work to try to create alternative financial institutional services for a community.

It's vitally important; it needs to be done; it has to be addressed by us. Mr. President, I move that amendment.

ACTING PRESIDENT VOLKER: On Senator Leichter's Amendment Number 4.

SENATOR MARKOWITZ: Mr. President.

ACTING PRESIDENT VOLKER: On the

amendment, Senator Markowitz.

SENATOR MARKOWITZ: May I ask you a question, Senator?

SENATOR LEICHTER: Yes.

ACTING PRESIDENT VOLKER: Senator Leichter yields.

SENATOR MARKOWITZ: On the question, would federally chartered banks be impacted by your amendment or can we actually -

SENATOR LEICHTER: I think branch closings, and I'm not 100 percent certain, but I think branch closings are matters where the state, I believe, can act and where the state can say to a branch, that it must remain open for a certain period of time.

SENATOR MARKOWITZ: On the amendment.

SENATOR LEICHTER: That's my understanding.

ACTING PRESIDENT VOLKER: Senator Markowitz, on the amendment.

SENATOR MARKOWITZ: Just to add, Senator Farley, if I can add not a question to

you, but my comments to you.

I know how concerned you are with the banking industry in New York State, and I certainly share at least the point that I want to see them successful as possible because that helps business in New York. It helps employment, it helps taxes, and for many other reasons.

However, on this issue, the amendment of bank closings, branch closings, you should be aware, and I'm sure you know that through the mergers of various banks in the state, there's not a question that significant numbers of bank branches have closed. If you take a look at where they've closed the branches, there's no question that they have not closed them in areas of high economic activity but rather in areas that they deem to be less profitable, which means areas that are lower income which ordinarily means among the lowest income people in our society, which unfortunately seem to fall on African-American, Caribbean-American, Latino communities of New

York, and I think that there's something wrong, totally wrong.

While banks are not an institution who are in the social service business, nonetheless they are given a charter by our state and, in fact, the federal government, if they're a federal chartered bank and they have certain obligations.

Closing branches in areas of less profitability, I think, is wrong and I would hope that Franz, and I know that the chances of this amendment passing at this moment is remote, but certainly as the chairman of Banking, no matter how close you feel to the industry, and advocate their interests, it seems to me that this is not an unreasonable request, that they have some responsibility in keeping branches open even in areas that may be less profit able. So that was my comments on the amendment.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT VOLKER: Senator

Leichter.

SENATOR LEICHTER: If I may just briefly comment on Senator Markowitz' very pertinent statement.

Senator, not only are minorities disproportionately affected, but I want to point out to you that it is not only in areas of declining economic activity that the banks will close branches. I made a study which was released some years ago and received some attention, which showed that in Long Island they closed branches in communities that became more predominantly black even though the mean income in those communities was greater than in neighboring white communities where the banks did not close their branches.

So there is no question that the banks are acting on a perception. They see a black community, Hispanic community. They say, This community cannot support a financial institution and we will close the branch and they will close branches that are profitable. There was an instance in Far Rockaway at our -

one of our colleagues was very much involved in with Chemical Bank, I believe was Chemical Bank said they were going to close a branch, and it was shown that that branch was a profitable branch, and by making certain changes in their operations to be more receptive to the needs of that community, it became a very remunerative branch for the bank because the bank was convinced to keep it open.

So there was a social problem here and a problem that, unfortunately, the banks have created not by being able to show, Hey, we need to do this for financial reasons, most often they've done it for the wrong social reasons, and while you're right, banks are profit-making institutions, but we have a certain interest in seeing how financial institutions work, they're given a charter which says that they have to serve the public and the public means the entire public.

I'm just going to -- I'm sorry, may we move that amendment, Mr. President.

ACTING PRESIDENT VOLKER: On

Senator Leichter's amendment, would -

SENATOR GOLD: Mr. President.

ACTING PRESIDENT VOLKER: Yeah, Senator Gold.

SENATOR GOLD: Yeah. Would Senator Farley yield to just one question?

SENATOR FARLEY: Yes.

ACTING PRESIDENT VOLKER: On the amendment.

SENATOR GOLD: Professor, what's wrong with the amendment?

SENATOR FARLEY: What's wrong with the amendment?

SENATOR GOLD: Yeah, yeah, giving people an opportunity, giving the Department a chance to take a look at it.

SENATOR FARLEY: All amendments are well intended; I certainly wouldn't speak ill, nor did I speak ill of Senator Leichter's amendment, but we'll have the vote on it.

SENATOR GOLD: Yeah. Will Senator Farley yield to a question?

SENATOR FARLEY: Yes. The major

-- one of the major things that's wrong with this amendment is, should this amendment pass, this bill would have to be here for three days before it would be live again.

SENATOR GOLD: No, that's not so.

SENATOR FARLEY: I just say -

SENATOR GOLD: I'm sure Senator Tully will rise to your defense, but that's not true.

SENATOR FARLEY: I think if this bill is amended by this amendment, it becomes - I'd have to ask the desk -- it requires three more days.

ACTING PRESIDENT VOLKER: It becomes a different bill then.

SENATOR FARLEY: That's Friday, Saturday, Sunday, Monday. I don't want to be here Monday.

SENATOR GOLD: Oh, oh, Mr. President.

SENATOR FARLEY: I just mention that's one thing that's wrong with it.

SENATOR GOLD: I know Mr. Tully is going to tell me I'm wrong, but Senator Farley, my God, you've been here long enough, if this bill gets amended, it gets reprinted, it gets a message from the Governor and at 5:00 o'clock we pass it. Who's kidding who?

You remember what we got last night? I've never seen messages of necessity before. Could I ask the desk to show Senator Farley a message of necessity? I know he'll remember what they look like.

Come on, Senator Farley, I'm asking you, I'm asking you gentlemen and gentlemen, what is wrong with the concept of permitting the Superintendent to take a look at this situation before it occurs? What's wrong? Some bank's going to get mad at the Republican Party if we -- if we bring a little sensibility into this bill? Is that what it's about? But please don't tell me about this bill, we don't have enough days.

First of all, I don't want to break everybody's heart. Yes, I do want to

break everybody's heart. I have people coming over Sunday, we're telling them not to come. Because my understanding is, gentlemen, we're here for Sunday, Monday and nobody wants to come back next week, we're here for the duration. So you'll get your bill even if you amend it; today is Thursday.

But who's kidding who? There are bills that are flying out of Rules. You know what's happening. They're going to have introductory dates of July 1st, July 2nd and you say why would anybody introduce a bill on July 2nd by the time you print it because they're all going to have messages, Senator Farley, and if this bill is a good bill and it's gotten more attractions because of some of Senator Leichter's amendments, that's going to encourage this Governor who I know wants to take care of the consumers of this state, to give you that message.

So if you have a problem with the concept, I want to hear about it. I don't want to hear about three days, because there isn't

one person in this room who believes that any bill is stopped in the final hours of the legislative session because of printing problems.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT VOLKER: Senator Leichter.

SENATOR LEICHTER: Just in addition, Senator Farley, this is a worthwhile concept and you said it is; I don't think we can tell the people of this state, Well, we want to go home and, therefore, we're not going to do it.

This is an important matter, an important issue, and it needs to be addressed. Whether we do it by a message, whether we do it by staying here, it needs to be done.

I move the amendment, Mr. President.

ACTING PRESIDENT VOLKER: On Senator Leichter's amendment, on Senator Leichter's amendments, all those in favor

signify by saying aye.

(Response of "Aye.")

Those opposed nay.

(Response of "Nay.")

Amendment is defeated, Senator Leichter.

SENATOR LEICHTER: Mr. President, number one, you saved the best for last. This is life line banking, so if you would call up that amendment, Mr. President.

ACTING PRESIDENT VOLKER: We - Senator Leichter, we've got a slight problem here. We can't find Number 1.

SENATOR LEICHTER: Well, here's a copy.

ACTING PRESIDENT VOLKER: What's the title of this amendment, Senator?

SENATOR LEICHTER: Life line banking.

ACTING PRESIDENT VOLKER: Life line banking.

SENATOR LEICHTER: Well, Mr. President, just to save time.

ACTING PRESIDENT VOLKER: Senator Leichter, go ahead.

SENATOR LEICHTER: Let me just talk about it. If you can't locate it, you do have it up there? O.K. If you can't locate it, I think the way the vote is going, I don't think it's that important that we actually have a vote on it, but I think it is important that we do discuss and are aware of what life line banking is.

It's based on a bill that Assemblyman Farrell, the Chair of the Assembly Banking Committee, has introduced together with our good colleague, Senator Babbush. It provides that you can have a minimal banking account, just as we have a minimal phone service that we provide for senior citizens with a limited number of checks up to ten checks. You cannot have more than $2,000. You'd have to have at least $25 in the account, and the significance and the importance of that is that particularly for senior citizens, they cannot afford banking.

Banks require greater and greater minimum balances, charge more and more for checks. We're having many, many people who are being priced out of banking. This is an important service to provide. It's not unreasonable to ask of banks. Any bill that makes deregulation permanent, that gives banks that enormous privilege that we've given them to continue that enormous spread between the interest rates that they charge and the cost of money, at the very least, we ought to make sure that the public is protected to the extent of providing for life line banking.

So, Senator Farley, let me just say you've given us a bare bone bill which does nothing for the consumers and has really everything for the financial institutions. I tried to point out numerous things that we can do that they're not outrageous, they're not immoral. They would not do economic harm.

On the contrary, they would be good for the economy of this state. You've talked about jobs. These are provisions that

will help the economy of the state and there's others that I haven't brought up, because I don't want to take more time, which would require banks to disclose what small business loans they're making so we would know. Just as we try to find out where the banks are red lining in mortgages, we ought to find out are they making small business loans to the communities that they serve.

These are important matters; they should be in a bill, Senator Farley. You have the responsibility seeing that the consumer gets some benefit out of permanentizing deregulation in this state, and I hope that before this session ends, whenever that is, that we're going to see some of these provisions in a bill.

In the meantime, Senator Farley, I think that your bill should get a nay vote.

SENATOR MARKOWITZ: Mr. President.

ACTING PRESIDENT VOLKER: Senator Markowitz, on the bill.

SENATOR MARKOWITZ: Yes, I have a question on this amendment of Senator Farley if I may. Senator, may I ask you a question on this. On the life line issue that Senator Leichter brings forward, didn't you serve many years as the chairman of the Senate Committee on Aging?

SENATOR FARLEY: I did, and I had the distinction of having Senator Markowitz as my ranking person.

SENATOR MARKOWITZ: Yes, thank you. Thank you. I was proud to be your ranking member.

SENATOR FARLEY: Let me just address this. Even though it's going to hurt me, but I'm going to vote against this amendment. This house has nothing against life line. We supported -- as a matter of fact, Assemblyman Farrell has got Calendar 420 with life line in it, geographic restrictions, and - what else? -- small business disclosure. If he sends that over, we'll pass it in a minute. Pass it in a minute. It's got permanency in it,

too. But we have no quarrel with it. It's all part of the negotiations.

ACTING PRESIDENT VOLKER: Senator Markowitz.

SENATOR MARKOWITZ: I wanted to complete what I was saying. I know that Senator Farley has certainly shown his interest in advancing the cause of the elderly, and I just want to advance, if I may, that many seniors during the course of my experiences with them have indicated over and over again of their inability to be able to afford banking services. They live on SSI. Not every senior resides in a single-family home with an acre or two of land, but many live day to day, month to month on their Social Security and SSI checks, maybe a very small pension or maybe a son or a daughter helping them out a bit, and it seems to me that the banks have an obligation especially to this segment of the population to provide the kind of basic services.

One other thing, Senator Leichter, this is something I discussed with you

previously, on the question of interest rates on credit cards, there is no question that it's encouraging that there is greater competition today. Any intelligent consumer, Senator, any intelligent consumer that wants to get a credit card at lower interest rates can get a credit card for lower interest rates.

To me, I'm happy about the fact that there is a competitive atmosphere today in the credit card field. It's true there is competition. Thank God, the banks are competing with each other, and the consumer really in the last year or two has an ability now to find cheaper credit card companies. And it's true. If they want to make the effort -- if they want to make the effort, it's happening. It really is happening.

But on life line, I hope that you will join with me, Senator -- you will join with me, and I would like you to accept this amendment. Why don't we break right now. You could say, yes, this one I accept.

So I will sit down and I'm going

to wait to hear your response.

ACTING PRESIDENT VOLKER: Senator Leichter, do you want to pursue that amendment? We have recovered the amendments.

SENATOR LEICHTER: Okay. Thank you, Mr. President. In that event, I will move the amendment. I have already explained it. Let me also thank the desk. I know it's not easy to keep track of so many amendments. You did a wonderful job, and I appreciate it and thank you.

And I now move the amendment on life line banking.

ACTING PRESIDENT VOLKER: On Senator Leichter's final amendment. All those in favor, say aye.

(Response of "Aye.")

All those opposed, nay.

(Response of "Nay.")

The nays have it. The amendment is defeated.

Read the last section.

THE SECRETARY: Section 8. This

act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Senator Onorato to explain his vote.

SENATOR ONORATO: Mr. President. I rise -- I heartily concur with the amendments that Senator Leichter brought forth here, but I also want to assure my colleagues as the ranking member on Banking that I have the assurances of Assemblyman Farrell that current negotiations are taking place that will include notification to provide life line banking, no geographic discrimination, small business loan fund, small business loan disclosure, an '800' number for interest rates on credit cards, and I have been assured that these -- if none of these things are going to be included in the current bill, it's not going to go anywhere.

So I'm going to vote for the current bill with the assurances that we will see the light of day on these other amendments

that you brought forth today.

ACTING PRESIDENT VOLKER: Senator Onorato in the affirmative.

This is on the bill, yes.

THE SECRETARY: Those recorded in the negative on Calendar Number 174 are Senators Connor, Espada, Leichter, Mendez, and Smith.

ACTING PRESIDENT VOLKER: Senator Farley, why do you rise? Do you want to explain your vote, Senator?

SENATOR FARLEY: Just explain my vote. Let me congratulate Senator Leichter on, I think, a record amount of amendments that I have seen -- fourteen. But let me assure my colleagues this is a terribly important issue, and what Senator Onorato has said is so true. We've still got time on this one. We're still working together. Assemblyman Farrell has cooperated very, very well. We're trying to put this together. I think that we will. I appreciate the support of all my colleagues on this bill.

I vote aye.

ACTING PRESIDENT VOLKER: Senator Farley in the affirmative.

THE SECRETARY: Ayes 52, nays 5.

ACTING PRESIDENT VOLKER: The bill is passed.

Senator Present.

SENATOR PRESENT: Can we go back to regular order.

ACTING PRESIDENT VOLKER: Senator Present. We'll proceed with regular order.

THE SECRETARY: On page 4, Calendar Number 59, by Senator Hannon, Senate Bill Number 279B.

SENATOR PRESENT: Lay it aside temporarily.

ACTING PRESIDENT VOLKER: Lay that bill aside.

THE SECRETARY: Calendar Number 102, by Senator Bruno, Senate Bill Number 2354B.

ACTING PRESIDENT VOLKER: Lay that bill aside.

THE SECRETARY: Calendar Number 591, by Senator Kuhl, Senate Bill Number 4426A,

Agriculture and Markets Law.

ACTING PRESIDENT VOLKER: Read the last section.

SENATOR GOLD: Hold on one second. Last section.

SENATOR DOLLINGER: What is the bill?

SENATOR GOLD: Hold on.

ACTING PRESIDENT VOLKER: 591, Senator Kuhl.

SENATOR GOLD: Last section.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 57.

ACTING PRESIDENT VOLKER: The bill is passed.

SENATOR PRESENT: Go back to 59.

THE SECRETARY: Calendar Number

59, by Senator Hannon, Senate Bill Number 279B, authorize payment in lieu of taxes by the county of Nassau.

SENATOR GOLD: Explanation.

ACTING PRESIDENT VOLKER: Explanation requested by Senator Gold.

Senator Hannon.

SENATOR HANNON: Yes, Mr. President. In one of the school districts within my district, there is presently a large municipal hospital which is a teaching facility for physicians which provides residential apartments to residents, interns and teachers at the teaching facility. This would allow the county within which it's located and which owns the medical facility to pay monies to the school district in regard to what would be the tuition to cover the cost of educating the children of those physicians.

This bill has passed in the Senate slightly different variation in 1990, 1991 and 1992.

