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ALBANY, NEW YORK

May 8, 1996

11:14 a.m.

REGULAR SESSION

SENATOR MICHAEL J. HOBLOCK, JR., Acting President

STEPHEN F. SLOAN, Secretary

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P R O C E E D I N G S .

ACTING PRESIDENT HOBLOCK: Senate
will come to order.

I ask everyone present to please
rise and join with me in the Pledge of
Allegiance.

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

In the absence of clergy, may we
bow our heads in a moment of silence.

(A moment of silence was
observed.)

Reading of the Journal.

THE SECRETARY: In Senate,
Tuesday, May 7th. The Senate met pursuant to
adjournment, Senator Kuhl in the chair upon
designation of the Temporary President. Prayer
by the Reverend Bishop Muriel Grant, Mount
Olivet Discipleship, Brooklyn. The Journal of
Monday, May 6th was read and approved. On
motion, Senate adjourned.

ACTING PRESIDENT HOBLOCK:
Without objection, the journal stands approved

1 as read.

2 Presentation of petitions.

3 Messages from the Assembly.

4 Messages from the Governor.

5 Reports of standing committees.

6 Reports of select committees.

7 Communications and reports from
8 state officers.

9 Motions and resolutions.

10 Senator Farley.

11 SENATOR FARLEY: Thank you, Mr.
12 President.

13 On behalf of Senator Velella,
14 please place a sponsor's star on Calendar 876.

15 ACTING PRESIDENT HOBLOCK:
16 Starred at the request of the sponsor.

17 SENATOR FARLEY: On behalf of
18 Senator Levy, Mr. President, on page 71 I offer
19 the following amendments to Calendar Number 845,
20 Senate Print 7341, and I ask that that bill
21 retain its place on the Third Reading Calendar.

22 ACTING PRESIDENT HOBLOCK:
23 Amendments are received.

1 Senator Bruno.

2 SENATOR BRUNO: Mr. President, I
3 believe that there is a resolution at the desk
4 by Senator DeFrancisco. I would ask that the
5 title be read and that we move its adoption.

6 ACTING PRESIDENT HOBLOCK: Clerk
7 will read.

8 THE SECRETARY: By Senator
9 DeFrancisco, Legislative Resolution honoring the
10 students of Grade 6 at Cathedral School,
11 Syracuse for their participation in the 49th
12 Senate District Good News - Good Kids student
13 recognition program.

14 SENATOR DeFRANCISCO: Mr.
15 President.

16 ACTING PRESIDENT HOBLOCK:
17 Senator DeFrancisco.

18 SENATOR DeFRANCISCO: I rise to
19 just congratulate these students who are in the
20 gallery today. This is the last group that
21 we'll be bringing up. They're from the
22 Cathedral School in the city of Syracuse and
23 it's a group of sixth graders and what they've

1 done for our project and have done for
2 themselves and for the community is to feed the
3 homeless. They go to their parish center,
4 groups of kids, each day to -- each week to feed
5 the homeless, a hundred homeless men, and
6 they're only sixth graders, young children that
7 have already been given the proper direction,
8 already know what it means to be responsible,
9 already know what it means to be caring, and I
10 want to congratulate them for doing the fine
11 things they are doing for the city of Syracuse
12 and the people they serve and they've got great
13 bright futures as great citizens of this state
14 if they continue that same attitude of
15 responsibility and caring for other people, and
16 I'm very pleased that they're here with us today
17 and I urge the unanimous adoption of this
18 resolution.

19 ACTING PRESIDENT HOBLOCK: On
20 behalf of the Senate, we welcome the teachers
21 and the students from the Cathedral School of
22 Syracuse, and thank them for sharing their
23 responsibility and gifts with those in need.

1 The question is on the
2 resolution. All in favor signify by saying
3 aye.

4 (Response of "Aye.")

5 Opposed nay.

6 (There was no response.)

7 The resolution is adopted.

8 Senator Bruno.

9 SENATOR BRUNO: Yeah, Mr.

10 President. I believe there are three privileged
11 resolutions at the desk by Senator Connor. I
12 would ask that their titles be read and that we
13 move for their immediate adoption.

14 ACTING PRESIDENT HOBLOCK:
15 Secretary will read.

16 THE SECRETARY: By Senator
17 Connor, Legislative Resolution commending
18 Letitia Cooper Benjamin upon the occasion of her
19 designation for special recognition by the Red
20 Hook Arts on May 16, 1996.

21 By Senator Connor, Legislative
22 Resolution commending Michelle Demonte
23 Lucarelli, upon the occasion of her designation

1 for special recognition by the Red Hook Arts on
2 May 16, 1996.

3 By Senator Connor, Legislative
4 Resolution commending on Pam P. Lindsay upon the
5 occasion of her designation for special
6 recognition by the Red Hook Arts on May 16,
7 1996.

8 ACTING PRESIDENT HOBLOCK: The
9 question is on the resolutions. All in favor
10 signify by saying aye.

11 (Response of "Aye.")

12 Opposed nay.

13 (There was no response.)

14 The resolutions are adopted.

15 Senator Bruno, there are
16 substitutions at the desk.

17 SENATOR BRUNO: Please take the
18 substitutions.

19 ACTING PRESIDENT HOBLOCK:
20 Secretary will read.

21 THE SECRETARY: On page 7,
22 Senator Levy moves to discharge from the
23 Committee on Health, Assembly Bill Number 9820

1 and substitute it for the identical First Report
2 Calendar 1007.

3 On page 10, Senator Larkin moves
4 to discharge from the Committee on Judiciary,
5 Assembly Bill Number 2288-B and substitute it
6 for the identical First Report Calendar 1027.

7 On page 13, Senator Skelos moves
8 to discharge from the Committee on Judiciary,
9 Assembly Bill Number 4728-B, and substitute it
10 for the identical First Report Calendar 1053.

11 On page 16, Senator Larkin moves
12 to discharge from the Committee on Investiga
13 tions, Assembly Bill Number 6818-C, and
14 substitute it for the identical First Report
15 Calendar 1071.

16 On page 16, Senator Goodman moves
17 to discharge from the Committee on Investiga
18 tions, Assembly Bill Number 7963 and substitute
19 it for the identical First Report Calendar
20 1072.

21 On page 17, Senator Goodman moves
22 to discharge from the Committee on Investiga
23 tions, Assembly Bill Number 5881 and substitute

1 it for the identical First Report Calendar
2 1074.

3 On page 21, Senator Seward moves
4 to discharge from the Committee on Codes,
5 Assembly Bill 8549-A and substitute it for the
6 identical First Report Calendar 1106.

7 And on page 29, Senator Nozzolio
8 moves to discharge from the Committee on Crime
9 Victims, Crime and Correction, Assembly Bill
10 Number 8120-A, and substitute it for the
11 identical First Report Calendar 1174.

12 ACTING PRESIDENT HOBLOCK:
13 Substitutions are ordered.

14 Senator Bruno, are you ready for
15 the calendar?

16 SENATOR BRUNO: Mr. President,
17 can we at this time take up the
18 non-controversial calendar.

19 ACTING PRESIDENT HOBLOCK: The
20 Secretary will read.

21 THE SECRETARY: Calendar Number
22 411, by Senator Johnson, Senate Print 5850, an
23 act to amend the Environmental Conservation Law,

1 in relation to excluding from the definition of
2 facility.

3 ACTING PRESIDENT HOBLOCK: Read
4 the last section.

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

7 ACTING PRESIDENT HOBLOCK: Call
8 the roll.

9 (The Secretary called the roll.)

10 THE SECRETARY: Ayes 44.

11 ACTING PRESIDENT HOBLOCK: The
12 bill is passed.

13 THE SECRETARY: Calendar Number
14 429, by Senator Libous, Senate Print 4497, an
15 act to amend the Vehicle and Traffic Law, in
16 relation to authorizing senior citizens to renew
17 motor vehicle registrations annually.

18 ACTING PRESIDENT HOBLOCK: Read
19 the last section.

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

22 ACTING PRESIDENT HOBLOCK: Call
23 the roll.

1 (The Secretary called the roll.)

2 THE SECRETARY: Ayes 44.

3 ACTING PRESIDENT HOBLOCK: The
4 bill is passed.

5 THE SECRETARY: Calendar Number
6 519, by Senator Marcellino, Senate Print 6090-B,
7 an act to amend the Environmental Conservation
8 Law, in relation to prohibiting the possession
9 and transportation of live venomous reptiles.

10 ACTING PRESIDENT HOBLOCK: Read
11 the last section.

12 THE SECRETARY: Section 4. This
13 act shall take effect on the 180th day.

14 ACTING PRESIDENT HOBLOCK: Call
15 the roll.

16 (The Secretary called the roll.)

17 THE SECRETARY: Ayes 44.

18 ACTING PRESIDENT HOBLOCK: The
19 bill is passed.

20 THE SECRETARY: Calendar Number
21 532, by Senator Nozzolio, Senate Print 6237-A,
22 an act to amend the Navigation Law, in relation
23 to type of life preservers.

1 ACTING PRESIDENT HOBLOCK: Read
2 the last section.

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

5 ACTING PRESIDENT HOBLOCK: Call
6 the roll.

7 (The Secretary called the roll.)

8 THE SECRETARY: Ayes 44.

9 ACTING PRESIDENT HOBLOCK: The
10 bill is passed.

11 THE SECRETARY: Calendar Number
12 557, by Senator Volker, Senate Print 6408, an
13 act to amend the Executive Law, in relation to
14 the community services block grant program.

15 ACTING PRESIDENT HOBLOCK: Read
16 the last section.

17 THE SECRETARY: Section 4. This
18 act shall take effect immediately.

19 ACTING PRESIDENT HOBLOCK: Call
20 the roll.

21 (The Secretary called the roll.)

22 THE SECRETARY: Ayes 44.

23 ACTING PRESIDENT HOBLOCK: The

1 bill is passed.

2 THE SECRETARY: Calendar Number
3 572, by Senator DeFrancisco, Senate Print
4 6052-A, an act to amend the Real Property Tax
5 Law, in relation to authorizing an
6 infrastructure exemption in certain instances.

7 SENATOR LEICHTER: Lay it aside.

8 ACTING PRESIDENT HOBLOCK: Lay
9 the bill aside.

10 THE SECRETARY: Calendar Number
11 597, by Senator Sears, Senate Print -

12 SENATOR BRUNO: Lay it aside for
13 the day.

14 ACTING PRESIDENT HOBLOCK: Laid
15 aside for the day.

16 THE SECRETARY: Calendar Number
17 628, by Senator Levy, Senate Print 6460-A, an
18 act to amend the Vehicle and Traffic Law, in
19 relation to providing for the permanent
20 revocation of a driver's license.

21 ACTING PRESIDENT HOBLOCK: Read
22 the last section.

23 THE SECRETARY: Section 3. This

1 act shall take effect on the first day of
2 September.

3 ACTING PRESIDENT HOBLOCK: Call
4 the roll.

5 (The Secretary called the roll.)

6 THE SECRETARY: Ayes 44.

7 ACTING PRESIDENT HOBLOCK: The
8 bill is passed.

9 THE SECRETARY: Calendar Number
10 634, by Senator Rath, Senate Print 6622-A, an
11 act to amend the Vehicle and Traffic Law, in
12 relation to mandatory suspension of licenses.

13 ACTING PRESIDENT HOBLOCK: Read
14 the last section.

15 THE SECRETARY: Section 2. This
16 act shall take effect on the first day of
17 November.

18 ACTING PRESIDENT HOBLOCK: Call
19 the roll.

20 (The Secretary called the roll.)

21 THE SECRETARY: Ayes 44.

22 ACTING PRESIDENT HOBLOCK: The
23 bill is passed.

1 THE SECRETARY: Calendar Number
2 675, by Senator DiCarlo, Senate Print 6631, an
3 act to amend the Executive Law, in relation to
4 establishment of the Resident Advisor Program.

5 ACTING PRESIDENT HOBLOCK: Read
6 the last section.

7 THE SECRETARY: Section 3. This
8 act shall take effect April 1st.

9 ACTING PRESIDENT HOBLOCK: Call
10 the roll.

11 (The Secretary called the roll.)

12 THE SECRETARY: Ayes 44.

13 ACTING PRESIDENT HOBLOCK: The
14 bill is passed.

15 THE SECRETARY: Calendar Number
16 683, by Senator Cook, Senate Print Number 6412,
17 an act to amend the Vehicle and Traffic Law, in
18 relation to designating civil defense emergency
19 vehicles.

20 SENATOR PATERSON: Lay aside,
21 please.

22 ACTING PRESIDENT HOBLOCK: Lay
23 aside 683.

1 THE SECRETARY: Calendar Number
2 690, by Senator Padavan, Senate Print 4068, an
3 act to amend the Penal Law, in relation to
4 including police officers in the violent felony
5 offense of aggravated assault upon a peace
6 officer.

7 ACTING PRESIDENT HOBLOCK: Read
8 the last section.

9 THE SECRETARY: Section 2. This
10 act shall take effect on the first day of
11 November.

12 ACTING PRESIDENT HOBLOCK: Call
13 the roll.

14 (The Secretary called the roll.)

15 THE SECRETARY: Ayes 44.

16 ACTING PRESIDENT HOBLOCK: The
17 bill is passed.

18 THE SECRETARY: Calendar Number
19 699, by Senator Volker, Senate Print 6646, an
20 act to amend the Penal Law, in relation to the
21 definition of "criminal act" for the purposes of
22 enterprise corruption.

23 ACTING PRESIDENT HOBLOCK: Read

1 the last section.

2 THE SECRETARY: Section 2. This
3 act shall take effect on the first day of
4 November.

5 ACTING PRESIDENT HOBLOCK: Call
6 the roll.

7 (The Secretary called the roll.)

8 THE SECRETARY: Ayes 44.

9 ACTING PRESIDENT HOBLOCK: The
10 bill is passed.

11 THE SECRETARY: Calendar Number
12 720, by member of the Assembly Parment, Assembly
13 Print 1221-A, an act to amend the Agriculture
14 and Markets Law, in relation to domestic animal
15 health permits.

16 ACTING PRESIDENT HOBLOCK: Read
17 the last section.

18 THE SECRETARY: Section 5. This
19 act shall take effect on the 30th day.

20 ACTING PRESIDENT HOBLOCK: Call
21 the roll.

22 (The Secretary called the roll.)

