ALBANY, NEW YORK

March 18, 1997

3:03 p.m.

REGULAR SESSION

LT. GOVERNOR BETSY McCOY ROSS, President

STEPHEN F. SLOAN, Secretary

P R O C E E D I N G S

THE PRESIDENT: The Senate will come to order. Would everyone please rise and join with me in the Pledge of Allegiance.

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

The invocation today will be given by the Reverend Canon Dr. Alonzo C. Pruitt from St. Peter's Episcopal Church in Brooklyn.

Reverend Pruitt.

REVEREND PRUITT: Almighty God, our Heavenly Father. God of Abraham, Isaac and Jacob, God and Father of our Lord Jesus Christ, Thou Who art known to some as Allah and to others as the eternal spirit of love and peace. Be present especially, we pray, with Your great spirit upon the people of the great state of New York. We especially pray for this distinguished body, for all of Your honorable servants assembled herein, and as we pray for George, our Governor, Betsy, our President, we pray as well for all of the members of the executive branch, for all of the members of the legislative assembly, all the members of the Senate and each and every member of their working staff and for

all members of the judiciary. Be present with this body this day, Heavenly One, that in all their works begun, continued and ended in You, they might glorify Your Holy Name, serving well the various people and community they represent. We ask this in Jesus' name. Amen.

THE PRESIDENT: Amen.

The reading of the Journal, please.

THE SECRETARY: In Senate, Monday, March 17th. The Senate met pursuant to adjournment, Senator Kuhl in the Chair upon designation of the Temporary President. The Journal of Friday, March 14th, was read and approved. On motion, Senate adjourned.

THE PRESIDENT: Without objection, the Journal stands approved as read.

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

The Secretary will read.

THE SECRETARY: Senator Wright, from the Committee on Alcoholism and Drug Abuse, reports the following bills:

Senate Print 2353, by Senator Leibell, an act to amend the Education Law, in relation to requiring instruction;

3004, by Senator Wright, an act to amend the Vehicle and Traffic Law, and the Mental Hygiene Law;

3088, by Senator Padavan, an act to amend the General Business Law;

3358, by Senator Volker, an act to amend the Alcoholic Beverage Control Law and others.

Senator Stafford, from the Committee on Finance, reports the following bills:

Senate Print 1, by Senator Bruno, an act to amend the Education Law, in relation to submission of school district budgets;

242, by Senator Johnson, an act to amend the State Finance Law, in relation to allocations;

379-A, by Senator Seward, an act to amend the Tax Law and the Public Service Law;

722, by Senator Cook, an act to amend the Executive Law;

1520, by Senator Stafford, an act

to amend the Tax Law, in relation to electronic funds;

2210, by Senator Padavan, an act to amend the Executive Law;

2466, by Senator LaValle, an act to amend the Executive Law;

2734, by Senator Farley, an act to amend the State Finance Law;

3485, by Senator Seward, an act to amend the Public Service Law and others.

Senator Rath, from the Committee on Local Government, reports the following bills:

Senate Print 910, by Senator Volker, an act to amend the Local Finance Law;

1295, by Senator LaValle, an act to amend the General Municipal Law;

1379, by Senator Seward, an act to amend the Town Law;

2233, by Senator Nozzolio, an act to amend the General Municipal Law;

2484, by Senator Skelos, an act authorizing the assessor of the county of Nassau;

2485, by Senator Skelos, an act

authorizing the assessor;

2649, by Senator Cook, an act to amend the General Municipal Law;

2729, by Senator Cook, an act to amend the General Municipal Law and others;

2898, by Senator Marcellino, an act to amend the General Municipal Law;

3080, by Senator Padavan, an act to amend the General Municipal Law.

Senator Levy, from the Committee on Transportation, reports:

Senate Print 204, by Senator Holland, an act to amend the Highway Law;

360, by Senator Levy, an act to amend the Railroad Law;

416, by Senator Goodman, an act to amend the Transportation Law;

598, by Senator Levy, an act to amend the Vehicle and Traffic Law;

607, by Senator Levy, an act to amend the Vehicle and Traffic Law;

923, by Senator Levy, an act in relation to authorizing;

2231, by Senator LaValle, an act to amend the Vehicle and Traffic Law, and

3481, with amendments, by Senator Levy, an act to amend the Vehicle and Traffic Law.

All bills ordered directly for third reading.

ACTING PRESIDENT MAZIARZ: All bills direct to third reading.

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

Senator Wright.

SENATOR WRIGHT: Mr. President, on behalf of Senator Libous, please place a sponsor's star on Calendar Number 264.

ACTING PRESIDENT MAZIARZ: So ordered.

Senator Bruno.

SENATOR BRUNO: Mr. President, at this time, we'd like to adopt the Resolution Calendar with the exceptions of Resolution 711, '13 and '23.

ACTING PRESIDENT MAZIARZ: All those in favor of adopting the Resolution Calendar signify by saying aye.

(Response of "Aye.")

Opposed nay.

(There was no response.)

The Resolution Calendar is adopted.

Senator Bruno.

SENATOR BRUNO: Mr. President, can we at this time take up the privileged resolution at the desk, 723, relating to "Good Joe" Day, and I'd ask that it be read at this time.

ACTING PRESIDENT MAZIARZ: Secretary will read.

THE SECRETARY: By Senator Bruno, Legislative Resolution 723, commemorating "Good Joes" Day 1997.

WHEREAS, St. Joseph is every one's patron saint and not just the patron saint of those who are fortunate to bear his name; and

WHEREAS the New York State Legislature is appreciative of the vital contributions of those good members known as "Joseph";

The Society of Good Joes is celebrating its 39th year in memory of the late

Joseph Addonizio and its members have banded together under a common name in the spirit of cameraderie and good fellowship.

Tradition holds that St. Joseph is the patron saint of the working person, all of those who labor with the dignity that only true humility imparts.

On St. Joseph's Day in March the swallows return to Capistrano, heralding the conclusion of a long, cold winter and the advent of a new spring.

NOW, THEREFORE, BE IT RESOLVED that this legislative body pause in its deliberations and recognize this great day, Wednesday, March 19, 1997, in commemoration and deliberation of all Good Joes in the state of New York, to be celebrated on Tuesday, March 18, 1997, in honor of all the Good Joes of this Empire State; and

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

ACTING PRESIDENT MAZIARZ: Question is on the resolution. All those in favor of adopting the resolution signify by

saying aye.

(Response of "Aye.")

Opposed nay.

(There was no response.)

The resolution is adopted.

Senator Maltese.

SENATOR MALTESE: Mr. President, I speak on Resolutions Number 710 and 711. These resolutions -

ACTING PRESIDENT MAZIARZ: Secretary will read.

SENATOR MALTESE: These resolutions are commemorating a terrible tragedy in the history of New York City and the state and one that was -

ACTING PRESIDENT MAZIARZ: Excuse me, Senator Maltese. The Secretary is going to read the titles. Secretary will read.

THE SECRETARY: By Senator Maltese, Legislative Resolution 710, commemorating the 86th Anniversary of the Triangle Shirtwaist Factory fire on Tuesday, March 25, 1997, and acknowledging the International Ladies' Garment Workers' Union's efforts to make American working conditions the

safest in the world; and, by Senator Maltese, Legislative Resolution 711, commemorating the 10th Anniversary of the creation of the New York State Department of Labor's Apparel Industry Task Force in remembrance of the workers who died in the Triangle Shirtwaist Company fire.

ACTING PRESIDENT MAZIARZ: On the resolution, Senator Maltese.

SENATOR MALTESE: Mr. President, this -- these two resolutions are combined to indicate not only in memorial to 147 people, mostly young women who perished on March 25th, 1911 but also to commemorate the creation of a task force, a task force that was created by one governor and has been continued -- Governor Cuomo, and has been continued by Governor George Pataki under the leadership of our Labor Commissioner, John Sweeney.

This terrible tragedy took place at the close of a working day in a factory on Washington Square in downtown Manhattan, and as was the custom at the time, scores and hundreds of young women, young people, worked in sweat shop conditions and during the course of the day what would happen is the accumulation of

materials around the working tables and around the sewing machines would gather and create a fire hazard.

This particular factory, the Triangle Shirtwaist Factory, was -- employed some 600 people and the majority of those people worked on the ninth floor, with hundreds of others working on the eighth, seventh and sixth floor. At the time the fire ladders of the New York City Fire Department would only reach to the sixth floor.

In addition, because we did not have adequate fire laws, the fire exits were inadequate, the elevators unable to really cope with the numbers of people that worked in the factory. Toward the end of closing, the young women started to go home and found that there was a fire on the sixth floor that they believe started on the sixth floor. Understandably many of them panicked, clogging the stairs, and it was determined later on that many of the so called fire exits had been locked by the proprietors of the factory to keep employees allegedly from pilfering some of the shirtwaists.

The combination of all the circumstances, the accumulation of the shirtwaists and the materials in the aisles, the excessive number of people working in the sweat shops, the fact that the fire exits were closed, the elevators not working, the fact that the fire trucks would only have ladders leading up to the sixth floor led to, during the course of the fire, hundreds of the women being unable to go down the staircases and many of them fleeing to the windows and as the fire would approach them, leaping to their deaths on the glass sidewalks below.

The -- it ultimately cost 147 deaths, as I've indicated, the majority of them teen-age girls. My grandmother and two aunts were among the 147 people. My brother Vincent is presently the president of the Triangle Shirtwaist Factory Fire Survivors. The steps that have been taken and were taken over the years by progressive New York State governors and governments working together with union members from the International Ladies' Garment Workers' Unions represent -- are memorialized in this resolution.

I'd just like to say a word about the immigrants of those days. It is very difficult for many of us at this time and place to think back to those early immigrants who staked so much to come over and work in these factories and create our nation as it is today. Even as a young man, I remember the Lower East Side and the many diseases that carried off so many of our young people, diseases unheard of or not really a threat today -- whooping cough, scarlet fever, diphtheria, rheumatic fever and so many others. The death was a common occurrence in those days, and yet the enormity, if you will, of a tragedy that took so many deaths -- that took so many young lives, mothers and daughters in many cases, sisters, members of large families that perished in that fire.

For many years afterwards many of the people, as was the custom in those days, wore black for 20 and 25 years thereafter, so these resolutions are memorializing that tragic fire and in hopes that never again would conditions like that be repeated.

The Resolution 710 was circulated. Resolution 711 was not adequately

circulated. If any members wish to join that resolution, they are welcome to come on at this time.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT MAZIARZ: Senator Leichter.

SENATOR LEICHTER: Yes, Mr. President, on the resolution.

I'm very pleased that Senator Maltese brought that resolution before us. I did not know, Senator, that your family was touched by that tragedy. Certainly it was a defining moment for this city and for this country, and how we protect workers and we certainly ought to commemorate that event. But I think something else needs to be said, Senator Maltese, because if we solely left the resolution as such and this event as sort of a historical artifact, we would not be doing justice to what is unfortunately the fact that presently we have sweat shops in the city of New York. They're in my district and I dare say they're in your district and in some respects they're as bad as the sweat shops that existed

at the time of the Triangle Shirtwaist fire.

The reason I particularly wanted to get up on the resolution, I didn't know it was coming up, but I just came in the chamber and heard it, was that in 1982 I was shocked to find these sweat shops in my district and I started a study and found out that there were more people working in sweat shops in 1982 than were working in sweat shops in 19... whatever the exact date -- year is that the shirtwaist Triangle fire occurred.

Now, it's perfectly true that there's been some effort on the part of the state of New York, and I'm proud to have been associated with that effort and support it and we also passed legislation in this chamber trying to deal with the problem of the sweat shop, but I think that we all have to be aware that the problem is still with us of workers in this country, people who at their work place in the United States, in our state and your city and my city, Senator Maltese, that don't have the protection of fire law, safety law, health laws, labor standard laws.

We know that there are children

working in these sweat shops right at this time and I think that we really have to commit ourselves to doing more legislatively through the executive to see that we give protection to everyone who, in this state, is at the work place, and I hope that as we pass that resolution, it also means that we are making that sort of commitment.

Thank you.

ACTING PRESIDENT MAZIARZ: Thank you, Senator Leichter.

Senator Bruno, with your approval, Senator Maltese has requested that all members will be put on both resolutions. Anyone who does not wish to be on the resolution should notify the desk.

SENATOR BRUNO: Please do it, Mr. President.

ACTING PRESIDENT MAZIARZ: Thank you, Senator Bruno.

The question is on the resolutions. All those in favor of adopting the resolutions say aye.

(Response of "Aye.")

Opposed nay.

(There was no response.)

The resolutions are adopted.

Senator Lachman.

SENATOR LACHMAN: Yes, Mr. President. I rise to speak on Resolution 713.

ACTING PRESIDENT MAZIARZ: Secretary will read.

THE SECRETARY: Legislative Resolution Number 713, mourning the death of Albert Shanker, distinguished citizen and educator.

SENATOR LACHMAN: Next Monday while we will be meeting in the Senate, there will be a memorial meeting taking place in New York City in memory of Albert Shanker, one of the most distinguished labor leaders and outstanding educators of the post-World War II period.

One did not always have to agree with Albert Shanker -- indeed we often sat at opposite ends of the negotiating table -- to realize that he was an extraordinarily gifted man, a man who was first and foremost dedicated not only to the teachers of this nation, but especially in his later years to major

educational reform in public education.

Albert Shanker was not only the president of the 100,000 strong United Federation of Teachers and the 800,000 strong American Federation of Teachers, he also served as the president of the 11 million strong International Federation of Free Teachers Unions. In the latter capacity, especially during the 1980s, Albert Shanker befriended some of the leading anti-Communist labor leaders in the world, including Lech Walesa, and some of the leading anti-Communists in the world - great men, people such as Nobel Prize Laureate from the Soviet Union, from Czechoslovakia and from other nations.