ACTING PRESIDENT VOLKER: Senator

Gold.

SENATOR GOLD: Senator yield to a question?

SENATOR HANNON: Yes.

ACTING PRESIDENT VOLKER: Senator Hannon yields.

SENATOR GOLD: It has only passed the one house, is that it, and not both houses?

SENATOR HANNON: Actually in different versions -- and it's only been very slightly different versions -- it has passed one or two times in the past. This version as it is here is permissive instead of mandatory on the part of the county and is a version I am told that is acceptable to the Assembly by the Majority Assemblyperson who is handling it in the Assembly.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 57.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 900, by Senator Marchi, Senate Bill Number 3919C, an act to amend Chapter 812 of the Laws of 1983, amending the Navigation Law.

SENATOR GOLD: Explanation.

ACTING PRESIDENT VOLKER: Senator Marchi, explanation requested by Senator Gold.

SENATOR MARCHI: Yes. Mr. President, this extends until June 30, 1995, the authority of the board of commissioners to continue in their present role as advisors to the Legislature, to the Governor, on pilotage matters, their role in establishing licensure, bonding and regulation and disciplining of pilots.

It also provides for changing the present methods of appointment to the board of commissioners. Now, it's three members by the Chamber of Commerce and Industry in New York.

They recommend three. Two are recommended by the marine insurance business companies, and one member is appointed by the Governor.

That is not changed, but there is an added requirement that four members of the board have experience as a licensed deck officer in the United States Merchant Marine or an unrestricted line officer in the United States Naval Service or a commissioned officer in the United States Coast Guard service and commanded a navigation watch on an ocean-going vessel.

There are four presently on the board who have that experience. The remaining two commissioners shall have a minimum of five years experience in the maritime industry. There are two members that are presently on the board and they would remain on the board and if a vacancy occurs, if it's one of the two that are one of the two exceptions, experience in the maritime industry would qualify them.

Some objection to the prior arrangement, the experience as a watch officer on an ocean-going vessel made it almost

impossible, virtually impossible in present circumstances to have a woman serve on the board of commissioners, and there is now a woman member on that board, and she would remain, and she has experience in the -- in the -- so this would be -- this would, in effect, safeguard that that requirement would be projected forward and, at the same time, we would specify something that exists presently. Four of those six members have that experience as licensed - as officers with requisite experience and command at sea.

I might add that I have that experience myself. I would qualify here except I am too old, I guess, and I have no intention of doing it, but it's important that we continue them. Actually, they lose their voice unless we project the role that they've been exercising for some 200 years in this state unless we extend the present chapter of the Laws of 1983 which was the last time we addressed this issue.

ACTING PRESIDENT VOLKER: Read the last section.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT VOLKER: Senator Gold.

SENATOR GOLD: Will the Senator yield to a question?

SENATOR MARCHI: Yes.

ACTING PRESIDENT VOLKER: Senator Marchi will yield.

SENATOR GOLD: Senator, this is one of those bills that sunsets, and I know, Senator, that whereas people have been walking in and out of the chamber, you are one of those loyal members who listens to debates and stays with us. And you recall Senator Farley saying a sunset is like a gun to the head. Senator, is there a reason why we are merely extending this gun to the head rather than permanentizing this?

SENATOR MARCHI: Well, to be perfectly frank, there is still considerable dialogue going on on the way this board of commissioners is to be constituted. I would have no objection to making it permanent, but in

deference to those who would like to see more experience with it in a role and function that may undergo some redefinition -- this is an old law. I mean we give the responsibility of the appointment of half of these people to this Chamber of Commerce and Industry. I don't know whether that is appropriate any more really, but it has going for it that it has served us well, and it gives us another period.

We are making some marked changes here. These are the first changes that we've had in the law, really, any substantive changes since the inception of the system. So I feel that we're not taking any great risks here. And if we wish to permanentize it, we're not precluded from doing this in the future.

ACTING PRESIDENT VOLKER: Senator Gold.

SENATOR GOLD: Mr. President, if I could ask just one more question.

SENATOR MARCHI: Yes.

SENATOR GOLD: Senator Marchi, you said that there is some discussion still

going on. It is your bill, not the Assembly bill in front of us; is that correct?

SENATOR MARCHI: Yes.

SENATOR GOLD: Senator, is this an agreed to bill, or do I read from your remarks -

SENATOR MARCHI: They have a companion bill.

SENATOR GOLD: No, I know they do, but what I'm saying is that we're passing your bill. Did I read in your remarks that there are still discussions going on, and there might be -- and this is not an agreed bill?

SENATOR MARCHI: No, I -- no, this is an agreed bill.

SENATOR GOLD: It is an agreed bill.

SENATOR MARCHI: Yes.

SENATOR GOLD: But there is no agreement on making it permanent.

SENATOR MARCHI: But I'm not going to say that there aren't people thinking about redefining function and composition in the

future, but this is an agreed bill. Mrs. Connelly is my co-sponsor in the Assembly, and she will carry the bill and she is committed to assisting in its enactment.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 58.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 950, by Senator Hannon, Senate Bill Number 4872, an act in relation to the duration of the eligible list for police officer in the county of Nassau.

SENATOR GOLD: Explanation.

ACTING PRESIDENT VOLKER: Home rule message is at the desk.

Explanation requested by Senator

Gold. Senator Hannon.

SENATOR HANNON: This legislation delays the expiration of the eligible list for hiring village police officers in Nassau County. Current list expired -

SENATOR GOLD: Sorry, Senator. It's not your fault.

SENATOR HANNON: This legislation delays the expiration of an eligible list for hiring village police officers in Nassau County. The current list expired in early May of this year, but no examination is further scheduled for this year. So it's necessary in order that the villages might have a list to hire from to extend the eligibility of this list.

ACTING PRESIDENT VOLKER: Senator Gold.

SENATOR GOLD: (There was no reply.)

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This

act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 951, by Senator Stafford, Senate Bill Number 4963A.

SENATOR GOLD: Can we have one day on this, please.

SENATOR STAFFORD: Yes.

SENATOR PRESENT: Lay it aside for the day.

ACTING PRESIDENT VOLKER: The bill is laid aside for one day.

THE SECRETARY: Calendar Number 1158, by member of the Assembly Connelly, Assembly Bill Number 2396A, Environmental Conservation Law.

SENATOR PRESENT: Lay it aside.

ACTING PRESIDENT VOLKER: Lay

that bill aside.

THE SECRETARY: Calendar Number 1217, by Senator Hannon, Senate Bill Number 4972, making an appropriation in the Department of Transportation.

SENATOR GOLD: Explanation.

ACTING PRESIDENT VOLKER: Senator Hannon, Senator Gold requests an explanation.

SENATOR HANNON: This bill authorizes the construction of noise abatement structures along Route 135 in the town of Oyster Bay.

ACTING PRESIDENT VOLKER: Read the last section.

SENATOR DOLLINGER: Mr. President.

ACTING PRESIDENT VOLKER: Senator Dollinger.

SENATOR DOLLINGER: Senator Hannon yield to a question?

ACTING PRESIDENT VOLKER: Senator Hannon yield?

SENATOR HANNON: Yes.

SENATOR DOLLINGER: Senator, this doesn't involve, the Oyster Bay noise abatement -- in my district we have several areas along Route 490 which need noise abatement. My question is, just generally, do you know what the status of noise abatement funds in the state of New York and whether there are funds available; and, if so, where they can be located so that I could seek similar treatment for the city of Rochester?

SENATOR HANNON: No. I don't know. You asked me do I know, and I don't.

SENATOR DOLLINGER: Thank you.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 1236, by Senator Stafford, Senate Bill Number 5866A, create a motor carrier advisory council.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 1250, by Senator Hannon.

SENATOR PRESENT: Lay it aside.

ACTING PRESIDENT VOLKER: Lay that bill aside.

THE SECRETARY: Calendar Number 1260, by the Senate Committee on Rules, Senate Bill Number 5853A, an act to amend the General Municipal Law.

SENATOR GOLD: Explanation.

ACTING PRESIDENT VOLKER: Explanation requested.

SENATOR PRESENT: Lay it aside temporarily.

ACTING PRESIDENT VOLKER: Lay that bill aside temporarily.

THE SECRETARY: Calendar Number 1262, by Senator Johnson, Senate Bill Number 5900, an act to amend the Environmental Conservation Law.

SENATOR GOLD: Explanation.

ACTING PRESIDENT VOLKER: Senator Johnson, explanation requested by Senator Gold.

SENATOR JOHNSON: Lay it aside.

ACTING PRESIDENT VOLKER: Lay that bill aside.

THE SECRETARY: Calendar Number 1313, by Senator Daly, Senate Bill Number 5253A, an act to amend the Real Property Law.

SENATOR GOLD: Explanation.

ACTING PRESIDENT VOLKER: Senator Gold requests an explanation from Senator Daly.

SENATOR DALY: Mr. President,

this bill contains technical amendments to the real estate disclosure bill that we passed only two years ago. It corrects certain technical errors. It clarifies the law with respect to broker's agents and amends the text of the disclosure form to make reference to rental transactions.

SENATOR GOLD: Will the Senator yield to a question?

SENATOR DALY: Certainly.

ACTING PRESIDENT VOLKER: Senator Daly yields.

SENATOR GOLD: Senator, there is a sunset in the law today, and you are suggesting we make it permanent rather than extend it?

SENATOR DALY: Yes.

SENATOR GOLD: Any reason why this couldn't be one of our good old extender bills? I mean is this the kind of thing Abe Lincoln would make permanent?

SENATOR DALY: (Laughter.) Well, Senator, we feel that you are having fun enough

with the expiration dates and the expiration bills that we have to deal with right now. We don't want to add to that fun.

Frankly, Senator, we're being rather nasty in doing this.

SENATOR GOLD: You're what?

SENATOR DALY: Being rather nasty.

SENATOR GOLD: Aw, you can say that, because when you take your glasses off, you can still see. I can't see with my glasses off.

Last section.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 1338, by Senator Hannon.

SENATOR PRESENT: Lay it aside.

ACTING PRESIDENT VOLKER: Lay the bill aside.

THE SECRETARY: Calendar Number 1364, by Senator Skelos, Senate Bill Number 2623A, an act to amend the Tax Law.

SENATOR GOLD: Will the Senator yield to a question?

ACTING PRESIDENT VOLKER: Senator Skelos yields.

Senator Gold.

SENATOR GOLD: Senator, in the Rules Committee meeting, and you know the way the Rules Committee meeting works -- you know, you get bills and you are supposed to absorb the knowledge through your fingers. You don't have a chance to read them too much. But one of the counsels said something which seemed to lead us to believe that in some way income tax reports would be made available to the title companies under this bill. Now, is that a proper

construction?

SENATOR SKELOS: No, I don't believe -- I think that's stretching it a bit. This is just to certify title and to make sure estate tax returns have been paid.

SENATOR GOLD: Well, Senator, that's what I'm trying to get at. I don't want to oppose something if the counsels did not explain it properly. We're dealing with secrecy requirements, et cetera, et cetera. What exactly does get opened up and available to the title people under your bill?

SENATOR SKELOS: The estate tax returns.

SENATOR GOLD: The estate tax returns.

SENATOR SKELOS: (Nodding.)

SENATOR GOLD: And just so I understand it, what is the purpose of making that return available?

SENATOR SKELOS: Why to make it available for inspection?

SENATOR GOLD: To the title

company, yes.

SENATOR SKELOS: To certify title. As they transfer a property, to make sure all estate taxes have been paid.

SENATOR GOLD: Well, Senator, if you will yield to a question?

SENATOR SKELOS: Sure.

ACTING PRESIDENT VOLKER: Senator yields.

SENATOR GOLD: We have been transferring title in this state for hundreds of years without this being a problem. What is the problem?

SENATOR SKELOS: Apparently the laws were changed in 1990.

SENATOR GOLD: The what, sir?

SENATOR SKELOS: Chapter 190 of the Laws of 1990 apparently added some secrecy requirements, and the bar association of the state of New York, which has recommended this legislation, has found a problem with attorneys and abstracters going in and being able to look at an estate tax return as they could in the

past as you rightfully pointed out in order to certify title.

SENATOR GOLD: Well, if the Senator will yield to a question?

SENATOR SKELOS: Sure.

SENATOR GOLD: I certainly respect the bar association, and I don't want to be difficult, but something -- something is eluding me. The only way you get involved with a title company, I assume, is if there is a sale between either two people of the estate and someone; and, Senator, it seems to me that the parties involved in these situations cooperate fully with their title companies and they provide documents back and forth to the title company, and I can understand where, if I was buying a piece of property, I would certainly not want to buy it if there was a lien or a tax lien. But why would that not be handled in the normal course by somebody producing the document? In other words, if they don't produce the document, the title company won't certify, there is no sale, and the seller could be in

default. I don't understand why we are opening up through another avenue tax returns whether they be estate returns or any other returns.

SENATOR SKELOS: Senator Gold, I do not actively practice law, so I'm not in the real estate aspect of the practice of law; however, the bar association has indicated to our office that there is a problem with certain secrecy requirements that were passed in Chapter 190 of the Laws of 1990 that I mentioned to you, and there is a problem with getting certified title without their ability to directly inspect the estate, that the estate taxes have been paid.

SENATOR GOLD: Will you yield to one last question?

SENATOR SKELOS: Sure.

ACTING PRESIDENT VOLKER: Senator Skelos yields.

SENATOR GOLD: Senator, an estate tax return is a document that's prepared by the estate or by someone and is or is not filed in a timely manner. If I were closing a piece of

property for you as my client, I don't think I would give one figure about a tax return. I would want a document from the state Department of Taxation and Finance telling me that the taxes are paid and that there is no lien on the property.

I don't understand why this bill is necessary to show somebody a tax return. What the person is entitled to and certainly I would insist if I were your lawyer, at the exaggerated fees I charge, that I got certification from the Tax Department so that you could go to sleep at night.

So I don't understand it. I mean if I'm missing something, I don't want to be obstreperous, but I don't understand how this bill solves any particular problem, and why we're opening up any kind of a tax return.

SENATOR SKELOS: I'm just stating to you that apparently it has arisen as a problem with the people that actively practice law in this type of area with abstracters, with people that do title searches, and the Bar

Association of the state of New York has asked me to introduce this legislation which they feel would rectify their situation. That's my answer.

SENATOR GOLD: All right. Senator, will you do me one favor. I raised the issues in Rules, and I was hoping that it was something that would have been discussed with you. I don't want to oppose it. I really want to understand it. Could we lay it aside temporarily?

SENATOR SKELOS: Absolutely.

SENATOR GOLD: Maybe just let's find out why it's necessary. If it's necessary, I don't have the slightest problem doing it.

SENATOR SKELOS: Okay. Lay it aside. That's a fair request.

SENATOR GOLD: All right. Thank you. I appreciate your courtesy.

ACTING PRESIDENT VOLKER: The bill is laid aside temporarily by the sponsor.

THE SECRETARY: Calendar Number 1371.

SENATOR PRESENT: Lay it aside.

ACTING PRESIDENT VOLKER: Lay the bill aside.

THE SECRETARY: Calendar Number 1398, by Senator Pataki, Senate Bill Number 5576A.

SENATOR PATAKI: Lay it aside.

ACTING PRESIDENT VOLKER: Senator Pataki lays the bill aside.

THE SECRETARY: Calendar Number 1391, by Senator Lack, Senate Bill Number 5886A, Workers' Compensation Law.

SENATOR PRESENT: Lay it aside.

ACTING PRESIDENT VOLKER: Lay it aside.

THE SECRETARY: Calendar Number 1409, by Senator Levy, Senate Bill Number 1196A, establish a temporary state commission on real property taxation.

ACTING PRESIDENT VOLKER: Explanation requested. Senator Levy.

SENATOR LEVY: Senator Gold, as I'm sure you recall, I think you and I -

SENATOR GOLD: Will you yield to

one question?

SENATOR LEVY: Sure, certainly.

ACTING PRESIDENT VOLKER: Senator Levy yields.

SENATOR GOLD: Is this bill amended from last year's bill?

SENATOR LEVY: No, the same bill as last year. Probably just a date change.

SENATOR GOLD: And one last question. Under the bill that's before us the two Minority Leaders do have appointments?

SENATOR LEVY: Yes.

