ALBANY, NEW YORK

April 9, 1997

10:10 a.m.

REGULAR SESSION

SENATOR JOHN R. KUHL, JR., Acting President

STEPHEN F. SLOAN, Secretary

P R O C E E D I N G S

ACTING PRESIDENT KUHL: The Senate will come to order. Ask the members to find their places, the staff to find their places. Ask everybody in the chamber to rise and join we in saying the Pledge of Allegiance to the Flag.

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

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

(A moment of silence was observed.)

The reading of the Journal.

THE SECRETARY: In Senate, Tuesday, April 8th. The Senate met pursuant to adjournment. The Journal of Monday, April 7th, was read and approved. On motion, the Senate adjourned.

ACTING PRESIDENT KUHL: Hearing no 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 Marchi, from the Committee on Corporations, Authorities and Commissions, offers up the following bills:

Senate Print 3646, by Senator Leibell, an act to amend the Public Authorities Law;

3674, by Senator Leibell, an act to amend the Public Authorities Law, in relation to the powers of the state of New York Mortgage Agency;

3731, by Senator Leibell, an act to amend Chapter 915 of the Laws of 1982.

All bills directly for third reading.

ACTING PRESIDENT KUHL: Hearing no objection, the bills are ordered directly to third reading.

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

We have a couple substitutions, Senator Skelos.

I'll ask the Secretary to read.

THE SECRETARY: Senator Lack moves to discharge from the Committee on Judiciary Assembly Bill Number 6487 and substitute it for the identical Senate Bill 3581.

Senator Skelos moves to discharge from the Committee on Education Assembly Bill Number 339 and substitute it for the identical Senate Bill 3209.

ACTING PRESIDENT KUHL: The substitutions are ordered.

Senator Skelos, that brings us to the calendar.

SENATOR SKELOS: Mr. President, just for planning purposes, there will be a meeting of the Higher Education Committee at 10:30 in the Majority Conference Room.

If we could take up the controversial -- non-controversial calendar at this time.

Mr. President, if we could just stand at ease for a minute while we admire your tie.

ACTING PRESIDENT KUHL: Thank

you, Senator Skelos.

(Whereupon, the Senate stood at ease.)

SENATOR SKELOS: Mr. President.

ACTING PRESIDENT KUHL: Senator Skelos.

SENATOR SKELOS: Take up the non-controversial calendar.

ACTING PRESIDENT KUHL: The Secretary will read the non-controversial calendar.

THE SECRETARY: Calendar Number 307, by Senator Johnson, Senate Print 2584-A, an act to amend the Family Court Act and the Vehicle and Traffic Law, in relation to suspension of eligibility for a license.

SENATOR SMITH: Lay it aside, please.

ACTING PRESIDENT KUHL: Lay the bill aside at the request of Senator Smith.

THE SECRETARY: Calendar Number 314, by Senator Meier, Senate Print 2573, an act to amend the Education Law and the Public Health Law, in relation to the licenses of members of the United States Armed Forces.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 354, by Senator Skelos, Senate Print 2484-A, an act authorizing the assessor of the county of Nassau to accept an application for exemption from real property taxes.

ACTING PRESIDENT KUHL: The Secretary will read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 33.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 411, by Senator Bruno -

SENATOR GOLD: Lay it aside.

THE SECRETARY: -- Senate Print 2-A, an act to amend the Tax Law and the Public Service Law, in relation to a reduction in the rate of tax.

ACTING PRESIDENT KUHL: Lay the bill aside at the request of Senator Gold.

THE SECRETARY: Calendar Number 414, by Senator Padavan, Senate Print 3083, an act to amend the State Finance Law, in relation to contracts for architectural and engineering services.

ACTING PRESIDENT KUHL: The Secretary will read the last section.

THE SECRETARY: Section 2. This act shall take effect on the 60th day.

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 34.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 423, by Senator Levy, Senate Print 1344, an act to amend the Vehicle and Traffic Law, in relation to a requirement to mandate full resident addresses.

ACTING PRESIDENT KUHL: The Secretary will read the last section.

THE SECRETARY: Section 2. This

act shall take effect immediately.

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 34.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 433, by Senator LaValle, Senate Print 3140, an act to amend the Town Law, in relation to the powers and duties of fire district commissioners.