23 THE SECRETARY: Ayes 44.

1 ACTING PRESIDENT HOBLOCK: The
2 bill is passed.

3 THE SECRETARY: Calendar Number
4 721, by Senator Kuhl, Senate Print 3981, an act
5 to amend the Agriculture and Markets Law, in
6 relation to strengthening the licensing
7 requirements.

8 ACTING PRESIDENT HOBLOCK: Read
9 the last section.

10 THE SECRETARY: Section 2. This
11 act shall take effect on July 1st.

12 ACTING PRESIDENT HOBLOCK: Call
13 the roll.

14 (The Secretary called the roll.)

15 THE SECRETARY: Ayes 44.

16 ACTING PRESIDENT HOBLOCK: The
17 bill is passed.

18 THE SECRETARY: Calendar Number
19 722, by Senator Kuhl, Senate Print 6223, an act
20 to amend the Agriculture and Markets Law, in
21 relation to improving the agricultural districts
22 program.

23 ACTING PRESIDENT HOBLOCK: Read

1 the last section.

2 THE SECRETARY: Section 17. This
3 act shall take effect on the 90th day.

4 ACTING PRESIDENT HOBLOCK: Call
5 the roll.

6 (The Secretary called the roll.)

7 THE SECRETARY: Ayes 46.

8 ACTING PRESIDENT HOBLOCK: The
9 bill is passed.

10 THE SECRETARY: Calendar Number
11 724, by Senator Nozzolio, Senate Print 5553-A.

12 SENATOR PATERSON: Lay aside.

13 ACTING PRESIDENT HOBLOCK: Lay
14 the bill aside. Home rule message is at the
15 desk.

16 THE SECRETARY: Calendar Number
17 742, by Senator Johnson, Senate Print Number
18 6841, an act authorizing the Education
19 Department to apportion certain transportation
20 aid to the West Islip Union Free School
21 District.

22 ACTING PRESIDENT HOBLOCK: A
23 local fiscal impact statement is at the desk.

1 Read the last section.

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

4 ACTING PRESIDENT HOBLOCK: Call
5 the roll.

6 (The Secretary called the roll.)

7 THE SECRETARY: Ayes 48.

8 ACTING PRESIDENT HOBLOCK: The
9 bill is passed.

10 THE SECRETARY: Calendar Number
11 774, by Senator Holland, Senate Print 281-A, an
12 act to amend the Tax Law, in relation to
13 providing for business tax credits.

14 ACTING PRESIDENT HOBLOCK: Read
15 the last section.

16 THE SECRETARY: Section 7. This
17 act shall take effect immediately.

18 ACTING PRESIDENT HOBLOCK: Call
19 the roll.

20 (The Secretary called the roll.)

21 SENATOR LEICHTER: Lay aside.

22 ACTING PRESIDENT HOBLOCK: Lay
23 aside, reconsider the vote. Lay aside.

1 THE SECRETARY: Calendar Number
2 776, by Senator Saland, Senate Print 1434-B, an
3 act authorizing the Commissioner of General
4 Services to sell certain land to the city of
5 Beacon.

6 ACTING PRESIDENT HOBLOCK: There
7 is no home rule message at the desk. Lay the
8 bill aside.

9 THE SECRETARY: Calendar Number
10 781, by Senator Present, Senate Print 6397, an
11 act to amend the Tax Law, in relation to the
12 distribution of additional mortgage recording
13 tax.

14 ACTING PRESIDENT HOBLOCK: Read
15 the last section.

16 THE SECRETARY: Section 2. This
17 act shall take effect on the 30th day.

18 ACTING PRESIDENT HOBLOCK: Lay
19 the bill aside.

20 THE SECRETARY: Calendar Number
21 784, by Senator Present, Senate Print 6568, an
22 act authorizing the Commissioner of General
23 Services to consent to the Commissioner of

1 Environmental Conservation to transfer and
2 convey state lands.

3 ACTING PRESIDENT HOBLOCK: Read
4 the last section.

5 THE SECRETARY: Section 4. This
6 act shall take effect immediately.

7 ACTING PRESIDENT HOBLOCK: Call
8 the roll.

9 (The Secretary called the roll.)

10 THE SECRETARY: Ayes 48.

11 ACTING PRESIDENT HOBLOCK: The
12 bill is passed.

13 THE SECRETARY: Calendar Number
14 885, by Senator Padavan, Senate Print 3091, an
15 act to amend the Executive Law, in relation to
16 cooperation between police agencies and the
17 United States Immigration and Naturalization
18 Service.

19 SENATOR PATERSON: Lay aside.

20 ACTING PRESIDENT HOBLOCK: Lay
21 the bill aside.

22 THE SECRETARY: Calendar Number
23 931, by member of the Assembly Tonko, Assembly

1 Print 9678, an act to authorize the county of
2 Schenectady to convey to CNG Transmission Cor
3 poration easements.

4 ACTING PRESIDENT HOBLOCK: A home
5 rule message is at the desk. Read the last
6 section.

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

9 ACTING PRESIDENT HOBLOCK: Call
10 the roll.

11 (The Secretary called the roll.)

12 THE SECRETARY: Ayes 49.

13 ACTING PRESIDENT HOBLOCK: The
14 bill is passed.

15 THE SECRETARY: Calendar Number
16 985, by Senator Bruno, Senate Print 7502, an act
17 to amend the Education Law, in relation to
18 submission of school district budgets.

19 ACTING PRESIDENT HOBLOCK: Read
20 the last section.

21 SENATOR PATERSON: Lay aside,
22 please.

23 ACTING PRESIDENT HOBLOCK: Lay

1 the bill aside.

2 Senator Skelos, that completes
3 the non-controversial calendar.

4 SENATOR SKELOS: Mr. President,
5 if we could have a reading of the controversial
6 calendar at this time.

7 ACTING PRESIDENT HOBLOCK:
8 Secretary will read.

9 THE SECRETARY: On page 48,
10 Calendar Number 572, by Senator DeFrancisco,
11 Senate Print 6052-A, an act to amend the Real
12 Property Tax Law, in relation to authorizing an
13 infrastructure exemption in certain instances.

14 SENATOR LEICHTER: Explanation.

15 ACTING PRESIDENT HOBLOCK:
16 Explanation has been asked for. Senator
17 DeFrancisco.

18 SENATOR DeFRANCISCO: This is a
19 bill which would provide a local option for the
20 local municipalities, if passed by the
21 Legislature, to grant an exemption to owners of
22 building lots for that portion of the construc
23 tion that has taken place for the infrastruc

1 ture, and "infrastructure" is defined in the
2 bill, and it includes public facilities which
3 are intended to be dedicated to the municipal
4 corporation or special district thereof, includ
5 ing streets, storm and sanitary sewers, drainage
6 facilities and other facilities required by the
7 municipality to be installed in such residential
8 subdivision.

9 The purpose for it is right now,
10 I know in our county and I know throughout the
11 state, there is a substantial down-turn in the
12 building industry, and there are many home
13 builders that are stuck with their inventory
14 that are half completed by way of infrastructure
15 work with no -- no purchasers in sight for the
16 construction. The infrastructure is normally
17 done first, and then if they find a buyer a home
18 will be built on that property.

19 There's some substantial number
20 of builders in my district that have requested
21 this bill and as well as the Home Builders
22 Association of the state, to give the local
23 communities an option that if they wanted to

1 exempt that infrastructure until there was a
2 certificate of occupancy on the house, that they
3 should be given that option and that is the
4 purpose of the bill, and that's my explanation.

5 SENATOR LEICHTER: Mr. President,
6 if Senator DeFrancisco will yield.

7 ACTING PRESIDENT HOBLOCK:
8 Senator Leichter. Senator DeFrancisco, do you
9 yield?

10 SENATOR DeFRANCISCO: Yes.

11 SENATOR LEICHTER: I mean you're
12 making it local option, so it really is not
13 objectionable. I'm just concerned that we are
14 giving municipalities, localities, a power and
15 sometimes they come under, as we know, certain
16 influences and, while in some instances I can
17 understand trying to lift the burden from a
18 contractor or developer, but wouldn't this
19 enable the developer -- the contractor -- just
20 to hold back on getting a certificate of
21 occupancy until he finds a buyer, then come in,
22 get a certificate of occupancy. In the meantime
23 the municipality loses the tax payment. I mean

1 the municipality's invested a lot of money in
2 infrastructure, and so on.

3 SENATOR DeFRANCISCO: Well,
4 generally, the infrastructure, at least in our
5 area, is built by the contractor and they are
6 holding the homes, holding that tract until they
7 could get a residential buyer to put up a piece
8 of property, a building, on that property.

9 Now, there's no incentive for a
10 home builder to build a structure and hold onto
11 it and have that investment of a hundred
12 thousand dollars or whatever it might be sitting
13 there and just holding the certificate of
14 occupancy because all this exempts is the
15 infrastructure, not the building itself.

16 So what this protects is that
17 person who's made a substantial investment in
18 valuable land exempting that investment from
19 increased taxes until there is a building that's
20 ready for occupancy, so I don't think it would
21 be an incentive for home builders to hold that
22 certificate. They'd want to get that house
23 that's sold immediately because of the

1 investment.

2 SENATOR LEICHTER: Yes, excuse
3 me. Senator DeFrancisco, I appreciate when the
4 market is slow as it may be at various times and
5 it may be now, obviously the builder is out
6 trying to get a purchaser but he can hold back
7 filing the certificate of occupancy until he
8 finds that purchaser.

9 I'm just concerned about the loss
10 of revenue to municipalities. I understand that
11 we want to be as friendly as we can. The
12 builders, on the other hand, they take certain
13 risks, and I don't know whether the taxpayers
14 ought to take that risk and assume it by the
15 payments that will have to be made by other
16 taxpayers because you're not going to get the
17 full value of the plot that you're exempting.

18 SENATOR DeFRANCISCO: What I'm
19 saying is that you -- there's two stages, the
20 infrastructure work and there's a lot of
21 builders in central New York that have their
22 infrastructures in place with no buyers in
23 sight. They can't hold the certificate of

1 occupancy. The building isn't on the property.
2 If they -- if the building is built, they're not
3 getting an exemption or a deduction, an
4 exemption for the building structure which
5 they've put a mountain of money in, so there
6 would be no incentive for them to hold a
7 certificate of occupancy because they're not
8 gaining anything more and they put up a
9 substantial investment in it.

10 This is just the infrastructure,
11 and what I liken it to is somebody who is
12 holding an inventory in a store to sell a piece
13 of personal property and that inventory is being
14 held, and if we don't make it financially
15 feasible for them, in slow times like this, to
16 hold that inventory rather than going under, I
17 think in the long term the municipality is going
18 to get hurt by not having this valuable asset
19 which will be taxed at a much higher level at
20 some point in the future.

21 And, finally, it's a local
22 option. If the people agree locally that -
23 with your theory, then they certainly don't have

1 to implement it.

2 SENATOR LEICHTER: I'll accept.

3 Let the locality decide.

4 SENATOR DeFRANCISCO: Thank you.

5 ACTING PRESIDENT HOBLOCK:

6 Senator Hoffmann.

7 SENATOR HOFFMANN: I'm familiar
8 with this situation, and I think Senator
9 DeFrancisco has explained it very well, but I
10 wonder if he would yield for one question.

11 ACTING PRESIDENT HOBLOCK:

12 Senator DeFrancisco, do you yield?

13 SENATOR DeFRANCISCO: Yes.

14 SENATOR HOFFMANN: Senator
15 DeFrancisco, given the fact that there is a
16 slow-down on housing in the central New York
17 area, is there a situation right now where large
18 tracts of land are owned by developers who are
19 unable to make improvements on them and build on
20 them because the cost of the taxes to them once
21 they have the infrastructure in place, would be
22 exorbitant, and is that, in fact, in your
23 opinion, a deterrent to housing construction?

1 SENATOR DeFRANCISCO: Right.
2 You're deterring the development of the
3 infrastructure because then they would be
4 holding a much more substantial investment
5 indefinitely until they have got a -

6 SENATOR HOFFMANN: Thank you.
7 Would Senator DeFrancisco yield to one further
8 question.

9 ACTING PRESIDENT HOBLOCK:
10 Senator DeFrancisco, do you continue to yield?

11 SENATOR DeFRANCISCO: Yes.

12 SENATOR HOFFMANN: Senator, would
13 you think that this particular legislation might
14 actually inspire more housing starts, creating
15 more jobs in the construction industry, creating
16 more jobs in the building trades?

17 SENATOR DeFRANCISCO: I don't
18 know if it will inspire more construction
19 because the builders would love to construct
20 more homes. The problem is the buyers aren't
21 there. What it will do is it will prevent those
22 builders who have made this substantial
23 investment while there's a slow period of time

1 from going under because of the taxes that they
2 have to pay and ultimately preventing them from
3 continuing in a business when the market
4 changes.

5 SENATOR HOFFMANN: Thank you,
6 Senator.

7 On the bill, Mr. President.

8 ACTING PRESIDENT HOBLOCK: On the
9 bill, Senator Hoffmann.

10 SENATOR HOFFMANN: I think
11 Senator DeFrancisco has introduced a very
12 worthwhile piece of legislation, and I would
13 believe at this point that anything that we can
14 do to ease the tax burden during that interim
15 phase for the construction industry is going to
16 inspire an increase in construction. The more
17 capital that contractors and developers have
18 tied up in taxes for which they have no revenue
19 at this point and in some cases are not even
20 anticipating revenue for a number of years, the
21 more chilling effect on the home construction
22 industry.

23 We have one of the worst

1 histories in upstate New York, certainly in
2 central New York, of a slow-down in home
3 construction that's been experienced in the
4 country. It's -- it is a frightening time for
5 us, so we really must heed the concerns of the
6 home builders industry, not just for those
7 builders, but I would urge my colleagues to
8 consider the large number of people who are
9 employed in the building trades who have a
10 better chance of being employed particularly as
11 we go into the construction season.

12 If there is a greater amount of
13 capital available for the builders by relieving
14 the tax burden during that infrastructure phase,
15 we are more likely to see a greater number of
16 housing starts. So I would urge my colleagues
17 on this side of the aisle to support this
18 legislation.

19 ACTING PRESIDENT HOBLOCK: Read
20 the last section.

21 THE SECRETARY: Section 3. This
22 act shall take effect immediately.

23 ACTING PRESIDENT HOBLOCK: Call

1 the roll.

2 (The Secretary called the roll.)