SENATOR GOLD: Last section.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 1413, by member of the Assembly Colman, Assembly Bill Number 6859, Executive Law.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 1418, by Senator Johnson, Senate Bill Number 5072B, Environmental Conservation Law.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2.

ACTING PRESIDENT VOLKER: Oh, I'm sorry. Explanation requested?

SENATOR GOLD: We ask for an explanation, and I would like the opportunity to

get one of my members.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT VOLKER: Senator Leichter.

SENATOR LEICHTER: Senator Levy's bill that just passed. Can I ask that we reconsider the vote by which that bill passed?

SENATOR GOLD: 1409.

SENATOR LEICHTER: 1409.

ACTING PRESIDENT VOLKER: The Secretary will call the roll on reconsideration.

(The Secretary called the roll on reconsideration.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is before the house.

SENATOR LEICHTER: Lay it aside, please.

SENATOR LEVY: No, no. At this point in the session, I want to take the bill up.

SENATOR LEICHTER: No, no, I - that's fine.

SENATOR GOLD: I think we're on a bill. So whatever the Majority Leader wants to do. We can stay with the Johnson bill and come back or go to the Levy bill, but Senator Levy, it's not up to you and I to discuss it.

ACTING PRESIDENT VOLKER: Senator, I believe we withdrew the roll call on that bill, and we moved to reconsider this bill.

SENATOR PRESENT: We have, and with Senator Johnson's approval, we will debate now back 1409.

SENATOR GOLD: No objection.

SENATOR PRESENT: 1409.

ACTING PRESIDENT VOLKER: Senator Levy, on your bill 1409.

SENATOR LEICHTER: Senator, I apologize to you for not being in the chamber. I did want to make some comments on it. I am not aware whether there was even any discussion or debate or if you had a chance to explain it. So let me yield to you if you wish to explain the bill.

SENATOR LEVY: Senator, we had

this same discussion last year. I'm only sorry that the Assembly didn't pass this bill so we could have been further advanced than we are.

What this bill does is to create a commission to look into and come back and report to us on an alternative to the property tax for funding elementary and secondary school education. The bill and the memo set forth who has the appointments.

Senator, those people who pay property taxes I'm sure overwhelmingly feel, and rightfully so, that the property tax is a tremendous burden as it relates to financing elementary and secondary school education.

The gravamen of this bill is to bring people from outside the process to take a look at the very, very important problems involved in trying to come up with an approach that we can focus in on and make a determination as to whether we're going to go to the income tax as an alternative to the property tax or some other revenue raising source to replace the property tax.

SENATOR LEICHTER: Mr. President, if Senator Levy would yield?

ACTING PRESIDENT VOLKER: Senator Levy yields.

SENATOR LEVY: Certainly.

SENATOR LEICHTER: Senator, I know we debated this bill. Am I correct that last year that bill did not have an appropriation to it?

SENATOR LEVY: No, it had the identical appropriation it has in it this year.

SENATOR LEICHTER: Did it? Okay. Thank you.

Mr. President, on the bill.

ACTING PRESIDENT VOLKER: On the bill.

SENATOR LEICHTER: I know the bill is going to pass, but I wanted to recall it because I just think it is wrong from so many ways for us to set up a temporary commission to do what we ought to be doing. You know there is no great secret when it comes to taxation. You can raise money by the income tax, the corporate

tax, the sales tax and you got the property tax.

Now, we all know that the property tax is a regressive tax. It's a burdensome tax. It's become a terrible problem in many communities of this state, certainly Long Island, Westchester and Rockland, and so on. We also know that one of the reasons that the property tax has gone up is that the assistance the localities have received from the federal government have declined precipitously, and the state has not stepped in.

Now, many of the things that you, the Majority, have done here insofar as how you shape the state budget have determined that real estate taxes are going to rise. Having done that, then you say, well, let's have a study commission to tell us what we ought to do.

We have the responsibility. I remember in the debate last year, Senator Larkin said -- and I was really amused by it. He said, "Well," he said, "Leichter, we want to bring in the best and the brightest." My answer was, "The

best and the brightest are right here." These are the 61 people that the people of the state said are the best and the brightest. I accept that.

Now, we're going to bring in - what does it mean to bring in people outside of the process. You know, somebody is going to, what? A buffer, insulate us, Senator? Yes, we're going to have some tough choices. We've got the tough choices now.

We know people are going to say the real estate tax is a lousy tax. You ought to go to the income tax. Well, let's do it. Why do we need a commission? Why do we need to spend $500,000?

Senator, we're here; we took on this responsibility. We've got to carry it out. No commission should be doing the work that we're doing. But I particularly dislike the idea that we've created this situation, and now we're seeing a commission.

And, Senator, maybe you can go back to your community -- and I don't mean to

say this pejoratively because I really have the greatest respect for you. I think you are a terrific Senator. You have always been particularly courteous to me, and I mean that. But is that, what, so that we can go back, and people come and complain to us -- not in my district. The real estate is not really a matter that affects people. But in your community, I'm sure people come to you and say, "Norman, I'm being killed by the real estate tax." And you're going to say, "I set up a commission."

Well, what's the commission going to do? I don't think it's fair, Senator. I think it's obligation shedding on our part. It's a waste of $500,000. We know what the choices are. We've got to make them. That's our job. We can't escape it through a commission. We shouldn't be doing this.

ACTING PRESIDENT VOLKER: Senator Levy.

SENATOR LEVY: Senator Leichter, I wish that the problem was as simple as the

level that you have reduced the problem to.

Senator, number one, we have involved the issue and the constitutional concern as to are we going to be able to tax business and commercial and other nonresidential property utilizing the property tax and then at the same time use some other alternative as it relates to residential property. That is a substantial constitutional question.

In addition to that, Senator, it is not the question only of the stream of revenue to replace the property tax, it also is if you are going to, as an example, use an income tax. Is an income tax going to be applied on a statewide basis? Is it going to be applied on a county basis? Is it going to be applied on a regional basis? Are local school districts going to have the opportunity to have their own surcharge as it relates to an income tax, and we could go on for the balance of the session talking about all of the complex issues that are intertwined and involved in this determination.

And I think it is extremely important to do outside of the legislation and to put on the commission a wide -- it wasn't Senator Larkin that talked about the best and the brightest. It was me. And your responsibility was the same last year as it was today, and that's what makes elections, horse races, and discussions of bills. We have differences of opinion.

And I think that this commission that, hopefully, the Assembly will recognize its worth and pass the legislation this session, can do an extremely important job to move this process forward. The Governor's been talking about an alternative to the property tax. Senator LaValle has been talking about it, others in this Legislature, and I think if we get outside of the legislative process and bring in -- bring in through this study a consensus as to an opinion, I think it will help move the process forward.

ACTING PRESIDENT VOLKER: Senator LaValle.

SENATOR LAVALLE: Thank you, Mr. President. I think Senator Levy probably hit the nail on the head, that this debate will track very closely the debate of last year on this matter. But I think it's important to state, once again, the importance of such a commission and the focus it would have and the work that it would do.

I think it's the right thing at the right time; because as Senator Levy indicated, the Governor at the beginning of the year talked about an income tax. Some of us have had legislation.

And for the first time this year in the Education Committee, Senator Cook had on the agenda and the committee reported a bill that would move from the property tax to the income tax.

But, Senator Leichter, if you were at that committee meeting and the debate on that bill -- or the discussion, because it really wasn't a debate. It was a discussion on the bill. The committee members raised numerous

questions that would be involved in moving to a different form in funding education.

And so we need a group to spend time that would focus specifically on some of these alternatives. But, more importantly, I think we need to know and the public needs to know with greater preciseness what the impact would be on an alternative funding of education.

And so I think '93 is even more compelling than '92 for passage and the creation of such a commission because I think we need answers now, and the longer we postpone this commission, I think the longer the people will be without a viable alternative to the system that we have.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT VOLKER: Senator Leichter.

SENATOR LEICHTER: Yes. I don't want to leave a misconception here, Senator Levy. When I said, you know, we know what the choices are, you're right there are some complex constitutional and legal questions. And as we

know, just drafting any sort of a tax bill is complex. There is no question about it. But, essentially, it's a political decision to be made. That's what we were elected to do.

And as far as the complexities of the issues and Senator LaValle pointed out that, without doubt, if you accept the Governor's proposal, what are the consequences and so on, but why can't we do this? We have an enormous staff. We have a legislative budget of $168 million. We have staff. We've got some excellent people on both sides of the aisle. They have to address this.

I reject the idea that when it comes to a tough issue and when it comes to a complex issue, we say, "Wait a second, not us; set up a commission."

We've got that responsibility, and I think that we've got the ability to do it. And if it is so super complex that we can't do it, our staff, with $168 million worth of staff, the best staff you can buy for $168 million, if they can't do this, you are going to

be able to do that by setting up a commission with $500,000?

I think -- well, when you take a look at Congress and some of the things that they've done, you know, they will do inevitably through their committees. And when they've tried to go outside of it, outside of the committee structure, it's created more difficulties. And it comes down to us anyhow. We're going to have to cast a vote. We should fashion a solution. This is not the way to go. This is obligation shedding without question.

ACTING PRESIDENT VOLKER: Senator Stavisky.

SENATOR STAVISKY: Mr. President. Any time we don't want to do something we create a commission, and we've had this experience with Governor Rockefeller creating commissions, and I will be very bipartisan about it. Governor Carey did the same thing. When formulas for funding education were declared to be perhaps unconstitutional, although unfortunately the Levittown decision

came out I think with the wrong conclusion, but whenever there was a question concerning the suitability of our funding for education, we have had governors and legislators create study commissions.

It's a marvelous way of doing nothing, and we have seen that there have not been major substantive improvements in our method of funding education.

I agree with Senator Levy that our property tax is regressive, and we should consider alternatives, but I must tell you, Senator Levy, I don't know whether your proposal looks at the indices of fiscal -- indices of fiscal wealth in arriving at a formula.

I would ask you if you would yield on that one question. Will your study commission examine the suitability of real property as an index of local wealth?

ACTING PRESIDENT VOLKER: Senator Levy yields.

SENATOR LEVY: Senator, we have not through this legislation sought to

circumscribe what the commission has to look into and what it shall not look into. We give the greatest flexibility to the commission once they focus in on the objective of what their responsibility is to carry it out and conduct the study the way they intend to do it.

SENATOR STAVISKY: We have already done certain things to fine tune the indices of local fiscal capability when the state provides aid to education, to local school districts. And some years ago Assemblyman Levy urged us and we did make some modest changes to include income as well as real property wealth in the index of local fiscal wealth. We did that in an attempt to respond to one of the concerns.

There is a finite source of money called the taxpayer. And if you hit the taxpayer with the income tax which, by the way, we use for the state contribution to education -- we can't rely on lottery money primarily. We use the state income tax. We use the other taxes available to the state, and the real

property tax not only in New York State but elsewhere has been used as a means of allowing the locality to supplement what the state provides in aid to school districts.

I am not opposed to what you are doing. I have confidence in the Legislature. I have confidence in the capability of members of the Senate and the Assembly through their standing committees to examine this issue, to hold hearings. That's what we're supposed to do. We delegate to an outside group, a new group responsibility that we already have.

Senator John Marchi labored long on a means of reforming the governance of the New York City school system. Senator Marchi's group submitted its report. Show me the actions that we have taken to implement his proposal or the action that we've taken to implement the borough presidents' proposals. We have not. Or the action we have taken to implement the chancellor's and the mayor's request for changing governance.

We can not abdicate our

responsibility. We in the Legislature will ultimately have to pass whatever is recommended by a study commission, so we might as well save some money and ask our standing committees which have primary responsibility in this field to do the job.

If we didn't want to do the job, a very good diversionary tactic is to create a temporary commission to study something, which will then be reported back to us, and we will have the absolute right to ignore if nobody wants to do anything.

I have confidence, Senator Levy, that if you ask the chairman of our Senate Education Committee to look at this and the chairman of the Senate Finance Committee to look at this and set up a joint committee within our chamber, I am convinced that we would have enough expertise within these two committees, Education and Finance, to be able to come up with some of the proposals and the answers that you seek.

We create temporary groups. They

linger longer than they are needed. We create temporary groups on reapportionment, and we keep them going over a ten-year period when there is no reapportionment. And we create a temporary commission for this and a temporary commission for that.

Ask your colleagues in two very substantive committees, Education and Finance, to undertake this job and save some money and avoid having a whole new group embark upon a hunt, and it may not be the Hunt for Red October. It may be the hunt for doing nothing.

I am not going to discourage you if this is the way you want to go, but I will say do not expect too much from this abandonment of our responsibility. Because whenever these special groups have been created in the past, they produce very little in the field of education reform.

I served, when I first came here, on a Joint Legislative Commission to Revise and Simplify the Education Law. It was chaired by a well respected member of the Senate. I was just

a junior member of the joint legislative committee. D. Clinton Dominick, I think some of the members of the chamber here will remember his name, a very distinguished, constructive member of the Legislature. And there wasn't much revision of the Education Law. There was some.

But I'm saying that do not look for long time panaceas when we ought to encourage the action within our own chamber, by the standing committees, not by anybody else.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 57, nays 2. Senators Espada and Leichter recorded in the negative.

ACTING PRESIDENT VOLKER: The bill is passed.

SENATOR PADAVAN: Mr. President.

ACTING PRESIDENT VOLKER: Senator Leichter. Sorry.

SENATOR PADAVAN: Can we take up Calendar 1364 next?

SENATOR LEICHTER: Just one second.

ACTING PRESIDENT VOLKER: Senator Leichter.

SENATOR LEICHTER: Bear with me one minute. May I have unanimous consent to be recorded in the negative on Calendar 900 and Calendar 1217, please.

ACTING PRESIDENT VOLKER: Without objection, Senator Leichter in the negative on 900 and 1217.

At the request of the Majority Leader, we will return to 1364.

THE SECRETARY: Calendar Number 1364, by Senator Skelos, Senate Bill Number 2623A, an act to amend the Tax Law.

SENATOR GOLD: Last section.

ACTING PRESIDENT VOLKER: Read

the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed. Senator Padavan.

SENATOR PADAVAN: Take up Calendar 1446.

ACTING PRESIDENT VOLKER: Clerk will call up Calendar 1446.

THE SECRETARY: Calendar Number 1446, substituted earlier today, by the Assembly Committee on Rules, Assembly Bill Number 8529, Estate, Powers and Trusts Law.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

SENATOR PADAVAN: Regular order, Mr. President.

ACTING PRESIDENT VOLKER: Regular order will start at 1418.

THE SECRETARY: Calendar Number 1418, by Senator Johnson, Senate Bill Number 5072B, Environmental Conservation Law.

SENATOR OPPENHEIMER: Explanation.

ACTING PRESIDENT VOLKER: Senator Johnson, explanation requested.

SENATOR JOHNSON: Mr. President, this is the biodiveresity stewardship and research bill. This is an agreed bill by the Assembly environmental committee and ours and has broad support from all the agencies which would be involved in this measure, the DEC, Parks and Recreational, Department of Education, et cetera.

This is going to provide for a survey and management of environmentally viable communities on state lands to study the biodiveresity out there, to establish the research institute, and the Education Department to maintain information on the biodiveresity in our state.

Creates a biodiveresity fund to receive federal, state, and other monies to establish this work. We do have a New York natural heritage program, and biological survey. This establishes them in law and provides them the ability to run a census of these resources and monitor the status of rare plants and animals.

It mandates DEC and OPHRP to identify, conserve and manage the state lands and set aside park preserves where these biologically valuable communities exist.

It also provides an agency, an executive board, which shall oversee these activities, and then they establish a scientific working group to interrelate with the various

agencies here.

The executive committee would have appointees, and some of those would be by the Governor, and others would be by the Majority and Minority Leader of each house. So we're going to have broad representation of industry, government, and so forth, all parties, to forward the goals of studying, understanding and preserving the biodiveresity of our state.

SENATOR OPPENHEIMER: Mr. President.

ACTING PRESIDENT VOLKER: Senator Oppenheimer.

SENATOR OPPENHEIMER: Thank you very much, Mr. President. I wanted to correct something that I wasn't sure was generally noted. The DEC had said that they had very serious concerns about the bill, and I just wanted to apprise people that these serious concerns really didn't have to do specifically with the bill but, rather, where the funding stream would come from and who would be on this committee that would be created, this Executive

committee, which they perceived as being too political and that without an environmental trust fund there wouldn't be any money.

So you are now saying, Senator, that the DEC is now supporting this?

