ALBANY, NEW YORK

April 19, 1994

10:00 a.m.

REGULAR SESSION

SENATOR WILLIAM J. LARKIN, JR., Acting President

STEPHEN F. SLOAN, Secretary

P R O C E E D I N G S

ACTING PRESIDENT LARKIN: Senate will come to order.

Please join me in the Pledge of Allegiance.

(Whereupon, the Senate joined in the Pledge of Allegiance to the Flag.)

Our prayers today will be offered by the Reverend Khatchig Megerdichian, the Holy Cross Armenian Apostolic Church in Troy, New York.

Father.

REVEREND FATHER KHATCHIG MEGERDICHIAN: Dear God, we thank You for the gift of life and for granting us the honor and the privilege of living in this great land of freedom and opportunity, where each and every one of us has the freedom to worship in the faith of their ancestors.

We thankfully dedicate our lives to Your glory, to the service of our fellowman, to freedom, justice, righteousness, and the democratic way of life.

We humbly pray that You preserve and protect this great nation, the United States of America and all of its federal, state and municipal agencies.

We humbly pray that Your divine wisdom illuminate the hearts and souls and minds of our President, Cabinet, and Congress and especially our Governor, state Senate and Assembly.

As we gather here today, we remember, honor and pay tribute to the blessed memory of over 1-1/2 million innocent Armenian men, women, and children who become victims of the first genocide of the 20th century at the hands of the Ottoman Turks during 1915 and 1923.

We pray that these grievous wrongs of brutal massacre, mass deportation and starvation, committed against the Armenian people be made known to the world and set right so that the sacred blood of our martyrs will not have been shed in vein.

Dear God, may the trials and

tribulations which the Armenian people experienced throughout their long and illustrious history not be experienced by any nation of this world again.

And now, dear God, we pray, grant us, faith, hope and love. Make us instruments of Your peace. Teach us to glorify Thy holy name, humbly serve our fellowman, and unceasingly strive for freedom and justice all the days of our lives.

Amen.

ACTING PRESIDENT LARKIN: Thank you very much, Father. On behalf of all of our colleagues in the Senate, we thank you very much for being with us today and for your kind words, guidance and wisdom.

REVEREND FATHER KHATCHIG MERGERDICHIAN: My pleasure.

ACTING PRESIDENT LARKIN: Reading of the Journal.

THE SECRETARY: In Senate, Monday, April 18. The Senate met pursuant to adjournment. Senator Spano in the chair upon

designation of the Temporary President. The Journal of Sunday, April 17, was read and approved. On motion, Senate adjourned.

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

Presentation of petitions.

Messages from the Assembly; the Governor.

Reports of standing committees.

Secretary will read.

THE SECRETARY: Senator Sears from the Committee on Consumer Protection reports the following bills directly for third reading:

Senate Bill Number 3836A, by Senator Sears, an act to amend the General Business Law.

4871, by Senator Libous, an act to amend the General Business Law.

6543B, by Senator Sears, an act to amend the General Business Law.

6687, by Senator Velella, an act

to amend the General Business Law.

6894, by Senator Velella, an act to amend the General Business Law.

Senator Levy from the Committee on Transportation reports the following bills directly for third reading:

Senate Bill Number 71A, by Senator Levy, an act to amend the Vehicle and Traffic Law and the Education Law.

2273, by Senator Cook, an act to amend the Highway Law.

2341, by Senator DeFrancisco, an act to amend the Highway Law.

7475, by Senator Levy, authorizing the Commissioner of Transportation to develop and implement a uniform statewide system for recording hazardous materials.

7476, by Senator Levy, authorizing the Commissioner of Transportation to make a comprehensive review of the feasibility, permanent state motor carrier.

Senator Padavan from the Committee on Cities reports the following bills

directly for third reading:

2465A, by Senator Babbush, City of New York to reconvey its interests in certain real property.

3202, by Senator Cook and others, an act to amend the General City Law, Town Law and Village Law.

6571, by Senator Velella, authorize the City of New York to reconvey its interest in certain real property.

7215, by Senator Cook and others, an act to amend the General City Law.

Senator Cook from the Committee on Education reports of the following bills for third reading:

7379, by Senator Levy, payment of transportation aid to the Roosevelt Union Free School.

7575, by Senator Cook, an act to amend the Education Law.

7649, by Senator DeFrancisco, to prevent loss of state aid for education to the North Syracuse Central School District.

Senator DiCarlo from the Committee on Veterans reports the following bills to third reading:

Senate Bill Number 1296, by Senator Skelos, an act to amend Vehicle and Traffic Law.

3501A, by Senator Sears and others, Vehicle and Traffic Law.

4112A, by Senator Maltese and others, an act to amend the Vehicle and Traffic Law.

6349, by Senator Levy, an act to amend the Public Service Law.

7374, by Senator Johnson, an act to amend the Vehicle and Traffic Law.

7381, by Senator DiCarlo and others, an act to amend the Executive Law.

Senator Saland from the Committee on Children and Families reports the following bills to third reading:

2245, by Senator Saland, Executive Law and the Family Court Act.