3 THE SECRETARY: Ayes 53.

4 ACTING PRESIDENT HOBLOCK: The
5 bill is passed.

6 SENATOR SKELOS: Mr. President.

7 ACTING PRESIDENT HOBLOCK:
8 Senator Skelos.

9 SENATOR SKELOS: At this time, if
10 we could call up Calendar Number 985, Senate
11 Number 7502, first for the purpose of Senator
12 Holland voting and then to conduct the debate on
13 the bill.

14 ACTING PRESIDENT HOBLOCK:
15 Secretary will read.

16 THE SECRETARY: Calendar Number
17 985, by Senator Bruno, Senate Print 7502, an act
18 to amend the Education Law, in relation to
19 submission of school district budgets.

20 ACTING PRESIDENT HOBLOCK:
21 Senator Holland.

22 SENATOR HOLLAND: I vote yes.

23 ACTING PRESIDENT HOBLOCK: O.K.

1 Senator Holland. Read the last
2 section.

3 THE SECRETARY: Section 39. This
4 act shall take effect immediately.

5 ACTING PRESIDENT HOBLOCK: Call
6 the roll.

7 (The Secretary called the roll.)

8 ACTING PRESIDENT HOBLOCK:
9 Senator Holland, how do you vote?

10 SENATOR HOLLAND: I still vote
11 yes.

12 ACTING PRESIDENT HOBLOCK: Thank
13 you.

14 SENATOR SKELOS: Please withdraw
15 the roll call and, if we could just stand at
16 ease for one moment.

17 ACTING PRESIDENT HOBLOCK: The
18 roll call is withdrawn, and we'll stand at ease
19 for a couple of moments. (Pause) All right.
20 Calendar 985, Senate Bill 7502. Senator Bruno.

21 SENATOR SKELOS: I don't think
22 the bill is before the house.

23 SENATOR BRUNO: Is this bill

1 before the house presently?

2 ACTING PRESIDENT HOBLOCK: Yes,
3 it is, Senator Bruno.

4 SENATOR BRUNO: On the floor.

5 ACTING PRESIDENT HOBLOCK: On the
6 floor.

7 SENATOR BRUNO: And we are
8 opening debate. Thank you.

9 SENATOR SKELOS: Explanation.

10 SENATOR BRUNO: Explanation. We
11 have before us a property tax relief package
12 that pertains primarily to the school property
13 taxes that people in this state pay.

14 All of us know that New York
15 State is still the highest taxed per capita in
16 all of the United States, and that's after
17 having passed the largest personal and business
18 tax cuts last year in all of the United States.

19 Why are we still highest taxed
20 per capita? Local taxes, property taxes, school
21 taxes. This package -- well thought out -
22 you'll hear from one of the major sponsors, our
23 chair of education, Senator Cook, with a

1 detailed -- more detailed explanation, but it
2 gives incentives to school districts to freeze
3 the property taxes, freeze them.

4 They then get school aid based on
5 their freezing property taxes. There is a home
6 stead exemption for the middle income -- middle
7 income taxpayers. There is a circuit breaker
8 for seniors, giving them a double exemption.
9 This will take most seniors' incomes of 15-,
10 16,000 off the school property tax rolls,
11 helping some of the school budgets to pass.

12 This will provide property tax
13 relief over a four-year period. It's being
14 phased in. Ultimately, it will impact in a
15 positive way property taxes to the tune of
16 about \$810 million. Those that -- in this
17 chamber, that will support this property tax
18 relief will be doing the right thing for their
19 constituency because we have learned that when
20 people are forced to pay taxes over and above
21 what they can afford, they look for ways to
22 escape and they leave the state and they do many
23 other things to avoid paying their taxes. Many

1 of the people can't afford to pay the property
2 taxes that they presently pay.

3 So, Mr. President, I would urge
4 my colleagues to support what we are doing here
5 this morning because it will help all of the
6 people of this state.

7 Thank you.

8 ACTING PRESIDENT HOBLOCK:
9 Senator Cook.

10 SENATOR BRUNO: Would you
11 recognize Senator Cook to complete the
12 description.

13 ACTING PRESIDENT HOBLOCK:
14 Senator Cook.

15 SENATOR COOK: Mr. President, we
16 have confronted for a number of years in this
17 state the serious dilemma that, on one hand, the
18 property tax levy upon individual citizens has
19 reached the point first of distress, secondly of
20 hardship and currently, I believe the point of
21 disaster for many citizens in this state.

22 The stories that I hear of people
23 saying, "I pay one entire month's Social

1 Security check just to pay for my school taxes"
2 is commonplace and, when you think about what
3 that means, it means that somebody has to
4 somehow parcel out throughout the rest of the
5 year that amount of money which they take out of
6 their food budget, out of what frequently are
7 extraordinarily high medical expenses, all the
8 other costs, heating fuel, all the other costs
9 that they have to live, but they're having to
10 rob from those expenses in order to keep current
11 on their school taxes. You can see how
12 important it is and how imperative it is that we
13 deal with this school tax issue.

14 On the other hand, we have an
15 increasing need to provide the resources by
16 which our education system can perform at the
17 level that it is expected to perform going into
18 the 21st Century. Regents have just put forward
19 a new set of frameworks, a new set of require
20 ments, for graduation that will be new demands
21 upon school districts for expending money in
22 order to keep current with the needs that we
23 have to provide quality education for our

1 students.

2 So this bill attempts to deal
3 with both sides of this, because on one hand, it
4 offers an incentive to school districts to
5 freeze their property taxes at current levels.
6 They get a five-year plan which is approved by
7 the Commissioner of Education and, if that is
8 approved, then they are guaranteed a three
9 percent annual increase in revenues coming into
10 their school district to pay for the incremental
11 costs which they are going to incur in order to
12 provide a quality education for their students.

13 It is a balanced approach which
14 recognizes, on one hand, the hardships that are
15 created by the property tax, on the other hand
16 the need that we have to continue to improve the
17 quality of our educational programs. It is a
18 creative program that, for the first time,
19 provides into the future an incentive which will
20 tell districts that they can indeed plan on
21 where they're going to go, plan on what their
22 program will be five years hence, and that they
23 will know that there will be funds available to

1 them to fulfill the financial requirements of
2 that school district.

3 ACTING PRESIDENT HOBLOCK:
4 Senator Padavan, why do you rise?

5 SENATOR PADAVAN: Just waiting
6 for Senator Cook to complete his explanation and
7 I'd like him to yield to a question if he
8 would.

9 SENATOR COOK: Yes.

10 SENATOR PADAVAN: Did you finish?

11 SENATOR COOK: Well, not
12 completely yet.

13 ACTING PRESIDENT HOBLOCK:
14 Senator Cook, you can continue.

15 SENATOR COOK: So the point being
16 that this plan will actually do three things:
17 Provide the tax relief; secondly, provide for
18 the ongoing program -- educational program of
19 the schools and, thirdly, provide one other
20 thing which is to give predictability so that
21 the school districts will be able to know if
22 they have an approved program five years in
23 advance that indeed those funds will be

1 available to them to pay for that program.

2 Now, Senator, I'd be pleased to
3 yield.

4 SENATOR GOLD: Mr. President.

5 ACTING PRESIDENT HOBLOCK:
6 Senator Padavan.

7 SENATOR GOLD: Mr. President, I
8 was wondering whether you were keeping a list.

9 ACTING PRESIDENT HOBLOCK: Yes, I
10 do have.

11 SENATOR GOLD: You are keeping a
12 list, and I believe I was on that list first.

13 ACTING PRESIDENT HOBLOCK: I
14 don't believe you were, sir.

15 Senator Padavan.

16 SENATOR PADAVAN: Senator Cook, I
17 fully understand the need for this legislation
18 and I wonder if you would help us understand how
19 it applies in the city of New York.

20 SENATOR COOK: Senator, it
21 applies in the city of New York -

22 SENATOR PADAVAN: As you know, in
23 the city of New York, we don't have a separate

1 property tax bill. We have one bill that
2 includes obviously the cost of education and, as
3 was explained, there are circuit breaker
4 benefits to senior citizens. There are other
5 benefits to individuals of certain incomes under
6 this proposal.

7 Now, in view of the fact that
8 there is no separate property tax bill or
9 assessment on homeowners and other property
10 owners in the city of New York, how would these
11 benefits kick in?

12 SENATOR COOK: Senator, Mr.
13 President. Mr. President, currently the
14 Education Department, Senator, breaks out an
15 amount from the New York City budget and the
16 other -- the other "big five", the other four of
17 the "big five", the proportion of their budgets
18 that is expended for school purposes and cal
19 culates a school tax rate even though in New
20 York City and the other cities, you're correct,
21 there is not a separate levy for that purpose,
22 but they do create a statistical rate based on
23 the appropriation that's in the City budget so

1 that there is a comparable number that's
2 available for the city of New York and the other
3 -- the other four of the "big five".

4 SENATOR PADAVAN: Yes. Just how
5 would the freeze -- for example, if we pass the
6 freeze to enable a school district to freeze its
7 property tax assessment as it relates to schools
8 and thereby to benefit by virtue of increased
9 school aid, how would that -- I mean specific
10 ally how does that happen in the "big five"
11 including the city of New York?

12 SENATOR COOK: Well, Senator,
13 what you would -- in that case because you're
14 doing it statistically rather than actually, you
15 would back into it, because you would -- your
16 plan for expenditures would anticipate the three
17 percent annual increase that you would receive
18 in state revenues, so that then in effect you
19 would have to limit the increase of the approp
20 riation that's set aside in the City budget for
21 school purposes to no more -- that is for the
22 general fund appropriations, the operating
23 appropriations -- there are some other things

1 that are outside that, but the operating
2 purposes, you would have to have an
3 appropriation which annually would not exceed
4 the three percent increase in state aid that you
5 were receiving so that, in effect, it becomes a
6 spending limitation upon the City but it does
7 give them the three percent annual increment.

8 SENATOR GOLD: Mr. President.

9 ACTING PRESIDENT HOBLOCK:

10 Senator Gold.

11 SENATOR GOLD: Yes, thank you,
12 Mr. President.

13 Firstly, I wanted to ask some
14 questions, and I guess I can start with Senator
15 Cook if he would not mind yielding.

16 SENATOR COOK: Certainly.

17 ACTING PRESIDENT HOBLOCK:

18 Senator Cook, do you yield?

19 SENATOR COOK: Yes.

20 SENATOR GOLD: Senator Cook,
21 first of all, I'm delighted. I owe, I think,
22 the same respect to Senator Bruno as Senator
23 Bruno has been giving to me and to my side

1 because obviously, he has been listening because
2 we have been talking since January telling
3 everybody in this chamber how the budget, the
4 Governor's budget, is a disaster for local taxes
5 so the concept that we are now dealing with
6 something that might help local property owners
7 is something we've been excited about since
8 January, particularly in view of the horrendous
9 budget by the Governor.

10 But I'm curious about this
11 particular proposal. For example, there are
12 projections from the state Education Department
13 that indicate in Nassau County, and I know
14 Senator Skelos is very concerned about that,
15 they expect a 17 percent increase in student
16 population in the next few years. Under this
17 proposal, how would the locality deal with that
18 if they have this expansion of 17,000 additional
19 children?

20 SENATOR COOK: Senator, Mr.
21 President. Senator, growth aid is not capped so
22 that, as the district -- if the district had
23 increases in student population, they're able to

1 get the additional aid to cover that growth in
2 population.

3 SENATOR GOLD: Right. So if I
4 understand you properly, Senator, that's more
5 state money; that's not local money, right?

6 SENATOR COOK: Not necessarily.
7 No, Senator, it's only that the cap would not -
8 the cap would not apply to them, but also the
9 computation of aid, the three percent increase
10 would also be there. The computation of aid is
11 based upon either a figure which is \$9,000 or
12 something in that category per student related
13 to the tax levy of the district times three
14 percent, which is -- I'm losing everybody on the
15 arithmetic, but the point is that as the numbers
16 of students would increase, the amount of aid
17 would increase because the amount of aid would
18 be in that case related to the number of
19 students in the district, not to the actual flat
20 amount of the gross expenditures of the
21 district.

22 SENATOR GOLD: So in plain
23 language, if I understand you properly, Senator,

1 the amount of money that this Senate would have
2 to vote for the locality would have to go up; in
3 other words, they won't be making it up on
4 property taxes.

5 SENATOR COOK: That's right.

6 SENATOR GOLD: We will increase
7 the state budget for education is what you're
8 saying.

9 SENATOR COOK: Senator, that is
10 correct and that is -- I will have to tell you
11 -- you may be aware that I've had a bill in for
12 some number of years -- in fact, we passed it in
13 this house two years ago -- which, in fact,
14 would have -- would have even made that
15 appropriation larger. We would have guaranteed
16 districts a ten percent annual increase in aid
17 in exchange for actually reducing their tax
18 levy, the point being that I am in full
19 agreement with what I think you may be -- the
20 point that I think you may be coming into; that
21 is, that education is constitutionally a state
22 responsibility, and I think we ought to be
23 moving towards state funding of that

1 responsibility.

2 SENATOR GOLD: Thank you, sir.
3 The other question, if you'll yield to another
4 question, Senator.

5 ACTING PRESIDENT HOBLOCK:
6 Senator Cook, do you continue to yield?

7 SENATOR COOK: Yes.

8 SENATOR GOLD: And, Senator, I
9 don't know how you and Senator Bruno are
10 breaking that up so, if I ask you a question
11 that he wants to answer, I'm certainly not
12 offended.

13 SENATOR COOK: Probably it
14 depends on which one of our spokesmen can give
15 us the right answer.

16 SENATOR GOLD: Yes, and I don't
17 mind it at all. Let me say, for the record, I
18 think Lackman is brilliant; that's why he just
19 got elected.

20 SENATOR COOK: So is Bob Hotz.

21 SENATOR GOLD: At any rate, in
22 the fiscal year that we are about to enter,
23 '96-97, can you tell me what the cost of this

1 bill will be?

2 SENATOR COOK: There's no cost,
3 Senator, because the first requirement is that
4 the school district submit to the Department -
5 well, I beg your pardon. Let me -- let me
6 rescind that for a moment. There's no cost in
7 the -- in the capping portion of it, because
8 they have to submit this year during the
9 oncoming school year a five-year plan, which
10 would click in the year after that, so that
11 would have to be assumed in future budgets.

12 There is, however, on the senior
13 citizens -- the homestead exemption, the
14 so-called circuit breaker, that does begin to
15 click in and there is some impact on that. 20
16 million, I'm told, is the estimated cost of
17 that.