SENATOR JOHNSON: The DEC expressed serious concerns in a rather arrogant fashion, in my view, and to think that an organization headed by a political appointee who has advisory boards on every level, a political appointee, should denigrate political appointees collectively and say they don't want anybody like that on this board is really the height of arrogance and ignorance, and I'm quite sure the commissioner didn't see this because he wouldn't have put it out.

SENATOR OPPENHEIMER: Okay. Thank you very much. I would like to speak on the bill a moment because I think Senator Johnson has clearly said several of the things that I wanted to say, because I didn't want us to be distracted by the fact that DEC had serious concerns because I didn't feel, as you,

that they were.

We did call up some of our environmental groups, and every one seems to support it. New York State Parks and Rec by the phone said yes. Scenic Hudson said yes. EPL has a support memo, the Nature Conservancy.

This is a very interesting bill, and it will permit New York State through our state land stewardship program to promote the collection of scientific information which our parks department and DEC are going to work together on to conserve and manage our endangered species and various other species, plants and animals in our state.

It creates a mandate to census and monitor these plants and these animals in New York State while specifically looking at those rare species.

One of our problems in our state is that we have not really protected the habitat of some of these rare species. I have a bill in that would protect the habitat of endangered and threatened species.

What we need is more information, and this bill would provide for the gathering of this information, specifically to deal with the rare and endangered species, and I think it's an excellent bill.

And I would urge everyone's support of it because loss of habitat in our state is what's causing extinction more than any other fact. Thank you.

ACTING PRESIDENT VOLKER: Senator Waldon.

SENATOR WALDON: Thank you very much, Mr. President. May I please ask Senator Johnson to indulge me in a question or two?

ACTING PRESIDENT VOLKER: Senator Johnson, will you yield to Senator Waldon?

SENATOR JOHNSON: Yes, Senator.

SENATOR WALDON: I apologize, Senator, for having been out of the chamber when you gave your explanation of the bill, but maybe you can help me.

Are there not universities in this state which already do the kind of thing in

terms of compilation of information and data and the analysis as suggested by your bill?

SENATOR JOHNSON: There is research done in various universities, Senator, but there's no place which has the facilities which presently exist in the state museum and which will be enhanced by this legislation. In other words, we are taking a New York biological survey which exists and putting that into the law, and they are the source of a lot of research information for the universities themselves because this survey has existed for more than 100 years.

And so what we're doing is we're seeing that the information which is gathered is coordinated and made available through this institute rather than doing direct research themselves.

SENATOR WALDON: What will the cost factor be in regard to the improvements and enhancements that your bill suggests?

SENATOR JOHNSON: Senator, we don't have a direct cost. These things are

being done now, essentially, with state funds and what we're saying is if they have to advance further programs that this money shall be made available from various sources which presently exist, state and federal money, possibly the environmental trust bill we're doing, and so forth.

SENATOR WALDON: May I continue, Mr. President?

ACTING PRESIDENT VOLKER: Senator Johnson continues to yield.

SENATOR WALDON: Thank you, Mr. President.

SENATOR JOHNSON: I'm ready for your question.

SENATOR WALDON: I was waiting for you to finish with the colloquy on the side.

SENATOR JOHNSON: Okay.

SENATOR WALDON: Senator, if I understand you correctly with the statements just made, if the federal government sends money that the state can properly use in this area, some of it will be taken to enhance the museum

and the task and the role that you envision it playing regarding the gathering of the data, is that correct?

SENATOR JOHNSON: Yes, Senator.

SENATOR WALDON: My concern - thank you very much, Senator.

If I may, Mr. President.

ACTING PRESIDENT VOLKER: Senator Waldon.

SENATOR WALDON: My concern is that there seems to be a redundancy here. There are certainly a number of universities which are doing exactly what this bill proposes, as I understand what they're doing, and I'm wondering whether or not this is not somehow just shoring up DEC when it is unnecessary.

DEC does do a fairly decent job at times. I'm not really satisfied with what they do most of the time, but I just question is this another situation where we are giving them unnecessarily money?

Thank you very much, Mr. President.

ACTING PRESIDENT VOLKER: Senator Johnson.

SENATOR JOHNSON: Senator, I would like to say that the DEC doesn't do what this survey would do. There are no state fiscal implications beyond any present funds which go to the state museum or the Department of Education.

This is more of a repository of collecting and gathering information than it is a research branch as, for example, Cornell or something else which knows about the creatures and the disease of the creatures and the way they interrelate with the environment and with the greenery, and so forth. But no one has all this in one place, and this is a presently existing repository of information which will be enhanced by this process. And I might say in addition to federal money or environmental trust money, there is private money which is being donated continually to this process as it has been for almost the past hundred years.

Yes, thank you.

ACTING PRESIDENT VOLKER: Senator LaValle.

SENATOR LAVALLE: Mr. President, I rise in support of Senator Johnson's legislation. Myself, and I know Senator Present, Senator Goodman, former Senator Lombardi, and others serve on the visiting committee of the museum. The last meeting we discussed this very legislation for a considerable period of time, and I think those members of the committee, I think, learned a great deal about the need for this legislation and the kinds of things and the benefit to the state in ultimately developing a master plan for this state.

So I'm actually surprised that there is debate that we're having on this legislation and that some people have concerns, because I know that many different groups and interests have been talking and have been involved in the development of this legislation.

I think it's -- a lot of people

have participated in the development of this legislation. I think ultimately its passage would be a real plus for the state of New York. And, Senator Johnson, once again I rise to commend you on your efforts.

(Whereupon, Senator Johnson took a bow.)

ACTING PRESIDENT VOLKER: Senator Sheffer.

SENATOR SHEFFER: Mr. President, I take great pride in supporting this bill. The effort to conserve biological diversity and to promote better stewardship of public lands in this state are extremely compelling themselves of the challenge of protecting and improving our environment.

The fact that the Department of Environmental Conservation expresses deep concerns or serious concerns, or whatever it was, regarding this bill is to me -- and this is only my own judgment -- just one more indicator of the near bankruptcy of that department in their stewardship of our state resources.

I believe that this is an extraordinarily important step forward for this state and for our environment and urge its overwhelming passage.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

SENATOR DOLLINGER: Mr. President.

ACTING PRESIDENT VOLKER: Senator Dollinger.

SENATOR DOLLINGER: House keeping, on a point of order. Was Calendar Number 1453 approved?

ACTING PRESIDENT VOLKER: 1453. Yes.

SENATOR DOLLINGER: Can I have unanimous consent to be recorded in the negative on that bill, please.

ACTING PRESIDENT VOLKER: Senator Dollinger unanimous consent, without objection, recorded in the negative on 1453.

SENATOR JONES: Mr. President.

ACTING PRESIDENT VOLKER: Senator Jones.

SENATOR JONES: I would make the same request for 1453.

ACTING PRESIDENT VOLKER: Senator Jones, without objection, negative on 1453.

THE SECRETARY: Calendar Number 1422, by Senator Padavan, Senate Bill Number 5665, an act to amend Chapter 611 of the Laws of 1977.

ACTING PRESIDENT VOLKER: Senator Padavan, explanation requested.

SENATOR PADAVAN: Thank you, Mr. President.

This proposed act would permit a number of employees in the district attorneys'

offices within the city of New York, mostly ADAs, who were employed prior to July of '76 to join the pension tier that they would have first been eligible to join, meaning at that time.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 1423, by the Senate Committee on Rules, Senate Bill Number 5702A, amends Chapter 879 of the Laws of 1936.

SENATOR GOLD: Explanation.

SENATOR PRESENT: Lay it aside.

ACTING PRESIDENT VOLKER: Lay that bill aside.

THE SECRETARY: Calendar Number

1429, by Senator Cook, Senate Bill Number 6003, Retirement and Social Security Law.

ACTING PRESIDENT VOLKER: Home rule message at the desk.

Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 1431, by the Senate Committee on Rules, Senate Bill Number 6049, amends Chapter 814 of the Laws of 1987.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect -

ACTING PRESIDENT VOLKER: Hold on here.

SENATOR JONES: Mr. President.

ACTING PRESIDENT VOLKER: Senator Jones.

SENATOR JONES: I believe there is an amendment at the desk. I'd like to ask that it be called up, please, waive the reading.

SENATOR PRESENT: Lay that one aside.

ACTING PRESIDENT VOLKER: Lay it aside for the time being.

THE SECRETARY: Calendar Number 1433, by Senator Kuhl, Senate Bill Number 3407B, an act to amend the Executive Law.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

THE SECRETARY: Calendar Number 1435, by Senator Maltese, Senate Bill Number 3800A.

SENATOR GOLD: Will Senator Maltese yield to a question?

SENATOR MALTESE: Yes.

ACTING PRESIDENT VOLKER: Senator Maltese yields.

SENATOR GOLD: Senator, the little squib that I have says "Allows a crime victim or his representative to meet with a member of the Parole Board and make an oral statement concerning the discretionary release of an inmate. Directs such board member to reduce the statement to writing and present it to the board to consider." Is that basically it?

SENATOR MALTESE: That's basically it. I believe the representative would only be permitted to do that if the crime victim is deceased or is mentally or physically incapacitated.

In other words, you mentioned "or

his representative." The representative would only act when the crime victim is in one of those categories.

SENATOR GOLD: Yes. Senator, the only part of it that I was concerned about which I would like you to comment on -- I mean I don't have a problem generally with it, but we're talking about somebody talking to somebody and then that somebody reducing the comments to writing and showing it to somebody else. I'm only concerned about what you lose in the translation. I mean wouldn't it be better, Senator, if the person, if the victim either put something in writing himself or herself that got transmitted along?

SENATOR MALTESE: Mr. President, as Senator Gold knows, the victim at this point in time can make such a written statement. What this proposal or statute seeks to do is give them an added right. This program has been in effect as a pilot program since 1991, and has - I am advised has apparently worked very well.

SENATOR GOLD: What I'm getting

at, Senator, is I don't have a problem with the fact that crime victims want certain input. I don't have a problem with that at all. I'm just saying that the way I understand the bill, the crime victim or the representative would meet with someone, be interviewed and that that person would prepare a statement, and then that statement is what that gets transferred around. I don't know why it wouldn't just be better to have the crime victim prepare -- even if it was with the help of the board member but have the statement come directly from the victim instead of having it transposed.

SENATOR MALTESE: Mr. President.

ACTING PRESIDENT VOLKER: Senator Maltese.

SENATOR MALTESE: I think the problem originally was they felt that it would be difficult to have the crime victim, first of all, for purposes of confidentiality meet at a time and place as -- at the same time and place as when the inmate appears before the board.

Second, they felt it would be an

undue burden on the Parole Board to have the crime victim or a representative meet with more than one member of the Parole Board. This was arrived at as a happy medium which would not unduly tax the members of the Parole Board. And in the rules and regulations thus far promulgated for the test program, they have certain guidelines that the members of the Parole Board would follow. The purpose of the statute is to reduce the statement into writing.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT VOLKER: Senator Gold.

SENATOR GOLD: Senator Maltese, I'm not arguing with you, but that's nothing of what I'm talking about. I didn't suggest that crime victim meet the criminal or that they be there at the same time.

I'm just asking -- just one minor point that I'm just asking you about. It would seem to me that the statement that goes to the board ought to come from the victim or the family. I don't know why we need somebody to

listen to that story and transpose it and then give their version of the story to the board rather than the victim's own version going to the board.

SENATOR MALTESE: Mr. President.

ACTING PRESIDENT VOLKER: Senator Maltese.

SENATOR MALTESE: Senator Gold has made himself clear. This seeks to give an additional right and, very honestly, it is to put a human face on the victim or the victim's representative so that it isn't simply a piece of paper, so that the member of the Parole Board who hears the statement is actually going face-to-face with either the victim or his representative to put a human element into the equation and kind of equalize the situation. Because when the inmate appears, the inmate appears in person.

SENATOR GOLD: On the bill.

ACTING PRESIDENT VOLKER: Senator Gold on the bill.

SENATOR GOLD: Mr. President. I

have been too much involved with crime victims to vote against a bill over this kind of a situation, but I would like to point out that I have been hearing some things, particularly within the last week, which are very disturbing about certain parole officers and how they are operating, and I would say to my Italian friends in this chamber I would be glad to discuss this with you off the floor. You would be horrified at some of the things that I have heard recently, and I would be glad to discuss it.

But there is a parlor game called "Telephone" where one person tells another and another tells another and another tells another and then everybody laughs when they find out how it's been distorted.

I don't have any problem with the concept of a crime victim being involved and telling their story. As a matter of fact, years ago there was a procedure where a person had a problem with a certain federal agency, they would come forward and the government provided people to help them prepare their statement

which would go to the agency.

I would think that if a victim came forward and met with a member of the board, that's fine. And let the board member help the victim prepare his statement, and then you would be getting the victim's statement.

I don't trust too many people involved in parole after what I have been hearing, Senator. And when I talk to you later, you will agree, and I think it ought to be direct statements.

At any rate, I've heard it ad nauseum, we're in the closing hours. Nobody is going to amend anything, and so I'm not going to vote against the bill. But I'm telling you, you would be doing the victims a greater service if you provided in this situation so that they could give their own statement, even if they met with the parole person and worked with them.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is passed.

Senator Holland.

SENATOR HOLLAND: With unanimous consent, I would like to be recorded in the negative on 1444, please.

ACTING PRESIDENT VOLKER: Senator Holland in the negative on 14 -- that bill was laid aside, Senator Holland, so it wasn't passed.

THE SECRETARY: Calendar Number 1438, by Senator Marino, Senate Bill Number 4569A, allowing Pauline Ogus to receive service credit in the teachers retirement system.

ACTING PRESIDENT VOLKER: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT VOLKER: Call

the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 57, nays 2, Senators Gold and Leichter recorded in the negative.

ACTING PRESIDENT VOLKER: The bill is passed.

Senator Present.

SENATOR PRESENT: Mr. President, I hope you will be delighted with what I'm about to announce.

ACTING PRESIDENT VOLKER: Senator Present, could I interrupt for one second?

SENATOR PRESENT: Sure.

ACTING PRESIDENT VOLKER: We have a lot of housekeeping stuff here at the desk. Do you want to do it now or later?

SENATOR PRESENT: Let's try and do it and let the desk be happy too.

ACTING PRESIDENT VOLKER: Okay. Thank you, Senator.

Senator Stavisky.

SENATOR STAVISKY: Mr.

President, I wish to call up my bill, Print Number 426, recalled from the Assembly, which is now at the desk.

ACTING PRESIDENT VOLKER: Secretary will read.

THE SECRETARY: By Senator Stavisky, Senate Bill Number 426, an act to amend the Penal Law.

SENATOR STAVISKY: Mr. President. I now move to reconsider the vote by which the bill was passed.

ACTING PRESIDENT VOLKER: The Secretary will call the roll on reconsideration.

(The Secretary called the roll on reconsideration.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is before the house.

SENATOR STAVISKY: Mr. President. I now offer the following amendments.

ACTING PRESIDENT VOLKER: Amendments received and adopted.

Senator Daly.

SENATOR DALY: Mr. President, I wish to call up Senator Tully's bill, 49, recalled from the Assembly, which is now at the desk.

ACTING PRESIDENT VOLKER: Clerk will read.

THE SECRETARY: By Senator Tully, Senate Bill Number 49, an act to amend the Education Law.

SENATOR DALY: I now move, Mr. President, to reconsider the vote by which the bill was passed.

ACTING PRESIDENT VOLKER: The Secretary will call the roll on reconsideration.

(The Secretary called the roll on reconsideration.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is before the house.

SENATOR DALY: I now offer up the following amendments.

ACTING PRESIDENT VOLKER:

Amendments received and adopted.

SENATOR DALY: Mr. President, I wish to call up Senator Libous' bill, 3815C, re called from the Assembly, which is now at the desk.

ACTING PRESIDENT VOLKER: Secretary will read.

THE SECRETARY: By Senator Libous, Senate Bill Number 3815C, an act to amend the General Business Law.

SENATOR DALY: I now move to reconsider the vote by which the bill was passed.

ACTING PRESIDENT VOLKER: The Secretary will call the roll on reconsideration.

(The Secretary called the roll on reconsideration.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT VOLKER: The bill is before the house.

SENATOR DALY: Mr. President, I now offer up the following amendments.

ACTING PRESIDENT VOLKER:

Amendments received and adopted.

Senator Holland.