ACTING PRESIDENT KUHL: The Secretary will read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 34.

ACTING PRESIDENT KUHL: The bill is passed.

THE SECRETARY: Calendar Number 483, by Senator Wright, Senate Print 3672, an act to amend the Public Authorities Law, in

relation to allowing the town of Minetto to contract.

ACTING PRESIDENT KUHL: There is a home rule message at the desk. The Secretary will lay the bill aside.

THE SECRETARY: Calendar Number 491, by Senator DeFrancisco, Senate Print 479-A, an act to amend the Public Health Law, in relation to the establishment or incorporation of hospitals.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

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

SENATOR SKELOS: Mr. President, if we could take up the controversial calendar at this time.

ACTING PRESIDENT KUHL: The Secretary will read the controversial calendar, beginning with Calendar Number 307 on page 10.

THE SECRETARY: Calendar Number 307, by Senator Johnson, Senate Print 2584-A, an act to amend the Family Court Act and the Vehicle and Traffic Law, in relation to

suspension of eligibility for a license.

ACTING PRESIDENT KUHL: The Secretary will read the last section.

THE SECRETARY: Section 4. This act shall take effect in 120 days.

SENATOR SMITH: I wanted an explanation.

ACTING PRESIDENT KUHL: Senator Johnson, Senator Smith has asked for an explanation of Calendar Number 307.

SENATOR JOHNSON: Mr. President, this bill addresses a gap in the law in which there's really no penalty for a youngster under 16 caught driving without a license. He's - cannot be charged as an adult -

SENATOR GOLD: Madam President - Madam President -

SENATOR JOHNSON: Now that we got that straightened out -- and there's nothing more important to youngsters than being able to drive an automobile, it seems, and this says if you're under 16 and you're caught driving without a license, you will have a penalty and that penalty will be that you cannot get a license until 18 or age 21 as determined by a

court.

I think it's -- it adds an additional, shall I say penalty and negative to the driving without a license. We don't want them on the road. We want them to know they will not get a license until 18 or 21 because they've taken a car illegally when they were not licensed.

ACTING PRESIDENT KUHL: Senator Smith.

SENATOR SMITH: Mr. President, would the sponsor yield to a question?

ACTING PRESIDENT KUHL: Senator Johnson, do you yield to a question?

SENATOR JOHNSON: Yes, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR SMITH: Through you, Mr. President. Does that mean that the person that is 16 years or younger would be committing a crime other than driving without a license, or is it solely based on just driving without a license?

SENATOR JOHNSON: No. The only

thing they have is a violation of driving without a license. There wouldn't be any other penalty other than not having this -

SENATOR SMITH: So they wouldn't be inebriated or anything else.

SENATOR JOHNSON: Well, if they were, I suppose it's another story and then that would be handled by a juvenile court.

SENATOR SMITH: Thank you, Mr. President.

ACTING PRESIDENT KUHL: Any other Senator wishing to speak on the bill?

(There was no response.)

Hearing none, the Secretary will read the last section.

THE SECRETARY: Section 4. This act shall take effect in 120 days.

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT KUHL: Record the negatives and announce the results.

THE SECRETARY: Ayes 37, nays 1, Senator Smith recorded in the negative.

ACTING PRESIDENT KUHL: The bill

is passed.

THE SECRETARY: Calendar Number 314, by Senator Meier, Senate Print 2573, an act to amend the Education Law and the Public Health Law, in relation to the licensing of members of the United States Armed Forces.

SENATOR PATERSON: Explanation.

ACTING PRESIDENT KUHL: Senator Meier, an explanation of Calendar Number 314 has been requested.

SENATOR MEIER: Mr. President, this bill would permit the transfer of military course work and military experience and permit its consideration by the Department of Education for licensing certain health care professionals. The bill specifically covers respiratory therapy, occupational therapy and physical therapy.

It would also, in connection with some other certified health professionals, direct the New York State Emergency Medical Service Council to give consideration in certifying emergency medical technicians and advanced EMTs to give consideration to equivalent military training.

While it permits the Department of Education in the area of licensing these therapists, occupational, respiratory and physical, it permits them to consider the military training. It still preserves the right of the Department of Education to maintain standards by requiring that the course work or the actual experiential of that person's work would have to meet Department of Education standards.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Thank you, Mr. President.