3378, by Senator Saland, Domestic

Relations Law.

3759, by Senator Saland, Domestic Relations Law.

6511, by Senator DiCarlo and others, an act to amend the Executive Law.

6796, by Senators Daly and others, Social Services Law.

7225, by Senator Rath and others, an act to amend the Family Court Act.

7466, by Senator Skelos, Domestic Relations Law.

Senator Volker from the Committee on Codes reports the following bills directly for third reading:

Senate Bill Number 207, by Senator Holland and others, an act to amend the Penal Law.

1507, by Senator Volker, Civil Practice Law and Rules.

1591, by Senators Present and Kuhl, an act to amend the Penal Law.

2796B, by Senator Volker, Civil Practice Law and Rules.

3154A, by Senators Padavan and others, Criminal Procedure Law.

3459, by Senator Skelos, Criminal Procedure Law.

3639, by Senator Volker and others, an act to amend the Penal Law.

3794A, by Senator Maltese and others, an act to amend the Penal Law.

3825B, by Senator Volker and others, Criminal Procedure Law.

4449, by Senator Libous and others, an act to amend the Penal Law.

4742, by Senator DeFrancisco, Criminal Procedure Law.

4821A, by Senator Stafford, an act to amend the Penal Law.

4843, by Senator Levy, an act to amend the Criminal Procedure Law.

6123, by Senator Johnson and others, Criminal Procedure Law.

6579A, by Senator DeFrancisco and others, an act to amend the Penal Law and the General Municipal Law.

6769, by Senator DeFrancisco and others, Criminal Procedure Law.

7102, by Senator Kruger, an act to amend the Penal Law.

7152, by Senator Volker and others, Criminal Procedure Law.

7297, by Senator LaValle, Criminal Procedure Law.

7422, by Senator Volker and others, an act to amend the Penal Law.

7579, by Senator Lack and others, an act to amend the Penal Law.

All bills reported directly for third reading.

ACTING PRESIDENT LARKIN: Without objection, third reading, so ordered.

Motions and resolutions.

Senator Skelos.

SENATOR SKELOS: On page number 19 of the starred calendar, I offer the following amendments to Calendar Number 317, Senate Print Number 1985B, and ask that said bill retain its place on the Third Reading

Calendar.

ACTING PRESIDENT LARKIN: So ordered.

SENATOR SKELOS: And on behalf of Senator Libous, I move that his bill, Senate Print Number 3757, been discharged from its committee and be recommitted with instructions to strike the enacting clause.

ACTING PRESIDENT LARKIN: Without objection, so ordered.

SENATOR SKELOS: Thank you.

ACTING PRESIDENT LARKIN: Secretary will read substitutions.

THE SECRETARY: On page 15 of today's calendar, Senator Trunzo moves to discharge the Committee on Civil Service and Pensions from Assembly Bill Number 10629 and substitute it for the identical Third Reading 588.

Also on page 16, Senator Saland moves to discharge the Committee on Insurance from Assembly Bill Number 9919A and substitute it for the identical Third Reading 599.

ACTING PRESIDENT LARKIN:

Substitutions ordered.

Senator Present.

SENATOR PRESENT: Mr. President. I move we adopt the Resolution Calendar, copies of which are on our desk, with the exception of Resolution 3212.

ACTING PRESIDENT LARKIN: Without objection. On the Resolution Calendar.

All those in favor, aye.

(Response of "Aye.")

Nays.

(There was no response.)

The Resolution Calendar is now adopted.

SENATOR PRESENT: Mr. President. Would you recognize Senator Maltese.

ACTING PRESIDENT LARKIN: Senator Maltese.

SENATOR MALTESE: Mr. President. I ask that Resolution Number 3212 be read in its entirety.

ACTING PRESIDENT LARKIN:

Secretary will read.

THE SECRETARY: By Senator Maltese and other members of the Senate, Legislative Resolution Number 3212, urging Governor Cuomo to proclaim April 24, 1994, as "Armenian Martyrs' Day" in the State of New York.

Whereas, it is the sense of this Legislative Body to urge Governor Cuomo to proclaim April 24, 1994, as "Armenian Martyrs' Day" in the State of New York.

Towards the end of the 19th century, the government of the Ottoman Empire began to systematically persecute their citizens of Armenian heritage.

From 1894 to 1896 Sultan Abdu-Hamid II ordered the massacre of 300,000 Armenians living within the boundaries of the empire.

In 1909, 30,000 more Armenian men, women, and children were senselessly slaughtered by Ottoman armies in the mountain village of Cilicia.

Nonetheless, by the onset of World War I, there still remained 2,500,000 Armenians who made their homes within the Ottoman Empire; of these, over 250,000 were faithful soldiers who loyally fought within the ranks of its armies in an effort to defend their homeland.

On April 24, 1915, hundreds of Armenian religious, political, and intellectual leaders were rounded up, exiled and eventually murdered in secret death camps hidden in the depths of the mountainsides.

Over the course of the next six months, the Armenian soldiers on active duty in the army were disarmed and placed in forced labor battalions, whereupon many either starved or were summarily executed behind the fences of these camps.