SENATOR HOLLAND: Mr. President. On behalf of Senator Sears, I move to amend Senate Bill Number 3316C, by striking out the amendments made on June the 14th and restoring it to its previous Print Number 3316B and retaining its place on the Third Reading Calendar, Number 338.

ACTING PRESIDENT VOLKER: Bill is restored without objection.

SENATOR HOLLAND: Also, Mr. Presi dent, on page 45, I offer the following amend ments to Calendar Number 200 for Senator Saland, Senate Print Number 766A, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT VOLKER: Amendments received and adopted.

Senator DeFrancisco.

SENATOR DeFRANCISCO: On behalf of Senator Stafford, Mr. President, I move to amend Senate Bill Number 4970A by striking out the amendments made on June 30th and restoring

it to its original Print Number 4970.

ACTING PRESIDENT VOLKER: Without objection, amendments received.

That's it.

Senator Present.

SENATOR PRESENT: Now, Mr. President.

ACTING PRESIDENT VOLKER: We got one more. Sorry, Senator.

SENATOR LEICHTER: I'm sorry, Mr. President.

ACTING PRESIDENT VOLKER: Senator Leichter.

SENATOR LEICHTER: May I have unanimous consent to be recorded in the negative on Calendar 1422, please.

ACTING PRESIDENT VOLKER: Without objection, Senator Leichter in the negative on 1422.

Senator Holland.

SENATOR HOLLAND: We're questioning 1444.

SENATOR PRESENT: It was recalled

and laid aside.

ACTING PRESIDENT VOLKER: Recalled and laid aside.

Senator Present.

SENATOR PRESENT: Mr. President, we're going to stand at ease now until 9:00 o'clock. So I would advise everybody to go out and get a good healthy meal and try and return here -- show me how good you can be -- return promptly at 9:00 o'clock, so we can get on with business.

ACTING PRESIDENT VOLKER: Senate is in recess until promptly at 9:00 o'clock.

(Whereupon, at 6:53 p.m., the Senate recessed.)

...At 9:50 p.m.... (Microphones not turned on) Senator Marino, from the Committee on Rules, reports the following bill directly for third reading: Senate Bill Number 6106, by the Senate Committee on Rules, an act to amend the Emergency Housing Rent Control Law, the Local Emergency Housing Rent Control Act.

ACTING PRESIDENT LACK: Without objection, third reading. Senate will come to order.

Senator Present, can we go to motions and resolutions.

SENATOR PRESENT: Please.

ACTING PRESIDENT LACK: Motions and resolutions: The Secretary will accept amendments to Calendar 81, Senate Print 6065, and the bill will retain its place on Third Reading Calendar, and on page 34 the Secretary will take amendments to Calendar 1391, Senate Print 5886-A and that bill will retain its place on Third Reading Calendar.

Other motions and resolutions? Senator Present.

SENATOR PRESENT: Mr. President, let's take up 1467.

ACTING PRESIDENT LACK: Secretary will read the title of 1467.

THE SECRETARY: Calendar Number 1467, by Senator Larkin, Senate Bill Number 5705-C, an act to amend the General Municipal Law and the Public Authorities Law, in relation to Industrial Development Agencies.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT LACK: Senator Gold.

SENATOR GOLD: May I ask one question? Are we ringing the bell?

ACTING PRESIDENT LACK: Would you like the bells rung, Senator Gold?

SENATOR GOLD: Well, unquestionably. They were due back here at nine and I'm not complaining, and I understand things are in the works. But since we are now going into session, I think it's important to ring the bells.

ACTING PRESIDENT LACK: Thank

you, Senator. The Secretary will now ring the bells. For all Senators who are in the LOB or within the sound of the chamber or near the chamber, would you please return to chamber. We are in session. We are considering bills, and indeed there is a bill on the floor.

ACTING PRESIDENT LACK: Senator Gold? Senator Present.

SENATOR PRESENT: Mr. President, is there a message on this bill?

ACTING PRESIDENT LACK: There is a message, Senator.

SENATOR PRESENT: I move we accept the message.

ACTING PRESIDENT LACK: On the motion of Senator Present to accept the message, all those in favor aye.

(Response of "Aye.")

Contrary, nay.

(There was no response.)

The message is accepted.

SENATOR GOLD: Explanation.

SENATOR LARKIN: Thank you very

much, Mr. President.

Senator Gold, this is a bill that has been negotiated with the Assembly for the past seven months -- or seven weeks, and what this bill does is take in consideration all the complaints, the problems we've heard about the IDAs after two and a half months of hearing, and what we've done on this bill is to increase the accountability of IDAs to local governments, increase public input to the IDA decision-making process, clarify the rules IDAs must follow, yet allowing IDAs to function and assist in the development in their local governments.

We're confident that what we've put together here jointly between the Senate and the Assembly, in IDA new policy increases public accountability. IDAs must give ten days notice of a public hearing regarding proposed tax exemption for projects of more than a hundred thousand.

IDAs must submit a copy of their proposed annual budgeted to local governments for comment and it must be on file for public

inspection. Detailed reports of IDA activities must be filed with the state comptroller.

A critical point from before, if an IDA fails to comply with it, the IDA can have its authority suspended and its tax exemptions turned down in the future. The payments in lieu of taxes, we've heard through the past that many IDAs of county and regional areas kept the money themselves. This law requires that payment in lieu of taxes that are collected by an IDA must be remitted to municipalities and school districts within 30 days. Payment in lieu of taxes must be distributed in the same proportion as if there had been no tax exemption granted.

IDAs must notify school districts of the amount of tax exemption granted. IDA board members are subject to municipal ethics and conflict of interest laws. IDA board members -- IDA projects must comply with local zoning. IDA purchase of goods and services must comply with guidelines for investments and IDAs must establish a detailed policy for granting tax exemptions.

SENATOR GOLD: Will the Senator yield to a question?

ACTING PRESIDENT LACK: Senator, will you yield?

SENATOR LARKIN: Yes, sir.

ACTING PRESIDENT LACK: Senator Gold, Senator Larkin will yield.

SENATOR GOLD: Thank you, Mr. President.

I'm looking at a memo that was handed out in Rules, and it says: Section 8. Adds section 858 (b) require IDAs to ensure that all applicants and employees of applicants are afforded equal opportunity without discrimination.

SENATOR LARKIN: Yes, sir.

SENATOR GOLD: Where is that in the bill? I tried to find the reference in the bill itself.

SENATOR LARKIN: In Section 8 itself.

SENATOR GOLD: Well, I'm just reading from the memo. Section 8 of the memo

says, adds 858 (b).

SENATOR LARKIN: This was coming out of the Governor's office that they wanted to make sure that the utilization of IDA funds that had been granted before was still in being, sir.

SENATOR GOLD: O.K. Thank you. I think I have it now. On page 5, actually it's Section 9, it says that each agency shall ensure all employees and applicants for employment -

SENATOR LARKIN: Excuse me, Senator Gold. I can't hear you. I'm sorry. I don't mean to be rude.

SENATOR GOLD: Yes, I'm saying that it's Section 9, it's not Section 8, but at any rate, it talks about equal opportunity and without discrimination. Senator, is there -- is there anything in the -- in this law that discusses standards by which the various applications that are presented to the IDAs are to be considered?

SENATOR LARKIN: I don't know. In what manner do you mean?

SENATOR GOLD: I'll be glad to

explain. I'll be glad to explain. Could we close that door, please?

ACTING PRESIDENT LACK: Could we -- could the Sergeant-at-Arms on the west door please keep it closed. Thank you.

SENATOR GOLD: Is there anything in the law, Senator Larkin, that sets forth any standards of conduct in terms of how an IDA decides that it's going to lend money to (a) rather than (b) rather than (c)?

SENATOR LARKIN: Yes.

SENATOR GOLD: Where is that in the bill?

SENATOR LARKIN: On page 9, Senator, Section 4 (a) the agency shall establish a uniform tax exemption policy with input from effective local taxing jurisdictions which shall be applicable to the grants of the financial assistance pursuant to section 809 (a) of this chapter and shall provide guidelines for the claiming of real property, mortgage recording and sales tax exemptions. Such guidelines shall include but not be limited to

the period of exemption, the percentage of exemption, the types of projects for which exemptions will be claimed and the procedure for payment in lieu of real property taxes and in the instance in which real property appraisals are to be performed as part of an application for an exemption.

SENATOR GOLD: Thank you. Now, if Senator Larkin will yield to a question.

ACTING PRESIDENT LACK: Senator will yield. Yes, Senator Gold.

SENATOR GOLD: Is that the section, Senator -- supposing, Senator Larkin, that a group comes to a local IDA seeking funding. Is that the section that is going to decide whether or not there are guidelines or whether they fit into some category?

SENATOR LARKIN: Yes, yes.

SENATOR GOLD: All right. Now, Senator Larkin, assuming that is so, Group A comes to the local IDA. I don't know whether there are any in your district but comes to the local IDA, and the local IDA meets with them,

and they say that they do not want to deal with them, they are not going to give them a loan, all right?

SENATOR LARKIN: M-m h-m-m.

SENATOR GOLD: What, if anything, is the procedure that that group can follow under this bill? Is there any remedy?

SENATOR LARKIN: Well, it's - it's up to the local governing authority, the IDA and the municipality that has the IDA, to make that decision. In the bill itself, there is specific criteria whether it's retail, civic facilities, or what not, and they must meet certain criteria before they can become eligible to participate in the program.

SENATOR GOLD: I understand that. If the Senator will yield to a question.

Senator Larkin, I understand that. Now, you've got all of these criteria, and Senator Waldon comes in with a group and he shows you that they meet all of the criteria and your IDA turns him down. Is there a procedure by which he can appeal?

SENATOR LARKIN: No, he can't.

SENATOR GOLD: Right. Thank you. You're absolutely right.

Now, the next question, Senator Larkin, and this is the kicker, this shows what I think is wrong with the whole system.

SENATOR LARKIN: I can't hear him.

SENATOR GOLD: When Senator Waldon comes in with his group and discusses it with the IDA and the IDA says that he is not qualified or whatever, from which he has no appeal, isn't it a fact that there are no records maintained by the local IDA that would indicate that Senator Waldon was even in there?

SENATOR LARKIN: Senator Gold, there are public records. Two things that I think we should understand here, that within ten days of a notice of an application, if a project is worth $100,000, there has to be a public hearing. There are records and records are maintained and records -- records must be filed not only with the IDA but with the governing

municipality.

SENATOR GOLD: All right. Mr. President.

ACTING PRESIDENT LACK: Senator Gold.

SENATOR GOLD: Yes. Senator Larkin is telling the truth, but it's not accurate. Now, what does that mean? Outside this chamber in the real world, I'll tell you what we found out, and we found out about it through that wonderful situation where, with the help of Senator D'Amato, the people of Nassau County lost Roosevelt Raceway. We found out that the way some of the IDAs work, Senator Larkin, is they will not accept an application until such time as they have had full conversation with the applicant and have decided that they will go ahead. Then the applicant puts in an application and then they give notice and then they have a hearing and then, Senator Larkin, they do whatever they're going to do, but what happens, if they're not going to give the loan or accept the application, there is no

paperwork and without any paperwork, Senator Larkin, your bill means nothing, and the reason it means nothing is very simple, because when Jones walks in and on Jones' arm is the right lawyer, politically connected properly, and gets the loan, you've got paperwork, but when Smith walks in with the wrong lawyer and with the wrong project, there is no paperwork.

So when you take a look at everything you've done in your bill, the paperwork that is maintained will conform to a statute, but that paperwork does not, Senator - Senator Larkin, with a lot of the IDAs reflect what they are doing day by day.

Now, I see you've gotten to your feet. If there is a response, I really would like to hear it.

SENATOR LARKIN: Senator, I understand what you're saying, and during the hearings that we've held over the past two and a half years, we've come over some of the problems that you're complaining about tonight. But let me tell you, Senator, what we have in here with

the public hearings, the filings, the oversight of the municipality to overlook the budgets of IDAs, the requirement for the reports to the Comptroller, all of these were not in being in previous IDAs.

We're confident that what we're doing now, in addition to the fact, if you look when you talk about civic facilities, we're talkin' about a sunset provision, we feel confident that what we're saying and what we're demanding will protect municipalities and when you say about the strong arm coming in, we have a piece in there about ethics, and I believe that what we're saying and what we've agreed to on both houses is a measure that is supported by local governments.

We have, during the discussions since the first day we started talking about reforming IDAs, we've been talking with the Conference of Mayors, the Association of Towns, the school boards and the Association of Counties, and they're all on board on this because they believe what we have done has

lightened up the procedures to protect the taxpayers.

SENATOR GOLD: Thank you. Mr. President.

ACTING PRESIDENT LACK: Senator Gold.

SENATOR GOLD: On the bill.

ACTING PRESIDENT LACK: Senator Gold, on the bill.

SENATOR GOLD: Mr. President, I think there used to be an expression that somebody was a Philadelphia lawyer or whatever. Many people talk about circumstances where you get a lawyer. It happens, by the way, in the Election Law all of the time which -- which many of us laugh at over a beer sometimes. We set up the rules and then people get a good lawyer to tell you how you do everything you want to do anyway by getting around whatever the rules are. You set the rules.

There are some things that have more effect than others. Now, Senator Cook, I think, has been very outspoken in terms of

wanting to do something about the IDAs, but on some of his bills I've raised this issue and the one issue that I think is the major controlling issue is not in these bills. Now, one of the reasons it may be in the bill is that we don't even have it in the Senate. One of the things Senator Leichter and Senator Dollinger fought so much.

SENATOR LARKIN: Excuse me, Senator Gold. I can't hear you, Senator Gold, when you talk over there. At my age, the hearing aid isn't working.

SENATOR GOLD: Well, I'm supposed to talk to the Chair, but I'll do it this way anyway.

At any rate, Mr. President, we have been trying to make the point in this chamber that no matter what rules and regulations you have, if you can't see the record keeping then who knows whether the rules are being obeyed.

The problem with this bill, and I'm not saying that it's a terrible bill,

Senator Larkin, or that I'm going to vote against it, but you got a huge gap in this bill, because the fact of the matter is, if you don't require IDAs to do everything on the record from day one and by that, I mean if an applicant walks in the door, there has to be a record that the applicant walked in the door. If you don't have that record, then you don't know under Section 9 of the bill whether there has been discrimination or equal opportunities. You don't know, because there is no record keeping.

I'm sorry. I don't have it here today, Senator Larkin, but you have probably seen it since you've worked in this area, but there are other people who should see it. I requested a record of all the IDA loans that were given out in the state in a period of time and I want to tell you, it's enough -- it's enough to raise your hair.

A law firm in Nassau County two and a half million dollars to redecorate their offices. What that has to do with IDAs, I'll never know. There were upstate firms that got

money to -- to do things which had nothing to do with creating jobs, didn't create one job in the world. All of that kind of stuff was really an outrage.

All right. Well, maybe this new bill will correct some of that, but the worst thing that I found was that I would talk to people involved in some of the IDAs. They would look me in the eye and make no bones about the fact that nobody got an application unless there was going to be a loan. Therefore, 100 percent of the people who applied got loans. Of course, that is not true because there were people who wanted the loans who couldn't even get an application blank.

Now, if you want to hold a hearing or you want to hold an investigation and find out why A, B, C, D and E didn't get the loans, you couldn't because you wouldn't even know they walked in the door.

Now, that is the flaw. I have an amendment here, Senator Larkin, which I'm not going to offer because I don't want to go

through this nonsense. I know how your side has ego problems with amendments, but that's what really ought to happen. The bill is an improvement, but I'm telling you, you're going to make your studies two or three years from now and you're going to find that everything looks terrific because you're not going to know that three Hispanic firms got thrown out and there were two Afro-American companies that got thrown out because there's not going to be any records. Nobody is going to know it and that IDA will do whatever it has to do, I'm sure, to live within what their standards are and what you say this bill is, but in reality, in day-to-day reality, I don't think we are cutting back on them one iota.

Now, I hope we're cutting back, Senator Larkin, from the point of view that I hope we don't have any more Nassau County law firms that get two and a half million dollars to decorate offices, and I'm hoping we'll cut back so that people who can put up a few hundred million dollars of money will do it instead of

taking that money and, in my opinion, stealing Roosevelt Raceway with the help of a U. S. Senator.

But it is better. It is better, but I'm telling you, in making it better, you still got a loophole there that's bigger than the size of this chamber.