That was an excellent explanation and now I have learned the proper use for the word "experiential". It's the first piece of legislation we've noticed that was introduced by our new Senator and colleague, Senator Meier, and it's, I think, hopefully the prelude to other pieces of legislation coming out of that office which will improve the quality of life in this state.

We want to recognize this bill and congratulate him. I'll probably cross the

international datelines before one of my bills gets to the floor, but we are very happy that he introduced it and wanted to give him a chance to explain it.

ACTING PRESIDENT KUHL: Senator Dollinger.

SENATOR DOLLINGER: One question, if the sponsor would yield.

ACTING PRESIDENT KUHL: Senator Meier, do you yield to a question from Senator Dollinger? The Senator yields.

SENATOR DOLLINGER: Does this in any way waive the testing requirement for these professions, or does this simply allow them to take credit for their experience in the United States military as far as the experience portion of the requirement in order to take the test?

SENATOR MEIER: Mr. President, the bill merely permits the Department of Education to accept the classroom training and the experience portion. It does not in any other way waive or delete any requirements for licensure. So it preserves the standards but permits consideration of military experience and training.

SENATOR DOLLINGER: Very good, Mr. President.

I concur with the sentiments of Senator Paterson.

ACTING PRESIDENT KUHL: Senator Meier.

SENATOR MEIER: Mr. President, I would just note to my colleague, Senator Paterson, that this is my first time and I thank you for being gentle.

ACTING PRESIDENT KUHL: Is there any other Senator wishing to speak on the bill?

(There was no response.)

Hearing none, the Secretary will read the last section.

THE SECRETARY: Section 9. This act shall take effect on the 120th day.

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 42.

ACTING PRESIDENT KUHL: The bill is passed.

(Applause)

Senator Skelos.

SENATOR SKELOS: Mr. President, could you please take up Calendar Number 483 at this time.

ACTING PRESIDENT KUHL: The Secretary will read the title to Calendar Number 483.

THE SECRETARY: Calendar Number 483, by Senator Wright, Senate Print 3672, an act to amend the Public Authorities Law, in relation to allowing the town of Minetto to contract.

ACTING PRESIDENT KUHL: There is a home rule message at the desk.

The Secretary will read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 42.

ACTING PRESIDENT KUHL: The bill is passed.

Senator Skelos, you want to continue with Calendar Number 491?

SENATOR SKELOS: Yes, Mr. President.

ACTING PRESIDENT KUHL: The Secretary will read the title to Calendar Number 491.

THE SECRETARY: Calendar Number 491, by Senator DeFrancisco, Senate Print 479-A, an act to amend the Public Health Law, in relation to the establishment or incorporation of hospitals.

SENATOR PATERSON: Explanation.

ACTING PRESIDENT KUHL: Senator DeFrancisco, an explanation of Calendar Number 491, Senate Print 479-A, has been requested by the Acting Minority Leader, Senator Paterson.

SENATOR DeFRANCISCO: Yes. This bill is a bill that would provide the same ability that all corporations under our Limited Liability Law presently enjoy and that would be extended to the hospitals and nursing homes, and it's basically a bill that just provides for this tax benefit that other corporations currently have and it does not in any way raise the possibility of out of state corporations coming here and becoming -- buying up

corporations and having an out of state corporation having subsidiaries in this state, although that was one of the memos in opposition. It doesn't do that at all and it just simply provides the same tax benefits that others have with limited liability companies.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Thank you, Mr. President.

Mr. President, this isn't Senator DeFrancisco's first bill, is it? Well, then let's get started.

If Senator DeFrancisco would yield for a question.

ACTING PRESIDENT KUHL: Senator DeFrancisco, do you yield to a question from Senator Paterson?

SENATOR DeFRANCISCO: Yes, I do.

ACTING PRESIDENT KUHL: The Senator yields anxiously.

SENATOR PATERSON: Senator, there are a couple of memorandums in opposition to this piece of legislation, one from District Council 37 and one from the Civil Service

Employees Association and there's a concern that I thought you might want to address that limited liability companies would be coming in and operating for-profit corporations in the management of hospitals and, therefore, taking advantage of the tax benefit. Now, I'm not really clear on whether or not that is the case, and I thought perhaps you might want to share with us what your understanding is.