Deprived of their leaders and the young men who could defend these helpless communities, the remaining Armenians became an easy target for government raids and found themselves at the mercy of cruel and often

barbaric persecutors.

A total 1,500,000 Armenian men, women and children were massacred, 500,000 more were exiled, and about 500,000 were able to escape the reign of terror and establish themselves in new and wholly foreign lands; as a result, today there are only 100,000 people of Armenian heritage left residing within the borders of modern Turkey.

The devastation which resulted from this "ethnic cleansing" practiced by the rulers of the Ottoman Empire occurred in a similar ratio to that caused by the Jewish Holocaust in Germany and Eastern Europe, yet most of the world's peoples do not realize the gravity of the genocide perpetrated during this period.

The Armenian people have been denied the right to self-determination of ancestoral lands; they have received no form of reparation for their tragic losses.

Today, the Armenian people are coming together to properly commemorate the

sacrifice of life their families endured; now therefore, be it

Resolved, that this Legislative Body pause in its deliberations to memorialize the genocide of the Armenian people by declaring April 24, 1994, to be "Armenian Martyrs' Day"; and be it further.

Resolved, that copies of this resolution, suitably engrossed, be transmitted to the Armenian National Committee; to the Armenian Embassy; to Rouben Shugarian, Armenian Ambassador to the United States; and to Alexander Arzoumanian, United Nations Representative; and to the President of the United States.

ACTING PRESIDENT LARKIN: Senator Maltese.

SENATOR MALTESE: Mr. President. On the resolution.

Father Khatchig Megerdichian has delivered our invocation very, very well; and just recently, in Troy, we honored a representative of the Armenian people that

showed the same courage and strength, a young man name Arthur Galstian, who came here for an operation under the auspices of his Armenian American brothers and sisters presently here.

One of the reasons that so many of us across the state and across the nation have Armenian Americans who are among the foremost in patriotism, in business skills and acumen, is because of the genocide perpetrated by the Ottoman Turks as recited in the resolution.

This extermination of a people is something that should be castigated, criticized in the strongest possibly terms. Unfortunately, the Holocaust, the massacre of the Polish "cream of the crop," so to speak, in the Kattin Forest and what is happening today in Bosnia Herzegovenia echoes the same terrorism and extermination that happened that attempted to wipe out the Armenian people.

We are fortunate, indeed, in America that so many came to this great land, the promised land, and have done so much not

only for their own people but America.

We, in the Senate today, not only memorialize all those close to 2 million Armenians, men, women, and children, who were slaughtered so senselessly but we also congratulate the Armenians here with us who have done so much for our great nation.

Colleagues, those of you who wish to join in this resolution, are invited to do so.

(Whereupon, Senator Kuhl was in the chair.)

ACTING PRESIDENT KUHL: Senator Present.

SENATOR PRESENT: Senator Maltese has invited those who wish to join in sponsoring this resolution. I think everybody would like to, except those who decline.

SENATOR GOLD: Yes, very good.

ACTING PRESIDENT KUHL: Question is on the resolution. All those in favor, signify by saying aye.

(Response of "Aye.")

Opposed, nay.

(There was no response.)

The resolution is adopted.

Senator Saland.

SENATOR SALAND: Mr. President. I would like to star a bill, Calendar Number 599, Senate 7327.

ACTING PRESIDENT KUHL: Clerk will place a sponsor star on Calendar Number 599.

SENATOR SALAND: Thank you.

ACTING PRESIDENT KUHL: Senator Present.

SENATOR PRESENT: Mr. President. Let's take up the noncontroversial calendar.

ACTING PRESIDENT KUHL: Clerk will call the noncontroversial calendar.

THE SECRETARY: On page 6, Calendar Number 338, by Senator Nozzolio, Senate Bill Number 3153A, an act to amend the Election Law.

ACTING PRESIDENT KUHL: Read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 50. Nays 1. Senator Pataki recorded in the negative.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 557, by Senator Holland, Senate Bill Number 4042D, an act to amend the New York Civil Court Act.

SENATOR DOLLINGER: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 569, by Senator Larkin, Senate Bill Number 7557, an act to amend a chapter of the laws -

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number

577, by Senator Stafford, Senate Bill Number 7671, an act to amend the State Finance Law and the Public Authorities Law.

ACTING PRESIDENT KUHL: Read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 51.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 584, by Senator Bruno, Senate Bill Number 934, Civil Service Law, in relation to authorized absence for volunteer fire fighters.

ACTING PRESIDENT KUHL: Read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 51.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 586, by Senator Trunzo, Senate Bill Number 7057, an act to amend the administrative -

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

ACTING PRESIDENT KUHL: Senator Trunzo.

SENATOR TRUNZO: Lay it aside for the day.

ACTING PRESIDENT KUHL: The bill is laid aside for the day.

SENATOR GOLD: Thank you.

THE SECRETARY: Calendar Number 588, substituted earlier today, by Member of the Assembly Vitaliano, Assembly Bill Number 10629, an act to amend the Civil Service Law, in relation to the powers and duties of the Director of Classification and Compensation.