18 SENATOR GOLD: All right. Now,
19 the 20 million, Senator, is it the circuit
20 breaker portion?

21 SENATOR COOK: Yes.

22 SENATOR GOLD: And the circuit
23 breaker, is that what we were talking about

1 earlier that -- withdrawn. That's been a
2 horror. In this household credit, we're told
3 that it helps senior citizens, this homestead.
4 Now, the way I take a look at it, the income has
5 to be under 17,500, isn't that correct?

6 MR. HOTZ: To get the maximum.

7 SENATOR GOLD: Well, Senator,
8 wouldn't you say there's an awful lot of seniors
9 out there that have nothing other than Social
10 Security but doesn't Social Security give them
11 more than that?

12 SENATOR COOK: Senator, I
13 appreciate that you want to talk so everybody
14 over there can hear you, but I can't hear you
15 when you turn your back.

16 SENATOR GOLD: I apologize,
17 Senator.

18 It seems to me when we talk about
19 seventeen five, when we're talking about senior
20 citizens even on Social Security, don't we have
21 an awful lot that are disqualified at that
22 exemption?

23 SENATOR COOK: Senator, the

1 17,000 is the current homestead exemption which
2 we currently have on the books in New York State
3 and we basically are doubling it.

4 SENATOR GOLD: All right. Now,
5 Senator, the -- getting back to where I was a
6 moment ago, on the basic issue of freezing local
7 property taxes, as you explained it and as I
8 understand it, there is no cost in this fiscal
9 year because they're going to do these
10 calculations and it kicks in a year from now.

11 MR. HOTZ: If they opt in.

12 SENATOR GOLD: Mr. President.
13 Well, Senator, then this is my question. My
14 understanding is at the last budget meeting with
15 the Governor, each side was asked to give its
16 estimates as to what the shortages were or what
17 was needed in the various categories and in the
18 education field, I understand that the number
19 was 450 million; I think your side said 410 or
20 415 million.

21 MR. HOTZ: That included our 20
22 million circuit breaker.

23 SENATOR GOLD: So are you telling

1 us today, Senator Cook, that in this fiscal
2 year, your side stands now ready to increase the
3 budget -- the Governor's budget by at least \$410
4 million so that at least for this year we're
5 giving no money for local property tax support
6 in this bill and in this bill we will cover this
7 area of the school aid formula.

8 SENATOR COOK: Senator, it's my
9 understanding, and I don't sit at the table
10 where Senator Connor sits as part of those
11 conversations, but we have identified about \$410
12 million of restorations which we think are
13 necessary in order to continue existing educa
14 tional programs and to cover the \$20 million
15 that you were referring to in the -- in the
16 senior citizen exemption.

17 SENATOR GOLD: Right.

18 SENATOR COOK: And that is, in
19 fact, I believe a position which Senator Bruno
20 is pursuing. I don't presume to speak for him.
21 But I believe that that is the announced
22 position of this Conference, yes.

23 SENATOR GOLD: Mr. President,

1 yeah. Well, then, maybe Senator Bruno wants to
2 answer that question.

3 Mr. President, will Senator Bruno
4 yield?

5 ACTING PRESIDENT HOBLOCK:
6 Senator Bruno, do you yield?

7 SENATOR BRUNO: That depends on
8 the question, Mr. President. Can you restate
9 it?

10 SENATOR GOLD: Yes, I'm be glad
11 to.

12 Senator Bruno, according to
13 Senator Cook, and I view him to be accurate,
14 there is no money in this bill that is going to
15 help any localities that may have to increase
16 local property taxes as a result of this year's
17 Pataki budget, and as I indicated on a prior
18 occasion, if the Pataki budget were to pass, for
19 example, Albany County which is now at about 8.6
20 percent increase would go up to over 10 -
21 excuse me, over 12 percent increase, so
22 obviously the Pataki budget, that would in fact
23 be mandated local property tax increases, and

1 your bill wouldn't help this year.

2 So my question, Senator, is by
3 putting the bill out in this way and not
4 granting any money this year, are you saying
5 that it is the position of you and your
6 Conference that you are asking for additional
7 spending this year in the budget of some 410 or
8 more million dollars to make up the educational
9 deficit?

10 SENATOR BRUNO: Thank you,
11 Senator Gold.

12 SENATOR GOLD: You're welcome,
13 sir.

14 SENATOR BRUNO: I now understand
15 the question.

16 SENATOR GOLD: Me too.

17 SENATOR BRUNO: And it was a long
18 question.

19 SENATOR GOLD: Very long.

20 SENATOR BRUNO: And I will try
21 and give you a short answer.

22 SENATOR GOLD: Very short.

23 SENATOR BRUNO: And the answer,

1 and I'm pleased and thank Senator Gold, Mr.
2 President, on my behalf for asking this
3 question, because we are going to take the lead
4 in restoring some of the cuts, maybe all the
5 cuts, that the Governor proposed in his budget.
6 That is part of the conversations we are having
7 with the Speaker and with the Governor about the
8 restoration, just the restoration that you are
9 describing, Senator, and it will impact in a
10 positive way school aid, the school year over
11 \$500 million. That's what's on the table.
12 That's what we expect we will get agreement on
13 and I, again, Mr. President, thank Senator Gold
14 for asking the question. I hope he finds my
15 answer acceptable.

16 SENATOR GOLD: Mr. President.

17 ACTING PRESIDENT HOBLOCK:

18 Senator Gold.

19 SENATOR GOLD: Would my very
20 articulate and distinguished leader yield to
21 another question.

22 SENATOR BRUNO: Yes, Senator.

23 ACTING PRESIDENT HOBLOCK:

1 Senator Bruno, do you yield? Senator Gold is not
2 happy with his answer.

3 SENATOR BRUNO: Yes.

4 SENATOR GOLD: On a point of
5 order, Mr. President. I loved it.

6 SENATOR BRUNO: Thank you.

7 SENATOR GOLD: Mr. -- Mr.
8 President, Senator Bruno, I don't have a
9 dictionary handy, but I listened to what you
10 said, and I just need one clarification. You
11 said that in education and some other areas that
12 you are hoping to lead the fight for
13 restorations. Restorations, by definition, that
14 means spending, doesn't it?

15 SENATOR BRUNO: M-m h-m-m, yes.

16 SENATOR GOLD: Spending. Your
17 Conference wants to spend more than the
18 Governor, is that correct?

19 SENATOR BRUNO: Mr. President.

20 ACTING PRESIDENT HOBLOCK:
21 Senator Bruno.

22 SENATOR BRUNO: Yes, our
23 Conference wants to restore school aid so that

1 we can do all the good things that are important
2 to our constituencies, respectively, yes.

3 SENATOR GOLD: Mr. President, like
4 spending.

5 SENATOR BRUNO: There are
6 appropriate places to spend money. That's a
7 very handsome tie you have, Senator.

8 SENATOR GOLD: Thank you.

9 SENATOR BRUNO: And that was an
10 appropriate place to spend some money, and
11 school aid restorations are appropriate places
12 to spend money.

13 SENATOR GOLD: Well, Senator, I
14 want to say that your tie is very nice.

15 SENATOR BRUNO: Thank you.

16 SENATOR GOLD: But I can't afford
17 that spending, so that's why I have this tie.

18 If the distinguished Majority
19 Leader would yield to another question.

20 ACTING PRESIDENT HOBLOCK:
21 Senator Bruno, do you continue to yield?

22 SENATOR BRUNO: Yes, Mr.
23 President.

1 SENATOR GOLD: Mr. President.

2 Thank you, Senator Bruno, and I appreciate your
3 clarifying that your Conference was spending
4 more than the Governor would propose.

5 There's a question I have
6 though. In each of the districts there are
7 problems and educationally related problems and
8 under your bill, what do you do with your tax
9 free situation? If a district has needs, they
10 have real needs to improve either services or
11 facilities or they have to do something to raise
12 money to provide a need. Under your bill, will
13 they lose their advantage because they may have
14 to raise taxes to provide for a need?

15 SENATOR BRUNO: This will -- most
16 of this will be at local option so that those of
17 us that believe in government closest to the
18 people will allow that government elected by
19 their -- our respective constituencies to make
20 those judgments, Senator, so that we wouldn't be
21 mandating that they give this relief in most of
22 the areas, so those judgments will be made and
23 it's very perceptive of you to make that

1 observation and that was all considered in the
2 drafting of this legislation.

3 Senator Ken LaValle has been the
4 mastermind, along with Senator Cook and many of
5 the others in this chamber potentially on both
6 sides of the aisle, and in their wisdom over the
7 years they have constructed a package that's
8 before you and it wasn't done lightly.

9 SENATOR GOLD: Senator, Mr.
10 President, if the Senator will yield to a
11 question.

12 ACTING PRESIDENT HOBLOCK:
13 Senator Bruno, do you continue to yield?

14 SENATOR BRUNO: Yes, Mr.
15 President.

16 SENATOR GOLD: Senator, it's the
17 same question. I heard the answer and it -- and
18 you speak very, very well, and it's a shame
19 you're not a lawyer, but we went through that
20 yesterday. The point I'm getting at, though, is
21 that isn't it a fact that, if a district has to
22 make this local determination and have
23 additional spending because of deterioration or

1 because of increased needs or one thing or
2 another, that they could be, in order to be
3 servicing their students properly, be knocking
4 themselves out of the formula?

5 SENATOR BRUNO: Senator Gold, I
6 apologize for not being a little more explicit
7 in answering your question. Part of the
8 proposal and the recommendation that we make
9 through this legislation is that a school
10 district put together a five-year plan, and if
11 they find a need because they freeze property
12 taxes, well, then they will get, for freezing,
13 to help fill their needs, state aid up to the
14 inflation level to be determined by the indexes
15 so they would get state aid to help meet some of
16 their increased expenses, and the intent, of
17 course, is to create responsibility on the part
18 of school districts so that they manage their
19 affairs and, when we talk about spending, we
20 talk about appropriate spending. We talk about
21 priorities in spending and we recognize that
22 educating young people is a priority of our
23 Conference and I believe, Senator, of your

1 Conference, and it is of the Speaker's, and all
2 of this has been stated.

3 I think that's probably the
4 Governor calling you.

5 SENATOR GOLD: Yeah, said he
6 wasn't happy with your explanation.

7 SENATOR BRUNO: Yeah.

8 SENATOR GOLD: Thank you, Mr.
9 President. On the bill.

10 ACTING PRESIDENT HOBLOCK:
11 Senator Gold, on the bill.

12 SENATOR GOLD: First of all,
13 Senator Bruno, I must tell you that we should
14 always be working together as you have
15 indicated, and I consider that the newly found
16 concern of your party with local property taxes
17 after we've been talking about it for four
18 months, indicating that we are now starting to
19 work together and that you are listening.

20 I also was very, very pleased to
21 hear from you that you are unhappy with the
22 Governor's budget. I surmised you were unhappy
23 with the Governor's budget when you didn't put

1 it out for a vote earlier this year or even put
2 out your own version earlier this year as you
3 did last year. Last year, with great pride, you
4 put out a budget and you challenged the Speaker
5 to do the same. This year you don't do that,
6 and I understand why. The Governor's budget
7 would be a disaster, and your party apparently
8 now, the Senate Republicans, realize that; and
9 while we had a bill before us a couple days ago
10 that wanted to cut taxes by 80 million and while
11 this side of the aisle agrees with the concept
12 of tax cuts but had different cuts in mind, the
13 fact of the matter is that when the budget
14 process is over, your party will be able to put
15 out that major press release which says that you
16 want to spend more money than the Governor and
17 that spending in the ultimate budget that we
18 pass is something which is now apparently a part
19 of the Republican platform in this house.

20 I don't know as a technical
21 matter, Senator Bruno, whether or not the bill
22 that you have before us is going to help in the
23 long run. I know that from the point of view of

1 many people on this side of the aisle, we feel
2 that property taxes are, in fact, devastating.
3 I think it's interesting that Senator Bruno said
4 today something we have been saying for four
5 months, and that is if New York State is the tax
6 leader, it is the tax leader because of the
7 local property taxes and local taxes and unfor-
8 tunately, for the people many of that -- those
9 taxes come from areas controlled by local
10 Republicans, so this is perhaps some kind of an
11 acknowledgement from our distinguished president
12 of the Senate Pro Tem that his party has some
13 responsibility and together with us, we will try
14 to see to it that local property taxes do not in
15 the future drive our citizens to disaster.

16 But the most important part of
17 today's conversation is not this bill which, by
18 the way, I personally intend to vote for because
19 maybe it will help, but the most important part
20 of today's conversation is the fact that we are
21 going to recognize that the block grant program,
22 that the budget as presented by Governor Pataki,
23 would unquestionably drive up local property

1 taxes and the only way that we can save our
2 localities is to do what Senator Bruno
3 apparently is proposing, spend.

4 So, Senator Bruno, when you come
5 before us with the proposal to help education by
6 proposing the Republican spending plan, I'm
7 going to look at that very closely.

8 Thank you.

9 ACTING PRESIDENT HOBLOCK:
10 Senator LaValle.

11 We have a list. Senator LaValle
12 is next.

13 SENATOR LAVALLE: Thank you, Mr.
14 President.

15 I would like to begin my remarks
16 with some commendations because I think that
17 that is important. First, I think Senator Bruno
18 deserves to be commended for his diligence. His
19 efforts, Senator Gold, and others, began with a
20 press conference in November, November of 1995,
21 in which Senator Bruno articulated a proposal.
22 That proposal is in a 34-page bill before us
23 today.

1 Senator Cook should be commended
2 as chairman of Education, to be focused on this
3 issue, and to have allowed members in this
4 house, the Majority, to work with him in
5 bringing this to fruition.

6 Our Secretary of the Finance
7 Committee, Abe Lackman, Jeff Lovell, and Bob
8 Hotz, should be commended in working with the
9 members in this house to bring about the
10 specifics of this proposal.

11 There has not been a proposal
12 such as this as comprehensive, and the reforms
13 that are articulated here and the philosophy, in
14 probably two decades. I say a change in
15 philosophy because heretofore we used one
16 strategy to deal with property tax reform and
17 monies for programs for education, and that
18 mechanism has been solely the state aid formula,
19 but that we have talked and debated, have worked
20 on during the budget deliberations.

21 Today, we establish a two-pillar
22 philosophy. One of the pillars is yet to be
23 developed as was articulated by our Majority

1 Leader, and that is the state aid proposal that
2 will deal primarily, although not in its
3 entirety, but primarily dealing with the
4 programmatic side of the school district budget
5 -- how much money do we have to provide
6 services to our students -- and hopefully, some
7 districts will have sufficient dollars to
8 provide tax stabilization.