SENATOR DeFRANCISCO: That is - what I had mentioned briefly when I was trying to explain the bill, that is not the case and I point to page 5 of the bill and lines 20 to 23, it says "No hospitals shall be approved for establishment which would be operated by a corporation, any of the stock of which is owned by another corporation or a limited liability company, if any of its corporate member's stock is owned by another corporation." In other words, that is not the intent at all. It does not allow for that. The bill doesn't allow for that at all.

Similarly, there's a comment in one of the memos in opposition that this would establish for-profit hospitals, and that's

already permitted under state law under Section 2801-A of the Public Health Law. So I think what -- the concern wasn't that this would establish for-profit hospitals or for-profit nursing homes because it's already authorized under that law but that this would be some major corporation buying up all hospitals in our community and that is not permitted under the law.

ACTING PRESIDENT KUHL: Senator Dollinger.

SENATOR DOLLINGER: Mr. President, on the bill.

I discussed this bill in committee and I have reviewed it carefully with respect to Senator DeFrancisco's comment about what exactly it does, and I'm satisfied that what this bill will do will simply allow either nursing homes or the very few hospitals in this state that are already in private hands, to allow a change in the ownership of those facilities from either partnerships or individual ownerships into limited liability corporations which have tax advantages similar to partnerships and also limited liability

protections that affect their insurance coverage and their liability to patients and third parties.

So with that understanding, Mr. President, I'm going to vote in favor of this bill. I do not read it as permitting any change in New York law with respect to either encouraging or discouraging for-profit hospitals or for-profit nursing homes from coming to this state. If it did or if I thought it did or even gave an incentive to it, I would vote against it. I'm convinced that it does not. It simply allows for some transitions in ownerships consistent with our current philosophy in this state, and with that in mind, I will be voting in favor.

ACTING PRESIDENT KUHL: The Chair recognizes Senator Stafford.

SENATOR STAFFORD: Mr. President, I know people get sick of hearing this and I don't want any applause. In 32 years, this is the first question I've ever asked on a bill.

ACTING PRESIDENT KUHL: Senator DeFrancisco, do you yield for this moment in history?

SENATOR DeFRANCISCO: You don't know how honored I am that I got the first question.

SENATOR STAFFORD: Don't be.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR STAFFORD: Don't be. Isn't it true that we have an industry in this state and that wouldn't this sort of be - couldn't you define this maybe as being sensible and, in effect, we're trying to establish a level playing field? Is that sort of what we're doing here?

SENATOR DeFRANCISCO: Well, I think that's exactly what we're trying to do here. I think we passed the Limited Liability Law for a very good reason. Other states were doing the same thing and New York State did not have that tax advantage and people were incorporated in other states, and I think there's no reason why hospitals or nursing homes should not be provided with that same benefit. If they didn't, then we would be in the same situation with nursing homes and hospitals that we were with some of the other corporate

entities that decided that they would incorporate in another state rather than the state of New York.

So I think it will provide a level playing field and there's no reason nursing homes and hospitals shouldn't have the same tax benefits that other corporations have gained under the Limited Liability Law and that's the sole intent of this bill and that's the intent that the -- that we hope to make into law by the passage in this house and also the Assembly and the Governor signing the bill.

SENATOR STAFFORD: Thank you.

ACTING PRESIDENT KUHL: Is there any other Senator wishing to speak on the bill?

(There was no response.)

Hearing none, the Secretary will read the last section.

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

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT KUHL: Record the negatives and announce the results.

THE SECRETARY: Those recorded in the negative on Calendar Number 491, Senators Abate, Connor, Onorato and Paterson. Ayes 45, nays 4.

ACTING PRESIDENT KUHL: The bill is passed.

Senator Skelos.

SENATOR SKELOS: Mr. President, just a reminder that the Higher Education meeting is going on now starting at 10:30 in Room 332 of the Capitol and we'll stand at ease pending the report of the Higher Education Committee.

ACTING PRESIDENT KUHL: There is a Higher Education Committee meeting going on in the Majority Conference Room, Room 332.

The Senate will stand at ease.

(Whereupon, the Senate stood at ease from 9:30 a.m. to 10:07 a.m.)

ACTING PRESIDENT MARCELLINO: Senator Bruno, we have a report from a standing committee that we would like to have read.