SENATOR LEICHTER: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 590, by Senator LaValle, Senate Bill Number 4142, an act to amend the Public Authorities Law, in relation to the financing and construction of certain facilities.

ACTING PRESIDENT KUHL: Read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 52.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 592, by Senator Stafford, Senate Bill Number 6992A, an act to amend the New York State Urban Development Corporation Act.

SENATOR LEICHTER: Lay it aside.

ACTING PRESIDENT KUHL: Lay the

bill aside.

Senator Present, that completes the noncontroversial calendar.

SENATOR PRESENT: Mr. President. Can we take up the controversial calendar.

ACTING PRESIDENT KUHL: Clerk will call the controversial calendar.

THE SECRETARY: On page 13, Calendar Number 557, by Senator Holland, Senate Bill Number 4042D, an act to amend the New York City Civil Court Act.

ACTING PRESIDENT KUHL: Senator Holland explanation has been asked for.

SENATOR HOLLAND: Yes, Mr. President. This bill will increase the small claims jurisdiction for justice courts from two to three thousand dollars.

I think most people know that the justice courts or the people's courts are a much cheaper, quicker system of having justice delivered rather than going through the state Supreme Court. And this raises the jurisdiction to a more realistic $3,000 from its present

$2,000.

It was recommended to me by a town justice. We have had two years of debate regarding the bill, because we first wanted to raise it to 5,000, and the state magistrates support it, the New York State Chamber of Commerce supports it, the Northeastern Retail Lumber Association supports it, The Business Council supports it.

That's about it.

ACTING PRESIDENT KUHL: Senator Dollinger.

SENATOR DOLLINGER: I have a question. Going on recollection here. I believe in the Judiciary Committee -

ACTING PRESIDENT KUHL: Senator Dollinger, are you asking Senator Holland to yield?

SENATOR DOLLINGER: My apologies, Mr. President, for not being appropriate on the protocol.

ACTING PRESIDENT KUHL: Senator Holland, do you yield?

Will Senator Holland yield to a question?

SENATOR HOLLAND: Yes, Senator.

ACTING PRESIDENT KUHL: Senator does.

SENATOR DOLLINGER: Senator, in the Judiciary Committee, I asked a question about whether this bill had the support of the Magistrates Association in the State of New York and about the local town justices, whether they had a memo on this issue.

Do you know whether they have expressed an opinion on this bill?

SENATOR HOLLAND: I do. They were at first, Senator, opposed to the bill. But since we have changed it from 5,000 to 3,000, the increase, they are not opposed to it at this time. They have issued neither support nor opposition.

Oral support. Oral support.

SENATOR DOLLINGER: Again, Mr. President.

SENATOR HOLLAND: Let me add one

more thing if I could, Senator, too. OCA is also in support of the bill.

ACTING PRESIDENT KUHL: Senator Holland, do you continue to yield?

SENATOR HOLLAND: Yes.

ACTING PRESIDENT KUHL: Senator does.

SENATOR DOLLINGER: I didn't hear the last part of that answer.

SENATOR HOLLAND: I said OCA is also in support of the bill.

SENATOR DOLLINGER: Is there any prediction -- again through you, Mr. President, if the sponsor will yield. Is there any prediction as to how this will increase the justice court caseloads across the state?

Obviously, you have an experience with a town justice who had some free time on his hands. I'd just point out that in one of the towns that I represent, the Town of Greece, for example, they have three town justices, and they have a two-year backlog in handling most of their criminal cases and most of their criminal

trials because the caseload is so huge.

I'm just trying to find out if the increase -- this jurisdiction will have more cases there. How does this affect the overall backload in justice courts?

SENATOR HOLLAND: I think it will reduce the State Supreme Court. I don't know that it will increase the justice courts, Senator.

As you say, the town justices support it. My magistrates association in Rockland-Orange County support it. The Magistrates of the State of New York support it.

You know there are also two parts in the justice court system. One of them is the civil part. The civil part has had a jurisdiction of up to $3,000. That is the more controlled section. Since both of them will now -- with the passage of this bill, since both of them will now be at $3,000, there is some conjecture that the civil part will decrease or go away, and all of the cases will go into the other part, and it is much quicker, as you know,

cheaper, than the State Supreme Court.

SENATOR DOLLINGER: Well, just on the bill, Mr. President.

ACTING PRESIDENT KUHL: Senator Dollinger on the bill.

SENATOR DOLLINGER: I appreciate the concern. I will vote in favor of this bill, but not without some perhaps skepticism on my part about what this means in my particular community. I know that both in the city court in the city of Rochester and in the justice courts in the Town of Greece, they have very significant backlogs.

I know that approximately a decade ago, eight or ten years ago, the jurisdiction was increased from a thousand or from fifteen hundred to two thousand. It would be interesting to me to see how much more business that brought into the justice courts, whether that tied up the justice courts, created a need for new judges. I just point out that I have a bill in currently which will provide a fourth justice in the Town of Greece to try to

deal with the backlog problem.