9 Today, we unveil a second pillar,
10 and that second pillar has sub-parts to it and
11 that's what makes this proposal a measure of
12 reform.

13 In the first instance, it says to
14 our citizens that they should be more involved
15 in the education process, by their vote, by
16 their participation in developing a school
17 district budget. It says that that budget
18 should be presented to all the voters in the
19 district in plain language in a form that the
20 Commissioner will be involved in so that our
21 citizens can understand what is going -- what
22 expenditures are going for what programs in the
23 school budget.

1 It will allow the presentation of
2 that budget for the first time to be presented
3 in three different parts, programmatic part, the
4 instructional services, the administrative
5 budget, as defined by the legislation, and
6 thirdly the capital budget. The voters will be
7 able to see what the effect will be on the tax
8 levy and what each portion of that budget has in
9 terms of a tax -- a tax rate, and how that part
10 of the budget would be reflected in the tax
11 rate. So we involve the voters in trying to
12 participate in the process.

13 The second part has been
14 discussed through the questions that Senator
15 Gold asked of Senator Cook in terms of the tax
16 stabilization, to allow the school districts to
17 make a decision whether there are sufficient in
18 centives to stabilize their tax rate.

19 The third part of the bill says,
20 How do people pay for that tax once it's
21 established? And so much discussion was -- was
22 made in terms of the homestead exemption and
23 what we are doing for the first time is creating

1 a state portion of the homestead exemption that
2 many of our localities, towns, counties and
3 local school districts already participate in.

4 We add to this a portion that
5 will affect all of our taxpayers who use an
6 itemized tax form to pay their state taxes by
7 taking a double school tax deduction and,
8 thirdly, as has been discussed, a circuit
9 breaker program that really goes to the heart of
10 our middle income taxpayers, those with incomes
11 of 75,000 or less, that would really pay a
12 percentage of their income of property taxes,
13 and then the state would help them.

14 What we are doing in this
15 proposal is something that people have talked
16 about for years and years in moving and getting
17 the state more involved in sharing education and
18 helping people pay some of the onerous property
19 taxes that are levied locally, and so this
20 measure has been put together with proposals and
21 some of you may look at some of the ideas over a
22 number of years in separate bills and some of
23 those proposals we have passed.

1 So today really is a great day
2 for this house with the leadership of Senator
3 Bruno, Senator Cook, in putting this proposal
4 together, because I think it moves us into the
5 next millenium at the right juncture at the
6 right time.

7 ACTING PRESIDENT MARCELLINO:
8 Senator Dollinger.

9 SENATOR DOLLINGER: Mr.
10 President.

11 SENATOR STAVISKY: Is there a
12 list there?

13 SENATOR MARCELLINO: Yes, there
14 is, Senator Stavisky, and you are after Senator
15 Dollinger.

16 SENATOR DOLLINGER: Mr.
17 President, who would answer questions on behalf
18 of the bill? Senator Bruno, I note, is not in
19 the house. Perhaps Senator Cook?

20 ACTING PRESIDENT MARCELLINO: I
21 believe Senator Cook will answer your questions,
22 sir.

23 SENATOR COOK: Yes.

1 SENATOR DOLLINGER: Senator, I'm
2 trying to understand this bill along the lines
3 that have been discussed about how significant
4 and important this proposition is.

5 One of the things that's raised
6 in this bill is the Consumer Price Index.

7 SENATOR COOK: Yes.

8 SENATOR DOLLINGER: A commonly
9 used tool to try to gauge the overall
10 inflationary effect on the economy and, as I
11 understand it, this bill says that any budget
12 increase more than CPI has to have the support
13 of two-thirds of the trustees of the school
14 board before it can go on. Is there any
15 requirement in this bill that a certain
16 percentage of the voters have to approve it?

17 SENATOR COOK: No.

18 SENATOR DOLLINGER: Again,
19 through you, Mr. President if Senator Cook will
20 yield to a question, the Consumer Price Index I
21 assume that the -- what we'd be looking for is
22 an effect of the inflation in the state of New
23 York, correct?

1 SENATOR COOK: It's -- Senator,
2 it is the Consumer Price Index for the New York
3 Northern New Jersey region.

4 SENATOR DOLLINGER: My question
5 is, Mr. President, what does New Jersey and the
6 costs associated in New Jersey have to do with
7 education or price increases in the state of New
8 York?

9 SENATOR COOK: Senator, the point
10 was to find a standardized number that was
11 generally accepted. That number happens to be
12 the United States Department of Labor CPI number
13 that they have been developing and publishing
14 for years. It's a generally accepted number in
15 a whole variety of things that are done in
16 commerce and in government and, therefore, it's,
17 I would say, a generally accepted standard.
18 That's why it was used.

19 SENATOR DOLLINGER: But again
20 through you, Mr. President, including New Jersey
21 in the calculation of the CPI and what effect it
22 has on this state, including Plattsburgh -- a
23 long ways away from New Jersey; Rochester, a

1 long ways away from New Jersey -- could you tell
2 me what relevance prices in New Jersey have in
3 being used in a CPI which affects our local
4 school district?

5 SENATOR COOK: Senator -- Mr.
6 President. Senator, you are a good lawyer. You
7 know when something you're saying is
8 disingenuous. The point is that we adapt to the
9 standard. It could have been the standard that
10 was called the Northeastern United States
11 standard. It could have been -- we do it all
12 the time.

13 The point is we did not attempt
14 to put in a whole new bureaucracy that would
15 establish what the CPI would be within the
16 geographic boundaries of the state of New York
17 which might be one-tenth or one-hundredth of a
18 percent different from the -- from the average
19 that is already on record and, furthermore, we
20 can use a standard that's established by an
21 authority that's outside New York so it cannot
22 be manipulated by anyone within the state of New
23 York, and that's really what it does. It gives

1 the bill credibility because it's a generally
2 accepted standard.

3 SENATOR DOLLINGER: Again through
4 you, Mr. President, I guess I'm just astounded
5 that when it comes to figuring out what the
6 effect is in New York, we use a standard that
7 includes New Jersey and is developed by another
8 government, the federal government. It's not
9 even one we develop ourselves, so we're going to
10 rely on the federal government to do the
11 calculation and we're going to allow them to use
12 New Jersey numbers when that's the most critical
13 thing in this bill, isn't it, because if it sets
14 new standards, if it exceeds a Consumer Price
15 Index that includes New Jersey and is devised by
16 the federal government.

17 SENATOR COOK: Mr. President.

18 ACTING PRESIDENT MARCELLINO:
19 Senator Cook.

20 SENATOR COOK: Senator, we are
21 more than once accused in this Capitol of
22 manipulating numbers and figures and standards,
23 to fit whatever necessity is before us. The

1 other -- the other alternative is to find
2 national standards. Now, we do this in a whole
3 variety of areas -- transportation. We use the
4 AASHTO standards, which are national standards,
5 and they're used because they are -- they are
6 objective, they're generally accepted numbers.

7 Why we use the federal number is
8 because it cannot be manipulated according to
9 whatever whim anyone in this Capitol might
10 have. It is a solid number. If we have -- if
11 we put into statute some way of calculating
12 those figures within the state of New York, I
13 would have to confess it would be subject to
14 manipulation, and we really don't want that to
15 happen. We want a standard that is generally
16 accepted, and that's why it's in the bill.

17 SENATOR DOLLINGER: O.K. Through,
18 Mr. President, if Senator Cook will yield to
19 another question.

20 ACTING PRESIDENT MARCELLINO:
21 Senator Cook, do you continue to yield?

22 SENATOR COOK: Yes.

23 SENATOR DOLLINGER: All of the

1 provisions in this bill that deal with the form
2 of the budget that the school district would
3 present, is there anything in current law in
4 this state that prohibits them from doing that
5 by themselves?

6 SENATOR COOK: Mr. President,
7 there is nothing in current law that prohibits
8 them from doing it. I think Senator LaValle, in
9 his presentation, however, touched the point and
10 that is that school budgets are to some people
11 and many people, perhaps a very complex thing.
12 They often have difficulty understanding what it
13 is that they're actually being asked to vote
14 upon. This bill simply provides that, when that
15 option is placed before them to vote on a
16 budget, that it has to be presented in such a
17 way that they know exactly what questions
18 they're being asked.

19 SENATOR DOLLINGER: Again through
20 you, Mr. President, if Senator Cook will yield.

21 SENATOR COOK: Yes.

22 SENATOR DOLLINGER: Are you
23 suggesting, Senator, that the school districts

1 in your district don't put properly identified,
2 properly prepared, easily understandable budgets
3 before their voters, because I've got news for
4 you, Senator. I represent probably seven school
5 districts and in every single one of them, I
6 think they do an exemplary job of breaking down
7 the budget in common plain language in putting
8 the proposals before the voters, in mailing to
9 the voters before the election two or three
10 times to explain to them what the proposition is
11 all about, and I guess my question is, is this
12 needed in your district because it clearly isn't
13 needed in mine? I just want to find out where
14 it's needed.

15 SENATOR COOK: Mr. President -
16 Mr. President, Senator. You're very fortunate.
17 I am not going to attribute any bad motives to
18 anyone, but I will have to tell you that some of
19 the information that is distributed by school
20 districts is less than clear in terms of what it
21 really does, that many of the issues that are -
22 frankly arise within school districts could be
23 avoided if, in the first instance, the material

1 that was distributed to the voters was more
2 clear in exactly what it was trying to do.

3 So I don't see this as punitive.
4 I see this as something that is of good
5 information. We have clear language laws that
6 we have put in place around here for years
7 providing that various kinds of things have to
8 be written in plain language. This does nothing
9 more than that. It's to say that, when you put
10 a proposal out before the public, you have to do
11 it in a manner in which it is easily
12 understood.

13 Now, if -- let us assume that
14 with all good motives, a school administrator
15 who is not, by his profession, necessarily a
16 public relations person, he may be able to write
17 a budget in jargon that is totally
18 understandable to the BOCES commissioner,
19 superintendent, totally understandable to the
20 Department of Education, totally understandable
21 with his explanation to the school board but
22 when it goes out to the voters, it is jargon
23 that they simply do not comprehend.

1 The point of this would be that
2 the Commissioner would design for the school
3 districts a means in which they would be
4 presenting their budget to the voters so that
5 hopefully it would be comparable from one
6 district to another so that someone who lives in
7 School District A looks at their budget and when
8 they try to compare it to School District B or
9 School District C, they'll know that this
10 particular item means a particular thing in
11 their district, so that those comparisons are
12 accurate and there won't be people jumping to
13 conclusions because they see things that they
14 think mean one thing and actually mean something
15 else.

16 It is a matter of putting in
17 formation out in an understandable form so that,
18 when voters vote, it will be an informed vote
19 based upon the statewide understandings and it's
20 -- if you will, Senator, not unlike the CPI,
21 it's a matter of trying to develop common
22 understandings so that when people look at
23 something, they accurately know what they're

1 voting on.

2 SENATOR DOLLINGER: Again through
3 you, Mr. President.

4 ACTING PRESIDENT MARCELLINO:
5 Senator Cook, do you continue to yield?

6 SENATOR COOK: Yes, I will.

7 SENATOR DOLLINGER: Again through
8 you, Mr. President.

9 ACTING PRESIDENT MARCELLINO:
10 Senator Cook, do you continue to yield?

11 SENATOR COOK: Yes, I will.

12 SENATOR DOLLINGER: The types of
13 itemization and information that you would
14 request in school budgets, is that provided for
15 the New York State budget, the \$65 billion that
16 we spend every year?

17 I know Senator Leichter and
18 others over here have asked for itemized budget,
19 more budget detail, just the same kinds of good
20 government things that you for some reason think
21 are not present in local school districts, yet
22 every time, I think, we have brought up those
23 amendments for the last five years, four years

1 that I have been here, I don't know that anybody
2 on the other side has voted for those to apply
3 to us.

4 My question is, why? If it's
5 supposedly so good for local school districts,
6 why is it such a bad thing here?

7 SENATOR COOK: Mr. President.

8 Senator, I'm not sure exactly
9 what kinds of additional stipends you would
10 receive, but I know you receive \$57,500 in base
11 salary, plus some kind of an additional stipend;
12 in other words, you are paid to have the
13 analytical ability to deal with complex issues.

14 SENATOR DOLLINGER: My critics
15 don't suggest that I do.

16 SENATOR COOK: There are many
17 citizens out there who don't receive that kind
18 of salary and who are nevertheless expected to
19 make complex decisions. I think it's incumbent
20 upon us to provide them with as clear
21 information in as simplest forms as we can do it
22 and not expect them to spend the same time that
23 you or I spend trying to understand these issues

1 given the kind of salaries we receive.

2 SENATOR DOLLINGER: Okay. Just
3 one other question in another area, Mr.
4 President.

5 ACTING PRESIDENT MARCELLINO:
6 Senator Cook, do you continue to yield?

7 SENATOR COOK: (Indicating
8 affirmatively.)

9 SENATOR DOLLINGER: Senator, I am
10 intrigued about the divvying up of the budget
11 into the administrative, the programmatic and
12 the capital areas. What happens if the
13 administrative budget -- which, of course,
14 includes very sensitive things, salaries of
15 school superintendents, other items that I'm
16 sure voters who feel a certain angst about
17 school taxes may look at those numbers and say,
18 "I don't want to pay those bills." What
19 happens if those budgets are defeated? So you
20 put all three of them up, the program passes,
21 the capital passes. What happens to the
22 administrative budget?

23 SENATOR COOK: Mr. President, as

1 I understand it, there are certain mandated
2 obligations which a district has, and obviously
3 direct supervision is one of them.

4 However, I would tell you that
5 our colleague from Westchester County,
6 Assemblyman Tocci, has repeatedly talked about a
7 particular school district which has spent an
8 inordinate amount of money to hire an outside
9 firm, a consulting firm, which they have
10 utilized for certain purposes within the
11 district, and it's his concern that that
12 district not be permitted to spend that kind of
13 money without voter approval. That is really
14 where we're at.

15 It is not the necessary, ongoing
16 expenses of the district which are already part
17 of the austerity item, but it would be those
18 other kinds, if you will, of optional services
19 that a district may decide for whatever reason
20 to purchase outside.