But Albert Shanker's greatness, in my opinion, was his ability to combine so many lives in one: Mathematician, philosopher, educator, administrator, union leader. In many ways, without diminishing his colleagues who are still with us today, he towered above his associates, in his grasp of problems, in his resolution of the problems and these issues and in his determination again especially during his latter years to make certain that public

education would continue to benefit all children of the United States, and whatever and wherever possible to reform the educational systems of the nation's urban areas in the states of this nation.

We can do little at this time but continue the traditions of this educational statesman in the field of public education and to work to aid the children of this nation through the schools of this nation. That would be a living memorial and testimonial to the late Albert Shanker.

ACTING PRESIDENT MAZIARZ: Senator Goodman.

SENATOR GOODMAN: Mr. President, I'd like to add a few words to the very eloquent statement of our colleague with regard to Albert Shanker.

This was a man I knew well during the period of discussions on New York City's education which commenced during his period as the chairman, or the head of the United Federation of Teachers, and I was always struck by his remarkably stable and broad-gauged approach to these problems.

He's an individual of tremendous breadth of intellect. He had a deep sincerity and integrity which permeated everything that he did and, as he continued to rise through the ranks of labor and became a national spokesman for progressive principles in education, while maintaining steadfastly the imperatives of the basic tools which youngsters need to survive and to flourish in our free democratic society, I always found him a most inspirational figure.

I share with great enthusiasm in the resolution of our colleague, and will long remember Albert Shanker as a sui generis, absolutely unique figure highly to be respected and long remembered.

ACTING PRESIDENT MAZIARZ: Thank you.

Senator Marchi? Senator Marchi.

SENATOR MARCHI: Well, congratulations, Senator for having launched this resolution. I knew him well and intimately especially when he went through the crisis in Ocean Hill. His leadership went far beyond definition, as necessary and as indispensable as it was to defining basic working conditions and

circumstances. He was a man of tremendous culture. His knowledge and breadth of cultural history, the arts and the sciences, was awesome, and all of us, many of us, I guess, were very familiar with the Sunday column in the Week in Review in the New York Times which appeared ritually, and they didn't carry it this week. My New York Times did not have the Week in Review for some mysterious reason, and I'm complaining, but they did carry excerpts from prior issues, but that was -- that was a treat in itself.

This is a man who had international dimensions, and was known on an international basis as well as nationally. So he was a statesman in addition to being the leader of basic concerns -

ACTING PRESIDENT MAZIARZ: Excuse me, Senator. Senator Marchi, excuse me for one second. Can we have a little bit of order in the house so that we could all hear Senator Marchi.

Thank you. Senator Marchi.

SENATOR MARCHI: Thank you, Mr. President.

I just want to state that anything that we might say for him would grossly under-state the respect and esteem and affection with which he was held nationally and especially with people who were dedicated to the principle of education.

ACTING PRESIDENT MAZIARZ: Thank you, Senator.

Senator Marcellino.

SENATOR MARCELLINO: Yes. Thank you, Mr. President.

I was a school teacher under Al Shanker and a member of the union that Al Shanker ran, and every teacher in the city of New York and in the state of New York owes Al Shanker tremendous credit. He uplifted salaries; he uplifted the professionalism of the profession. He balanced the need to organize and work as a union with maintaining profession alism and professional standards. That was no easy task.

He worked with many different administrations in the city of New York. That was no easy task, and his single goal was to improve and better education and better the

working place, make it safer, and make it more effective so the teachers could do their jobs and do them without outside pressures, without political pressures, and in a safe and effective environment for our children.

Al Shanker was a tough union person, a tough negotiator, but he cared for his teachers and he cared for the students that were their charges. His death is a serious loss to the labor movement and to teachers and to education as a whole.

ACTING PRESIDENT MAZIARZ: Thank you, Senator.

Senator Stavisky.

SENATOR STAVISKY: Mr. President, ladies and gentlemen, I guess I knew Al Shanker as well as almost anyone in this chamber because when I served as chairman of the Education Committee, he was simultaneously the head of the UFT and also subsequently the AFT.

Here was a principled, tough negotiator. He was someone who understood that there was need to improve education. There was need even to improve the qualifications of teachers as well as the performance of the

students and, in that regard, he was an exemplary labor leader.

I remember very vividly the honor he bestowed on me in 1976, the year in which I sponsored what became known as the Stavisky Goodman Law, and it was an exciting period. It was the first time in the 20th Century that a governor's veto was overridden by the Legislature, and Senator Goodman remembers those days and others do too.

He had the ability to stand up for his members. He went to jail for his members in an effort to prove that there was need for reform and that there was need for the observance of the right of laboring people - and he was never opposed to being known as a labor leader -- the right of laboring people to stand up for their convictions.

He was an intellectual. He was a tower of strength. He was someone who will be missed in the entire educational world and in the field of union negotiations. He is someone with whom I served, someone with whom I had the pleasure of working, and I will never forget the John Dewey Award that he was privileged to

bestow upon me. I said to him, "You're going to lower the property value of the John Dewey Award if you present it to Leonard Stavisky." He said no, and that was a day and an incident that will remain with me for my entire life.

I hope that this resolution will be unanimously adopted, for it is one that should have the support of every member of this chamber.

ACTING PRESIDENT MAZIARZ: Senator Leichter. Senator Leichter.

SENATOR LEICHTER: Yes, Mr. President.

Al Shanker clearly was one of the dominant and paramount figures in the state of New York the second half of the 20th Century, and his influence was really nationwide. I knew Al Shanker the early days of the UFT, in fact, before it was the UFT; it was still the Guild, because both he and my late wife were very active.

I've walked picket lines with Al Shanker, attended meetings with Al Shanker. I think the one thing you can say about Al Shanker he was probably one of the straightest shooters

that I've ever known or met. He would tell you what was on his mind. There was no guile, there was no dissembling. His purpose, his goal was always very clear, and it was, as Senator Marcellino so well put it, it was the professionalism of teachers, and it was also the strength in education, and while he was the head of a union and as such had a particular mission, he was never parochial. He realized the importance of the teachers and the importance of education to the society as a whole, and I think that's really what he worked for.

He was a remarkable person and so many of us obviously had a relationship with him and came in contact with him, but whether we knew him personally or not, all of us were touched by him because his effect, his impact, his influence on this state were so great, and we were really privileged that we had an Al Shanker in our midst.

I trust, Senator Lachman, that you'll make every member a participant of that resolution.

ACTING PRESIDENT MARCELLINO: Senator Lachman.

SENATOR LACHMAN: Mr. Chairman, that's exactly why I'm standing now. I know that Mrs. Eve Shanker would greatly appreciate the impact of a resolution which would have the support of every member of this body, for this great citizen of the state of New York and this great American, and I, therefore, request the Chair to open it up to others' support.

ACTING PRESIDENT MAZIARZ: Senator Stafford.

SENATOR STAFFORD: Mr. President, I would just point this out. Everything has been said so well, but I had a committee too then that Al Shanker was involved with and, if you wanted to see a meeting you should have been at a meeting with Nelson Rockefeller, Earl Brydges, Tony Travia and Al Shanker. That was a meeting. I was there just listening. My job has now changed, as you can see, but the respect that they had for each other! And in fact they're all gone now, if you think about it, and it was really something.

Now, again keeping our sense of humor, Senator Marchi had certain legislation that I believe at that time was being discussed

that Al Shanker was quite involved in, and that's what those meetings were -- and you were there too, but it's something that people that were there will never forget it, the minds that were in the room including Al Shanker, and the respect and the give and take and really so much of that is what makes this state what it is today.

ACTING PRESIDENT MAZIARZ: Thank you, Senator.

Senator Bruno, Senator Lachman has requested that all members of the Senate who wish would sign onto this resolution. As is our custom we will put everyone on, with your permission, unless they notify the desk otherwise.

SENATOR BRUNO: Please do, Mr. President.

ACTING PRESIDENT MAZIARZ: So ordered.

Question is on the resolution. All those in favor of adopting the resolution signify by saying aye.

(Response of "Aye.")

Opposed nay.

(There was no audible response.)

Resolution 713 is adopted.

Senator Leichter.

SENATOR LEICHTER: Yes.

Mr. President, on behalf of Senator Santiago, I move that the following bill be discharged from its respective committee and be recommitted with instructions to strike the enacting clause: Senate Number 2452.

ACTING PRESIDENT MAZIARZ: So ordered.

Senator Bruno, we have the report of a committee at the desk. We'd like to return to reports of standing committees.

SENATOR BRUNO: Please do so, Mr. President.

ACTING PRESIDENT MAZIARZ: Thank you. Secretary will read.

THE SECRETARY: Senator Nozzolio, from the Committee on Crime Victims, Crime and Correction, reports the following bills:

Senate Bill Number 177, with amendments, by Senator Nozzolio, an act to amend the Executive Law and others;

387, by Senator Nozzolio, an act

to amend the Executive Law, in relation to making available to their victims the proceeds;

753, by Senator Goodman, an act to amend the Executive Law, in relation to early parole;

1749, by Senator Skelos, an act to amend the Correction Law, in relation to the definition;

1783, by Senator Nozzolio, an act to amend the Correction Law, the Public Health Law and the Penal Law.

All bills ordered direct for third reading.

ACTING PRESIDENT MAZIARZ: All bills ordered direct to third reading.

Senator Bruno.

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

ACTING PRESIDENT MAZIARZ: Secretary will read.

THE SECRETARY: Calendar Number 185, by Senator Levy.

SENATOR CONNOR: Lay aside.

ACTING PRESIDENT MAZIARZ: Lay

the bill aside.

THE SECRETARY: Calendar Number 246, by Senator Larkin.

SENATOR BRUNO: Lay aside for the day at the request of the sponsor.

ACTING PRESIDENT MAZIARZ: Bill is laid aside for the day at the request of the sponsor.

THE SECRETARY: Calendar Number 250, by Senator Bruno, Senate Print 706, an act to amend the Vehicle and Traffic Law.

SENATOR BRUNO: Lay aside.

ACTING PRESIDENT MAZIARZ: Lay the bill aside.

THE SECRETARY: Calendar Number 256, by Senator Libous.

SENATOR BRUNO: Lay aside for the day at the request of the sponsor.

ACTING PRESIDENT MAZIARZ: Lay the bill aside for the day at the request of the sponsor.

THE SECRETARY: Calendar Number 258, by Senator Leibell, Senate Print 2859.

SENATOR BRUNO: Lay aside at the request of the sponsor.

ACTING PRESIDENT MAZIARZ: Bill is laid aside at the request of the sponsor, for the day.

THE SECRETARY: Calendar Number 268, by Senator Holland, Senate Print -

SENATOR CONNOR: Lay aside.

ACTING PRESIDENT MAZIARZ: Bill is laid aside at the request of the Minority Leader.

THE SECRETARY: Calendar Number 271, by Senator Johnson, Senate Print 1862, an act to amend the Real Property Tax Law.

ACTING PRESIDENT MAZIARZ: Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 56.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 277, by Senator Lack, Senate Print 2378, an act to amend the County Law, in relation to

permitting district attorneys.

ACTING PRESIDENT MAZIARZ: Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 56.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 281, by Senator LaValle, Senate Print 2669, an act to amend the Town Law, in relation to expending from fire district revenues amounts.

ACTING PRESIDENT MAZIARZ: Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 56.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 285, by Senator Volker, Senate Print 1708, an act to amend the Criminal Procedure Law, in relation to preclusion of evidence.

ACTING PRESIDENT MAZIARZ: Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 56.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 287, by Senator Libous, Senate Print Number 1915, an act to amend the Penal Law, in relation to parole for certain sex offenders.

ACTING PRESIDENT MAZIARZ: Read the last section.

THE SECRETARY: Section 2. This act shall take effect on the 1st day of November.

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 56.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 292, by Senator Saland, Senate Print 2016, an act to amend the Penal Law, in relation to consecutive sentences.

ACTING PRESIDENT MAZIARZ: Read the last section.

THE SECRETARY: Section 3. This act shall take effect on the 1st day of November.

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 56.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 293, by Senator Rath, Senate Print 2074, an act to amend the Penal Law, in relation to repeat offender status.

ACTING PRESIDENT MAZIARZ: Read the last section.

THE SECRETARY: Section 3. This act shall take effect on the 1st day of November.

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 56.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 299, by Senator Present, Senate Print 1773, an act to amend the Economic Development Law and others, in relation to program reporting and evaluation.

ACTING PRESIDENT MAZIARZ: Read the last section.

THE SECRETARY: Section 29. This act shall take effect immediately.

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 57.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number

302, by Senator Present, Senate Print 2536, an act to amend the Economic Development Law, in relation to directing.

ACTING PRESIDENT MAZIARZ: Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 57.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 316, by Senator Seward, Senate Print 1747, an act to amend the Tax Law, in relation to extending the expiration of the provisions.

ACTING PRESIDENT MAZIARZ: Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes -

ACTING PRESIDENT MAZIARZ: Bill is temporarily laid aside, roll call is withdrawn.

THE SECRETARY: Calendar Number 317, by Senator Cook, Senate Print 1858, an act to amend the Tax Law, in relation to extending the authorization.

ACTING PRESIDENT MAZIARZ: Read the last section. There is a home rule message at the desk. Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Those recorded in the negative on Calendar Number 317 are Senators Dollinger and Gentile. Ayes 55, nays 2.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 319, by Senator DeFrancisco, Senate Print 2970, an act to amend the Navigation Law, in relation to penalties authorized.

ACTING PRESIDENT MAZIARZ: Read

the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 57.

ACTING PRESIDENT MAZIARZ: The bill is passed.