So I appreciate the interest. I like the concept of the small claims courts, but I'm concerned about the overall cost and the problem that this may pose for the backlogs in justice courts across the state.

ACTING PRESIDENT KUHL: Clerk will read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 54.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 569, by Senator Larkin, Senate Bill Number 7557. It amends Chapter of the Laws of 1994 as proposed in Legislative Bill Number 6691.

SENATOR GOLD: Explanation.

ACTING PRESIDENT KUHL: Senator Larkin, explanation has been asked for.

SENATOR LARKIN: This is a chapter amendment to a bill that's been - passed this house, came from the other house.

And what it does is actually change the name of the library to coincide with what has been recommended by the Governor and the Education Department and include the word "free".

ACTING PRESIDENT KUHL: Senator Gold.

SENATOR GOLD: Senator yield to a question?

ACTING PRESIDENT KUHL: Senator Larkin, do you yield?

SENATOR LARKIN: Yes.

ACTING PRESIDENT KUHL: Senator does.

SENATOR GOLD: Senator, where is the library?

SENATOR LARKIN: The library is in the Hamlet of Port Ewen in the Town of Esopus.

SENATOR GOLD: And the people

want this change?

SENATOR LARKIN: It's corrected by the State Education Department. When it originally came from the town, it said Esopus, but the people who are sponsoring the facility and all is in the Hamlet of Port Ewen.

SENATOR GOLD: Yeah, but I mean -- I assume the bill was put in because the people in that area somehow have an interest in having this done and you're very responsive to their needs.

SENATOR LARKIN: It's the legal name of the library, sir.

SENATOR GOLD: But nobody in the locality cares about this at all, Senator?

SENATOR LARKIN: Yes, sir. This is in the County of Ulster, sir.

SENATOR GOLD: On the bill, Mr. President.

ACTING PRESIDENT KUHL: Senator Gold on the bill.

SENATOR GOLD: Mr. President. I want to say that I think it's wonderful that

Senator Larkin is so responsive to the people in this locality. I think that the name of the library is really very, very important and essential, and I am certainly going to support him because I know that he is here today fighting for all those wonderful people that elected him, and even those who didn't vote for him, necessarily, to respond to the needs of people at the local level.

And I'm happy to support the bill, Senator Larkin, because I know that in the last analysis, this session is not going to end without you and your great leadership showing the respect that we have as a Senate for all the other little towns and villages and counties around the state that have asked this Legislature for their help.

And I know, Senator Larkin, that in your heart, all of these little localities are as important to you whether they are represented by people on this side of the aisle or people on your side of the aisle because politics certainly is not going to stand in the

way of the needs of the constituents that send us up here.

So I'm going to support it, Senator Larkin, with the same vigor that I will support the people of New Windsor and the people of all the other places around this state who may come up here and ask for our help.

ACTING PRESIDENT KUHL: Read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 54.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 588, substituted earlier today, by Member of the Assembly Vitaliano.

SENATOR PRESENT: Lay it aside for the day.

ACTING PRESIDENT KUHL: Lay the

bill aside for the day.

SENATOR GOLD: Excuse me. Hold on for a second.

(Whereupon, there was a pause in the proceedings.)

On the other hand lay it aside.

ACTING PRESIDENT KUHL: Bill is laid aside for the day.

THE SECRETARY: On page 15, Calendar Number 592, by Senator Stafford, Senate Bill Number 6992A, an act to amend the New York State Urban Development Corporation Act.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT KUHL: Senator Leichter.

SENATOR LEICHTER: Yes. Would my good friend, Senator Stafford, yield?

ACTING PRESIDENT KUHL: Senator Stafford, do you yield?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: Senator does.

SENATOR LEICHTER: Senator, I

understand that this bill gives certain authorization to the Urban Development Corporation to spend what I believe will be an appropriation of $50 million, or at least that's what your memo says; and let me say, I certainly hope that money will be there, because the aim is to help communities such as yours where the Plattsburgh Air Base is closing, and so on. So I have no problem whatsoever with the main thrust of this bill.

Now, I realize that -- you know, when you have a bill like this, and people say this is to help distressed communities, to help employers in this state who have problems to retain their employees, everybody says, "Great." But I just beg you to consider some factors in this bill and some of the language, because I think in the past with every good intention and we have written legislation to try to create jobs and we really weren't helping the people of the state. Very often, we ended up squandering a lot money, and I have a number of concerns; and that's, Senator, what I want to discuss with

you.

I have no problem whatsoever when it talks about that this is "to benefit communities impacted by a potential or planned military base closing," because that's very clear; "and/or downsizing," that is part of the military base closing or downsizing. Then it says, "For the benefit of communities whose employment is impacted by the downsizing of major employers," and I don't think there is any problem with that.

But there is also some language that I think is very loose language, at the beginning of paragraph 2, where it says, "Such funds shall be used to provide financial assistance in the form of working capital loans or loan guarantees to companies at imminent risk of reducing employment."

Senator, we've had a lot of companies, NYNEX, IBM, others, who have decided as a matter of corporate strategy that they were going to reduce the number of employees, not that these companies weren't profitable. They

wanted to become more profitable. That's the style now in business. Why should a company like that be eligible for a loan, as it would be under this legislation.