21 SENATOR DOLLINGER: Again through
22 you, Mr. President just so I understand it. If
23 the administrative budget doesn't pass, my

1 understanding is that they can have a second
2 crack at the administrative budget. Is that
3 correct?

4 SENATOR COOK: Mr. President.
5 Senator, that's true of any portion of the
6 budget, yes.

7 SENATOR DOLLINGER: And then the
8 third portion, if they get 100 voters or 10
9 percent of the people who voted, they can have a
10 third crack at it. Is that correct? What
11 happens if it fails all three times?

12 SENATOR COOK: Senator, the
13 austerity requirements go in place. The
14 district obviously has to be able to continue
15 its mandated services, so it obviously has to
16 have a superintendent, but those other kinds of
17 services that they may be contracting for that
18 would be outside the necessary administrative
19 expenses would not -- they would not be
20 permitted to expend.

21 SENATOR DOLLINGER: Again through
22 you, Mr. President.

23 I'm not sure I understand. I

1 know, Senator Cook, you've been in charge of the
2 Education Committee, been the chairman of the
3 committee. I'm not on the committee, but what
4 other nonausterity expenditures would be
5 included in the administrative portion that
6 would be subject to voter approval?

7 SENATOR COOK: Senator, the very
8 point that I just mentioned, hiring of
9 consultants, for example, of outside firms for
10 whatever purpose they were being hired would not
11 be covered under that.

12 SENATOR DOLLINGER: Okay. On the
13 bill, Mr. President.

14 ACTING PRESIDENT MARCELLINO: On
15 the bill, Senator Dollinger.

16 SENATOR DOLLINGER: Mr.
17 President. The reason why I'm concerned about
18 the CPI index -- and I understand Senator Cook's
19 point. He says that the CPI could be subject to
20 manipulation if we did it. That doesn't accept
21 the fact that the federal government could, of
22 course, manipulate the CPI to its own device.

23 And, number 2, they picked the

1 urban CPI, not the all consumers CPI. Why would
2 they pick the urban CPI when so much of
3 everything upstate, in your district, Senator,
4 in my district, I believe, is not included in
5 the urban CPI?

6 And, for some reason, we've
7 decided to pick and include New Jersey which
8 might be wonderful for certain things, but it
9 seems to me that the -- all the laudatory
10 comments that have been made about this bill as
11 being a good thing for New York State, we can
12 develop our own CPI. We don't need New Jersey
13 and its market basket of items, including gas
14 prices in New Jersey, to start affecting the CPI
15 and become a critical threshold for when we
16 trigger larger super majority votes in our
17 school districts.

18 I don't think that, frankly,
19 makes any sense, and I don't know who was
20 thinking about this, but to include an urban CPI
21 which encompasses New Jersey really makes me
22 wonder about who was thinking about this whole
23 idea of reform, and New York's education system

1 is now dependent upon who buys gasoline, who
2 buys eggs, who buys milk, in the state of New
3 Jersey.

4 Also I think that based on my
5 reading of this proposal, it has a very cynical
6 view of local school boards which I don't quite
7 understand. I know there has been a lot of
8 controversy in education. I understand that the
9 voters in this state across the state are
10 rightly concerned about what is going on in our
11 educational system to prepare our children for
12 the future. But what this bill has is an
13 extremely cynical view of what they do. It
14 suggests all those voters who go in to vote on
15 school budgets aren't well-informed. I don't
16 have any evidence of that, Senator.

17 I know that everybody complains
18 about paying school taxes, but I have nobody who
19 comes up to me and says, "I don't understand
20 what's on the budget; I don't understand what
21 the numbers are; I can't understand; they want
22 to raise my property taxes 3 percent, I can't
23 understand it." All the information is

1 available. Every school district that I deal
2 with floods your mailbox with information about
3 the school budget. Spend some time and read
4 it. We don't need this.

5 I don't know what happens in your
6 district or in all the other 37 districts that
7 are represented by members on the other side of
8 the aisle, but you must think that your school
9 boards are defrauding the voters because,
10 obviously, you are suggesting that they are not
11 doing it right. I don't understand that.

12 Maybe I've got to go visit some
13 other school districts in Long Island or up in
14 the Metropolitan New York area and find out how
15 they have been flimflamming these voters all the
16 time, because we now suggest that we have to
17 come up with -- tell them how they are going to
18 present their budget to their voters to which
19 they are completely accountable.

20 I would suggest, Senator Cook,
21 that if any school board is flimflamming your
22 voters and not giving them sufficient
23 information, those voters have the absolute

1 power, the one power we can't take away, the one
2 power I respect, vote them out of office. Throw
3 them out. Tell the next school board to
4 redesign the whole budget, do it a better way,
5 make it more informed.

6 What they don't need are people
7 way, way in Albany, in the little tower that we
8 work in and in traveling in a little corridor of
9 the LOB, to sit down and say, "This is the right
10 thing for the Greece Central School District.
11 We know better than you do how to educate your
12 voters. We know better than you do in the town
13 of Brighton how to educate your voters. We know
14 better than you do in the town of Pittsford how
15 to educate your voters." Seems to me that
16 doesn't make any sense at all for us to be
17 telling them what to do.

18 I said it before. I will say it
19 again. I think this has lots of mandates, and
20 I'm going to vote in favor of this. I'm not
21 against property tax cuts, but, once again, I
22 think we come back to the same image that I drew
23 last time. Dumbo is jumping off the top of the

1 tower. Fly, Dumbo, fly, and that elephant is
2 just flying around, flying around. It's all
3 fantasy. It's a nice wonderful thing to be able
4 to put in your newsletters, to be able to shoot
5 for television commercials in the fall, to stand
6 up and do a press release and say, "We've saved
7 property taxpayers in New York; we know better
8 than local school boards; we know better how to
9 do it." We somehow have been given this great
10 gift of insight on how to reform public
11 education and how to reform the budget process.

12 You got me. I am willing to do
13 it. I'm willing to stand by and say just like
14 the magpies did in "Dumbo, the Flying Elephant,"
15 I think I will have seen everything when I see
16 an elephant fly.

17 I will be voting yes.

18 ACTING PRESIDENT HOBLOCK:

19 Senator Stavisky.

20 SENATOR STAVISKY: Senator Cook
21 yield for a question or two?

22 ACTING PRESIDENT HOBLOCK:

23 Senator Cook, do you yield?

1 SENATOR COOK: Yes.

2 SENATOR STAVISKY: Senator Cook,
3 I see as a fiscal note that when the plan takes
4 effect in the future that there will be a \$400
5 million price tag. Am I correct? Who will be
6 paying that?

7 SENATOR COOK: Senator, that will
8 be part of the general state revenues.

9 SENATOR STAVISKY: That's not
10 necessarily money that we presently have or we
11 foresee in the existing state revenue stream.

12 SENATOR COOK: Senator, as you
13 probably are aware, we have a pretty consistent
14 growth in revenues in New York State over a
15 period of years which is generally in the
16 neighborhood of a billion to a billion and a
17 quarter dollars, and we don't see all that
18 revenue all the time because there are also a
19 whole variety of entitlement programs in the
20 state which at the same time are driving up our
21 expenditure requirements.

22 The anticipation is, however,
23 that we expect to have some fiscal discipline in

1 this state that is going to make available to us
2 some funds for purposes which we currently don't
3 have money available -- frankly, property tax
4 relief which I would like to -- the bill I
5 presented would be \$600 million a year not \$400
6 million. But, Senator, I believe it can be
7 done. I believe the requirement of this
8 Legislature is to place that mandate on the
9 books.

10 You have talked -- we've heard
11 Senator Gold talk about the Governor's budget.
12 If we have it, there as a statutory
13 responsibility that in future years that money
14 is going to have to be provided in the
15 Governor's budget, then we won't have to argue
16 about it because it will be an entitlement
17 that's there to go to the school districts, and
18 I think that is one of the real genius of this
19 bill is that because, for the first time, we're
20 starting to say that that school aid does become
21 in the nature of an entitlement.

22 SENATOR STAVISKY: But if the
23 optimistic projection of revenue for future

1 years is not there, won't there be, by
2 necessity, an increase in state taxes?

3 SENATOR COOK: Mr. President, I
4 think we have to deal with that in the same
5 manner we deal with other kinds of expenditures
6 in other years. We have seen years in which we
7 have been confronted with tremendous proposed
8 increases in social programs. We have seen
9 increases in dealing with the correctional
10 system. We have seen increases in dealing with
11 mental health problems. You name it, we always
12 have that quandary of how do we deal with
13 increased costs on one side and with whatever
14 revenues we have on the other.

15 The problem, Senator, as you
16 readily can recognize is that all too often
17 school aid and school funding has been a sort of
18 end product of what was left over when all these
19 other concerns were paid for; and for the first
20 time, we have in this bill a requirement that
21 puts education up there at the top of the list
22 along with these other state requirements, and I
23 think that's a real -- I think we should look

1 upon that not as a deficit in the bill but,
2 indeed, a real plus.

3 SENATOR STAVISKY: I agree with
4 you, Senator Cook, that education should be a
5 number one state priority. But I think the
6 members in voting for this piece of legislation
7 should be aware of the fact and the possibility
8 that if the revenue is not as optimistic as we
9 projected, if the receipts are not as optimistic
10 as we projected, then what is being proposed
11 today in this bill -- and your members should be
12 aware of it -- that this may be a tax increase
13 bill that we are putting in place, and I think
14 you should label it as such.

15 This may be a bill to increase
16 state taxes, and if you understand that and are
17 willing to vote with it under those ground
18 rules, then there will be no dispute. But
19 please don't pretend that the revenue will be
20 there. The revenue is wish money, and this
21 could be a tax increase bill, and you bear the
22 responsibility for that increase in taxes if it
23 has to come to pass.

1 Let me speak about some other
2 aspects of the bill. I am not certain that I am
3 satisfied with the manner in which aid to cities
4 such as Syracuse, and Rochester and Buffalo and
5 Yonkers and New York City, has been explained
6 and the benefits that will accrue. Because in
7 those cities, which are fiscally dependent
8 school districts, they pass through a municipal
9 budgetary process, and revenue from various
10 sources is used by the municipality, sometimes
11 the property tax, but sometimes the sales tax
12 which also is regressive, and, yes, there even
13 are taxes such as income taxes, local income
14 taxes and fees and other miscellaneous sources
15 of revenue. There is no relief for the
16 overburdened taxpayer who may, through an
17 accumulation of municipal taxes, be forced to
18 pay an extremely high percentage of that
19 person's income for the combination of municipal
20 taxes which when taken together might be greater
21 than another taxpayer's burden with regard to
22 property taxes alone.

23 Then, there is the problem of

1 block grants, block grants which may be
2 consolidating a whole host of programs that are
3 needed. Educational disadvantage is not dealt
4 with in this bill. Increases in school
5 enrollment is really not dealt with in this
6 bill. When you consolidate into block grants a
7 whole host of programs that have been separately
8 funded, for students with reading disability,
9 students for whom English may not be the primary
10 language but who are moving into districts all
11 over the state -- they are no longer a problem
12 that affects the City of New York. Educational
13 disadvantage has become very democratic. It's
14 affecting the suburbs. It's affecting the
15 communities surrounding the large cities, and
16 many of you represent those areas. If now,
17 squeezed into a shoe, you have no longer five
18 toes but you have ten toes and the size of the
19 shoe has not become any larger, you will be
20 facing some of the consequences of the movement
21 to block grants which are a very easy way of
22 promising local self determination. But when
23 there is less money, consolidation into block

1 grants does not help any of the school
2 districts, especially if the population soars
3 and especially as the number of children who are
4 suffering from educational disadvantage of
5 various kinds continue to move into your
6 districts as well as maybe moving into my
7 district.

8 And so I suggest to you that this
9 bill promises a panacea which may not
10 necessarily be real and, therefore, be prepared
11 to find that the local school districts will be
12 suffering with this kind of approach that may
13 not necessarily have one shoe fitting all feet
14 that may be stuffed into it. I think that if
15 you're voting for this, be prepared to have it
16 explained in your districts that this is
17 possibly a higher tax bill where you will be
18 taxing taxpayers at the state level to take care
19 of some of these problems where you are
20 promising real property tax relief.

21 And with that understanding, we
22 all are on the same wave length and we all can
23 come together to seek a better way of financing

1 education and paying for school costs, but they
2 are not necessarily going to get any smaller
3 simply because we're calling for a tax freeze on
4 the real property tax. There are many other
5 expenditures that this bill does not address,
6 and I'm prepared to work with you. We all are
7 prepared to work with each other in dealing with
8 these issues.

9 The state aid formula for
10 operating costs is not workable. We end up
11 throwing money in there through individual
12 programs which bear no relationship to a
13 formula. I don't think this bill even discusses
14 the issue of save harmless, which is the
15 conventional, easy way that the Legislature has
16 guaranteed that regardless of the number of
17 pupils, even when the number of pupils goes
18 down, regardless of the number of problems or
19 lack of problems, the school district receives
20 the same money as last year. Sometimes that
21 save harmless continues generation after
22 generation, and you've had save harmless, the
23 son of save harmless, the grandson of save

1 harmless, and sometimes legislatures have thrown
2 money in there, the school districts whose
3 students, whose children graduated five or ten
4 years ago.

5 Those are unaddressed issues in
6 this bill. Be prepared to defend this bill if
7 this is the way you think we should go, but
8 understand, too, that there are many issues that
9 are left out of this legislation that should be
10 considered by those of us who have the
11 responsibility for the more than 700 school
12 districts in the state.

13 Thank you very much.

14 ACTING PRESIDENT HOBLOCK:

15 Senator Saland.

16 SENATOR SALAND: Thank you, Mr.
17 President.

18 Mr. President, I quite obviously
19 rise in support of this bill. I am pleased to
20 be one of the sponsors of this bill, and I
21 certainly would like to commend Senator LaValle,
22 Senator Cook and certainly Senator Bruno, as
23 well as Jeff Lovell and Bob Hotz, and the rest

1 of the staff who work tirelessly on this bill.
2 Needless to say, the Senate majority has been in
3 the forefront of dealing with education and real
4 property tax reform for a number of years.

5 We have seen bills introduced by
6 Senator LaValle, bills introduced by Senator
7 Cook, there was a bill two or three years ago
8 introduced by Senator Levy, all of which have
9 passed this house with overwhelming numbers,
10 overwhelming support, only to meet with either
11 benign neglect or perhaps either indifference or
12 intransigence in the other house.