SENATOR BRUNO: Can we have the report, Mr. President.

ACTING PRESIDENT MARCELLINO:

Thank you.

The Secretary will read.

THE SECRETARY: Senator LaValle, from the Committee on Higher Education, offers up the following bills:

Senate Print 542, by Senator Johnson, an act to amend the Education Law;

2515-A, by Senator Skelos, an act to amend the Education Law;

3739, by Senator LaValle, an act to amend the Education Law, in relation to membership of the board of trustees.

All bills directly for third reading.

ACTING PRESIDENT MARCELLINO: Without objection, all bills directed to third reading.

SENATOR BRUNO: Mr. President, can we at this time take up Calendar Number 411.

ACTING PRESIDENT MARCELLINO: Yes. We have a local fiscal impact notice at the desk.

The Secretary will read.

SENATOR GOLD: Explanation.

THE SECRETARY: Calendar Number

411, by Senator Bruno, Senate Print 2-A, an act to amend the Tax Law and Public Service Law, in relation to a reduction in the rate of tax.

ACTING PRESIDENT MARCELLINO: Senator Bruno, an explanation has been asked for by Senator Gold.

SENATOR BRUNO: Thank you, Mr. President.

We have before us a jobs for the 21st Century tax cut program. The intent is exactly that. Cut taxes in New York State, cut them appropriately and you will create jobs and economic development.

Now, how do we know that? We know that by taking a look at what happened in the past. During the '80s, early '90s, New York State led the country in losing jobs. Your families, our neighbors, lost their jobs. Those jobs were not in existence in New York State or they went to other states. And why was that? Because of what we recognize now were the failed policies of government in New York State; failed in that we increased spending every single year and when you increase spending, you increase taxes and people in New York State were the

highest taxed per capita in all of the United States. As a consequence, we were last, 50th, in creating jobs in the United States, late '80s, early '90s.

Lost over 550,000 jobs here in this state. Why? Because we weren't competitive. We could not compete with other states and other countries. Business people and professionals take a look at the bottom line and when they look at the bottom line, if they know they can do better in Tennessee, in Texas, in New Jersey, in New Hampshire, in Massachusetts, that's where they grow their companies.

We elected a new governor, Mr. President, over two years ago. We have new leadership here in this Senate and we have partnered with the Governor and with the Assembly and in two years, the people of New York State enjoyed more tax cuts, personal and business tax cuts two years in a row than all other 49 states combined.

What's happened as a result? $6 billion in tax cuts. We quickly have moved up from 50th in job creation to 8th in job creation, creating over 175 new jobs every

week. Every month announcements are made of new jobs being created in New York State. Why? Because we're becoming competitive. We're becoming competitive and that is a credit to this Governor and his leadership, and this Legislature that partnered with the Governor in moving this state forward towards prosperity.

What we have before us continues something that's working. Cutting taxes has worked in New York State. So we're going to continue that.

We have already passed in this house a $3 billion property tax cut package. That will become part of the final budget that we adopt, and that's critical, and we partner with the Governor in his STAR program.

We now have before us a $2.5 billion business tax cut package, and let me just run down through a list of these tax cuts and you can draw your own conclusions as to the positive impact that they will have on the people of this state.

This is not conversation. It's not rhetoric. What we're proposing here is very meaningful and we are going to do everything

within our power to see that any budget that's adopted in this state includes this package or most of this package.

And we start with a reduction in energy costs. We all know that the high energy costs -- New York State has the highest or second highest cost of energy in the whole country. The cost of energy inhibits business growth. We've had Grumman closing down, downsizing, moving out from the Island where they have the highest energy costs.

We have a gross receipts tax on energy in this state. It's been there too long. A gross receipts tax is the worst possible tax on business because a business could be losing millions and millions and still pay a tax. That is not the American way and the result has been an inhibition of growth. We have to get the gross receipts tax off of businesses and professions. We should tax businesses on their bottom line and the bottom line is after expenses, you deduct expenses from the revenue and you have a bottom line and your bottom line is hopefully profitable. On that profit, you pay a tax. That's how we should tax

businesses, not on revenue as the gross receipts tax does, but on the bottom line. So we're talking about eliminating over a period of years -- first we want to do a freeze and then eliminating it over the next several years. That is $710 million to the people of this state.