THE SECRETARY: Calendar Number 324, by Senator Levy, Senate Print 924, an act to amend the Vehicle and Traffic Law.

SENATOR BRUNO: Lay it aside for the day at the request of the sponsor.

ACTING PRESIDENT MAZIARZ: Calendar Number 324 is laid aside at the request of the sponsor.

Calendar Number 316 is also laid aside at the request of the sponsor for the day.

Senator Montgomery.

SENATOR MONTGOMERY: Yes, Mr. President. I would like unanimous consent to be in the negative on 293.

ACTING PRESIDENT MAZIARZ:

Without objection, so ordered.

SENATOR MONTGOMERY: Thank you.

ACTING PRESIDENT MAZIARZ: Senator Bruno, that completes the reading of the non-controversial calendar.

SENATOR BRUNO: Mr. President, can we at this time take up the controversial calendar.

ACTING PRESIDENT MAZIARZ: Secretary will read.

SENATOR BRUNO: Let us, Mr. President, begin with Senate 1, if we can.

ACTING PRESIDENT MAZIARZ: So ordered. There is a local fiscal impact note at the desk. Secretary will read.

THE SECRETARY: Calendar Number 360, by Senator Bruno, Senate Print 1, an act to amend the Education Law, in relation to submission of school district budgets.

SENATOR CONNOR: Explanation.

ACTING PRESIDENT MAZIARZ: Senator Bruno.

SENATOR BRUNO: Who asked for the explanation?

ACTING PRESIDENT MAZIARZ:

Senator Connor has requested an explanation.

SENATOR BRUNO: Thank you, Mr. President. Thank you, Senator Connor. I appreciate the opportunity to talk on Senate 1 and why it is Senate 1.

We, in this house, were responsible for passing the largest tax cuts in all of the United States in this state last year, personal income tax and business tax cuts last year. This year we are focused on property tax cuts because, when you take a look at the impact of taxes on people in this state, they're still prohibitive; they're a disincentive to businesses to do business in this state.

So Senate 1 is appropriately named because we focus this year on what is most important in the lives of people in New York State, cutting property taxes. Some will say that you can't cut property taxes, especially as relates to school -- schools because we need to increase school aid, and you can't do both. Well, we feel that you can do both, and I want my colleagues to just focus on a couple of facts.

Fact: From 1980 to 1990, we

increased school aid by $4 billion. Local property taxes, school taxes went up, same period of time, by $5 billion. 1980 to 1996, we increased school aid by 6.4 billion. Property taxes went up 169 percent, over $9 billion; and we wonder why we are still among the highest taxed per capita in the United States.

So increasing school aid does not get a lid on property taxes. So our response? You learn from the past. You learn from their mistakes. So we want to increase school aid but we want to tie it in as much as we can with putting a lid on property taxes. We do that several ways.

One, we are partnering with the Governor. The Governor has a STARR program that cuts property taxes 1.8 billion and it does it in places that are most needed. We have a plan that cuts property taxes by a billion two. We couple those, and we call if the SUPER STARR plan, $3 billion in property tax cuts over the next several years. (A telephone rang.) That's the Governor calling.

Now, for those that haven't had the experience before of voting in a very

realistic way for property tax cuts, it is the thing to do. It's the right thing to do, and this does not inhibit school aid. We in this Senate have always led the fight to properly fund education, secondary and higher ed., always. We take the lead. We don't follow in funding education, because we know that that's a priority here in the state.

But again, there is a recognition that, as we have increased school aid, property taxes have gone up so we, number one, ask school districts voluntarily to freeze property taxes. As they freeze property taxes, they get 3 percent additional state aid over and above the state aid formula as an incentive for them to freeze property taxes.

We have a homestead exemption in this in that the average price home by county gets a 30,000 deduction. That, in an average price home is a 27 percent cut in the property taxes. We have for seniors 62 or older get a $50,000 deduction. Average home it's a 45 percent cut in their taxes. Those are with incomes of 60,000 or less.

Now, the essence of what I've

described is about $3 billion in property tax cuts over a five-year period. For those that think we can't afford to cut taxes, I will restate you can't afford not to cut taxes because what we have been doing has been moving this state, partnered with Governor George Pataki, in the right direction. We've gone from the state that led the country in job losses, the '80s, late '80s and early '90s, to leading the country in job creation moving from 50th in job creation to 8th in job creation, and to our credit, we did that together -- we, the Assembly, partnered with the Governor.

You now have an opportunity to continue the economic development and the job growth here in this state by doing what now is the appropriate thing to do. The rest of this package deals with administration. It creates incentives to be more efficient in school districts. It has mandate relief in it that will save school districts millions and millions of dollars.

It has a bill of rights for students, parents. It's a very comprehensive approach to doing what is right as relates to

education in this state, while at the same time providing the leadership that's desperately needed to get a lid on property taxes.

People on fixed incomes are being taxed out of their homes. Limited incomes are being suffocated. Businesses can't grow and expand because they are inhibited by the property taxes that are much, much, much too high by comparison to other states.

So, Mr. President, we have Senate 1 before us, and "1" usually denotes out front first leadership. So I ask my colleagues to join in leading this state, continuing in the right direction.

SENATOR CONNOR: Thank you, Mr. President.

ACTING PRESIDENT MAZIARZ: Chair recognizes Senator Connor.

SENATOR CONNOR: Thank you, Mr. President.

I call up my amendment, waive its reading -- it's quite thick -- and ask to explain it.

ACTING PRESIDENT MAZIARZ: On the amendment.

SENATOR CONNOR: You know, Mr. President, we've heard you talk about the job growth under the Pataki administration and you know, as someone said, there's statistics, statistics, and he didn't say "darn" but I will, lies. The fact is, it depends on how you look at it. The fact is, we are eighth in number of jobs created. That means we beat Idaho, Utah and a few other low populated states, but if you look at job growth rates, New York State -- and this is the consensus forecast that everybody agreed on for this coming year -- New York is projected to have a job growth increase of .8 percent. The rest of the country is over 2 percent, so we're still not doing very well at all.

Oh, yes, the coffers are awash with revenues because wages are up and because of Wall Street bonuses and, you know, as I recently said about this administration, you know when you take credit for the rain, be prepared to have your critics attack you and hold you responsible when the drought comes, so we are indeed fortunate that Wall Street has been doing so well, but our real job growth rate

is still sad.

Now, be that as it may, Mr. President, the bill before us deals with property tax relief and property tax relief is something we Senate Democrats have been talking about for the last two years. As we pointed out, a lot of our changes in the state fiscal policy and our cuts in state spending have, in effect, transferred expenditures to the counties and the counties' major source of funding is the property tax, and the property tax holders - payers of this state, the home owners of this state, have been paying through the nose, have been experiencing increase after increase because of their need to meet responsibilities many of them mandated by the state, but the state won't pay for them.

The Governor proposed STARR, a good idea. Senator Bruno proposes SUPER STARR which we're happy about, but we have a better plan in this amendment, Mr. President, because it's a FAIR STARR plan, and what it does -- and I urge all my colleagues to listen -- each and every Senator in this chamber, should this amendment be adopted, will be able to go home

and demonstrate they did a better job for their counties and the exemptions for their home owners will be better than under the Governor's plan.

And why is that? The essential feature of the Governor's plan was to guarantee virtually everybody a $30,000 homestead exemption, but there's a little language in his bill which is in S. 1 that we take out and that language is, "as adjusted by the median property value for the county" because with that language in there, I have a little chart here and all of the counties in dark blue, light blue and medium blue would do poorly under it.

Only Westchester -- the effect of that language is that Westchester would, in effect, get an exemption level -- in effect an exemption level of $70,000. So Westchester gets a 70. You live, you own a home in Westchester, you get a $70,000 exemption.

Now, if you live in the ones that we've tried to color in yellow, that's Nassau and Rockland, your residents would get an exemption of between 50- and $70,000, but if you live -- if you live in the ones that are gray

here, Suffolk, Putnam, Dutchess, Orange and Saratoga, your residents would get an exemption of between 30,000 and 40,000, but if you're in the blues, if you represent -- if you own a home in Ulster, Greene, Albany, Schenectady, Rensselaer -- Senator -- Columbia, Warren, Onondaga, Tompkins, Wayne, Monroe, Ontario, Livingston and Erie, your residents only get an exemption of between 20,000 and 29,000 and, if you live in Niagara, Orleans, Genesee, Wyoming, Yates, Seneca, Cayuga, Oswego, Oneida, Madison, Chenango, Cortland, Tioga, Broome, Delaware, Sullivan, Schoharie, Otsego, Essex, Clinton, Hamilton and Washington Counties, you only get an exemption of 15,000 to $19,000. That's what you get under your bill. I mean I don't represent Essex County so, you know, I care very much about all the people in this state, not probably as much as if I represented Essex County. And if you live in and own property in Chautauqua, Cattaraugus, Allegany, Schoharie, Chemung, Schuyler, Lewis, Jefferson, St. Lawrence, Franklin, Herkimer, Fulton, Montgomery Counties, your residents get an exemption of under 15 percent. Why? Because the language is

in there that says you take the median property values.

Now, what does our plan do? We're fair to everybody. By taking that language out, we get a nice even yellow across the board, everybody, yours and our home owners get the $30,000 exemption, and it means real dollars.

Now, you'll say for those of you who represent Suffolk, Nassau, Rockland, Westchester, Putnam, Dutchess, Orange and Saratoga, sort of the privileged seven, we do something for you. We don't want to hurt you, so we're taking $400 million, and I'll tell you where we have got it in a minute, taking $400 million and applying to those counties to hold you harmless, hold those counties harmless, so you'll get the same break as the unfair break the bill gives you, but everybody else's taxpayers will get a fair break and get that $30,000 exemption, and we have charts. And do we have charts!

The effect of this amendment, it's rather startling here. I -- we have this county by county. County by county, for

example, Erie County, the average annual home stead benefit in Erie County under S. 1 is about $250, but under our amendment is $650. Allegany County gets $150 under S. 1 but under our amendment, the average home owner gets $450. Delaware County goes from $175 to $375 and I've got numbers. Look at Onondaga. Under S. 1, the average home owner in Onondaga gets $350 and under ours gets $700.

This is good, and I don't hold this up as a political ploy. Vote against it if you must, versus the Majority coming here to say only we have good ideas. The Governor had a pretty good idea. Senator Bruno made it better and we have the best idea and if this Legislature really is concerned about the property taxpayers, they'll adopt this amendment and we can move forward in partnership.

Now, what else do we do in our amendment? We take $400 million and we drive it to the Big 5 cities, which actually means Westchester, which does very well under S. 1, held harmless under our amendment, have to get 4 million because we drive 4 million of that $30 million into Yonkers, so if you're Westchester

you do better under the amendment too. You do real well, to the disadvantage of every other county in the state except Nassau under S. 1. Under our plan, Westchester does better and we also keep $400 million to award those districts to hold down spending, and that's where we got our money.

Senator Bruno's $1.12 billion addition, we provide it by driving 400 million to the Big 5 cities, 400 million to hold harmless Long Island and those suburban counties with the high property values, and we keep 400 million to reward districts to hold down spending, and I would point out while that's not as much incentive to hold down spending, there are other features in the main bill that we don't interfere with like the two-thirds vote, and so on. There's a lot of things there to encourage districts to hold down spending and, you know, it has some dramatic, I mean Monroe County, Senator Alesi will get 82 percent more of the benefit under this amendment, and I can go through every member and I guarantee you, my colleagues, every single member in this house under this amendment can go home and say they

did a better job for their constituents. They can look their, in most cases upstate, the benefit to your property owners is double under this amendment, so if you must say we're not looking at it because the Minority came up with this idea, go ahead, my colleagues, go ahead at the peril of the home owners in your district because we take the same money, the Governor's 1.7, almost '8 billion dollars, Senator Bruno's super 1.2 billion, and we apply it to the FAIR STARR plan, fair for all the counties in the state, fair to home owners and, you know, you make the -- you can make the comparison, for example, by looking at what happens under S. 1 to the harm of the average home owner -- where is that number? Average home owner who paid whatever? Oh, here it is. Here. Here it is. Here you are.

Here's the part that's interesting. What portion of a $120,000 house is tax-exempt under the Republican plan? In Westchester, 59 percent of the house is exempt; in Suffolk 42 percent, in Nassau 33 percent; on the average in this state only 25 percent; in Schenectady County only 19 percent; in

Montgomery only 12, Senator Farley; Fulton County only 11 percent.

I urge my colleagues, look at these materials because this amendment takes the Governor's fairly good idea, Senator Bruno's better idea, and makes it perfect for all of the home owners in this state, and it doesn't cost us any more than S. 1 would cost us.

I urge my colleagues, please don't be blinded by partisanship, because this is an idea that, just by changing that language and using the same dollars, will benefit, in most cases double the benefit to the home owners and, if I represented other than Westchester and Nassau, I wouldn't want to go back to my constituents, and I don't want to because New York City is not fairly treated by S. 1.

We would drive to the Big 5 cities more money so they get a better deal too. What could be wrong, my colleagues, what could be wrong? How could one vote against an amendment that means property tax breaks for your own constituents?

And again, I would urge in the spirit of bipartisanship that the Senate accept

this amendment and certainly I've discussed it with my colleagues on this side and we all feel that we owe it not just to the counties we represent or the cities we represent, but to those folks in Allegany County and those folks in other parts of the state who would benefit under this amendment and we would come up with a FAIR STARR plan, a FAIR STARR plan where home owners whoever they are, in whatever part of the state, would get fair treatment.

Thank you, Mr. President.

ACTING PRESIDENT WRIGHT: Senator Bruno, on the amendment.