13 The Senate is by no means -- this
14 Conference is by no means a Johnny-come-lately.
15 We have time and again restored dollars or
16 increased dollars in aid to education, and we
17 have striven tirelessly to deal with the issue
18 of real property tax reform. As I said earlier,
19 there have been several occasions in which we
20 have passed, overwhelmingly, bills that would
21 accomplish that.

22 There has been mention of the Big
23 Five, and perhaps that may in part explain the

1 indifference with which these proposals have
2 been met in the other house. Within the big
3 five, we're not talking about reliance on real
4 property taxes, certainly school taxes, as a
5 means of funding their education. So the
6 reality is is that the kinds of pressures that
7 we in suburban and rural upstate districts have
8 dealing with real property tax is never felt at
9 the local level by the residents of the Big Five
10 who happen to own one- or two-family houses and
11 there's not that push; and, therefore, there has
12 been little or no pressure of placed on the
13 Assembly to deal with this issue.

14 This is the most comprehensive
15 bill dealing with the subject of real property
16 tax reform and aid to education that this state
17 has ever seen, and this conference should take
18 enormous pride in it as a major accomplishment,
19 and I'm hoping that this will be the vehicle
20 that will at long last put the Assembly's feet
21 to the fire.

22 This bill will provide when fully
23 phased in an excess of \$800 million in direct

1 real property tax aid to real property tax/
2 owners in the State of New York, whether it's
3 the double shot on income tax, whether it's the
4 senior citizens real property tax exemption, the
5 circuit breaker, whatever the means is, this
6 bill in an omnibus fashion delivers. But it
7 does more than that.

8 It doesn't treat the property tax
9 problem, the problem of ever-increasing real
10 property taxes as just a revenue problem. It
11 also treats it as a spending problem, and you
12 heard Senator LaValle a little bit earlier
13 address at great length, as did Senator Cook,
14 some of the proposals that deal with the
15 spending side of the equation.

16 There's nobody here in this
17 chamber regardless of what side of the aisle
18 you're on that negotiates salaries -- nobody -
19 and salaries make up some 70 to 80 percent of
20 what your school districts are paying in terms
21 of their budgets.

22 So this is not disingenuous. I
23 have heard certainly some back biting. I have

1 heard certainly some efforts to try and whittle
2 away at what I think is an extraordinarily well
3 crafted bill. The fact of the matter is and the
4 bottom line is that this conference has time and
5 again endeavored to make this a front-burner
6 issue. We have once again put it out there.
7 It's there for everybody to see.

8 It's something that the Assembly
9 is long overdue in even attempting to deal with,
10 and, hopefully, they will finally take up this
11 issue, and the people of the State of New York,
12 the real property tax/owners who are suffering
13 mightily will at long last see relief.

14 Mr. President. With great pride,
15 not only do I identify with this bill, support
16 this bill but, again, commend Senator Bruno,
17 Senator LaValle, and Senator Cook.

18 ACTING PRESIDENT HOBLOCK:
19 Senator Leichter.

20 SENATOR LEICHTER: Mr. President,
21 thank you.

22 I don't know, Senator Saland, I
23 must say that either you've talked yourself into

1 this or you're a helluva good actor, because I
2 look at this bill and I see it as a fraud.

3 It's a hoax on people who are
4 paying more and more real estate taxes. You can
5 go and you can claim that you are providing real
6 estate tax relief, but, in fact, you are giving
7 these districts, the school districts, a
8 Hobson's choice. It's a Hobson's choice for
9 them. Either they freeze the real estate tax,
10 in which event they get -- assuming it's
11 available -- a certain amount of additional
12 state aid, but which is pegged to the CPI.

13 Now, if you have a school
14 district that -- as some of my colleagues here
15 have pointed out, that has large, increased
16 enrollments -- take the city of New York. Last
17 year, we had 20,000 additional students. We
18 expect 20,000 additional students in the next
19 school year, and forgetting for a moment the
20 problem on the Big Five, and I want to address
21 that again just a little bit later -

22 SENATOR SALAND: Mr. President.
23 Will Senator Leichter yield?

1 ACTING PRESIDENT HOBLOCK:

2 Senator Leichter, will you yield?

3 SENATOR LEICHTER: Yes.

4 SENATOR SALAND: Senator
5 Leichter, how many single-family homeowners do
6 you have in your district?

7 SENATOR LEICHTER: Oh, I would
8 say maybe 100.

9 SENATOR SALAND: 100?

10 SENATOR LEICHTER: Yes.

11 SENATOR SALAND: How many people
12 reside in your district? I'm assuming you have
13 somewhere in the area of the same 295,000 that
14 the rest of us have.

15 SENATOR LEICHTER: Well, I have
16 more, Senator, because my district, as the
17 census bureau has conceded and admitted, under
18 counted parts of my district, so let's say I
19 have 325,000 people.

20 SENATOR SALAND: So you have 100
21 single-family residences out of 325,000 people.

22 SENATOR LEICHTER: Yes.

23 SENATOR SALAND: Have they been

1 clamoring at your doorstep for real property tax
2 relief?

3 SENATOR LEICHTER: Senator, I
4 have certainly had complaints about real
5 property taxes from the owners of larger
6 residential buildings, multiple dwellings,
7 apartment houses, commercial owners. I have a
8 lot of complaints in my district from owners of
9 cooperatives and condos because they are
10 definitely being discriminated against.

11 However, as you know, the city of
12 New York has taken the position that it would
13 keep artificially low the taxes that are
14 assessed on single- and two-family homes, so I
15 think it would be with ill grace that anybody
16 who has a single-family home in my district or
17 anywhere in New York City came to us and
18 complained about real estate taxes.

19 SENATOR SALAND: Let me just
20 pursue this a little further -

21 ACTING PRESIDENT HOBLOCK:
22 Senator Leichter, do you continue to yield?

23 SENATOR SALAND: -- if you will

1 continue to yield.

2 I'm not quite sure what your
3 opening remarks were, but I think they were less
4 than kind in your characterization of my
5 feelings and comments about this bill, and I
6 certainly, you know, don't object to your being
7 sanctimonious.

8 But if you wouldn't mind, I must
9 tell you, given the reality of our respective
10 districts as I pointed out a bit earlier,
11 there's not exactly a ground swell of support
12 coming from anywhere in the Metropolitan area in
13 the city of New York within the five boroughs
14 with some rare exception, I'm sure, and it would
15 be very, very rare, and certainly little or no
16 cause within the ranks of the other members of
17 the Big Five because you've never had to deal
18 with the issue.

19 And, on the one hand, I listen to
20 Senator Gold and I listen to you with your
21 proposed 94 percent whatever that bill may be,
22 talking about the fact that the state isn't
23 doing enough and what we're endeavoring to do is

1 to impose additional burdens on local
2 government; and when we here, with the vehicle
3 of this bill, attempt to lift that burden off
4 the back of local government, you attempt to
5 have it both ways, the height of hypocrisy. The
6 absolute height of hypocrisy.

7 SENATOR LEICHTER: Senator
8 Saland, one of my colleagues -- I will not say
9 who, but when you said that I was sanctimonious
10 said, "Well, at least you are not hypocritical."

11 SENATOR SALAND: No, I just
12 accused you of being hypocritical, so we'll drop
13 that also.

14 SENATOR LEICHTER: I mean here I
15 was feeling good. One of my colleagues said
16 that I wasn't hypocritical, but I didn't enjoy
17 that status very long because you now tell me I
18 am.

19 SENATOR HOBLOCK: Senator
20 Leichter, Senator Saland, could you kindly
21 address your questions and answers through the
22 chair.

23 SENATOR LEICHTER: Right. Yes.

1 I am answering Senator Saland.

2 First of all, I certainly did not
3 say or mean to imply that you in any respects
4 were sanctimonious. I thought that you gave a
5 ringing, even a persuasive statement of support
6 for this bill, and it was so good that I can
7 attribute it only to the fact that you had
8 talked yourself into it or you were a very good
9 actor because, I think, when you look at what
10 the bill does, as I tried to say, I don't think
11 that it achieves in any respect what hopefully
12 all of us agreed to, is that we need real
13 property tax relief.

14 And, Senator, while I may not
15 have many homeowners, and I appreciate that the
16 homeowners in your districts are clamoring for
17 relief, and they are entitled to it. I'm not at
18 all blind to their problems because, while I may
19 not have many single homeowners, probably the
20 real estate taxes in total paid in my district
21 exceed the real estate taxes paid in your
22 district when you consider all of the classes of
23 real estate.

1 But there is no question -- in
2 fact, one of the things that I wanted to address
3 and I will when I get back talking about the
4 bill -- is the extent to which real estate taxes
5 have risen in this state. They far outpace the
6 growth of the income tax and other taxes. There
7 is a very simple reason for it. It's because of
8 the policies that this Legislature and this
9 governor and the previous governor have
10 followed, have shifted more and more burdens on
11 the localities. The localities are desperate
12 because the only source of revenue they have is
13 basically the very, very regressive real estate
14 tax.

15 So I agree with you that we need
16 real relief. My problem with this bill is, as I
17 said, it's a Hobson's choice and I will try to
18 explain that when I get back to it on the bill.

19 Thank you, Senator Saland.

20 The reason I say it's a Hobson's
21 choice is because if you have a district that
22 has rising enrollment, there is no way that they
23 can freeze the levy, and Senator Cook, I believe

1 earlier, said, "Well, they are going to get more
2 state aid under the formula." Even assuming
3 that the formula isn't meddled with and twisted
4 and turned as it is each year, the amount of
5 additional aid they get in no respect covers the
6 full cost of the additional enrollment. So the
7 district, what does it do? It has really no
8 choice. Either it cheats its children or it
9 puts the burden on the real estate taxpayers,
10 and that's what's occurred.

11 SENATOR COOK: Mr. President.
12 Mr. President.

13 ACTING PRESIDENT HOBLOCK:
14 Senator Cook.

15 SENATOR COOK: Would Senator
16 Leichter yield?

17 SENATOR LEICHTER: Yes.

18 ACTING PRESIDENT HOBLOCK:
19 Senator Leichter yields.

20 SENATOR COOK: Senator Leichter,
21 just so you don't misunderstand what I thought
22 we made clear, that growth aid is not impacted
23 by the cap.

1 SENATOR LEICHTER: Senator, if I
2 may respond by asking you a question. I
3 understand that the overall state aid is not
4 capped as far as growth aid, but your bill as I
5 understand it is pegged on overall costs. It's
6 not done on a per capita basis.

7 SENATOR COOK: It's done on a per
8 capita basis, Senator, but growth aid which is
9 currently available to districts, continues.
10 And, Senator, the point is that growth -- if you
11 add 10 percent of the students to a district,
12 you do not add 10 percent to the cost because
13 generally you can absorb into a classroom the
14 additional two students or three students that
15 that may accommodate at no additional cost, so
16 as a matter of fact growth aid generally becomes
17 a bonus to a district.

18 SENATOR LEICHTER: Senator Cook,
19 just responding to that. In the city of New
20 York, we're not able to squeeze any more people
21 in our classrooms, because we have classrooms in
22 my school district, District 6, as an example,
23 where you have 30-40, maybe even more number of

1 students, and Senator Marcellino, who is of
2 course in the school system, I'm sure can think
3 of many classes that he has seen where it
4 wouldn't be possible to squeeze any more
5 students in.

6 So certainly for the city of New
7 York but I submit for also many suburban and
8 rural districts, the growth aid that will come
9 from the state will not cover the additional
10 cost of increased enrollment.

11 If we take a look at what has
12 been happening, we see that the real estate tax
13 has far outpaced all other taxes in the rate of
14 growth. Property tax revenues statewide have
15 risen 48.7 percent to 23.4 billion in the most
16 recent seven-year period. It's very easy to
17 explain why that's happened, because we have
18 reduced state support not only for education but
19 for many other services, and the Governor's
20 current budget will just drive up real estate
21 taxes and possibly the sales tax only that much
22 more.

23 Very interesting. When we had

1 the local municipal officials here and they had
2 a reception and I talked to a number of them.
3 In fact, I talked to somebody from Nassau County
4 that Senator Marcellino introduced me to, a
5 mayor from one of the towns or cities there, and
6 they were all complaining. They said, We know
7 what you people are doing up in Albany. You are
8 shifting the burden on us. You are trying to
9 look good and saying we're cutting taxes in
10 Albany on the state level, and you are just
11 shifting the burden on us, and we've been
12 increasing the real estate tax and, frankly, we
13 can't do it, and I heard this from local
14 officials, both Democrats and Republicans who
15 said, Keep on doing what you are doing and we're
16 going to be totally broke, because we can not
17 raise the real estate tax any higher.

18 So I would like to see some real
19 property tax relief. I submit to you that even
20 if this worked, at the best, it would be a
21 niggling amount because of so many other factors
22 that also go into the local real estate tax.
23 Obviously, school aid is one of them, but it's

1 by no means the entire universe which has driven
2 up the real estate tax.

3 I just finally want to say,
4 Senator Cook, I was interested to hear you say
5 this is going to be an entitlement. I mean I
6 don't know what makes it more or less of an
7 entitlement, let's say, than the school aid
8 formula now is, and what we've seen when this
9 Legislature -- for instance, when we did the
10 Community Reinvestment Act, and now the Governor
11 has scrapped that. He has just torn it up and
12 thrown it in the waste paper basket. So what's
13 to prevent another governor two or three or four
14 years from now doing the same thing that
15 Governor Pataki is trying to do to the Community
16 Reinvestment Act?

17 My point is, it's not a real
18 entitlement. It can be changed by any
19 Legislature. It can be changed by the Governor
20 in his budget. Obviously, the Legislature can
21 respond to it, and I think we're really going to
22 be tested when we come to the passing of budget,
23 whenever that's going to be, to see whether

1 we're going to keep our commitment to the
2 Community Reinvestment Act.

3 I think there are many things
4 that can be done to provide real real estate tax
5 -- I mean real property tax relief. There's
6 also some other problems with this. I just must
7 mention that I don't think this works at all for
8 the city of New York. Senator Padavan raised
9 that question, and I must say that I think this
10 has been written to benefit or at least to allow
11 legislators to go into suburban or rural
12 districts and say I'm providing real property
13 tax relief, but I don't see how this works at
14 all for the Big Five. Certainly doesn't work
15 for the city of New York.

16 So all in all, I think, once
17 again we have something that maybe will, you
18 know, allow some legislator to go to his
19 district and say, "Look what I've done for you,"
20 but the worst thing that could ever happen to
21 this bill and to you guys is if this bill of
22 became law, if the Assembly of passed it, all of
23 you would have a stricken face, "oh my God" and

1 if the Governor signed it and then you were
2 tested and you were tested in your localities on
3 this bill, you would be in deep trouble.