ACTING PRESIDENT LACK: Senator Waldon.

SENATOR WALDON: Thank you very much, Mr. President.

Mr. President, would Senator Larkin yield to a question or two?

ACTING PRESIDENT LACK: Senator, will you yield to Senator Waldon?

SENATOR LARKIN: Yes.

ACTING PRESIDENT LACK: Senator Waldon, he will.

SENATOR WALDON: Thank you very much, Mr. President. Senator, I heard you say earlier and maybe I didn't hear correctly so I will stand corrected. I thought I heard you say that a part of the purpose of what you're

submitting for our consideration is to benefit the state in terms of taxes; is that correct?

SENATOR LARKIN: Would you repeat that?

SENATOR WALDON: I thought I heard you say earlier that part of the consideration for what you're submitting to us is that there would be a better tax benefit to the state?

SENATOR LARKIN: I didn't say anything about a better tax benefit to the state, Senator.

SENATOR WALDON: O.K. Let me stand corrected. Are you aware that it is estimated that from '87 to '91, 1987 to 1991, that as a result of Industrial Development Agency projects, the state lost $1.3 billion in tax revenue?

SENATOR LARKIN: Senator, I don't know what the total loss was. All I can tell you is that we've held hearings -- Senator Cook was the former chairman of Local Government. We held hearings across the state, and we had input

from every part of the state and every sector and what's contained in this legislation was the benefit of what we heard at the hearings and what we've done is tightened this up.

There -- previous to this, there was no requirements, there was no input for the Comptroller except that it said you will submit reports. We're saying how they must submit reports to the Comptroller of their activities. If they don't submit them, the Comptroller notifies the municipality under the auspices of which the IDA was created, and then the Comptroller can suspend any tax advantages for that IDA.

When you look at the fact that when you're saying when there is a project there's a ten-day notice for the public, when the project is $100,000 there's a hearing. There's a file in the municipality, there's a file in the IDA. We've talked about ethics, everything that was told to us and everything we've read in the news media we have addressed.

SENATOR WALDON: May I continue,

Mr. President?

ACTING PRESIDENT LACK: Yes.

SENATOR WALDON: Thank you, sir. You have used the phrase just now -- I didn't misunderstand that phrase. You said "tightening up" and you said that what you submitted for consideration as a result of all the information brought to you regarding the hearings, is that correct?

SENATOR LARKIN: Yes, Senator.

SENATOR WALDON: O.K. Therefore, what you have submitted would truly reflect the needs of all of the people of the state of New York, assuming that they came to you during the hearings to tell you of their needs, is that correct?

SENATOR LARKIN: Yes, Senator, it is.

SENATOR WALDON: Where is the MBE/WBE piece in this bill if that is correct?

SENATOR LARKIN: There is no requirement.

SENATOR WALDON: Oh, you're

saying you can just disregard the women who are -

SENATOR LARKIN: No, we have done that.

SENATOR WALDON: -- or the African-Americans and Latinos; is that what you're saying, Senator?

SENATOR LARKIN: No, Senator, what we're saying is here is a procedure in being. If someone wants to make an application for an IDA project, there is a procedure as I outlined it to Senator Gold before, and read it in detail on page 5, outlining every bit of the procedures that has to be done and what the local municipalities have to do, and they have to comply with executive laws, state laws, executive directives which would cover the portion that you are relating to.

SENATOR WALDON: If I may continue, Mr. President.

ACTING PRESIDENT LACK: Senator Waldon.

SENATOR WALDON: Thank you, sir.

SENATOR LARKIN: Senator, one other thing I think, if you'll read on page 5, equal opportunity is covered exclusively on page 5.

SENATOR WALDON: Can someone -- are you speaking to page 5 of the memo or page 5 of the bill?

SENATOR LARKIN: Page 5 of the bill, section 858 (b). I will read it to you, Senator.

SENATOR WALDON: Please do.

SENATOR LARKIN: Specifically. Equal employment opportunities. Each agency shall ensure that all employees and applicants for employment are afforded equal employment opportunities without discrimination.

SENATOR WALDON: What does that have to do, if I may continue, Mr. President, what does that have to do with set asides? My question dealt with, will there be a WBE component and an MBE/WBE component regarding what is a construction piece?

When I was a Commissioner of

Investigation for this state and we investigated Roosevelt Raceway where people ripped the state off for enormous sums of money and made promises to the people of Nassau County to deliver certain kinds of services and benefits and immediately ripped them off, there was supposed to be a 20-year arrangement to keep the track for all of those who loved racing to participate and, within four years, gave it up. Blue smoke and mirrors was a small exercise compared to what went down out there.

I'm talking about construction, Senator. I'm talking about African-Americans and Caribbean-Americans and Latinos and Hispanics having an opportunity, having an opportunity to benefit from the largesse of the state of New York. Is that in the bill?

SENATOR LARKIN: Senator, there's no set aside in this bill. Senator, what this bill contains is an opportunity for anyone who wants to use an IDA, for anyone who wants to participate in a free America. This is an opportunity for anyone. There's no exclusions

and there's no set asides and there's no preference. Everything that has to do with state law that exists would have to be enforced.

If you look at this bill and read it very carefully, Senator, you'll find that the protection of every citizen of this state is there without -

SENATOR WALDON: Mr. President, may I continue?

ACTING PRESIDENT LACK: Senator Waldon.

SENATOR WALDON: I appreciate your explanation, Senator, but is this the form of the bill that the Assembly originally considered? Wasn't there an MBE/WBE -- WBE, I'm sorry, component in the bill and if there was, why was it extracted?

SENATOR LARKIN: Senator, this is an agreed upon bill between the Senate and the Assembly and my original bill did not contain anything that is not in this bill.

SENATOR WALDON: Mr. President.

ACTING PRESIDENT LACK: Senator Waldon.

SENATOR WALDON: Thank you for that response, Senator, but I don't think you really responded to my question. My question was, was there at any time in the previous version of the bill a WBE-MBE/WBE component?

SENATOR LARKIN: Senator, in the Assembly bill, there was no phraseology as to what you're discussing. This is the agreed upon bill between the Senate and the Assembly. Maybe the Senate -- the Assembly had some versions of it, but this is the bill that both houses and both leaderships have agreed upon.

SENATOR WALDON: Last question, if I may, Mr. President.

ACTING PRESIDENT LACK: Senator.

SENATOR WALDON: Senator, considering that we have eighteen and a half million people in this state, considering that a major portion of those eighteen and a half million people are, in fact, traditionally from the African diaspora and Latinos, considering

that in the city of New York over 51 percent of the people are now people of color, people from the traditional minority classes, considering that even in a place like Nassau County where Roosevelt Raceway, that canard occurred, wouldn't it benefit all of the people of the state of New York if this bill was sensitive to everyone, each and every one, and had an MBE/WBE-WBE component?

SENATOR LARKIN: Senator, I would hope that you would read this bill and the memo in its true sense that it was put together in both houses. For the past several weeks our staffs have been workin' diligently to come up with a bill that represents the true needs, that eliminates the problem that we've seen in the past. We thought that what we were doing in tightening up the rules, in effect, was protecting all people of the state of New York whether they come from New York City, whether they come from Harlem, whether they come from Niagara Falls, whether they come from Buffalo, regardless of where they come from.

Senator, this is a bill that opens up the opportunity, yet closes down the free wheeling and dealing that we've had, that we've seen in the past. This bill is a bill for the people of the state of New York. This bill is a bill to retain jobs and create jobs and make a stable tax base.

SENATOR WALDON: On the bill, Mr. President.

ACTING PRESIDENT LACK: Senator Waldon, on the bill.

SENATOR WALDON: I appreciate your explanation, Senator Larkin, I really do, but when you make the statement, true meaning that does not include me unless there's an opportunity for the people I represent. It cannot include the proportion of this state which happens to be of color, descendants of people from the Caribbean unless there's real opportunity.

It is nice, but it is a meaningless shibboleth to say that it has true meaning for all of us when some of us are

excluded and I, therefore, cannot support this legislation.

ACTING PRESIDENT LACK: Senator Wright.

SENATOR WRIGHT: Mr. President, on the bill.

I would like to take the opportunity to acknowledge Senator Larkin's efforts because I think he's accomplished a very difficult task of achieving the balance that needs to be achieved in terms of ensuring adequate accountability as it relates to the Industrial Development Agencies, ensuring greater public disclosure, but at the same time maintaining appropriate flexibility within the programming of IDA to assist the business and industry of this state.

We've spent a good deal of time in the last several weeks on this floor talking about the need to create jobs in this state, the need to provide incentives for business and industry, the need to retain jobs. IDA has the capability if we provide appropriate flexibility

to ensure that that happens.

Now, at the same time, I think we've all recognized, by virtue of the public hearings, the efforts of Senator Larkin's committee, Senator Cook's committee and their counterparts in the Assembly, that there are areas of greater accountability that need to be addressed. There are areas of greater public disclosure. He has addressed that in this particular bill and achieving that agreement with the Assembly.

There are now ethics standards that are applicable to all of the members of the IDA. There are requirements for payments in lieu of tax and timely payments, timely payment of those payments in lieu of tax to the local government units so that they, too, benefit from these incentives.

There are workable limitations on retail businesses in this state so that we eliminate competition with existing retail firms and put those incentives toward new retail endeavors targeted in particular areas. So we,

in fact, do create job growth; and further, we provide public disclosure of the working relationships within the IDA, disclosure of the relationships with IDA counsel, and reporting on an annual basis to the Comptroller, and equally important in that reporting is the documentation of the job retention and the job creation coupled with evaluation components that we can go back and review the success of what these reforms, in fact, will achieve.

I think the Senator and his counterparts in the Assembly -- and I had occasion earlier this evening to sit in on that debate as it was occurring in the Assembly - have achieved the workable balance that we need in this state and, as a result of that, I encourage my colleagues on this floor, the members of the floor, to support the bill.

Thank you, Mr. President.

ACTING PRESIDENT LACK: Senator Leichter.

SENATOR LEICHTER: Yes, Mr. President. Would Senator Larkin yield, please?

ACTING PRESIDENT LACK: Senator, would you yield? Senator will yield, Senator.

SENATOR LARKIN: Yes, Senator.

SENATOR LEICHTER: Senator, over the years, I think we've been aware of the failure of the IDA mechanism and, as you pointed out, there were hearings and hearings conducted by Assemblyman Pordum and Senator Cook, various reports were issued critical of the IDAs. I issued a report two years ago pointing out that the IDAs had probably created very few jobs but had spent a great deal of taxpayers' money.

One of the areas that I was particularly concerned about were the retail establishments. One of the main things that IDAs have done in many parts of the state was to fund the construction of supermarkets. They did it, in fact, in the capital area, the Price Choppers, and the other ones.

To what extent, Senator -- and if you could deal with this question with some specificity -- have we tightened up that abuse of the IDA mechanism? Certainly let me just say

I think we'll all agree that, if you put up another supermarket, you're not creating more jobs but all you're doing is probably taking away existing jobs.

SENATOR LARKIN: Well, I thank you very much, Senator Leichter. I do remember your report and, if you saw the memo in opposition from the Food Merchants Association today -

SENATOR LEICHTER: I didn't.

SENATOR LARKIN: -- you will recognize that they're not happy with what we've done in this legislation. We felt in this legislation that, if there is a supermarket in Town A, that's been there for two years, we're not going to let the supermarket come in across the street and get these advantages to the disadvantage of the hard-working owner who has been there before with no advantages.

The five first -- the five-point criteria in there we feel is very strong. It substantiates the tax base and it does address the issue that you've covered in your report

that we would -- should not just open up the barn door and say, Here's the money and you build what you want.

Senator, if you'll read the report by the Food Merchants Association, you will clearly see that the point that you're trying to cover, we covered, and they're not happy with it.

SENATOR LEICHTER: Senator, will you be good enough to yield?

SENATOR LARKIN: Yes, Senator.

SENATOR LEICHTER: What are those five points? I really haven't had much time to study the bill, and I'd appreciate your covering that for me.

SENATOR LARKIN: We talked about in the tourist area, we talked about in the distressed area, in the border area, we're talking about there, for example, our good friend, Senator Stafford, who has up in Plattsburgh, and the Canadians come down and they can come over from Vermont, that gives you an area of what we were restricting it to, and,

for example, I have a city in my district in Newburgh, New York that municipality of 26,000 that doesn't have a shopping center, that doesn't have an IDA, a Price Chopper, a Grand Union, they could go into that, Senator.

SENATOR LEICHTER: Senator, who determines whether the criteria has been met? And I see you have a definition of distressed areas and your other limitations. Who is it that passes on whether these limitations are being adhered to because, as you know, one of the problems is the IDAs have been keeping documents of their own, nobody to supervise them.

SENATOR LARKIN: Senator, that's one of the areas that we tightened up that we'd heard about, as you recall. We said that two things, they would have to get approval of the IDA and the chief executive officer of the municipality to which the project was going to go to.

SENATOR LEICHTER: I'm sorry, they could -- could you repeat that.

SENATOR LARKIN: The IDA board would have to approve it and also the chief executive officer of the municipality in which the project was going to be developed.

SENATOR LEICHTER: Well, Senator, I question how much of a protection that is because the chief executive, often for various reasons, will be supportive of the IDA effort.

SENATOR LARKIN: Yes, Senator, but if you will read that portion of the bill where we clearly outline, I can tell you right now and tell you and the rest of my colleagues, that that association is not very happy with the language we put in there, because the language in there restricts their ability to put one - one on one end of a municipality and the other on the other end of a municipality. It has to be a need and requirement and that need and requirement has to be approved by both the IDA and the chief executive officer of the municipality, and I think that that's what you were talking about when you were complaining about the operation of the IDAs in your report,

Senator.

SENATOR LEICHTER: I was certainly complaining about it, Senator, but I'm still concerned about the mechanism to make sure that these restrictions and the restrictions seem fairly sensible, are adhered to because the IDA board is the very board that's trying to locate or fund that supermarket.

SENATOR LARKIN: Senator, let me -- may I interrupt you and read you something. From the bill itself, Senator, this bill limits IDA financing of retail projects to tourist areas, border areas, distressed areas such as inner cities and under-served rural communities where retail services are not reasonably available. Any IDA financing of a retail project within borders, distressed and under-served areas must be confirmed by the chief executive officer of the IDA sponsoring municipality. In addition, it must be shown that these projects will preserve or increase private sector jobs within the state.

SENATOR LEICHTER: All right,

Senator. We obviously aren't getting very far on the question that I pose to you, so let's move to another area.

Senator, there was a problem in Rockland County, I believe, Senator Holland's district, where an IDA board met in a diner and approved a -- a project. Have you set up standards here as to how the IDAs are to conduct their business?

SENATOR LARKIN: Yes, sir, we have. I explained it when I was responding to Senator Gold and, Senator, not only that, but we also said that any project within -- within $100,000, within ten days of the application must have a public hearing and all of those records will be available in the office of record which is normally the clerk of the municipality on file.

They're a permanent record of that municipality, and if somebody is disheartened or disenchanted, Senator, they show up at that meeting. Senator, I think one of the things you're missing here, one of the things

that your side of the aisle kept sayin' over and over again was that we want to tighten it up. We do too, and so does the other house and what we've done is capitalized on the hearings that we've held over the past couple of years, and we've done that. We've done it to the disadvantage of some people who said that we have tightened up too much and we have not allowed the grandiose development.

SENATOR LEICHTER: Senator, I think the provision for a public hearing is a good one, and -- and makes sense. You had mentioned -- let me just preface my question to you, if you would be kind enough just to yield for one or two more questions.

You had mentioned reporting to the Comptroller. One of the big problems we've had with IDAs is, since they give exemptions from state taxes, and Senator Waldon pointed out the large amounts involved over the years, are we now going to be able to maintain a record so we know what the total cost to the state of New York is through all of the IDA projects?

SENATOR LARKIN: Well, a couple things, Senator. One of the things is the IDA investment must comply with the same requirements for any other public authorities.

Number two, IDAs must establish a detailed policy for granting exemptions. These are two items that have never been in existence before.

SENATOR LEICHTER: Senator, I don't think that's really responsive. My question, you know, my questioning goes, we have no record, there's no means to determine how much has been given by the IDA as in tax exemption because there's -- we have over 150 IDAs. There was no requirement of central filing. Now, I understood you to say that you will now require filing with the Comptroller; is that correct?