SENATOR BRUNO: Mr. President, Senator Connor, I want to applaud you on the good work that you have done. You have been using your time so wisely and I am really impressed and excited by the color graphics you have that we can't afford in the Senate. We can't afford these. I like it. Oh, this is really impressive. I have to look at black and white, and you're dealing with color and that's why you can be so much more imaginative. That is good work. Thank you. May I keep this? Thank you.

Mr. President, in all sincerity, I want to applaud my colleagues and Senator Connor, because that is good work. Those are excellent recommendations and excellent suggestions and, if you can convince the Speaker that that's the right thing to do we will negotiate this as we go forward in permanentizing this as part of the budget.

I'm not sure that the Speaker will be as all embracing as we might be, but we are very interested. We want to go forward with this, because again, I think you have added something, for a change, very constructive to the debate.

Having said that, there is a time and place for everything, Mr. President, and the time to incorporate these excellent suggestions is in the negotiating process going forward, not as an amendment on the floor in this house. Consequently, we would encourage a party vote in the negative on this amendment.

ACTING PRESIDENT WRIGHT: Senator Dollinger, on the amendment.

SENATOR DOLLINGER: I'll yield to Senator Gentile, Mr. President.

ACTING PRESIDENT WRIGHT: Senator Gentile, on the amendment.

SENATOR GENTILE: Thank you, Mr. President.

For too long in this state, we have not dealt fairly and with equity in the distribution of benefits and equity it's true, especially in the distribution of benefits in New York City, in the five counties that make up New York City, and the time is now to address that issue. The time is now.

For too long the city of New York has been treated like the odd man out in this collection of counties known as the state of New York, and as the odd man out, we in New York City have suffered. We've been short-changed. We've been "gipped" as we say in Brooklyn as state benefits have been doled out.

This slight, this shortcoming, this short-changing and this inequity comes although New York City has two-thirds of the state population. We have in education 37 percent of the state's students and yet we get only 34 percent of the school aid, which results in a loss of over $300 million a year to

public school education in the city.

We endure this inequity although our student population increases by over $20,000 -- 20,000 students per year. We endure these inequities, although we have over 50 percent of the lottery revenue comes out of New York City, and we endure these inequities even as much of our toll money that we collect on our local bridges and tunnels goes to subsidize suburban railroads like Metro-North and the Long Island Rail Road.

These inequities are not only burdensome, they are burdensome to my constituents in Brooklyn and in Staten Island and to all the residents of New York City. So now as an advocate of New York City, I must rise, Mr. President, to support the attempt to correct the inequity of the Governor that the S. 1 plan seeks to impose.

This particularly differential treatment is found in the STARR program for the property tax relief. That's why we have put together our -- our fairness first plan that will deal more fairly with New York City and with the other four major school districts in

regard to property tax relief.

Now, no one, as Senator Connor has said, no one can argue with the premise of the Governor's STARR program. That is a property tax relief of $1.7 billion to New York State home owners. But I am -- and I am of the mind set that cutting taxes where possible and helpful always makes sense -- always makes sense.

Yet here once again New York City is short-changed in this proposal. The New York City home owners would only share in 12 percent of that $1.7 billion program. Two-thirds of the population in New York City out of the whole state, and only 12 percent of the tax benefit, and that tax benefit is significantly lower, as Senator Connor has said, in New York City than other comparable counties.

Clearly -- clearly something is wrong. For example, the S. 1 program penalizes the big cities like New York if they raise their revenue by means other than the property tax. Many large localities like New York City have the ability to raise revenue much like the state does, in income tax, in sales tax, in business

tax, just to name a few. These revenue generat ors are considered less onerous to our taxpayers and more widespread than the sole reliance on property tax as a source of revenue.

Yet the STARR program, the S. 1 program reduces the property tax exemption in areas like New York City by penalizing us for generating revenue in these other various and less onerous ways.

What is the penalty? The penalty is this: In the Big 5 school districts which include New York City, the S. 1 program compares the spending that localities do on school districts to the City's total spending and the difference in the -- is the percentage by which the property tax exemption is reduced from the $30,000 base or the $50,000 base for seniors, so, therefore, the penalties imposed because the City's property tax revenue is mixed in with the other types of revenue that the City protects - that the City collects, and for that we suffer and for that we benefit less under the S. 1 plan but, in contrast, the plan put forward by Senator Connor, the amendment offered today, removes that penalty for New York City and

removes the penalty for the five big school districts.

We remove that penalty by assuming that all property tax revenue first goes to the spending on local schools and that as long as the tax revenue does not exceed the school expenditures, then all home owners in the Big 5 school districts would be entitled to a $30,000 exemption or a $50,000 exemption in the case of seniors.

So what is the difference between the two plans? Under the S. 1 STARR plan, the New York City home owners, the difference is stark. In New York City, under S. 1 residential property tax relief would amount to about $160 per year per home owner. Compare that to somewhere in Westchester like Yonkers where home owners would get a tax relief of $900 per year.

Seniors under the S. 1 plan would receive a paltry $260 a year, yet in Westchester County a senior in Westchester would get $1,891. I'd like to know why the seniors in my district are less worthy than the seniors in Westchester. However, under our amended plan, the plan put forth by Senator Connor, New York

City residents would enjoy instead a $320 per year reduction in property taxes. That is double what the S. 1 plan offers. Seniors would get a $523 per year reduction in property taxes. That, my friends, is real savings.

And it's important to note here under the amendment put forward that we're not expanding the Governor's program beyond property -- school property tax relief. Our plan allows for an adjustment as property tax revenue exceeds the local spending on schools in the Big 5, so we are not expanding the Governor's plan. Instead, we are simply presenting a better and fairer calculation and distribution of the tax relief money.

What's really exciting about this amendment is that none of the suburban or up state counties are hurt or short-changed by this amendment, to New York City or to the other cities. Indeed, counties like Westchester, Nassau will continue under this amendment to enjoy their homestead exemptions that are over $30,000 and more than $50,000. It's no change from the S. 1 plan put forth here today.

Upstate counties like Chemung,

Hamilton, Allegany County and others would benefit by our amendment because it would guarantee that the residents of those counties receive at least a $30,000 exemption or the $50,000 exemption if they are seniors, and what is so fantastic about the amendment put forth by Senator Connor is that it accomplishes all of the following:

It helps the upstate counties. It helps New York City and the Big 5 school districts. It helps the wealthier counties of this state because it holds them harmless and actually in some cases increases their property tax exemptions, and it fulfills the Governor's promise to home owners across this state that they would receive no less than the $30,000 tax exemption or the $50,000 exemption if they are a senior.

And our -- our FAIR STARR program does this without any increased cost over the S. 1 plan and yet offers taxpayers $700 million more to the home owners in this state in tax relief and we do that, as Senator Connor said, by dividing up the $1.2 billion found in the - in the S. 1 plan. In addition, our FAIR plan

calls for $400 million for the tax-free incentive aid which is double what the Governor has proposed.

So we Democrats support and embrace the Governor's STARR plan, but we make it a fairness STARR proposal, and with this amendment, by cutting up the pie, we cut up the pie in a much more equitable way.

Passage of this amendment will not solve New York City's problems. We're still short-changed by our school aid. Too much of our transportation money is still collected and gets diverted elsewhere, but this amendment is a step in the right direction in achieving some parity and some equity to the Big 5 school districts.

So, you know, I represent stable neighborhoods in both Brooklyn and Staten Island. I have real New York City homesteaders who grow up, who raise families, who remain in New York City during their senior years. I represent hard working home owners and senior citizens who have given so much to the "Big Apple", so much to making it the preeminent city that it is.

So why not reward these home owners for their diligence and why not reward them for maintaining our stable neighborhoods? Why not reward them for staying the course, and why not, especially since our fairness STARR plan is a win/win situation for everybody. Benefits upstate counties, benefits New York City, benefits wealthier counties, benefits our senior citizens statewide.

We have a rare opportunity, colleagues, by voting to approve this amendment, to go back, as Senator Connor said, and say that we got a better deal for them than was first proposed, at no additional cost, and after having voted yes on this amendment, you can go back to your districts and be the true super stars to your constituents.

I urge you to vote yes.

ACTING PRESIDENT WRIGHT: Senator Dollinger, on the amendment.

SENATOR DOLLINGER: Thank you, Mr. President.

Senator Gentile spoke eloquently about Brooklyn and Staten Island. Some of my constituents find their origins in Brooklyn as

well, and we have the phrase -- we don't use the phrase "gipped" I guess but we have a phrase that we borrowed from Long Island which was a phrase called "we was robbed". That's a line, I think it originated in Brooklyn some time ago maybe in the days of Ebbetts Field.

But we was robbed. How was we robbed? Well, the message upstate for years has been we've been giving our tax dollars downstate. We've been paying for higher school costs down in Long Island and Westchester County and we haven't been getting our fair share in upstate New York.

Well, Senator Bruno, now is the time. You said it. Now is the time to send a message about property taxes. Here it is. You want to send a message to the Speaker about what's fair and just? Here's the easy way to do it. The best way to do it, Senator, accept our amendment, put our amendment onto this bill and you've suddenly got a huge club to go negotiate with the Speaker about what's fair for the people of this state. Put the amendment on the bill to start. That's the best way to send to the Speaker a message. I'm willing to go talk

to him. I'd go with you if you want to and we can negotiate together to get the Speaker to buy our idea for the plan. I think it would be a wonderful way to do it, but the way to do it, the way to send that message is to vote for this amendment and, frankly, I don't see why anybody who lives in upstate New York wouldn't vote for this amendment.

In my county, Monroe County, there's an 82 percent increase in the tax reduction on school property taxes throughout Monroe County. I can't wait to go back to the school districts that I represent and say, I've got a plan that will give you 82 percent more than what Governor George Pataki proposed because we had a better idea. We've worked hard on this idea. It's a good idea, and I think everybody in this chamber ought to be prepared to go back to their upstate districts and say, We got more, we had a way to do it without spending more, a way to better distribute.

The problem with S. 1 without the amendment is that what it does is it says that the poor districts who have worked hard to try to control spending for the last decade -- well,

Senator Bruno talked about spending going up - the districts who have worked hard and kept their property taxes down end up being the most punished. They get the least out of it and the school districts who spent the most money, who raised their property taxes the highest, get the biggest benefit.

When does that seem fair? What message does that send about their prior spending practices? It seems to me it rewards the big spenders and punishes those of us in upstate New York who have been frugal in our state spending.

It just seems to me that the plan S. 1 as proposed is not fair. This amendment, as Senator Gentile and Senator Connor point out, creates uniformity in tax benefit, uniform tax benefits. What could be fairer? Everyone gets their fair share under the FAIR STARR plan. Everyone gets a fair cut of the pie instead of having the pie cut up with big pieces for West chester, Nassau and other places, and small pieces for everyone else. We're willing to give bigger benefits.

One of the things that Senator

Gentile and Senator Connor pointed out is that we hold Nassau, Suffolk and the other major counties we'll hold them harmless but let's make sure that everyone fairly participates. Give everyone a fair chance for property tax reduction. Support the FAIR STARR plan and let's start down the road to fairness in property tax reductions in this state.

ACTING PRESIDENT WRIGHT: Senator Marchi, on the amendment.

SENATOR MARCHI: Mr. President, it's very exciting, the rhetoric that has been prompted by Senator Bruno's initiative. Had it not been for Governor Pataki and Senator Bruno expressing the consensus in the Majority, this conversation would not be taking place.

It's been here many years. This is the first direct attack on the problem of property taxes that has substance and reality undergirding it.

I also want to congratulate my compatriot over there, Senator Gentile, and he raises many points that we traditionally stress in comparing -- making comparisons upstate and downstate. But this kind of discussion goes on

all over the state depending where you're from. It's just the nature of government that you're going to view with alarm what's being done to us and "us" can mean anything from Erie County to Suffolk County, and pointing with pride what should be the division.

When I first came here, we had a sparsity correction for upstate, like ten percent because we didn't have in the upstate counties the museums and all the other infrastructure that went with it, that truly placed us in places like New York City at a distinct advantage. One of the reasons in New York City, of course, is that while our real estate taxes are the object of complaint, based on comparison with almost any other area, you will find that real estate taxes for residential home owners, about 80 percent of our people are renters. 80 -- 20 percent are home owners.

Our rates are low by comparison to the rest of the state. If I compare my real estate taxes or anybody from Staten Island compares it and anybody from the city of New York compares their property tax with that of their adjacent numbers -- neighbors, there's a

startling difference, but the answer is, of course, we have also a plethora of taxes including income tax and a plethora of other taxes that other areas do not have, which really is not all that bad because we have a rather optimum range of sources of revenue to finance the cost of government, and so that's not bad.

But to be applauded, I think, is what Senator Bruno has stated so eloquently, and also complimenting the direction taken by our friends on the other side that when we finally get to conference, we are pointing in the identical direction, and it's that spirit that animates the offering of the bill which otherwise would never have appeared before us, a conversation and a conference that we never would have had, certainly my first in experience since I've been here, had it not been for the bill that we are considering.

So I just have the feeling that there's a lot of wisdom in this chamber and that wisdom will be made manifest to our good friends at the other end of the hall here or the floor, when serious negotiations take place, and I think all of us will be gratified with the

result because although there may be variations to this theme, it all points to the same direction.

So, Mr. President, I certainly hope that the lessons that we have here -- and let's remember one more fact. When we say fairness should mean uniformity throughout each and every circumstance that we live in, let us remember equalization, a great principle developed by Alfred E. Smith, equalizing opportunity for every resident in this state.

The amount of real estate that - upon which our education rests in the city of New York is far more abundant than in some areas. We may have 80- and $90,000 behind each child attending public school, but there are counties where it's 2- and $3,000 behind each and every resident of that school district. So equalization means we're going to bridge that difference to bring everyone to a decent level that will accommodate that expression.