SENATOR STAFFORD: Well, that was a long question.

SENATOR LEICHTER: It was.

SENATOR STAFFORD: But I will try to answer it, and probably will take as long.

First, I think that if we have established companies here in New York and there is a danger of them leaving or downsizing employees, the number of employees, and we can do something which will make it possible for them to either not downsize or at least -- and increase, of course we would like to do it - but if it would just result in not downsizing, it's important.

I would say this about our local firms -- and this is by no means pointing at you, Senator. It's pointing at me. It's pointing at all of us. We have worked hard, and we've tried to get businesses from other

countries, businesses from other states, businesses from obviously from outside the United States and outside New York State. Frankly, I don't think we have worked as close with our local firms as we could and I think we should work much closer.

You probably are aware -- I just saw this in the paper the other day. I read along and it looked like we were trying to keep firms in this state, and it was an ad by one of the Carolinas who were trying to get firms, and they were going to interview them to get them to come into their area. This has become very competitive. It's a business. It is a profession that these people are involved in, and I think that we have to be very vigilant.

And I would point out these loans, we feel, is the way to go. It's a hand up rather than a handout, and I think all involved in this -- our Majority Leader, all who have worked on it, I think it's really a step in the right direction, and it's something we should have been doing a long time ago.

SENATOR LEICHTER: Senator, I have no problem whatsoever with that concept. I support it. The point that I'm trying to make, Senator, is that this is language that is so broad that would apply to companies that are in no respect deserving of help from the State of New York.

What I'm suggesting is that we could craft legislation that is much more carefully drawn.

Let me make one suggestion to you. Why not provide in there that one of the conditions of making these loans to the companies is that they not move any of their operation out of the State of New York? Where is that in the legislation?

SENATOR STAFFORD: Could I ask you a question, please?

SENATOR LEICHTER: Sure.

SENATOR STAFFORD: Are you in the private sector?

SENATOR LEICHTER: Am I in the private sector? Well, right now, I'm in the

public sector.

SENATOR STAFFORD: Do you work in the private sector?

SENATOR LEICHTER: I have activities outside of my legislative activities that I rarely have time for.

SENATOR STAFFORD: It's a business; right?

SENATOR LEICHTER: We like to call it a profession, Senator. It's the same profession that you're engaged in.

SENATOR STAFFORD: Right. Let's call it a profession. Would you make any agreement that you wouldn't move your business or your profession?

SENATOR LEICHTER: Senator, if I go and I get help from the State of New York, if I go to the State of New York, and I say, "I want to improve my computerization; give me money as a loan," certainly the State of New York has a right to ask of me, "For ten years, you will stay here," or fifteen years or twenty years or whatever it is.

These are the aspects of the bill -- and it is only one aspect. There are others that I will try to address, not all of them because we'd be here all afternoon. But what I think is a very well-intentioned bill, Senator, that is not carefully enough drawn.

I have no problem, by the way, with the provision that's in there to help your community, and a community that I have some familiarity with, because I think the standards are very clear. But I think there are other aspects here that are so broadly worded that it would mean that we could be giving loans to companies that would not stay in New York State; don't have a commitment in New York State; have, in fact, reduced employment in New York State for no other reason than maybe they've moved some of their facilities already overseas; and now we're going to say, "Well, you have increased your employment in New York State by moving some of your facilities to Brazil; now you are eligible for a loan from New York State." That's what I object to.

SENATOR STAFFORD: I don't think that would happen. Senator, I very seldom suggest that you're one to nitpick. You very open take a broad stroke with a conceptual brush, and I usually realize that many of your points are well taken, but I'm reading the four lines now that you're talking about, and I think it would suggest that this is no problem. These are firms we should help.

I think if you and I say that we're going to have this type of legislation, this type of support, and companies are going to have to say or agree not to move out of New York, I think maybe we're dreaming because there will be plenty of places they can go where they don't have to do that.

We've got to make this state - you know, here we are arguing here today. We have to make this state more friendly to business. I admit, there was a time when I didn't think maybe it was as serious as it really is; but practically not a day and surely not a week goes by that I don't talk to somebody

in business, and they are making this point or that point why they could do better in another state. And I think we're going to have to make sure that we provide this support.

Now, let's read this. Let's read it together. Have you got 16 B.

SENATOR LEICHTER: Excuse me?

SENATOR STAFFORD: Is that what you were reading?

SENATOR LEICHTER: I'm reading your bill.

SENATOR STAFFORD: You said you had some concern about some language.

SENATOR LEICHTER: Right. It's on 16 B.

SENATOR STAFFORD: Right.

SENATOR LEICHTER: Paragraph 2 of subdivision 2, line 9, "Such funds shall be used to provide financial assistance in the form of working capital, loans or loan guarantees to companies at imminent risk of reducing employment or seeking to improve performance to survive competitive threats from outside the

state." Right? Is that the language that's in your bill?

SENATOR STAFFORD: I'm reading it with you.

SENATOR LEICHTER: Yes.