SENATOR LARKIN: Yes, Senator, that's correct, annual filing with the Comptroller, the Comptroller will have oversight of the filing of every IDA in the state which he didn't have before, and with regard to the tax

exemption, if you recognize what I said before, that the Comptroller, if the report is not filed, the Comptroller will notify the IDA and notify the municipality which is the controlling agency of that IDA, and then suspend their tax exemptions.

SENATOR LEICHTER: All right. And, Senator, that filing that's required, will it have in there full information as to the -

SENATOR LARKIN: Detailing the entire project, its financing, who gets the tax benefits, how the payment in lieu of taxes will be, Senator, and the distribution of the tax, the PILOTs, payments in lieu of taxes, commensurate with the exemption that's given by the respective political subdivisions.

SENATOR LEICHTER: Good. Thank you.

Senator, let me ask you a question, something I -- that puzzles me and I couldn't understand. There's a reference in your bill to specific cities or maybe they're towns: The town or the city of Auburn, the city

of Troy. If you look at page 16, lines 21 and 22, why are those municipalities specifically included in the bill, and what's the effect of those provisions?

SENATOR LARKIN: Well, Senator, if you recall your desire to tighten up these here, these are in being. IDAs previously enacted, in order to make them comply with this, they had to be included in this provision of this law so they will be in full force now rather than be grandfathered to something of the past.

SENATOR LEICHTER: I'm sorry, I must say I -- that answer totally escaped me. You provide, if you'd be kind enough to yield. Bear with me, the hour is late, but you provide in here the authority, and I assume you're referring to the authority of the IDA in Troy to mail or deliver to the chief executive officer and the governing body of the city of Troy, make available for public inspection comments on the proposed budget, and I think there's a similar budget provision in there for Auburn.

Why is it necessary to have a

provision for those two cities, why need they - why was it important or deemed necessary to mention them specifically? Why wouldn't they be covered by the generic provisions of the bill?

SENATOR LARKIN: They are separate entities by themselves and, if we didn't include this language, they would be outside of the requirements of the other IDAs because of the way they were enacted in law.

SENATOR LEICHTER: I see. Thank you. You know, I think Senator Gold made some good points. I think Senator Waldon made some good points. Senator Larkin, I appreciate that there is some tightening up. I wish you had gone further. I think the Assembly wanted to go further. This has been a scandal. It's -- it's been a scandal because it's wasted public funds. It's been a sore because of outrageous conflicts of interest where the developer chooses the bond counsel, where the bond counsel in some instances turns out to be the town attorney, where much of the development of the projects funded by IDA were supermarket retail

establishments; they created no jobs whatsoever.

Senator Gold has done a masterful job in detailing the scandal with Roosevelt Raceway and, yes, you've tightened up some of the provisions. They're certainly improvements but, Senator, I think we really needed it to go much further. I'm not saying that you just put a Band-aid on a cancer, but I'm not so sure that you've really got rid of the malignancy of the IDAs.

ACTING PRESIDENT LACK: Senator Masiello.

SENATOR MASIELLO: Thank you. Senator, would you yield to a question or two?

ACTING PRESIDENT LACK: Senator, would you yield? Senator will yield.

SENATOR MASIELLO: Senator Larkin, I missed some of the debate and maybe this is redundant. But I have a couple of questions to ask of you.

Senate 5705-B restricted IDA financing for stadiums, arenas and other

government projects. Does the "C" version do the same and have the same restrictions?

SENATOR LARKIN: No. No, it does not, Senator.

SENATOR MASIELLO: No, it does not. In other words, you could use IDA financing for those kinds of projects in a municipality?

SENATOR LARKIN: In your home town, Senator, if you go back there, you'll be able to participate.

SENATOR MASIELLO: How about your home town?

SENATOR LARKIN: I'd be glad to, Senator.

SENATOR MASIELLO: What about IDA financing for hospital facilities?

SENATOR LARKIN: The hospital piece, Senator, we wanted to continued in the hospital piece, but the other house would not allow it. They feel that the hospital expansion, and they take on the hospital in two versions; one is the hospital itself and the

other is the external parts of the hospital, offices and what not.

Ours has a window here for -- for the 60-day period if they've got their part of it in. With what the hospitals alone were saying and your other house was saying that hospitals have a vehicle to construct additions to their facilities under the Health Care Financing Agency and that should be the proper vehicle.

The loans, the amount of loans and the extended period of time are most appropriate.

SENATOR MASIELLO: So it does restrict hospitals?

SENATOR LARKIN: Yes.

SENATOR MASIELLO: You can't - you can't finance hospitals under this bill?

SENATOR LARKIN: The existing law remains in place, Senator. The original bill that you were talkin' about, we had -- we, on this -- in this house wanted to expand the opportunity under IDAs for hospitals and the

Assembly did not concur, no, therefore, we're using the existing policy.

SENATOR MASIELLO: What about local decision-making, is there a role for local addition-making in this?

SENATOR LARKIN: Yes, Senator, if you have a project that has a $100,000 price tag ten days from the application of the project, there's a public hearing. There's a public input. I think you have to go back, Senator, just a little bit further that, when you look at an IDA, an IDA's operating budget is scrutinized by the municipality -

SENATOR MASIELLO: There isn't - Senator, there is no requirement for local input.

SENATOR LARKIN: I disagree with you, Senator. I just said that there is. If you make an application and that project is $100,000, there's a public hearing and the public will be given the opportunity to voice their concerns pro or con of that specific project.

SENATOR MASIELLO: Does the IDA -- do they have to take the local inputs?

SENATOR LARKIN: Yes.

SENATOR MASIELLO: They have to. There is a provision there?

SENATOR LARKIN: Yes, there is, Senator.

Senator, on page 10, lines - starting at line 6 and 7.

SENATOR MASIELLO: What page? Sorry.

SENATOR LARKIN: Page 10, Senator.

SENATOR MASIELLO: O.K. It's 12, Senator, line 12, Senator. Demonstrated public support for the proposed project, and it spells out all the amenities that are peertinent to a project.

SENATOR MASIELLO: One further question, Senator.

SENATOR LARKIN: Yes, Senator.

SENATOR MASIELLO: What about the ability of IDAs to finance aged facilities,

senior citizen homes?

SENATOR LARKIN: We didn't change the law. On our original print of this in the Senate, that was in there and the other house would not agree to that, so it had to be removed, so that portion is the same as existing law.

SENATOR MASIELLO: So it's not in here.

SENATOR LARKIN: Senator, we wanted it in. We could not get agreement with the other house and, in order to do this, that portion was deleted, and we're back to where we've been for the last number of years.

SENATOR MASIELLO: Thank you.

SENATOR LARKIN: Thank you very much, Senator.

ACTING PRESIDENT LACK: Senator Galiber.

SENATOR GALIBER: Senator Larkin, will you yield for a question or two?

SENATOR LARKIN: Yes, Senator.

SENATOR GALIBER: Senator, I came

in late on this piece of legislation but you've often heard me mention about my reapportionment dilemma. Part of the new government that I represent is in Mount Vernon and -

SENATOR LARKIN: You mean with your colleague, Senator Velella.

SENATOR GALIBER: With my good colleague, Senator Velella.

SENATOR LARKIN: Yes, Senator.

SENATOR GALIBER: I received a note from the mayor of the city of Mount Vernon and I've voted against these IDAs as before for a whole slew of reasons historically, because in Bronx County, that's another part of my district, things weren't happening, they just use these IDAs in certain select areas. We were concerned about it. We voted against it, not because it was not a good concept, it was just a parochial concept that it touched and concerned very influential people in certain areas.

What I'd like to know, Senator, is I believe the note said -

SENATOR LARKIN: Go ahead,

Senator.

SENATOR GALIBER: I believe that the note said, Senator, you're new in Mount Vernon, but if this piece of legislation that your good colleague Larkin, Senator Larkin, passes, that Mount Vernon would be hurt pretty badly by it. I'm asking you because I don't know as to what -- how would this bill, if it passes, you certainly are going to have the numbers here, impact on my new district, the 30,000 people in Mount Vernon that I share with Senator Velella.

SENATOR LARKIN: Your concerns have been expressed to me and my colleagues working on the bill by Senator Velella and Senator Spano. You have a project that they're talkin' about in the city of Mount Vernon.

SENATOR GALIBER: That's it.

SENATOR LARKIN: They anticipate that this project will be up on board within 30 to 40 days.

SENATOR GALIBER: Yeah.

SENATOR LARKIN: The provisions

of the bill that we're talking about is that they'll have a window of opportunity of 60 days after the bill is signed into law. We don't know when the Governor will sign it, but if they have the inducement resolution and the application, they're home free, Senator.

SENATOR GALIBER: It's that inducement resolution that gets me concerned. Did you get that down?

SENATOR GOLD: Senator Larkin, will you yield to one question?

SENATOR LARKIN: I don't play golf, Senator.

SENATOR GOLD: You don't do a lot of things, but will you yield to one question?

SENATOR LARKIN: Yes, sir.

SENATOR GOLD: Senator, under this bill, could IDA funding be used to build, let's say, a sports facility?

SENATOR LARKIN: Yes, it can, Senator.

SENATOR GOLD: So, Senator Larkin, if I can understand Senator Masiello's

concerns, if this becomes law, we could not build a hospital that would operate 365 days a year, employ people 365 days a year, but this is just as a wild example, they could give $150,000 or more of IDA money to build a tennis stadium, is that right?

SENATOR LARKIN: Yes, Senator, that's true. We would have loved to have the hospitals in here, but your colleagues in the other house did not see fit to continue to include hospitals.

SENATOR GOLD: I see. So, therefore, you basically failed in that part of the negotiation.

SENATOR LARKIN: I don't think we failed in that, Senator. We maintained the opportunity for them to use funding under the Health Facilities Finance Agency to do the same thing with the same rate of interest and funds there are available because, don't forget, Senator, that when they're going to build that hospital, they're going to have to deal with the Department of Health, when they need that

certificate of need and when they need that Article 28 action, that will all be covered in that and provide the same funding.

Read the last section.

ACTING PRESIDENT LACK: Last section.

THE SECRETARY: Section 38. This act shall take effect on the 60th day after it shall have become a law.

ACTING PRESIDENT LACK: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 58, nays 1, Senator Waldon recorded in the negative.

ACTING PRESIDENT LACK: The bill is passed.

Senator Present.

SENATOR PRESENT: 1442, please.

ACTING PRESIDENT LACK: Secretary will read 1442.

THE SECRETARY: Calendar Number 1442, by Senator Bruno, Senate Bill Number 5520-A, an act to allow certain persons to

obtain retroactive membership in Tier I.

SENATOR GOLD: Last section.

ACTING PRESIDENT LACK: Last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT LACK: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 56, nays 3, Senators Galiber, Gold and Leichter recorded in the negative.

ACTING PRESIDENT LACK: The bill is passed.

Senator Present.

SENATOR PRESENT: Calendar 1443, please.

ACTING PRESIDENT LACK: Calendar 1443, the Secretary shall read.

THE SECRETARY: Calendar 1443, by Senator Stachowski, Senate Bill Number 5777-A, in relation to permitting George R. Blair, a member of the -

SENATOR GOLD: Last section.

ACTING PRESIDENT LACK: Last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT LACK: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 56, nays 3, Senators Galiber, Gold and Leichter recorded in the negative.

ACTING PRESIDENT LACK: Senator Stachowski, your bill is passed.

Senator Present.

SENATOR PRESENT: Calendar 1447, please.

ACTING PRESIDENT LACK: Calendar 1447.

THE SECRETARY: Calendar Number 1447, by Senator Cook, Senate Bill Number 6016, authorize the city of Port Jervis to discontinue the use of certain portion of a street.

ACTING PRESIDENT LACK: Home rule

message at the desk. Last section, please.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT LACK: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

ACTING PRESIDENT LACK: The bill is passed.

Senator Present.

SENATOR PRESENT: Calendar 1448, please.

ACTING PRESIDENT LACK: Secretary will read Calendar 1448.

THE SECRETARY: By Senator DeFrancisco, Senate Bill Number 6017, authorize Steven Kenyon to transfer credit.

SENATOR GOLD: Explanation.

ACTING PRESIDENT LACK: Senator DeFrancisco, Senator Gold has requested an explanation.

SENATOR DeFRANCISCO: Well, I can't give any greater explanation than is in

the memo. There's no other information to provide.

SENATOR GOLD: Let's hear it.

SENATOR DeFRANCISCO: It's New York State Assembly memorandum in support of legislation submitted in accordance with Assembly Rule 1, section (e). There is a check mark on original draft of bill and then after that, it's memo on amended bill, but that's not checked. Bill Number Assembly is blank, Senate is blank. Sponsor is member of Assembly Christensen, Senator is DeFrancisco. Title of bill, capitalized and underlined, an act to authorize Steven Kenyon to transfer credit earned in the New York State Teachers' Retirement System to the New York State and Local Employees' Retirement System.

The purpose or general idea of the bill, this bill would allow Steven Kenyon, who was a member of the New York State Teachers' Retirement System from September 1, 1972 to January 31, 1975, to transfer service credit to the New York State and Local Employees'

Retirement System, in which Mr. Kenyon has held membership since February 2, 1972.

Summary of the specific provisions is blank, because it's very well spelled out in the bill. Justification: Mr. Kenyon's request to transfer service credit is rejected by the New York State Teachers' Retirement System because they claim he failed to respond to their offer within the required time period. Mr. Kenyon had changed address and never received the offer. This bill is needed to allow Mr. Kenyon to transfer the credit he has earned.

Prior legislative history: None. Fiscal implications: None. Effective date: This act shall take effect immediately.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT LACK: Senator Gold.

SENATOR GOLD: Will you yield to a question, Senator?

ACTING PRESIDENT LACK: Will you yield, Senator?

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT LACK: Senator will yield. Senator Gold.

SENATOR GOLD: Senator, I appreciate your reading the memo. Mayor LaGuardia would have been proud of you. But can I ask you something where it says this bill's fiscal implications. There's a blank, I think, on the Assembly memo but there must be fiscal implications. Can you tell us what they are?

SENATOR DeFRANCISCO: No, I can't.

SENATOR GOLD: Well, Senator, I've got a note here, I don't know where it came from, but it indicates it's $76,000 and the cost will be borne by the state and the employeers and ERS. I mean is there -- why, if the man did not take advantage of the opportunity, do you know how many other people didn't take advantage because they changed their address or for some reason didn't do it?

SENATOR DeFRANCISCO: I don't know the answer, but in this particular case

apparently it was proven that he never received the offer in the mail, and to resolve this inequity, this bill was requested by a member of the Assembly, and I agreed to co-sponsor it.

SENATOR GOLD: Yeah. Will the Senator yield to a question? Senator, you say it was proven. There is nothing in this memo that says it was proven at all.

SENATOR DeFRANCISCO: Excuse me?

SENATOR GOLD: In the memo it says the Teachers' Retirement System rejected his claim because he failed to respond. Apparently he says he moved and never got the offer but nothing was proven. Why -- I mean why do we become an appellate court to this system which apparently gave him a hearing and determined after a hearing that he wasn't entitled?

SENATOR DeFRANCISCO: Well, it's basically the same reason that we just passed Senator Stachowski's bill, a very similar situation I believe, but for those reasons,

obviously there's a fiscal impact and the note is on the bill. If that fiscal impact causes you a problem, you certainly can vote in the negative, as you have on every one of these bills, to be consistent.

SENATOR GOLD: Yeah. Well, Senator, first of all, on the bill, Mr. President.

ACTING PRESIDENT LACK: Senator Gold, on the bill.

SENATOR GOLD: Mr. President, I don't think it's any secret that I think this is a terrible procedure, and I don't think it's any secret that I have commended Senator Trunzo for his work in trying to change the system, and I understand there now is some kind of an agreement which I think is a better way of doing it than having the Governor just veto all of these bills.

But just so I can explain to Senator DeFrancisco, who I understand is young in this chamber, Senator, there is -- there are differences in some of these bills. Everybody

would love to get in on the same gravy train, Senator, but there are differences. I don't think that your gentleman here is in the same predicament as some of the ladies who had pregnancy problems and in those days were not getting pregnancy leave but were getting laid off, and now in a more enlightened time frame we are trying to make up for that. I don't think that you're claiming that what's his name now, yeah, you're not claiming that Steven Kenyon was pregnant, particularly not pregnant beyond his control.