That is, you know, we pay so much in taxes. We should get so much back. That is wrong. That is regressive, very regressive. There are states in the United States that are

very poor, and get more money simply because they do not have the means to provide for adequate living substance. Since when do we say the amount of money that we put in is the amount of money we should get back? That isn't fairness. It's not fair to the poor little guy and the poor little guy just doesn't live in the city. They live in communities where -- where the average income is very, very, very low.

Let us not lost sight of equalization. Equalization is the principle upon which New York became great, and I look back to Alfred E. Smith for having fostered that notion so earnestly and so effectively, so we're going at things, I think in the right way, and we're learning from each other, but let's do it within the parameters of equalization, of equity, and a realization that we are marching in a direction perhaps which is a little unaccustomed to traveling, but I think which will bring positive results to the state of New York.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT WRIGHT: Senator Gold, on the amendment.

SENATOR GOLD: Thank you, Mr. President.

First, Mr. President, on a personal note, I would like to thank my colleagues for their important generosity during the last week. It's very important.

Senator Marchi, you have a problem and your problem is you cannot help being other than what you are, which is a gentleman, and I sat here a few moments ago and I said to myself, Here is a very senior member of this body who calls them like he sees them, and I think it's extraordinarily gracious that, for the second time in only a few weeks, you on this floor complimented Senator Gentile for his work.

I know the other day in the Staten Island bill, which I voted against a year ago, I was persuaded to go along with you and Senator Gentile based upon his arguments which you acknowledged and here again today as the gentleman you are, you acknowledge the talent and the hard work of Senator Gentile.

One comment I would like to make to a dear friend, Senator Bruno -- and he's

shown me that friendship in the last year or so -- you said, Senator, that there's a time and place for everything, and I look around the chamber and I remember back.

We have laws in this state against the use of so-called drug paraphernalia. There's a fellow named Padavan who brought that to our attention. The bill that passed was not the bill originally filed by Senator Padavan. He brought it out. We debated it. He then called it back. There were amendments and the debate made that a bill that was of such a nature that it became law. I'm proud of the fact that the so-called "Son of Sam" Law was originated by me, but I'll tell you right now, there are people still here today and other members on your side who worked with me. We amended it and we came up with something.

Now, Senator, if this isn't the place to talk about it, I don't know what is and, believe me, when we talk about the Assembly's position, the Senate's position and people say in the back rooms, Well, that really means Joe Bruno's position, that really means Shelly Silver's position, I'm not so thrilled

with that. I wish it was the Senate's position and that the same friendship and camaraderie, which I acknowledge publicly, you have shown to me and which I'm so grateful for, worked over into a legislative process.

The concepts that Senator Connor has offered to this chamber, not only today but over the last few years are very interesting and they're interesting for the following reason: Years ago, I used to duck as people would throw the comment at Democrats, and particularly Democrats who weren't perhaps left of center, that if there was ever a problem they throw money at it and, of course, that was a criticism. People said look what happened in New York under the Wagner administration and others. We got into a financial hole.

Senator Connor has brought out a number of programs in the last few years which have started with the concept that we're not spending any more money than you are but we think we have a way to improve upon it.

Now, Senator Bruno, I predict that if you accepted the amendment and if the Assembly went along with it, the Governor went

along with it, that as every story got written, it would still be the Pataki-Bruno initiative and would we feel some goodness about it? You're darn right, but as Governor Cuomo once said to me as he was being -- as we were discussing a certain piece of legislation, he said, "Manny, don't worry about the newspaper stories today. The Legislature goes home and when I sign the bill, it's going to be Mario Cuomo signing the bill. If this becomes law with the Connor amendments, with the Gentile amendments in it, believe me, it will still be George Pataki with the pen in his hand and if I know George Pataki, he's going to have his arm around Joe Bruno and he'll tell me to go out and play golf that day. He'll have his arm around you. So, Senator Bruno, you would deserve that. You would deserve it.

So all we're saying is that this chamber ought to be a place where we discuss these things and where it is appropriate to discuss them.

In England, as some of you may know, the House of Commons does not have enough seats for the members because they don't want to

discuss things. They don't want to encourage all the members to be in the room at one time. They say this is not a debating society and when they have to vote, they march them in, they march them right out again and make room for the next group.

Our chamber is different. Our chamber does discuss ideas with the hope that we come out with the best product -- product we can and in committee today, Senator Bruno, I voted without recommendation to put it out because, as Senator Marchi again pointed out, we're having this discussion because the bill was put in.

All I'm saying is I want people to vote for this amendment because it's good for their districts, and I see my distinguished friend from Syracuse. As was pointed out, this bill means more money for Syracuse and it's not a situation where, in Syracuse, if somebody said, "Why would you vote against it?" You would say, "Well, it costs too much money." It's the same money. It's just a better way of using the money, and I think that the work that was done by Senator Connor, the work that was done by Senator Gentile, as acknowledged by

Senator Marchi, is important work because we show that we can take programs and make them better without spending more money, and that is the new Democratic Party in this house which I'm proud to be a part of and I hope that we can get the support of the other side.

ACTING PRESIDENT WRIGHT: The question is on Senator Connor's amendment. A yes vote is a vote in favor of the amendment - I'm sorry. A no vote is a vote against the amendment. On the amendment, all those in favor signify by saying aye.

SENATOR PATERSON: Party vote in the affirmative.

ACTING PRESIDENT WRIGHT: There's a request for a party vote.

The Secretary will call the roll.

THE SECRETARY: Ayes 26, nays 34, party vote.

SENATOR GOLD: Is that with the exceptions?

ACTING PRESIDENT WRIGHT: The amendment is defeated.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT WRIGHT: On the bill -- Senator Leichter, why do you rise?

SENATOR LEICHTER: Mr. President, on the bill, please.

ACTING PRESIDENT WRIGHT: On the bill, Senator Leichter.

SENATOR LEICHTER: Mr. President, there's something that's really been lacking in the debate so far, and that is to take a look and see why real estate taxes have gone up.

I almost thought that Senator Bruno had it at the beginning because he said two plus two -- and then he said it's zero. No, Senator. Two plus two is four. You started off, Senator, and you pointed out that we have increased state aid but real property taxes have continued to increase. Well, the answer is very simply that the amount that we have increased state aid for education over the years has not equaled the increase in inflation, hasn't increased the number of new students.

There's been an increase in the city of New York in total dollars but when adjusted for inflation and when adjusted for the increase in school population -- we had 20,000

students who came in last year, I think 15,000 the year before -- we have actually decreased per student in real dollars the amount of money that we supplied for the city of New York, and I suspect the same thing is true for most of the state.

I must tell you, I'm fortunate to have a vacation home in Essex County and a wonderful place represented by my good friend, Senator Stafford who's revered by the residents of Essex County, but I must tell you, Senator, I'm appalled. I'm appalled at how my real estate taxes have gone up. Now, it's not that the people of Westport or the people who run the school board have been profligate. It's because state aid hasn't kept up with the expenses they have. These people do an excellent job in trying to keep costs down while seeing that basic education is provided, and I imagine the same thing is true at school boards throughout this state.

So why have the real property taxes gone up? They've gone up because we haven't provided the state aid. Why haven't we provided the state aid? Because we have

embarked on a perfectly foolish, senseless, unfair tax policy in this state of reducing income taxes for the wealthy while everybody else has had to pay more in local taxes, in fees, in tuition, in transportation costs. That, unfortunately, started under Governor Cuomo in 1986 and we exacerbated the situation under Governor Pataki. We did not have the money for the tax decrease that we voted in 1995. That tax increase has been an utter flop, a failure. I don't know how Senator Bruno can get up and say "We have the state in the right direction. We're growing in jobs." I hope that you read -- and if you didn't, I'll send it to you -- Senator Bruno's home paper -- or one of his home papers, the Times Union had an excellent analysis that showed that this state's economy is sluggish. Our job growth ranks among the lowest among all the states.

So if the justification for the income tax dec... cuts, decrease, was it's going to energize the economy, it hasn't happened. All it's done is blown a hole in the state budget, created a deficit, forced us to reduce state aid to education and put the burden on the

localities. We've seen real property taxes rise all over.

So for this body and for Senator Bruno to say we've done such a wonderful job, we've reduced taxes but the localities haven't reduced taxes and now we're going to come in with this program of helping to reduce real estate taxes. It's a phony, and it's a phony not only because it fails to look at what the real problem is, which is an unfair, unjust, unwise tax cut, income tax cut, but also we don't have the money for it. This is a shell game. It's true, we have a one shot, one windfall monies this year from Wall Street, but if we embark on the -- whether you call it STARR, super STARR, fair STARR or no STARR, the fact of the matter is that there's no way that we can continue that program without at the same time next year further reducing aid to education or failing to increase that aid to education in a way that takes into account inflation, rising pupils, and so on.

So how do we pay for it? We can't pay for it. It's a gimmick. It's a trick and it fails to do what we really need to do,

and that's why the bond rate is already set. You guys are continuing your foolish ways and that's why people like the Citizens Budget Commission have said, you're following a wrong path.

So I can just tell you that I think, as we often do here, maybe good public relations, maybe it's good politics for awhile and maybe we can say, look what we're doing for real estate taxes but in point of fact, we're just shifting monies around. We're shifting obligations around and we're failing really to help our school system or failing to help the taxpayers.

Then, of course, you have the problem that the STARR system and super STARRS are terribly inequitable. That was pointed out by Senator Gentile and Senator Connor and Senator Gold and others, in a sense conceded by Senator Bruno. What Senator Connor didn't fully appreciate was how -- how STARR and super STARR were figured out. It wasn't based, I think on the medium assessment or cost of homes in the various counties. It was based on one thing, on votes cast in the 1994 gubernatorial election.

That's how Westchester and Suffolk and Rockland and some of those benefited greatly while the city of New York is shortchanged in a very blatant and a very unfair manner.

So I don't think that anything is being done here that's of any assistance to the taxpayers of the state of New York. On the contrary. I think we're just making the state's fiscal situation even worse. I think it's the sort of game playing that we do here within the confines of the walls of the Capitol, that maybe on the outside some people are going to be fooled and they're going to say, "Isn't it wonderful? They're going to do something about real estate taxes", but in point of fact, we're not doing anything about what is really meaningful, really needed, and that is education, educational costs, who's going to pay for it, how is it going to be paid for in a fair manner?

So my colleagues, I just want to say that with all this self-congratulations going around, I think you better take a look at what you're really doing, which is, again, gimmickry, one shots of fiscal irresponsibility.

This does not solve anybody's problem.

ACTING PRESIDENT WRIGHT: Senator Cook.

SENATOR COOK: Mr. President, thank you.

When the Governor gave his budget presentation and announced the STARR program, I thought this isn't STARR. It's a sunrise because for the first time, the leadership of the state had taken seriously the issue of property taxes. The question of how to fairly fund our schools had actually put the dollars into the fiscal plan to do it. It had presented us with a plan that would accomplish over a four-year period of time a 27 percent average reduction for school taxpayers in the state, a 45 percent annual reduction for senior citizens.

We hear people saying, Well, why don't we just pour extra money into the school districts and let that take care of the tax increases. Well, I think we ought to review again -- and Senator Bruno cited some of this information, but let's talk in percentages.

Since 1985 and '86, the inflation rate -- the inflation increase since that period

of time has been 35 percent. During that same period of time, we have increased, not decreased -- we have increased aid to education by 63 percent during that same period of time, but during that time, the budgets, the local spending has gone up 72 percent. Now, there are those who say, Well, let's have a plan where we're going to make the state up to 40 percent or 50 percent or whatever share. How is the state ever going to get to 40 percent or 50 percent when every time we increase state aid by 63 percent, the spending goes up to 72 percent? It simply isn't going to happen. That's why the plan has to be devised in the manner that the Governor has presented it which gives the reduction on the tax bill to the taxpayer. The taxpayer sees it there in black and white. The state makes the school district whole on the amount of money that they would be losing, the revenue they would be losing by giving this reduction and property tax increase, which has gone up 90 percent since 1985-86, for the first time return that curve around and we begin in the direction of reducing property taxes while increasing the state's proportion of spending,

indeed, and we do it by rewarding the school districts for controlling their costs, not by simply pouring more money in and saying, "Here's a blank check. Spend it as you will", and that's important, and the second thing that's important to remember is that while this particular bill costs $1.9 billion over that period of time, that the Governor also has proposed another 1.4 billion in increased aid during the same period. So that's an investment of over $3 billion that the Governor is committed to, in fact, increasing spending for educational purposes in the state over the next four years.

That is a milestone. That is something for which every person in the state should stand and applaud and particularly the property owners of this state should finally feel that there is someone at the helm who understands their problem and who is willing to put his administration and this house on the line to do something about the problem.

It is an innovative program. It is a program that has been too long in coming, and I think that we should all stand and applaud

the Governor for the leadership that he's showing in this effort.

SENATOR DOLLINGER: Mr. President.

ACTING PRESIDENT WRIGHT: Senator Dollinger.

SENATOR DOLLINGER: Will Senator Cook yield to a question?

SENATOR COOK: Certainly.

ACTING PRESIDENT WRIGHT: Senator Cook, will you yield to a question?

SENATOR DOLLINGER: Senator, you talked about the increase in expenditures by local school districts during the last decade and you gave statistics about the 90 percent increase. How much of that was approved by the voters of the state of New York, the individual school district voters?

SENATOR COOK: Senator, you don't know, for the simple reason that with the austerity budget that we have in place in this state, when the voters turn down a budget, it doesn't mean anything because the school boards go ahead and spend whatever they want to anyway. So the austerity -- the question of

whether the voters approve that expenditure, I'm sorry, it just doesn't exist.