SENATOR STAFFORD: Or you read it.

SENATOR LEICHTER: Yes.

SENATOR STAFFORD: I was going to do it together.

SENATOR LEICHTER: I suggest to you, Senator Stafford, that that it is so broadly worded that it would qualify companies that are downsizing because they feel it's to their -- because it's going to add money to their bottom line, which we know so many companies have been doing, unrelated in any respect to problems such as base closing or other economic factors where New York State should step in.

Secondly, Senator, what I think is a problem is that we don't impose conditions to assure that those loans in fact are going to

go towards creating jobs in New York State or providing that the companies that receive these loans make some guarantees that they are going to hire more people. Where does it say in there they even have to hire any more people?

SENATOR STAFFORD: You know, I find that this is a difference in philosophy, I realize, but -

SENATOR LEICHTER: I don't see any difference in philosophy -

SENATOR STAFFORD: I do.

SENATOR LEICHTER: But I -

SENATOR STAFFORD: I do.

SENATOR LEICHTER: Unless the philosophy is, Senator, if I may say, that I think that we ought to draft legislation carefully. If your philosophy is that as long as we express good intentions that's all that we need to do, then, yes, we do have a difference of philosophy.

SENATOR STAFFORD: No. We have a difference in philosophy.

ACTING PRESIDENT KUHL: Senator

Leichter, are you asking Senator Stafford to continue to yield?

SENATOR LEICHTER: If you would. Let me move on to this question, Senator. This relates to your community and I know what a suburb job you do in fighting for what you think are the interests of your community.

You are giving this power to the Urban Development Corporation, Senator. Why isn't there a provision in there that there be some local board set up or a subsidiary of the Urban Development Corporation to carry out the implementation of this program?

Now, we've done some of that in New York. There is a subsidiary of the Urban Development Corporation for Harlem which has a separate board of directors. Where is the local input?

SENATOR STAFFORD: I understand. This is a grant to the community. At the present time, for instance, in Plattsburgh there is a local organization. It would go to the communities, and they would have their own

organizations. I don't think that we need government on top of government on top of government to get this done. These are high profile projects, and things are going to get done.

When I heard the argument, getting back to -- you were making earlier that will they guarantee that you will increase employment. Anyone who asks that question doesn't understand business, because you don't know whether you can increase employees until you make money; and, unfortunately, many people that consider these issues here in Albany don't understand that.

Hi, Joe.

SENATOR GALIBER: How are you?

ACTING PRESIDENT KUHL: Senator Leichter, are you asking Senator to continue to yield?

SENATOR LEICHTER: I accept that as a question and answer it. The fact of the matter is that in many instances government does precisely that. They say that if you add

employees, we will make a grant. We will give you a loan. We will give you a tax benefit. But to say that we're going to give you the money and you are not even under the obligation to increase employment, that just makes no sense.

Now, I want to distinguished the point I'm making. This is not in relation to the criteria that communities that have military bases that close or downsize will be eligible for grants. I understand that there you go in and you say, "Okay, we're going to try to set up an industrial park. We're going to help this company," and so on. I have no problem with that, Senator. My only problem there is I don't see where the local input is as far as seeing how the Urban Development Corporation is going to spend that money and make the decisions.

But it is in the first part of the bill that you and I read together. I read out loud the companies that will be eligible for this without, it seems to me, any standards whatsoever of assuring that this will benefit

the people of the State of New York.

Senator, we don't pass moral exortations. We don't pass good intentions. We've got to pass bills that I think specify with some detail how the money is to be spent. That's our job in the legislature, and I must say to you, very frankly, I don't find that this bill does it.

Mr. President. If I may, just briefly on the bill.

I thank my good friend for his answers, but I think, Senator, the problem is that the Urban Development Corporation in many respects has become sort of a super agency. Doesn't seem to me that it's under much control, certainly not under much control of this Legislature. Does a lot of things in this state some of which to my mind are very questionable. Some of them should be done by state agencies, ought to be done under the constraints and the restrictions that apply to all state agencies.

Here, you are giving these enormous broad parameters to the state Urban

Development Corporation as to what they can do. I submit to you that $15 million is still a fair amount of money. It is important that we see that it be used in the very best way, in a very directed, very targeted, hopefully a very effective way. I submit to you that this bill doesn't do it.

Let me be very clear. I'm in favor of helping those communities that have military bases that close. I'm in favor of helping communities in the Hudson Valley area that have been impacted by the decline in employment there by IBM's cutbacks and so on; but I submit to you that some of the language here is terribly broad, that the money can be wasted, and that I think we've got an obligation to write more carefully, more specific legislation.

So I'm not against the concept of this bill, but I don't think that this gives us the control over the monies that we should have. I think we've got an obligation to do more than, say, to legislate, "I want to be

business friendly." That doesn't achieve anything. Senator.

I agree with you. You're right. You are a fine spokesperson for that. Yes, we need to do it. I don't think you are being business friendly or being friendly to the taxpayers of the State of New York when you present a bill that's as broad as this one is written. This is great for the Urban Development Corporation that likes to be, if you will, a separate or a four branch of government, but it doesn't do much, I think, for us in the responsibility that we have to see how money in this state is spent so that, indeed, we become business friendly and that we create jobs for the people of this state.