We also tax health care facilities, nursing homes, hospitals, home care providers, and how do we tax them? Above the line, a gross receipts tax, an assessment and that's wrong. That is wrong.

We are going to phase that assessment or that above-the-line tax out because it costs your constituents and mine too much money already for health care. So why do we want to add to their burden? 550 million we're going to reduce.

We want to reform the estate taxes here in New York State. Why? Because New York State, like we have done in the past with a lot of other taxes, we tax people as they die, after they die. We tax them more in New York State than most other states. So what do people do and what have they been doing? It's not the

only reason -- or it's one of the reasons they move to Florida and they die in Florida and their estate inherits a lot more of their hard earned money. Caring parents do that too frequently.

We want to conform the New York State estate taxes to all the other states so that there is no encouragement for people to move out of this state, move elsewhere to pass their estate on to their children.

We also want to remove the gift tax, which is just a gratuitous tax. We should remove it and that's part of our proposal.

There is much more. Sales tax on clothing, a very popular thing to do. We remove the sales tax on clothing. We propose as part of our package to do away with the sales tax here in New York State on clothing of $500 or less. We did it for a week. It worked out extremely well, stimulated sales. I think you bought a couple of suits, Senator Velella, right? It was -- he moved the market all by himself in the Bronx. We want to encourage him and others to go out and spend money here in this state.

Senator DeFrancisco said he bought six suits for that 500, but in all seriousness, the cost of clothing is too high. When we add a state tax on it, it's prohibitive.

So we phase it out this way. One week in August, late August, tax-free, preschool and one week in January, first year, then we phase it out one percent a year over the next four years, and that's the New York State portion. That is -- our estimates are in the neighborhood of $550 million.

What that means is that the consumer gets to keep $550 million, that they can go out and buy more clothes for their children, more food, pay for shelter and do all the kinds of things that stimulate the economy.

We are proposing an adoption tax credit. It's kind of tragic that people that want to adopt children incur costs of 15-, 20-, $25,000 to adopt a child here in this state. We're proposing a tax credit to the tune of $20 million for a person that adopts or a family that adopts a child.

Child care tax credit, $25

million worth and that's to provide private companies to encourage child care so that mothers and families can go to work and improve their quality of life.

Small business employment incentive credit in EDZ zones, economic development zones, $5 million.

We want to extend the investment tax credit from 10 to 15 years. People make investments. They can't write them off in ten years. They shouldn't be punished. They write them off in 15 years to encourage them to continue to make investments in their business here in this state.

Insurance tax reform, we have to raise the cap on insurance companies to make them more competitive with other companies that are domiciled in other states.

We also have an Article XV tax, so-called which, in essence, indicates that insurance companies, if your car is damaged and you have an estimate, it takes $1,000 to fix it, insurance companies have to prepay the tax on that $1,000 before you even fix the car and if you never get it fixed, they're supposed to send

the money anyway. It's nonsense. It's dumb. It's stupid because every study shows that to implement that -- and it's never been implemented yet and it's passed several years ago -- because the cost of managing it would be more than the revenue that would be derived, and yet we in the Senate each year have tried to rescind it. It's still on the books. We're going to try again this year.

In 1990, we had a bond issue and that bond issue, the interest was supposed to be financed by taxing beverage containers, beer and soda. The bond issue failed. We in this state kept taking the tax -- even though the purpose was no longer there, we kept taking the tax every year. We started to do away with it two years ago. We've got to finish doing away with it this year, and that's part of our package because it's the right thing to do.

We want to eliminate the petroleum business tax on railroads, $5 million. It makes it more competitive with railroads in other states. We index the petroleum business tax. It moves with the consumer index. The tax goes up almost

automatically. We've got to stop that from happening because the cost of fuel is a critical cost of doing business in this state and we don't want to make it any more expensive than we have to, and there is another fuel that we want to reduce the tax on and that's liquor.

What is liquor? We want to reduce the excise tax on liquor because people have an incentive to travel to other states, especially in the border towns, the border neighborhoods and we want to make New York State retailers more competitive.

Disability employment credit, $3 million, and that is to encourage employers to hire people who are disabled. That is most of what is in our $2.5 billion package.