SENATOR DOLLINGER: Again, through you, Mr. President, even if it were an austerity budget and the number of budgets that are approved under austerity plans, those budgets were all previously approved by school boards, weren't they, because that was last year's budget.

SENATOR COOK: Mr. President, that's precisely the point. The school boards have approved spending programs that have far exceeded the capacity of the taxpayers to keep up with them and they have -- the answer that the school boards have given us annually is you give us more money because somehow even though the taxpayers are paying 90 percent more taxes than they did before, we still need more money to spend.

Mr. President, this question of reducing property taxes has to be partnership. It's got to be a partnership between the state of New York and the localities. There has to be an effort on the part of both parties to deal with this problem, and this is not punitive.

This is not saying, cut your expenditures in the local district. In fact, it's saying you may increase your spending, but it's saying do it responsibly. We'll be partners with you.

SENATOR DOLLINGER: Again through you, Mr. President.

ACTING PRESIDENT WRIGHT: Senator Dollinger -- Senator Cook, will you continue to yield?

SENATOR COOK: Yeah.

ACTING PRESIDENT WRIGHT: Senator Dollinger.

SENATOR DOLLINGER: Isn't the definition of whether a school board has acted responsibly tested by whether or not the vote is passed -- the budget is passed by the voters? Isn't that the test of responsibility you're looking for?

SENATOR COOK: Mr. President, as I indicated before, even when budgets are defeated, that has very little impact on how much the district spends because the district can impose an austerity budget on which there is no limit and that, in fact, is what has been happening, and that's the reason why property

taxes have continued to go up despite the fact that New York State has been giving additional state aid at a rate almost double the rate of inflation.

SENATOR DOLLINGER: Again through you, Mr. President.

ACTING PRESIDENT WRIGHT: Senator Dollinger.

SENATOR DOLLINGER: Senator, could you just enlighten me as to how many budgets were actually defeated in New York State?

SENATOR COOK: Mr. President, it varies from year to year, 20 percent, 30 percent of the budgets, depending on the year, but the point is, Mr. President, that the spending at the local level is not responding to the issue of property taxes. It is a matter that people are looking to the state of New York to make - to make up for whatever the localities expended. I don't care whether the school boards are spending it or the school voters are spending it. The point is that the state of New York has been doing its part and the local school districts have been the one that have constantly

been increasing their spending, and this bill is saying to them, Okay. Let's turn that around. Let's start being responsible in the way we spend money at the local level and we as a state will help you in that process.

SENATOR DOLLINGER: Okay. Mr. President, I also -

SENATOR SKELOS: Mr. President, if I could interrupt just a minute.

ACTING PRESIDENT WRIGHT: Senator Skelos.

SENATOR SKELOS: If I could have the last section read for the purpose of Senator Goodman and Senator Gold voting.

ACTING PRESIDENT WRIGHT: Read the last section.

THE SECRETARY: Section 12. This act shall take effect immediately.

ACTING PRESIDENT WRIGHT: Senator -- call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT WRIGHT: Senator Goodman.

SENATOR GOODMAN: Mr. President, I wish to cast my vote in the negative and

explain briefly the reason. The reason is that this situation is one in which we find ourselves giving a very substantial assist economically to upstate homeowners, to out of city homeowners. It's been estimated that this might range from 1,000 to $1800 and at the same time, we are causing the rents to rise in New York. If what I read in the papers is accurate with respect to a possible position being taken in this house which will cause the increase in exactly the same amount to many of my constituents. I respectfully suggest to this body that what's good for the goose is good for the gander and at the appropriate moment of course, I'll vote to reduce real estate taxes but not in advance of some commitment to maintain a reasonable level of rent in the district which I represent.

Thank you, Mr. President.

ACTING PRESIDENT WRIGHT: Senator Goodman in the negative.

Senator Gold.

SENATOR GOLD: I would like to vote and not explain my vote. I vote in the negative.

ACTING PRESIDENT WRIGHT: Thank

you, Senator Gold.

Senator Gold in the negative.

Senator Skelos -- Senator Oppenheimer.

SENATOR OPPENHEIMER: I will be voting in the affirmative.

ACTING PRESIDENT WRIGHT: Senator Oppenheimer in the affirmative. Withdraw the roll.

Senator Dollinger.

SENATOR DOLLINGER: Mr. President, I have a question for the sponsor and I'm not sure whether Senator Cook is going to be the sponsor. I asked the question of Senator Stafford at the Finance Committee meeting, and I was hoping that perhaps I could ask the question again, see if I could get an answer that I could work with.

ACTING PRESIDENT WRIGHT: Senator Dollinger, who are you posing your question to?

SENATOR DOLLINGER: Senator Cook -- I could perhaps address -

ACTING PRESIDENT WRIGHT: Senator Cook, do you yield to Senator Dollinger?

SENATOR COOK: Senator, I'll try,

however inadequately, to respond to your question.

SENATOR DOLLINGER: Senator, I asked this question at the Finance Committee, and if you could just bear with me because I want to make sure I understand how this bill works.

As you know, school districts collect their property taxes, almost all of it, from the 1st of September to the 1st of October, the tax -- the penalty free period in which the school warrant is paid by taxpayers. What I was told in the Finance Committee is that the state will -- they will collect less because the exemption will be in effect and depending on the value of the exemption, they will collect less than they would otherwise collect had there been no exemption in place. So instead of collecting 100 million, they'll collect $80 million. The other $20 million is going to come from the state of New York in the periodic aid payments that the state of New York makes after the period in which the school district finishes collecting its taxes.

As you know, Senator, one of the

things that school districts do with all that cash is they invest it. They put it out for deposit. They generate income in the period of time in which they hold the cash but don't have to spend it.

My question is what provision is there in this law to reimburse those districts, especially a district -- the larger districts like the town of Greece which I represent, the Greece Central School District, which I believe raises in excess of 70- to $80 million on their property tax levy. What is the provision to reimburse them for the lost income on the funds that they would otherwise hold when they collect it?

SENATOR COOK: Mr. President.

ACTING PRESIDENT WRIGHT: Senator Cook.

SENATOR COOK: Actually, Senator, you should know the answer to that because it's the same provision that was in the amendment that you -- that you proposed and that you thought was such a great amendment. So we're proposing to do it precisely the same way you propose to do it, okay?

To be a little bit more succinct, however, the Governor has wished to tie this, admittedly, in kind of a convoluted way to lottery revenues and, as a matter of fact, the reduction will probably just about equal the lottery revenues over a period of time and that will give all of us a little bit easier time of going back and saying to people, you know, when they ask us that question about the lottery, here's where the lottery money goes.

There's a point of reality, though. The money will be probably reimbursed to the districts on about the same schedule that we currently pay them state aid payments, which is 70 percent, which goes between September and April during our fiscal year, the other 30 percent during the subsequent fiscal year.

Now, admittedly, the district is going to absorb some lost revenue by virtue of the fact that they will have lost the reimbursement -- that they will have lost that money to put in the bank, but there are two pieces of this that you need to be cognizant of. The state reimbursement will be for the value of the reduction, not the value of the

amount that actually is not collected. Therefore, in the school district's levy, the uncollected school taxes which are returned to the counties and repaid to the school districts in April will probably be very close to the amount of money that we're talking about here. So that it will be something close to awash.

I will admit to you that there will be some dollar amount that the school districts will, in fact, be losing in revenue, whatever that is, but I think it is not a large amount of money. The point is, as I said earlier, however, this is a partnership. The state is assuming a major part of that partnership in that we are, in fact, making the districts whole on the original dollar amount and if the school districts are, in fact, going to lose some portion of the interest that they would have earned by putting that in the bank on October 1st rather than having it spread out until April, then, indeed, that, perhaps, is part of the local cost of giving this relief to the property taxpayers.

SENATOR DOLLINGER: Again through you, Mr. President.

ACTING PRESIDENT WRIGHT: Senator Dollinger.

SENATOR DOLLINGER: Even though in the long run they may have to raise more property tax to cover that because they're losing that income, they're going to have to raise that revenue. We're not going to pay it back to them. They're going to have to raise property taxes to cover the lost interest benefit that they would have from having their money in the bank.

SENATOR COOK: Mr. President, that is undoubtedly true. It is undoubtedly true in some of the bills that I've seen folks on your side propose relative to installment payment of taxes, for example. Sometimes when you give relief to the property taxpayers, you're trying to relieve those folks who are the most heavily burdened and some of the rest of us pick up some of that additional money, but I would point out that at its peak, this bill is going to put -- reduce property taxes by an estimated $2 billion. We're currently collecting about $17 billion in property taxes. So it is only two billion out of that $17

billion in the first place that is going to be affected by this reduction, about 27 percent as we indicated for the average taxpayer but remember this is not impacting the commercial tax levy and, therefore, in terms of the propose... the total tax levy of the school districts across the state, we're only talking about two billion out of the $17 billion that they levy and, in addition to that, to repeat what I just said early -- earlier, they are being made whole for the entire portion of the levy by which the levy is reduced or their actual tax award is reduced by virtue of the provisions of this law and, therefore, the difference between what they are probably currently carrying as unpaid taxes until that is refunded by the counties in April, I would guess -- and I can't -- I can't give you this in solid numbers -- is probably very close to what they would actually have to carry over under this bill.

SENATOR DOLLINGER: Again through you, Mr. President.

ACTING PRESIDENT WRIGHT: Senator Dollinger.

SENATOR DOLLINGER: I appreciate Senator Cook's very detailed and I think accurate explanation, but let me ask one other question, Senator Cook. As you know, the largest deadbeat for school districts in this state is the state of New York.

Senator Leichter has pointed out that the city of New York is owed about $800 million from the state. Several school districts that I represent are owed somewhere between 200- and $800,000 in aid that they - they're owed and the state is going to pay off slowly, slowly over time and, as you know, as we talked about, I think last week, if you owe the state of New York money, they grab money.

My question to you is, is there anything in this bill that somehow gives an incentive to the state of New York to make these payments which will be absolutely critical because these will be payments that, if they don't get, they won't be able to spend the budgeted amount because they won't have the money.

Is there anything that requires the state of New York to make these payments on

time and puts a penalty on us if we don't pay it on time as is our history?

ACTING PRESIDENT WRIGHT: Senator Cook.

SENATOR COOK: Mr. President, money that you are talking about -- which is, of course, substantial amounts of money. I don't deny that -- is money that was spent in previous years and the reason primarily that that money is outstanding, it has not been paid, is because there were claims that the school districts failed to make in a timely fashion to the state. That was money that they spent two years ago and for some reason it was sitting around on somebody's desk and they didn't bother to send the claim in to the Education Department before the end of that fiscal year. So that was money that they spent -

SENATOR DOLLINGER: That isn't the case.

ACTING PRESIDENT WRIGHT: Senator Dollinger, please.

SENATOR COOK: That is money that they spent in their previous budget. So it will have no impact on future budgets.

ACTING PRESIDENT WRIGHT: Senator Dollinger.

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

ACTING PRESIDENT WRIGHT: Senator Cook, will you continue to yield?

SENATOR COOK: Yes.

ACTING PRESIDENT WRIGHT: Senator Dollinger.

SENATOR DOLLINGER: What do we tell our school districts if the payments aren't made on time?

SENATOR COOK: Well, we can tell them to make their claims on time and then they'll get their payments on time.

SENATOR DOLLINGER: Again through you, Mr. President. What happens if this bill passes and becomes law and the school district is sitting there having budgeted $100 million, raised $80 million through property taxes and is waiting for the $20 million payment from the state of New York and doesn't get it on time? What do we tell the school districts?

SENATOR COOK: Mr. President -

SENATOR DOLLINGER: They don't

have any more resources.

SENATOR COOK: That is money that they would be spending in this year's budget. The claim is for money that they spent last year. So they're two entirely different things.

SENATOR DOLLINGER: Again through you, Mr. President, I apologize. I haven't made myself clear.

SENATOR COOK: I know what you're saying, Senator. You're saying because the school district has an account receivable, that we should make them whole on the account receivable, I don't deny that, but the point is that's not this year's budget money that you're talking about.

SENATOR DOLLINGER: Again, I apologize, Mr. President. I haven't been clear with my question. Let me see if I can make it clear. S.1 becomes law. In the year 2000, the Greece School District needs $100 million. The exemption is in place. They take in $80 million in the month of September. They're owed 20 million more for that year, forget about prior years.

SENATOR COOK: Well, Senator,

that is not current year money that they're owed. It's previous year money.

SENATOR DOLLINGER: Excuse me, Mr. -

ACTING PRESIDENT WRIGHT: Senator Dollinger.

SENATOR DOLLINGER: Maybe I don't understand. It's the previous year's money that they're owed for what?

SENATOR COOK: Because they made late claims.

SENATOR DOLLINGER: Again, Mr. President, I'm not being clear. I'm assuming that the district makes a timely claim for the exemption. Under this bill you have to start in November of the previous year.

SENATOR COOK: Senator, are you talking about -- now you're talking about the money under this bill, or are you talking about the existing -- what we have called the "Q"?

SENATOR DOLLINGER: I'm talking about the former, not the latter, Mr. Chairman, and I apologize if I've confused you.

SENATOR COOK: Okay. We're talking about this bill now.

SENATOR DOLLINGER: Right. S.1 becomes law.

SENATOR COOK: Okay.

SENATOR DOLLINGER: We raised $80 million in the property tax levy. We need $20 million from someone to meet our $100 million budget requirement. We get to July -- January 1st and we've spent 50 million and we've only got 30 million left in the bank but we're going to spend 50 million more. What happens if the state of New York doesn't pay the $20 million on time?