ACTING PRESIDENT KUHL: Clerk will read the last section.

SENATOR STAFFORD: Mr. President. I will just emphasize here -

ACTING PRESIDENT KUHL: The chair recognizes Senator Stafford.

SENATOR STAFFORD: -- what a fine

step I think this legislation is. Why I think it is is because it is a revolving loan fund. It will be providing capital, be providing funds, say nothing of increasing employment, to maintain the employment that we have here in New York State.

I think as I have said earlier, it's something that has been needed, obviously, for areas such as Plattsburgh, other areas in this state, where we have this tragedy of bases closing, thousands of people, civilians, not having jobs. It's most important. But it's also important for these businesses we have, or the businesses that will come in where we can provide these loans.

ACTING PRESIDENT KUHL: Clerk will read the last section.

THE SECRETARY: Section 2.

ACTING PRESIDENT KUHL: Senator Galiber.

SENATOR GALIBER: Senator Stafford, I came in late on the discussion, but some of us are concerned, and I think this is a

good opportunity, this particular piece of legislation, because there is going to come a time in this session when we are going to start talking about cutting taxes as far as business is concerned. And some of us are concerned and perhaps this is the prelude to some of the things that we are concerned about on this side of the aisle and certainly your side of the aisle.

We will be dealing with tax cuts, whether it's the net operation loss or some other categories, where we don't know where those credits are being used, whether they are used outside of our jurisdiction, whether we are aware, whether we are the primary beneficiaries.

We recognize on this side of the aisle, some of us, that certainly in the Mid Hudson where IBM has moved out and left a plant or two, left some highly technical persons who are capable of moving in to high tech, and businesses will not come in. Businesses will not come in because of our tax structure; but

certainly our experience has been -- with a UDC loan program on a smaller scale in the City of New York has been horrible; that in order to get these loans, you have to fall off the Empire State Building -- as you've heard me say before -- land on your thumb and survive in order to be eligible for these loans.

So certainly in this instance where there's downsizing and we're closing up the federal purposes, or whatever the case may be, the economy -- we welcome this opportunity of a rise of the economy in our state -- that we are certainly concerned, as you are. But I have a proclivity toward agreeing with my colleague; that there is absolutely nothing wrong with finding out who is eligible, who is going to be using this money and how are they going to be using it; or are we going to run into the same problems that we run in, with big corporations, when we consider the possibility of a surcharge and cutting it down where it should be, and then the net operation loss category I mentioned before, and a couple of other taxes that we are

prepared to cut. And we're doing this with a full recognition that we don't know where some of these corporations are on the state level, as opposed to on a national level, are using those credits that we are giving or using the money that we give into them.

So this gives us an opportunity to look at the language in this particular piece of legislation and see to it that when we do give the loans in these areas where it is sorely needed; that there's no question about that. Good intent. Good piece of legislation. And those areas in the State of New York should be helped, but we just want to make sure that we know where those benefits are going to be actually going.

ACTING PRESIDENT KUHL: Clerk will read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT KUHL: Senator Leichter to explain his vote.

SENATOR LEICHTER: Yes.

Mr. President. I'm maybe being repetitive because I think I made my point, but I want the record to be absolutely clear that I strongly support giving help to communities where military bases are being closed. In fact, under this bill as I read it, of the 50 million appropriated no more than 15 percent can go to some of those communities which I think is far too low. I support 50 million just for those communities that have military bases that have closed. And I know Senator Stafford I'm sure tried to get the maximum amount to help his community. I support that.

But there are aspects of this bill that are so broadly worded that we ought to write our economic development legislation in a way to be sure that the companies that receive the benefits stay in this state, increase employment in this state. That would be a real

benefit.

And I say to everybody here the Urban Development Corporation is pretty much a corporation out of control, because we have not exercised jurisdiction over it. And for that reason, too, Mr. President, I think the way this bill is worded without effective criteria standards and control is unwise.

And for that reason and only that reason, I will vote in the negative.

ACTING PRESIDENT KUHL: Senator Leichter in the negative. Announce the results.

THE SECRETARY: Ayes 57. Nays 1. Senator Leichter recorded in the negative.

ACTING PRESIDENT KUHL: The bill is passed.

Senator Libous.

SENATOR LIBOUS: Yes, Mr. President. On behalf of Senator Hannon, on page 13, I offer the following amendments to Calendar Number 558, Senate Print 5206, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT KUHL: Bill is amended and retains its place on the Third Reading Calendar.

Senator Present.

SENATOR PRESENT: If there is no more housekeeping, Mr. Cornell, is your desk clear?

THE SECRETARY: (Indicating yes.)

SENATOR PRESENT: Mr. President. There being no further business, I move we adjourn until tomorrow at 11:00 a.m.

ACTING PRESIDENT KUHL: Senate stands adjourned until tomorrow at 11:00 a.m.

(Whereupon, at 4:29 p.m., Senate adjourned.)