4 ACTING PRESIDENT HOBLOCK:
5 Senator Oppenheimer.

6 SENATOR OPPENHEIMER: The hour is
7 late, and I'm not going to reiterate a lot of
8 the points that have been made. This is a very
9 serious issue in the community that I live in.
10 In the district that I represent, we have
11 property taxes that are I think unquestionably
12 the highest in the state, and they have become a
13 very serious burden.

14 I would just like to question one
15 point. Senator Cook, if you would yield for a
16 question?

17 ACTING PRESIDENT HOBLOCK:
18 Senator Cook, do you yield?

19 SENATOR COOK: Yes.

20 SENATOR OPPENHEIMER: Let me see
21 if I have this correct. You are talking about
22 the cap on enrollment growth, but you're saying
23 that through growth aid that that amount of

1 money would be coming into the district because
2 of growth aid for the increased number of
3 students, and, mind you, we expect about a 25 to
4 27 percent increase in student population. We
5 are really going to be hit in Westchester County
6 over the next five years. Now, while the growth
7 aid would take into account the number of
8 students that are now increased, it will not
9 advance anywhere from the cap per student that
10 is being put in place, so as the years go on,
11 and there's teachers contracts and there are
12 expenses of increased costs for supplies, that
13 is not reflected in the amount that comes for
14 the additional student.

15 SENATOR COOK: No, Senator, if
16 there's growth, there is a provision that the
17 increase -- that the tax levy can be increased
18 commensurate with the growth. There's also the
19 growth aid that continues, and there's also the
20 fact that the 3 percent, then, is calculated on
21 the previous year's budget. So that once the
22 growth aid is engrossed into the formula, that
23 also increases.

1 But the point is that the tax
2 levy growth could -- and I don't see this,
3 happily, but it could reflect whatever is
4 necessary to cover growth. But I would also
5 tell you there is an additional state revenue
6 going into the district to help cover that.

7 SENATOR OPPENHEIMER: Well, thank
8 you, Senator Cook.

9 I think I'm pretty justified in
10 the feeling that without restoring the revenue
11 sharing monies that are supposed to be coming to
12 municipalities and without looking at the monies
13 cut out for our at-risk children, that this
14 can't possibly have an impact that you perceive
15 it will have on restraining the growth in
16 property taxes.

17 I think we have to take a serious
18 look and say maybe this is a beginning, but a
19 whole lot more has to be done and -- you know, I
20 will support this because, hey, if there is any
21 way we can even begin to get at our escalating
22 property taxes, I am willing to give it a try.
23 But I don't see how this begins to touch the

1 problem; and with our student population growing
2 as it is now, I simply can't perceive that this
3 could restrain our growth, and we certainly need
4 assistance.

5 ACTING PRESIDENT HOBLOCK: Read
6 the last section.

7 THE SECRETARY: Section 39. This
8 act shall take effect immediately.

9 ACTING PRESIDENT HOBLOCK: Call
10 the roll.

11 (The Secretary called the roll.)

12 Senator Cook to explain your
13 vote.

14 SENATOR COOK: Mr. President. I
15 would simply like to offer a word of thanks to
16 the staff people who have really helped put the
17 flesh on these bills. Those of us who are
18 legislators have conceptual ideas, but the deep
19 research that has to be done to develop the
20 numbers and to write the language is really the
21 staff people. Jeff Lovell and Bob Hotz have
22 already been mentioned for their part. I think
23 that Peter Applebee also ought to be recognized

1 because I know that he did a major part of
2 actually drafting the language that's in this
3 bill, and I think this might be an appropriate
4 point to just say again what we've said many
5 times before that while we make policy, the
6 staff people around here do an immensely
7 effective job of helping us develop effective
8 legislation.

9 I vote in the affirmative.

10 ACTING PRESIDENT HOBLOCK:

11 Results.

12 THE SECRETARY: Those recorded in
13 the negative on Calendar Number 985 are Senators
14 Leichter, Markowitz, Paterson, Santiago,
15 Seabrook, Smith, Stavisky and Waldon. Ayes 47,
16 nays 8.

17 ACTING PRESIDENT HOBLOCK: The
18 bill is passed.

19 Senator Skelos.

20 SENATOR SKELOS: Mr. President,
21 at this time, if we could continue with the
22 controversial calendar, regular order.

23 ACTING PRESIDENT HOBLOCK:

1 Secretary will read.

2 THE SECRETARY: On page 54,
3 Calendar Number 683, by Senator Cook, Senate
4 Print 6412, an act to amend the Vehicle and
5 Traffic Law, in relation to designating civil
6 defense emergency vehicles.

7 ACTING PRESIDENT HOBLOCK:
8 Explanation has been asked for. Senator Cook.

9 SENATOR COOK: Mr. President,
10 currently in the Vehicle and Traffic Law there
11 is provision that municipal vehicles that are
12 designated as emergency vehicles can utilize red
13 lights and have certain other, if you will,
14 privileges afforded to do what is necessary in
15 an emergency, in terms of parking or observing
16 one-way streets, and in fact, with due caution,
17 even the traffic signals and signs, even though
18 it doesn't remove the liability if they do have
19 an accident. It simply means that if they
20 proceed through a signal after due caution, they
21 are not subject to a fine.

22 The problem is that in many,
23 particularly smaller communities, the people who

1 respond to these emergencies live at
2 considerable distances. We just went through a
3 flood in which the roads in many areas were
4 closed. People literally could not get -- even
5 if there had been vehicles available at the
6 county office building or the county garage,
7 they literally could not get from their homes to
8 pick up one of these vehicles; and, therefore,
9 they could not function as emergency personnel,
10 that is, having these privileges under the
11 Vehicle and Traffic Law.

12 All this bill says, if a person
13 is first designated by either a state official
14 or a town or county personnel as emergency
15 personnel, that they would have those
16 privileges.

17 ACTING PRESIDENT HOBLOCK:
18 Senator Paterson.

19 SENATOR PATERSON: Thank you, Mr.
20 President. If Senator Cook would yield.

21 SENATOR COOK: Yes.

22 ACTING PRESIDENT HOBLOCK:
23 Senator Cook, do you yield?

1 SENATOR PATERSON: All I'm really
2 trying to find out is, are the privileges
3 granted during the emergency period or do they
4 extend to all times?

5 SENATOR COOK: Senator, yes, the
6 bill says that the individual is a designated
7 person, so it doesn't apply to the vehicle or
8 the instance. It does, indeed, apply at all
9 times. This is not, Senator, unlike a volunteer
10 fireman or emergency medical technician who has
11 certain privileges to use lights. The point is,
12 however, that if you utilize those lights or
13 those privileges in an instance where there in
14 fact is not an emergency, then you aren't
15 covered by the provisions of the Vehicle and
16 Traffic Law. You are in fact in violation of
17 the law if you are not responding to an
18 emergency. So we haven't tried to make this
19 bill unduly complicated. We have simply tried
20 to engross it into existing statute.

21 SENATOR PATERSON: Thank you very
22 much, Senator Cook.

23 Mr. President, on the bill.

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ACTING PRESIDENT HOBLOCK:

Senator Paterson on the bill.

SENATOR PATERSON: I just have a concern, and I think the Governor voiced this concern recently when he prohibited the use of unmarked cars, and the concern is just about individuals who really are not in any real authority having these kinds of vehicles and these identifications and symbols that actually do portend that they have greater power and authority than they actually have, and there is a tendency to abuse it particularly when long periods go by and there's not a civil emergency, and yet these individuals still have these delineations on their vehicles.

This is something, I think, we should think about. I understand what Senator Cook is trying to accomplish, but, you know, we don't want to have this kind of circumstance where there is a perceived influence and that it is misused.

ACTING PRESIDENT HOBLOCK: Read the last section.

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

3 ACTING PRESIDENT HOBLOCK: Call
4 the roll.

5 (The Secretary called the roll.)

6 THE SECRETARY: Ayes 54, nays 1,
7 Senator Stavisky recorded in the negative.

8 ACTING PRESIDENT HOBLOCK: The
9 bill is passed.

10 THE SECRETARY: Calendar Number
11 724, by Senator Nozzolio, Senate Print 5553A, an
12 act to amend the Retirement and Social Security
13 Law, in relation to including certain Monroe
14 County employees.

15 ACTING PRESIDENT HOBLOCK: The
16 home rule message is at the desk.

17 Read the last section.

18 Explanation asked for.

19 Senator Nozzolio.

20 SENATOR NOZZOLIO: Mr. President,
21 this measure is a home rule request from the
22 county of Monroe which asked to have the ability
23 for the County Legislature of Monroe to relieve

1 an inequity that has existed between the fire
2 fighters of Monroe County, those who fight fires
3 and keep the safety at the Monroe County Airport
4 with those who do fire service for the rest of
5 the county.

6 ACTING PRESIDENT HOBLOCK:
7 Senator Dollinger.

8 SENATOR DOLLINGER: Senator, I
9 know the issue of the takeover of the
10 relationship between the city fire department
11 and the county fire fighters at the airport has
12 been a subject of discussion. As I understand
13 it, this bill only affects the pension
14 benefits. It doesn't deal with the tie-in
15 between the two fire departments, the possible
16 relationship between the city fire department
17 and the county fire fighters at the airport. Is
18 that correct?

19 SENATOR NOZZOLIO: Yes, Senator
20 Dollinger.

21 SENATOR DOLLINGER: Okay. And
22 there's been no opposition filed from the city
23 fire fighters on this bill.

1 SENATOR NOZZOLIO: None that I am
2 aware of.

3 SENATOR DOLLINGER: Thank you,
4 Mr. President. That's all I was interested in.

5 SENATOR NOZZOLIO: Thank you,
6 Senator.

7 ACTING PRESIDENT HOBLOCK: Read
8 the last section.

9 THE SECRETARY: Section 8. This
10 act shall take effect immediately.

11 ACTING PRESIDENT HOBLOCK: Call
12 the roll.

13 (The Secretary called the roll.)

14 THE SECRETARY: Ayes 55.

15 ACTING PRESIDENT HOBLOCK: The
16 bill is passed.

17 THE SECRETARY: Calendar Number
18 774, by Senator Holland, Senate Print 281A, an
19 act to amend the Tax Law, in relation to
20 providing for business tax credits.

21 SENATOR SKELOS: Lay it aside for
22 the day.

23 ACTING PRESIDENT HOBLOCK: The

1 bill is laid aside for the day.

2 THE SECRETARY: Calendar Number
3 781, by Senator Present, Senate Print 6397, an
4 act to amend the Tax Law, in relation to the
5 distribution of the additional mortgage
6 recording tax.

7 ACTING PRESIDENT HOBLOCK:
8 Explanation had been asked for.

9 Senator Present.

10 SENATOR PRESENT: Mr. President,
11 this is a bill that's been requested by
12 Cattaraugus County under the existing law. This
13 additional mortgage recording tax is limited to
14 certain issues, such as -- there are six -- mass
15 transportation, airport/aviation, municipal/
16 historic site, municipal park, community mental
17 health and retardation facility, or a sewage
18 treatment plant. This bill is pretty near
19 exactly like we passed I think back in February,
20 a bill sponsored by Senator Stafford, which was
21 statewide. This applies only to Cattaraugus
22 County. It will allow them to use those funds
23 for other capital investments.

1 SENATOR PATERSON: Thank you, Mr.
2 President. The purpose of the bill is very
3 clear, but if Senator Present would yield for a
4 question.

5 ACTING PRESIDENT HOBLOCK:
6 Senator Present, do you yield?

7 SENATOR PRESENT: Certainly.

8 SENATOR PATERSON: Senator, I
9 have just been looking at a number of bills that
10 have come through particularly Investigations
11 and Taxation Committee, and there are a number
12 of bills that are very similar to this involving
13 the mortgage tax revenues, and the question is,
14 if we're going to have a rule and then we're
15 going to nick the rule to death by having all
16 these different bills, doesn't it become a
17 measure of political strength in a particular
18 community or a particular locality that you can
19 get this type of legislation passed? Shouldn't
20 we really be, in a sense, just changing the law
21 generally, let's say, to a law where the
22 counties can just make their own individual
23 decisions about the mortgage tax revenues?

1 Why are we making a law and then
2 having so many exceptions to it? There have got
3 to be at least six or seven bills that have come
4 through here this year that do the same thing,
5 and my concern is, because I'm concerned about
6 everything today -- my concern is just that -
7 one of my other concerns just came up, so I'm
8 going to sum up and just let you know that why
9 don't we just pass a general bill giving the
10 counties the option where the mortgage tax
11 revenues are concerned.

12 SENATOR PRESENT: I think that's
13 what we do in Senator Stafford's bill.

14 SENATOR PATERSON: All right,
15 Senator. Thank you for answering my question.

16 On the bill, Mr. President.

17 ACTING PRESIDENT HOBLOCK:
18 Senator Paterson on the bill.

19 SENATOR PATERSON: I think we
20 should pass Senator Stafford's bill.

21 ACTING PRESIDENT HOBLOCK: Read
22 the last section.

23 THE SECRETARY: Section 2. This

1 act shall take effect on the 30th day.

2 ACTING PRESIDENT HOBLOCK: Call
3 the roll.

4 (The Secretary called the roll.)

5 THE SECRETARY: Ayes 55.

6 ACTING PRESIDENT HOBLOCK: The
7 bill is passed.

8 THE SECRETARY: Calendar Number
9 885, by Senator Padavan, Senate Print 3091, an
10 act to amend the Executive Law.

11 SENATOR SKELOS: Lay it aside for
12 the day.

13 ACTING PRESIDENT HOBLOCK: The
14 bill is laid aside for the day.

15 Senator Skelos.

16 SENATOR SKELOS: Housekeeping at
17 the desk?

18 ACTING PRESIDENT HOBLOCK: No
19 housekeeping.

20 SENATOR SKELOS: Mr. President,
21 there is no housekeeping at the desk. There
22 being no further business, I move we adjourn
23 until Monday, May 13, at 3:00 p.m., intervening

1 days to be legislative days.

2 ACTING PRESIDENT HOBLOCK: On
3 motion, the Senate stands adjourned until
4 Monday, May 13, at 3:00 p.m., intervening days
5 to be legislative days.

6 (Whereupon, at 1:28 p.m., the
7 Senate adjourned.)

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