SENATOR COOK: Well, Mr. President, the point is that we're writing it into the statute that the state -- that this is part of the state aid formula. This is unlike the other circumstance -- and I don't want to belabor that, but the other circumstance in which people are making claims based on the aid formula that existed in previous years.

SENATOR DOLLINGER: I agree with that, but what happens if we don't get the money this year? Is there anything in this bill that forces the state of New York to release that money in a timely fashion so our school

districts aren't left with a huge hole?

SENATOR COOK: Mr. President, the only way that the school districts would not get the money would be if this Legislature were to amend the law, change the law so that the formula was in some manner different.

SENATOR DOLLINGER: Okay. I apologize, Mr. Chairman, and I thank the Senator for his comments.

I'll be very brief on this bill.

ACTING PRESIDENT WRIGHT: Senator Dollinger, on the bill.

SENATOR DOLLINGER: I have no interest in voting for a bill that will take the major portion of a huge property tax exemption and driving it out of my community and into some other part of the state unfairly and inequitably. That seems to me to make no sense whatsoever.

Without the amendment attached to this bill, it is again a huge transfer, one that has been complained about by upstate Senators for years. It's a huge transfer of wealth from the upstate region to some place else. It's not fair across the board. It's not fair to my

taxpayers. It's not fair to my county. It's not fair to my region and, as far as I can tell, it's not fair any place north of Putnam County. I can't understand why we would want to take a tax system and make it so inequitable that the primary beneficiaries are the wealthiest people in this state. This logic just absolutely totally escapes me.

There are problems with this bill in the mechanics of this bill. The most amazing part about it is -- and I would just suggest one other amendment. I'm not going to propose this as an amendment because I know there are not 31 votes for good, well spoken English, but I would suggest that everybody turn to page 32, line 40 and 41 and when we use the phrase which required in this bill, which is the reason why this bill is being passed, it says there will be on the tax bill a little line that says, "Your tax savings this year resulting from the New York State school tax STARR program" -- this requires -- the law requires them to use the word "is". It's not "is". It's "are". I checked with Professor Stavisky. Professor Lachman concurs. You have to use a plural when you use a plural

noun. We can't even get the English right in this educational bill.

This bill is far too complicated. It isn't going to do what we want it to do. It's grossly unfair to the people I represent.

ACTING PRESIDENT WRIGHT: Senator Saland.

SENATOR SALAND: Thank you, Mr. President.

Mr. President, I listened patiently to virtually all of the comments from my colleagues on both sides of the aisle and I heard most of the comments during the course of the deliberation on the debate -- on the amendment and have sat through the entire debate on the main bill.

Let me just follow up on some of the comments by Senator Cook. I certainly feel that the Governor is entitled to an extraordin ary amount of credit for having taken what has long been an issue which seemed to be solely one with which this Senate, and particularly the Senate Majority was concerned and by, in his State of the State address, making it into one

of the cornerstones of the State of the State address, immediately elevating it to a status that has not heretofore been known in this state.

The Governor, through his leadership, has made school tax reform a front burner issue, and what he has done is craft - yes, I can probably draw on Senator Dollinger's words -- a bill that is somewhat complicated. Our bill mirrors many of the proposals of the Governor, builds on the successful bill that we had passed last year, but what he has done is carefully craft the mechanism which effectively says that real property tax relief will be provided in the form of school tax relief based upon median values in the respective counties to virtually every residential owner in that county as long as that is your primary residence, and what we've done in our bill is to provide for accountability, not merely concerning ourselves with the revenue side because, as has been pointed out, this state, the state of New York, over the course of the past 11 years, has greatly exceeded the rate of inflation in terms of the amount of state aid that it has provided

to its various school districts and, as has been pointed out further, as greatly as we have exceeded the rate of inflation which was some 35 percent over that period of approximately 11 years and our school aid has been in the amount of approximately 60 percent increased. The growth in school spending has dramatically exceeded the amount -- the increased amount of aid that we've provided.

So what we're doing here is saying to those in our respective districts that we will tie into your local median value, your county median value, the means by which you can find relief, and that's pegged at either 45 percent if you're a qualified senior, which means less than $65,000 in income, and to all other homeowners, the amount would be 27 percent, phased in over a period of three years for non-seniors and four years for seniors and at the same time, again, accountability, providing the ability for school districts should they choose to, in effect, have a freeze in reduction where the state would reward those districts that froze their school tax, provide an even greater amount for those who would not

merely freeze their school tax but return some of their savings to their taxpayers.

There's a number of things that have been included in our bill, whether it's one statewide uniform budget day, whether it's a limitation on the number of times you can go back to the voters on the question of the passage of a school vote -- school budget. The reality is that this is a measure which will help define the balance of this session, and what we need and what we await is the response from our friends over in the other house.

There have been -- Lord only knows how many people have endeavored to capitalize on this issue. It's an issue certainly for those of us outside of the city of New York where the principal means by which we turn to our taxpayers is the real property tax. It is a burning issue, one that has been festering for several years, one with which this house has time and again attempted to deal, only to run into intransigence or indifference on the part of the Assembly.

I think we here should be indebted not merely to Senator Bruno and Senator

LaValle and Senator Cook, but certainly an enormous debt of gratitude to Governor Pataki for really taking advantage of his bully pulpit and making school tax relief a priority item which the 1997 session may well at long last see accomplished.

I'm proud to be one of the sponsors, in fact, the prime sponsor of this bill, and I look forward to continuing to work not merely with our leadership but to really work with our colleagues in the other house as well to try and bring this to a resolution before this session has concluded.

Thank you, Mr. President.

ACTING PRESIDENT WRIGHT: Senator LaValle.

SENATOR LAVALLE: Thank you, Mr. President.

I would like to start by saying that as many of the other speakers have, that Governor Pataki, and certainly Senator Bruno, have really taken the leadership and have indicated to one and all that real property tax relief is a number one priority.

Last year we discussed a bill

that Senator Bruno, Senator Cook and many of the people in this chamber put forth a great deal of effort, and I guess today what we're saying is we're into a good, better, best situation where we have, through dialogue and discussion, taken ideas and put them, as we have in Senate Bill Number 1, together to take the best of the principles that we have.

One of the things -- and I think it is very, very important in this debate -- is that the issue of state aid and the issue of property taxes is a very, very complex issue. The bill that we had last year and the bill that we have today takes a multi-faceted approach to a multi-faceted problem but, quite honestly, it touches only the surface and the many dimensions and aspects that are involved in the computation of one's property tax.

Senator Marchi talked about equalization rates and those of you who have worked with equalization rates know that when you're in a room with people, your eyes roll because it is a very, very complex matter in the role that the equalization rate plays into the computation of both state aid to the school

districts and the tax rate going back to assessment practices, and so forth.

So that this bill doesn't hold itself out to solve all of the detailed problems that go into the computation of a tax rate, nor does this bill address and change the tax acts that each county has. Each county has a different tax act that addresses when the assessment process begins and ends and when we collect taxes. That differs from one county to the next. So whether a county has a problem in terms of a shortfall differs from one place to the next, but what this bill does do -- and it's something that is very, very significant -- it is a philosophical change in the way we think about state aid and property taxes because this bill says we have had a state aid formula. We have increased amounts to school districts, but we have never been able to across the board - yes, we have to some school districts by simply increasing state aid -- stabilize property taxes but, as a matter of public policy, merely increasing state aid does not lower school property taxes, and so this legislation philosophically says we're going to look at the

major aspects of what goes into making a tax rate, and so we look at and empower -- as Senator Saland talked about, we empower and we have talked about over two or three sessions, empowering the voter to have a greater input in the budget making process, by having a uniform school budget voting day, by having budgets submitted in plain language so that the voter can understand what it is, by breaking the budget down into an administrative budget, a program budget and a capital budget. Greater - now the voter has greater choices and can have greater dialogue with the local school board into a specific part of the budget that may need fine tuning.

We have not really talked about, during this debate, a second aspect, because while we can reduce taxes through the homestead exemption -- and that is a very major and significant part of this bill -- we must control and stabilize and freeze school property taxes, and what we do is we offer incentives for some school districts based on their wealth. If you are a high tax/low wealth district, a large district, the incentives can be rather

significant to that school district. Coupled with their state aid, it can make a difference in the kinds of programs, educational programs, that that district would offer and so, again, the homestead exemption gives very directly to seniors and non-seniors a reduction in their taxes.

This bill has now through two sessions, the '96 and '97 sessions, has been improved and today we've had rather rich debate, and I'm sure that the discussions that will continue will even improve Senate Bill Number 1 even further, but what is the most important thing today is that with the passage of this bill, that the signal goes across the state and to each and every Assembly District, to each Assembly member, that they must join us in a partnership if we are to accomplish what the Governor and the Majority Leader and today even the contribution -- contributions by the Minority in this house, if this is to become a reality and the people will receive a long awaited tax relief.

I just -- in closing, Mr. President, I just offer one anecdotal comment.

There's a school district in the 1st Senatorial District, the Longwood School District. Several years ago we were able to put together some legislation that created a tax stabilization fund for that school district. The school board, in a partnership and along with the provisions that were in the legislation, froze the property taxes for that district for three years. What had happened before the passage of that legislation was just chaos in the district. The teachers were arguing with the school board and the community, the community with the school board, the school board with the community and the teachers and the administra tion. The passage and the commitment that was given to freeze taxes for three years really was a signal to the voters, the constituents of that district, that there was some hope. There was some light at the end of the tunnel, and so what happened in that school district was that teachers went back to the classroom and they taught. Administrators became administrators. Board members became board members and all of the friction just literally eroded away.

The community began to get

involved in things that communities should do, getting involved in creating youth athletic teams, being involved in the PTA, being involved in class and school projects, and so what I'm saying is that through tax stabilization, through tax relief for our schools, we will begin to energize all of the stakeholders. We will enrich the classroom teachers. We will enrich the administrators and the school boards can go back to being policymakers in their districts.

And so we are taking today in this debate another significant step forward and our Majority Leader has been a true champion by staying the course, by making this Senate Bill Number 1, by making this a priority and in joining with the Governor, I think we have moved the issue and given the taxpayers in each of our school districts hope, Mr. President.

ACTING PRESIDENT WRIGHT: There's -- the local fiscal impact note is at the desk. We'll read the last section.

THE SECRETARY: Section 12. This act shall take effect immediately.

ACTING PRESIDENT WRIGHT: Call

the roll.

(The Secretary called the roll.)

ACTING PRESIDENT WRIGHT: Senator Waldon, to explain his vote.

SENATOR WALDON: Thank you very much, Mr. President.

I'm really baffled and confused by some of the things which have happened here today because I've heard in such an eloquent fashion statements from my colleagues which, if accurate, indicate to me that what I have found in this bill is not what is here. What I have found in this proposal, it doesn't say what it appears to say.

It is my understanding that 50 percent of the people who buy lottery tickets in this state live in New York City. Many of them live in areas which produce the majority of the people who are in the prisons in our state, those Assembly Districts and those SURRE school districts which send the most people to prisons in this state.

It is my understanding that the counties which will benefit most in terms of this tax relief are Putnam, Rockland, Orange,

Westchester, Nassau, Suffolk, Saratoga and in Westchester County alone, it is 136 percent above the median.

It is my understanding -- and I would welcome someone to edify me -- that Long Island has 15 percent of the students in the state of New York but, as a result of S.1, will receive 31 percent of the benefits orchestrated in S.1.

It is my understanding that, unless we in the city of New York have ten schools, grade schools of 625 students per school built per year, that we will not even keep up with the number of students who are coming into our schools by the turn of the century. We're behind now. Children are being taught in toilets, hallways, clothes closets, in lunch rooms where it's too cold, in schools with roofs leaking. I cannot understand why I, from the city of New York, should support this because it is disproportionate in its positive impact for places which already have so much more money than the city of New York, that it is obscene, absolutely obscene. So I must oppose this, and I would like to leave my colleagues

with a caveat.

There's a place in New York State called Raquette Lake. Those of you who represent upstate, it's spelled, I believe R-a-q-u-e-t-t-e, and a homeowner there, if not a senior, will receive $40 as a benefit, a tax relief. If that homeowner is a senior, $60, but if you live in Hastings-on-the-Hudson, your benefit will be $1,800. That's not going to happen in the city of New York. Those of you who are upstate, just check out what you're not receiving as a benefit from this proposal but, most importantly, I cannot support this because if you're going to build 7,700 prison cells at the cost of $630 million and not build the classrooms in the districts I represent, then I cannot be supportive of this. I think it would be, in my opinion, violative of the mandate of the people who sent me here and it would also be an immoral, irresponsible act by Al Waldon to do that.

I don't know if anyone else will be with me on this. It really doesn't matter, because I think for the people that I represent and on the moral side of this issue, I am

right. So I will vote in the negative, Mr. President. I encourage my colleagues to do the same.

Thank you very much.

ACTING PRESIDENT WRIGHT: Senator Waldon in the negative.

Senator Abate.

SENATOR ABATE: Yes, Mr. President. I would like to explain my vote. Like my colleague, I will not be supporting this bill, and I would like to explain why.

I don't think there's a person in this chamber that does not support school property tax relief. The problem with this bill is not just supporting a concept. We as legislators support pieces of legislation and the devil is in the detail, and if -- and I'm not going to go on ad nauseam, but I believe the way it is planned under Senate 1, it is regressive on a statewide basis.

Everyone should benefit from this tax relief, not just certain areas of the state, if we are a state of equity and fairness, and let me just put into the record once more, the estimate under Senate 1 of the regional

distribution for school tax benefits would provide 12 percent of the relief to New York City; Westchester, Rockland County 16 percent, Long Island 31 percent and upstate 41 percent. In no way is that benefit tied to the population or the number of people who live in those areas.