The fact is, Senator, that I don't like these bills, but I think some of them are more outrageous than others. In this particular case, Senator, apparently the man had a hearing. Now, at that hearing, if he had the process, I assume that the reason he had the hearing was that they had authority to give him relief had they believed that he was entitled to relief. That, I think, is a different case, Senator DeFrancisco, and maybe that's why some of the Senators over here do not appreciate the

tone of your explanation and have suggested a slow roll call.

ACTING PRESIDENT LACK: Last section.

THE SECRETARY: Section 2.

SENATOR GALIBER: Slow roll call.

THE SECRETARY: This act shall take effect immediately.

ACTING PRESIDENT LACK: Slow roll call has been requested. Please ring the bells. All Senators please return to the floor. There will be a slow roll call.

The Secretary will begin calling the roll slowly.

THE SECRETARY: Senator Babbush excused.

Senator Bruno.

SENATOR BRUNO: Yes.

THE SECRETARY: Senator Connor.

(There was no audible response.)

ACTING PRESIDENT LACK: Senator Connor, will you repeat your vote, please.

SENATOR CONNOR: Aye.

ACTING PRESIDENT LACK: Senator Connor in the affirmative.

THE SECRETARY: Senator Cook.

(There was no response.)

Senator Daly.

SENATOR DALY: Yes.

THE SECRETARY: Senator DeFrancisco.

SENATOR DeFRANCISCO: Like to explain my vote.

ACTING PRESIDENT LACK: Senator DeFrancisco, to explain his vote.

SENATOR DeFRANCISCO: I understand that I may have youth on some Senators here, and they believe that wisdom comes with age, but apparently by this slow roll call, that obviously disproves that particular premise. There's nothing in this bill that's very offensive to anyone. It's a bill like many others that have been passed even today, and to request information further than was on the memo and to ask the memo to be read, I don't think shows any great wisdom.

So I'm going to vote in the affirmative on this bill as I will on other bills sponsored, whether it's either by the Majority or Minority, Senator, and I would hope also, as Senator Gold has said, that there will be a procedure established some time so that there will be a process that all of these can be accomplished outside of this system.

ACTING PRESIDENT LACK: Continue you the roll call.

THE SECRETARY: Senator Dollinger.

SENATOR DOLLINGER: Aye.

THE SECRETARY: Senator Espada.

SENATOR ESPADA: Yes.

THE SECRETARY: Senator Farley.

SENATOR FARLEY: Aye.

THE SECRETARY: Senator Galiber.

SENATOR GALIBER: No.

THE SECRETARY: Senator Gold.

SENATOR GOLD: No.

THE SECRETARY: Senator Gonzalez.

SENATOR GONZALEZ: Yes.
THE SECRETARY: Senator Goodman.
SENATOR GOODMAN: Yes.
THE SECRETARY: Senator Halperin.
SENATOR HALPERIN: Yes.
THE SECRETARY: Senator Hannon.
SENATOR HANNON: Yes.
THE SECRETARY: Senator Hoffmann.
(There was no response.)
Senator Holland.
SENATOR HOLLAND: Yes.
THE SECRETARY: Senator Johnson.
SENATOR JOHNSON: Aye.
THE SECRETARY: Senator Jones.
SENATOR JONES: Yes.
THE SECRETARY: Senator Kuhl.
SENATOR KUHL: Aye.
THE SECRETARY: Senator Lack.
SENATOR LACK: Aye.
THE SECRETARY: Senator Larkin.
SENATOR LARKIN: Aye.

THE SECRETARY: Senator LaValle.

SENATOR LAVALLE: Aye.

THE SECRETARY: Senator Leichter.

SENATOR LEICHTER: Mr. President, to explain my vote.

ACTING PRESIDENT LACK: Senator Leichter, to explain his vote.

SENATOR LEICHTER: Mr. President, I heard some references here to wisdom. I question how much wisdom there is that, when a member gets up and asks questions about a bill, he's treated with somewhat contemptuous answers and we can have slow roll calls or debates, but I think that there's a general level of courtesy that usually prevails in this house.

I think Senator Gold has had a very consistent policy on this and an honest policy. He's entitled to get answers. His questions were not offensive. His questions were not frivolous. His questions went to the heart of this bill and his concern over a policy, and I think he's entitled to receive

courteous answers and answers that are -

ACTING PRESIDENT LACK: Excuse me, Senator Leichter. Can we have some quiet in the chamber, please. Stenographer has to take the minutes of our proceedings and we are in session. There's a roll call and Senator Leichter is explaining his vote.

SENATOR LEICHTER: All right. And I think he's entitled to receive answers and not be treated as if his questions are somewhat offensive or an infringement or trespass on what a member's right is to pass any sort of a bill without even seeking to understand -- without even being able to understand it or seeking to explain it.

So, Mr. President, I'm sorry that there needs to be a slow roll call on this to make a point, but I think hopefully the point has been understood.

Mr. President, I vote in the negative.

ACTING PRESIDENT LACK: Senator Leichter in the negative. Continue the roll

call.

THE SECRETARY: Senator Levy.

SENATOR LEVY: Aye.

THE SECRETARY: Senator Libous.

SENATOR LIBOUS: Aye.

THE SECRETARY: Senator Maltese.

(There was no response.)

Senator Marchi.

SENATOR MARCHI: Aye.

THE SECRETARY: Senator Marino.

(Affirmative indication.)

THE SECRETARY: Aye.

Senator Markowitz.

SENATOR MARKOWITZ: To explain my vote.

ACTING PRESIDENT LACK: Senator Markowitz.

SENATOR MARKOWITZ: Thank you very much, Mr. President.

The first question I have, is that Senator Trunzo over there? Great, great. I think I need my glasses, I'm not sure. He must be losin' weight.

I'm not so sure Senator Trunzo is going to be appreciative of those comments. Senator DeFrancisco, I have a question to ask if I may. Are we debating a bill of more than two million tenants that are being held hostage tonight, is that the bill we're debating right now?

ACTING PRESIDENT LACK: No, excuse me, Senator Markowitz.

SENATOR MARKOWITZ: Is that the bill we're debating tonight?

ACTING PRESIDENT LACK: Senator Markowitz.

SENATOR MARKOWITZ: No, I'm asking you, is that what we're voting on at the moment? It's a point of information. What are we voting on?

ACTING PRESIDENT LACK: Senator Markowitz, you may pass your remarks through the Chair and, if you really don't know what we're voting on, be happy to tell you.

SENATOR MARKOWITZ: I'd be happy to hear what we are voting on at a quarter to

12:00 almost. What are we voting on?

ACTING PRESIDENT LACK: We're voting on 1448, by Senator DeFrancisco.

SENATOR MARKOWITZ: No, I understand that, but what is the bill about?

ACTING PRESIDENT LACK: Sorry, Senator Markowitz, if you were not in the chamber.

SENATOR MARKOWITZ: I have a right to ask a question. What is the bill about? Do I have a right to ask what the bill is about?

ACTING PRESIDENT LACK: You may explain your vote for about another ten seconds.

SENATOR MARKOWITZ: Senator, I'm just asking what is the bill about?

SENATOR PRESENT: Senator, we're in a roll call. You have your two minutes to explain your vote. We've gone beyond the debate period.

SENATOR MARKOWITZ: I see. All right, Senator. I -- the reason why I ask this

is obviously I do know what it's about, but it just seems ludicrous to me that we're discussing this bill which is important to this one individual of 16 million in the state of New York when millions of tenants are holding their breath at almost a quarter to 12:00.

I vote yes.

ACTING PRESIDENT LACK: Continue the roll call.

THE SECRETARY: Senator Masiello.

SENATOR MASIELLO: Aye.

THE SECRETARY: Senator Mega.

SENATOR MEGA: Yes.

THE SECRETARY: Senator Mendez.

SENATOR MENDEZ: Yes.

THE SECRETARY: Senator Montgomery.

SENATOR MONTGOMERY: Yes.

THE SECRETARY: Senator Nolan.

(There was no response.)

Senator Nozzolio.

SENATOR NOZZOLIO: Aye.

THE SECRETARY: Senator Ohrenstein.

(Affirmative indication.)

THE SECRETARY: Aye.

Senator Onorato.

SENATOR ONORATO: Aye.

THE SECRETARY: Senator Oppenheimer. Senator Oppenheimer.

SENATOR OPPENHEIMER: Oh, yes.

THE SECRETARY: Senator Padavan.

SENATOR PADAVAN: Yes.

THE SECRETARY: Senator Pataki.

SENATOR PATAKI: Yes.

THE SECRETARY: Senator Paterson.

(There was no response.)

Senator Present.

SENATOR PRESENT: Aye.

THE SECRETARY: Senator Saland.

SENATOR SALAND: Aye.

THE SECRETARY: Senator Santiago.

SENATOR SANTIAGO: Yes.

THE SECRETARY: Senator Sears.
SENATOR SEARS: Yes.
THE SECRETARY: Senator Seward.
SENATOR SEWARD: Yes.
THE SECRETARY: Senator Sheffer.
SENATOR SHEFFER: Yes.
THE SECRETARY: Senator Skelos.
SENATOR SKELOS: Yes.
THE SECRETARY: Senator Smith.
SENATOR SMITH: Yes.
THE SECRETARY: Senator Solomon.
Senator Solomon.
SENATOR SOLOMON: Yes.
THE SECRETARY: Senator Spano.
SENATOR SPANO: Aye.
THE SECRETARY: Senator
Stachowski.
SENATOR STACHOWSKI: Yes.
THE SECRETARY: Senator
Stafford.
SENATOR STAFFORD: Aye.
THE SECRETARY: Senator
Stavisky.

SENATOR STAVISKY: Aye.
THE SECRETARY: Senator Trunzo.
SENATOR TRUNZO: Aye.
THE SECRETARY: Senator Tully.
SENATOR TULLY: Mr. President.
ACTING PRESIDENT LACK: Senator Tully to explain his vote.
SENATOR TULLY: I'm privileged to vote with Senator DeFrancisco in support of this resident of his community as I was previously privileged to join with Senator Markowitz in voting for the local bill for the resident of Senator Stachowski's in Calendar 1443.
ACTING PRESIDENT LACK: Continue the roll call.
THE SECRETARY: Senator Velella.
SENATOR VELELLA: Yes.
THE SECRETARY: Senator Volker.
SENATOR VOLKER: Yes.
THE SECRETARY: Senator Waldon.
SENATOR WALDON: Yes.
THE SECRETARY: Senator Wright.
SENATOR WRIGHT: Yes.

ACTING PRESIDENT LACK:

Absentees.

THE SECRETARY: Senator Cook.

SENATOR COOK: Yes.

THE SECRETARY: Senator Hoffmann.

(There was no response.)

Senator Maltese.

SENATOR MALTESE: Aye.

THE SECRETARY: Senator Nolan.

(There was no response.)

Senator Paterson.

(There was no response.)

ACTING PRESIDENT LACK: Results.

THE SECRETARY: Ayes 54, nays 3.

ACTING PRESIDENT LACK: The bill is passed.

Senator Present.

SENATOR PRESENT: Let's stand at ease for a moment.

ACTING PRESIDENT LACK: The Senate will stand at ease.

(Whereupon the Senate stood at

ease.)

ACTING PRESIDENT LACK: Senate will come to order.

Senator Present.

SENATOR PRESENT: Can we call up Calendar -- no, I've just changed my mind. Continue to stand at ease.

ACTING PRESIDENT LACK: We're still going to stand at ease.

Senate will come to order. Senator Present, could we return to a message from the Assembly?

SENATOR PRESENT: Please do it.

ACTING PRESIDENT LACK: Messages from the Assembly. We received a message from the Assembly which the Secretary shall read.

THE SECRETARY: The Assembly transmits the following bill, by the Assembly Committee on Rules: Assembly Bill Number 8784, an act to amend Chapter 576 of the Laws of 1974, amending the Emergency Housing Rent Control Law.

ACTING PRESIDENT LACK: Senator

Present.

SENATOR PRESENT: Mr. President, is there a message of necessity at the desk?

ACTING PRESIDENT LACK: Can we move the bill directly to third reading, Senator Present?

SENATOR PRESENT: Please do it.

ACTING PRESIDENT LACK: Without objection, the bill will go directly to third reading.

SENATOR PRESENT: Is there a message of necessity at the desk?

ACTING PRESIDENT LACK: There is a message of necessity at the desk. On the motion of Senator Present to accept the message of necessity, all those in favor say aye.

((Response of "Aye.")

Contrary nay.

(There was no response.)

The message is accepted. Last section.

SENATOR GOLD: No, hold it, Mr. President.

Mr. President.

ACTING PRESIDENT LACK: Senator Gold.

SENATOR GOLD: Mr. President, it's ten minutes to 12:00 and I don't intend on my part to have any unreasonable delay, but Senator Connor said something just now which was quite extraordinary. He said, quotes, "Why doesn't somebody just tell us what the bill is?"

I think that's a good idea. It can be done in a minute or two minutes. I don't want anybody suggesting that I am delaying this, but I think there are people here who'd like to know in a minute and a half or two minutes, what the bill is. I think that's appropriate and then we are prepared to vote.

ACTING PRESIDENT LACK: Senator Present.

Senator Present, on the Assembly bill, Senator Gold has requested an explanation.

SENATOR PRESENT: Mr. President, I'm going to ask we stand at ease for a moment.

We've got something pending.

ACTING PRESIDENT LACK: Senator Gold, we'll stand at ease for a moment. I -

SENATOR GOLD: Mr. President.

ACTING PRESIDENT LACK: Senator Gold.

SENATOR GOLD: Mr. President. I know it's too complicated for anyone else, but I've looked at the bill and it appears to change the first of July to the 7th of July and -- and I -- Senator Hannon, I certainly will give him that courtesy.

ACTING PRESIDENT LACK: Senator Hannon.

SENATOR HANNON: In these few minutes before 12:00 we've been handed a bill from the Assembly which would extend for six days, three basic statutes which would otherwise expire at midnight. Those would be the rent regulation laws, the laws on excess medical malpractice and the laws on the banking deregulation that have been part of the laws of this state since 1981.

This extraordinary message has been handed to us because we have no other alternative since that's the only bill that we received a message on. It's the only bill that has passed in the Senate and in the Assembly and we're taking it up as a hand-down. There is a deep-seated unhappiness on my part, and I'm sure it's shared by the other members of this house who have the responsibility for discussing these issues, but essentially in the 24 hours since we last extended this, there has not only been no movement in regard to rent regulation, but apparently all of the banking laws, the home equity loans, other loans, mortgages in this state, along with the physicians who rely on this malpractice insurance have been held up, so that the basic proposition of trying to protect wealthy tenants will be protected and we're left with this position.

It's my belief that, instead of extending this session and prolonging the agony, that we would be able to take the legislative process, have it work, come up with something

that will not take a full six days and would fully expect to have that period shortened. There is no other alternative but to pass this bill tonight.

ACTING PRESIDENT LACK: Senator Marino.

SENATOR MARINO: Senator, would you yield, please.

We're very short on time. I would appreciate this chamber passing this bill in the next minute or two so that the Governor, who awaits, can sign the bill and we can know we have an extension of three of the very important bills that we have to pass this session.

I've just talked to the Speaker and we've agreed that with -- with some progress tomorrow, we can -- we can shorten the period from six days to something in the order of three days. So we -- we have agreed on a shorter period of time, but I'd ask you now to pass this bill because it's live.

Thank you.

THE PRESIDENT: Last section.

THE SECRETARY: Section 6. This act shall take effect immediately.

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 59.

THE PRESIDENT: The bill is passed.

Senator Dollinger.

SENATOR DOLLINGER: Mr. President, I'd like to just be recorded in the negative on these bills. My position on the extension of all of these bills is reasonably well known. I've talked on the rent control bill.

I just have one thing to add. I know we're negotiating hard; I know there are negotiations, but the message is that brinksmanship does not a good government make.

I vote in the negative as a protest.

THE PRESIDENT: Senator Dollinger votes nay.

(A demonstration-singing started

in the galleries.)

THE PRESIDENT: Senator Present.

SENATOR PRESENT: Mr. President, I move that we adjourn.

THE PRESIDENT: The Senate stands adjourned to the call of the Chair.

SENATOR PRESENT: 1:30 tomorrow.

THE PRESIDENT: 'Til 1:30 tomorrow afternoon.

(Whereupon, at 11:58 p.m., the Senate adjourned.)