So I will wait, not just 1 but 1-A. I look forward to a bill that presents a more equitable and fair distribution of this tax relief and hopefully that new bill, which we'll call Senate 1-A, will take into consideration many of the issues we've raised in our amendment. Not until that point can I support the bill.

ACTING PRESIDENT WRIGHT: Senator Abate in the negative.

Senator Hoffmann, to explain her vote.

SENATOR HOFFMANN: Thank you, Mr. President.

I would first like to indicate that I support the Governor's long awaited attempt to change the way which we fund education so that it is no longer as reliant upon property taxes as it has been historically

in this state, but I must make it very clear that, as I vote in favor of this measure, it is not because I am happy with the substance of this particular bill.

As several of my colleagues have pointed out in such an eloquent and detailed manner, there are major disparities between the way certain portions of this state are treated through this proposal.

It is, however, at this juncture merely a proposal. The other house has yet to act. We know that there will be many changes to be made, and I am confident that the great minds of this Capitol will come up with a much better and more equitable bill by the time we conclude our legislative activities this year, one which will not disproportionately reward some of the wealthier school districts of the state, wealth ier counties of the state and harm dispropor tionately some of the poorer portions of the state, one that does not have the enormous disparity between upstate rural districts and downstate suburban districts.

So while I believe we are on the right track in discussing this issue, in

bringing forward property tax reform measures, I want to make it abundantly clear to the people in the 48th Senate District that this particular STARR proposal, Senate 1, is not in any way an acceptable answer to their concerns and that much, much more needs to be done.

ACTING PRESIDENT WRIGHT: Senator Hoffmann, how do you vote?

SENATOR HOFFMANN: Aye.

ACTING PRESIDENT WRIGHT: In the affirmative. Senator Hoffmann in the affirmative. Results?

THE SECRETARY: Those recorded in the negative on Calendar Number 360 are Senators Abate, Connor, Dollinger, Gold, Goodman, Markowitz, Montgomery, Onorato, Paterson, Sampson, Santiago, Seabrook, Smith, Stachowski, Waldon, also Senator Rosado.

ACTING PRESIDENT WRIGHT: Senator Stachowski, why do you rise?

SENATOR STACHOWSKI: I didn't put my hand up to vote in the negative. I'm trying to figure out how I got recorded in the negative.

ACTING PRESIDENT WRIGHT: Well,

we had a number of members coming in from outside the chamber.

SENATOR STACHOWSKI: I walked in, came to my seat and never raised my hand.

ACTING PRESIDENT WRIGHT: Senator Stachowski is recorded in the affirmative.

SENATOR STACHOWSKI: Thank you.

ACTING PRESIDENT WRIGHT: Senator Stavisky is recorded in the negative.

THE SECRETARY: Ayes 44, nays 16.

ACTING PRESIDENT WRIGHT: The bill is passed.

The Secretary will return to the controversial calendar.

SENATOR LEICHTER: Mr. President.

ACTING PRESIDENT WRIGHT: Senator Leichter, why do you rise?

SENATOR LEICHTER: Yes, Mr. President. I obviously came back into the chamber after the roll call on S.1 was finished. May I have unanimous consent to be recorded in the negative.

SENATOR SKELOS: Without objection.

ACTING PRESIDENT WRIGHT: Without

objection -

SENATOR LEICHTER: Thank you.

ACTING PRESIDENT WRIGHT: - Senator Leichter will be recorded in the negative.

The Secretary will continue with the controversial calendar.

THE SECRETARY: Calendar Number 246, by Senator Larkin, Senate Print 2369, an act to amend the Navigation Law, in relation to liability.

ACTING PRESIDENT WRIGHT: Read the last section.

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

ACTING PRESIDENT WRIGHT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 60.

ACTING PRESIDENT WRIGHT: The bill is passed.

THE SECRETARY: Calendar Number 250, by Senator Bruno, Senate Print 706, an act to amend the Vehicle and Traffic Law.

SENATOR SKELOS: Lay it aside for

the day.

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

THE SECRETARY: Calendar Number 268, by Senator Holland, Senate Print 563, an act to amend the General Municipal Law, in relation to liability.

ACTING PRESIDENT WRIGHT: There's a home rule message at the desk.

SENATOR PATERSON: Explanation.

ACTING PRESIDENT WRIGHT: An explanation has been called for.

Senator Holland.

SENATOR HOLLAND: This is not your regular IDA bill. Rockland County currently has an IDA bill which was passed when Assemblyman Connor and Senator Winikow were here, but what this bill does is gives municipalities the ability to negotiate tax abatements.

We have an opportunity in Rockland County now to bring some businesses in from other states and this bill would give us the ability to give tax abatements just like every other IDA is in the state of New York. It

still keeps the protections that were built into our original IDA bill.

ACTING PRESIDENT WRIGHT: Senator Leichter, why do you rise?

SENATOR LEICHTER: Would the sponsor yield, please?

SENATOR HOLLAND: Yes, sir.

ACTING PRESIDENT WRIGHT: Senator Holland yields.

SENATOR LEICHTER: Senator Holland, as you know, we've had a great deal of problems with the IDA. In fact, the Legislature somewhat clipped their wings because they were engaging in a lot of activities that didn't really seem to have any economic benefit but were costing a lot of money, were costing localities money. We were just talking about real estate taxes and monies for schools, and so on.

Did I understand you to say that the authority that you give the IDAs in Rockland County or the Rockland Industrial Development Agency is the same authority that all other IDAs have?

SENATOR HOLLAND: That's what

we're looking for, Senator. The IDA that we have now says we can not give tax abatements. We have to give the normal tax, the regular tax. This bill allows us to give tax abatements, which is what the other IDA bills in the state of New York allow.

SENATOR LEICHTER: If Senator Holland continues to yield.

SENATOR HOLLAND: Yes.

SENATOR LEICHTER: Senator, what puzzles me about this -- and I don't have the IDA law in front of me, but we don't have for each IDA, I believe, as far as I understand it, specific authorization as to what tax abatements they can give as a general generic authority.

SENATOR HOLLAND: Right.

SENATOR LEICHTER: Why don't you just tap into that authority if, as you maintain, Rockland County IDA, for some reason, was left out, but you're giving specific authority here as to granting tax abatement. I'm not at all sure that it is the same as the authority that other IDAs have.

SENATOR HOLLAND: I can read you the section of the law that relates to Rockland

County, if you would like.

SENATOR LEICHTER: No, no. I'm interested -- if you'll excuse me. It's the authority that applies to IDAs throughout the state.

SENATOR HOLLAND: That's what we're trying to do, Senator. We're trying to make it the same as the other authorities in this state and the section of the law now regarding Rockland County says "In lieu of real property taxes, including taxes, payments of sums equal to the full amount thereof -- sums equal to the full amount thereof." That's what we're trying to change, Senator, so we can give tax abatements, and my understanding is that's a situation in the IDAs in the other part of the state of New York. We cannot give tax abatements. Therefore, we cannot bring the businesses that want to come in from other states into Rockland County with their jobs.

SENATOR LEICHTER: Senator, would you be so good -- would you lay this bill over until tomorrow so we can -- because I really would like to check. I'm not sure that you're not doing something different, because it would

seem to me if you're doing the same thing as other IDAs, you would so state or you would refer to that section of the law which authorizes IDAs to give whatever tax abatements or exemptions that are provided under the law. You write a specific section solely for Rockland County.

SENATOR HOLLAND: Senator, I appreciate your interest, but my county executive and my county Legislature would like to move on this as quickly as possible and that's why we have moved it to the floor as quickly as we have. I am not trying to put anything over your head or around you. We are trying to bring jobs into Rockland County. This particular bill will allow us to do that. We're working with the Assembly. They're going to do the same thing and we're going to bring those companies into Rockland County.

SENATOR LEICHTER: Well, Senator, I certainly don't want to do anything that will hold up Rockland County. I don't think one day is going to matter very much, and I -- you would be the last person that would ever try to pull anything on anybody because I always find you to

be very honest. That's not the issue. The issue just is -- and it happens to me and it happens to everybody here that sometimes you think you're doing something because that's the way to do it and where in point of fact, there are provisions of the law that may apply and from your answer, I gather you really haven't checked into that.

SENATOR HOLLAND: I hadn't or have?

SENATOR LEICHTER: Had not.

SENATOR HOLLAND: I have checked with the attorneys of the Senate, my attorneys and attorneys from Rockland County and they advise me this is the way to go, Senator.

SENATOR LEICHTER: Again, if you would be good enough to yield, Senator Holland.

SENATOR HOLLAND: Yes.

SENATOR LEICHTER: Will this have any impact on the state of New York? Are we dealing with any state taxes? As you know, the IDAs do have authority to exempt sale taxes and certain other taxes. So it has an impact on tax affairs of the state what one specific IDA does.

SENATOR HOLLAND: That remains

the same.

SENATOR LEICHTER: That has not changed.

SENATOR HOLLAND: No.

SENATOR LEICHTER: So as I understand it, all you're giving is that specific IDA the authority insofar as local property taxes are concerned.

SENATOR HOLLAND: Correct.

SENATOR LEICHTER: If I may -

SENATOR HOLLAND: When they're part of the municipality.

SENATOR LEICHTER: If you'll continue to yield. Senator, are you making that subject at all to review by the County Legislature or local school board? One of the concerns that all of us had was that the IDAs, county IDAs would go and give exemptions and abatements that would have an impact on local school districts. The local school districts really had no input. They just found that their tax base was being eroded. We were concerned about that. Do you have any protections in here for the local school district?

SENATOR HOLLAND: Actually, we

are continuing the protections that were put into the bill originally by Senator Winikow and they are "specified terms for the board members. Bylaws and amendments must be ratified by the County Legislature and the County Executive. Agencies must annually file financial status of the agency with the County Legislature subject to audit by the county Department of Audit and Control. Records are subject to Freedom of Information Act disclosure requirements, et cetera."

SENATOR LEICHTER: Again, if you would yield, Senator.

SENATOR HOLLAND: Yes.

SENATOR LEICHTER: You read that off very quickly. Is there specific authority required from the County Legislature before you can enter into one of these deals?

SENATOR HOLLAND: No. I think that authority lies with the IDA.

SENATOR LEICHTER: Right. My question to you, if you continue to yield, wouldn't it be wise to make these subject to the County Legislature and maybe also subject to the local school district?

SENATOR HOLLAND: Senator, as I said before, this has been requested by the local County Legislature and the County Executive. They think this is the way to go and so do the counselors from the state Senate and my counsel.

SENATOR LEICHTER: Okay. Mr. President, on the -

ACTING PRESIDENT WRIGHT: Senator Leichter, on the bill.

SENATOR LEICHTER: Just one final question. We have a home rule on this, apparently, from what you say, I gather, because I haven't heard -

ACTING PRESIDENT WRIGHT: There is a home rule at the desk, Senator.

SENATOR LEICHTER: Mr. President, just very briefly on the bill.

I think that we have given far too great powers to the IDAs and very often they really engage in self-dealing and/or aggrandizement. We just have had too many instances where their actions have not been a benefit to the communities that it's supposed to help. You know, more sins have been committed

under the guise of saying this is going to bring in jobs. This is going to lead to economic development. Unfortunately, as we found out, that's often not the case, and I think you really need protections.

If you're saying -- and I'll accept your word -- that all that we're going to do here is give the same power to the IDA in Rockland County that other IDAs have and if all we're dealing here is with local property taxes, I guess if the people of Rockland County want to take that chance and risk of giving that power to the IDAs and finding that maybe their tax base is being undermined, I guess I shouldn't stand up here and say "Be careful", but I just caution you anyhow, Senator Holland. I know you're doing what your county wants, but I think these powers that we've given the IDAs often come back to bite the local people.

ACTING PRESIDENT WRIGHT: Read the last section.

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

ACTING PRESIDENT WRIGHT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 60.

ACTING PRESIDENT WRIGHT: The bill is passed.

Senator Skelos, that completes the controversial reading of the calendar.

SENATOR SKELOS: Is there any housekeeping at the desk?

ACTING PRESIDENT WRIGHT: Yes, there is.

Senator Marcellino.

SENATOR MARCELLINO: Mr. President, on page number 16, I offer the follow amendments to Calendar Number 320, Senate Print Number 507, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT WRIGHT: So ordered.

The Secretary will read three substitutions.

THE SECRETARY: On page 10, Senator Velella moves to discharge from the Committee on Health Assembly Bill Number 1836 and substitute it for the identical Third Reading Calendar 254.

On page 18, Senator Velella moves to discharge from the Committee on Civil Service and Pensions Assembly Bill Number 1484 and substitute it for the identical Third Reading Calendar 334.

And on page 18, Senator Trunzo moves to discharge from the Committee on Civil Service and Pensions Assembly Bill Number 2997 and substitute it for the identical Third Reading Calendar 337.

ACTING PRESIDENT WRIGHT: The substitution is so ordered.

Senator Skelos.

SENATOR SKELOS: Mr. President, there being no further business, I move we -

SENATOR PATERSON: Mr. President.

ACTING PRESIDENT WRIGHT: Excuse me.

Senator Paterson, why do you rise?

SENATOR PATERSON: Mr. President, immediately after session, there will be a brief but very important meeting of the Minority in the Minority Conference Room, Room 314, that is, if Senator Skelos feels that it's okay.

SENATOR SKELOS: No problem.

ACTING PRESIDENT WRIGHT: Following session, there will be a meeting of the Minority Conference.

SENATOR SKELOS: And I'm sure that will be open to the public.

There being no further business, I move we adjourn until Wednesday, March 19th, at 10:00 a.m. sharp.

ACTING PRESIDENT WRIGHT: On motion, the Senate stands adjourned until Wednesday, March 19th, at 10:00 a.m.

(Whereupon, at 5:50 p.m., the Senate adjourned.)