Now, I have made the statement in the past that there's never been a tax cut that I didn't like. So I and my colleagues, I know, are open because we in New York State still are among the highest taxed in the continental United States. So we have to keep doing the kinds of things that we have been doing since Governor Pataki has been elected, since we've had new leadership here in the state, to

continue to turn this state around and go forward and continue the successes that we have enjoyed over these last two years.

Thank you for your attention.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Gold.

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

Senator Bruno, I admire your dedication to the business community, and I would tell you that it would be demagoguery on my part if I told you that we don't have an obligation to the business community. We do.

On the other hand, Senator, I take a look at a bill that talks about tax cuts -- and I know in a vacuum I certainly am not opposed to tax cuts -- but where is the whole budget, Senator? Where does this all fit in?

We've heard about a lot of things you said today over and over, and I don't want to repeat your side and my side. You talk about loss of jobs and that we brought in new jobs. The answer to that, as you well know, is that we have been bringing in low level jobs. People

who used to have one job now have to work two jobs and there's still many, many people out there unemployed. We have programs thrown at us by your side of the aisle and by the Governor to cut welfare and yet there's no jobs for these people, and there's a real sense of lack of reality in that.

You talk about an increase in spending over the last year, Senator, that brought us to a certain level, and I would remind you, if you would take a look not to the left but to the right, there are the people that voted for it. There isn't a budget that passed under the Cuomo administration or the Carey administration that wasn't accepted and voted on by the Republican Party in this house. When we went through a period of a few years where the budget increased $5 billion in taxes, your side of the aisle voted for those taxes.

Now, am I glad that we can say to people that things are doing better in New York? Of course, I'm glad, and I assume that last year's vote was a recognition of how much Bill Clinton had to do with it and the federal government had to do with it, federal policies,

and in terms of the $2.5 billion surplus from last year, a lot of it coming from Wall Street, Wall Street did very good selling stocks for companies outside of New York State. They're doing very well all over the place. So the Wall Street brokers did good and the market did good.

Senator, we have been accused in the last few days of posturing and playing to audiences rather than doing real legislative work. I would suggest to you, Senator, that the rent bill which you voted down was real because that could have become a law because it was a two-house measure. Your program today is a one-house measure. If that isn't posturing, if that isn't demagoguery, then I don't know what is, Senator Bruno, because it is not part of the real world.

But here we are, nine days into April and there is no budget and, Senator Bruno, I remember two years ago -

ACTING PRESIDENT MARCELLINO: Senator Gold, would you -- since it's our procedure -- I understand you have been here a lot longer than I have, but just a reminder that comments should be directed at the Chair -

through the Chair and not to individuals.

SENATOR GOLD: Your comment is well taken, Mr. President, and I will try to abide by that.

Mr. President, I listen very carefully when our distinguished Leader, Senator Bruno, speaks, and two years ago I'll never forget the comments in the press about the fact that the Assembly did not pass a budget and this house had put a budget out on the table.

Last year, as I remind my colleagues, we did not put out a budget. We certainly weren't going to put out the Governor's budget because even the Majority of this house was ashamed of that budget. They couldn't bring it to the floor and the Majority of this house didn't put a budget out on the floor until weeks after the April date. I guess we're in the same predicament this year. Governor Pataki has submitted a budget.

Senator Bruno, Mr. President, has said that "we", meaning the Republicans, have partnered with the Governor and yet this year again they do not bring out the Governor's budget for a vote. They don't bring out their

own budget for a vote.

We had our second annual conference on estimating revenues and at the end of that, we did so great, we were only $1 billion off between the bottom and the top. Not bad. If it was a billion-one and they threw in one for us, right, it wouldn't be bad, but again, no budget.

I don't want to make everything sound very bleak, so I have here -- I guess we should take an affirmative point of view, and I have some quotes which should lift our spirits from our former Vice-president, Mr. Quayle, who said "If we don't succeed, we run the risk of failure", and I think that we're trying - you're trying to succeed, Senator Bruno. He said, "The future will be better tomorrow." I guess we're all hoping that that is true.

But, Senator Bruno, I want to say something to you. We have debated issues here -- and I know you're very concerned about rent control in the city of New York, and I know you're also concerned about jobs.

As you know, Senator Bruno, I spend a lot of time in Albany because that's my

job coming up here, and I have here -- this is a capital region -- it's a special that's put out weekly by the Times Union and this one is dated March 20th and the big headline on the front page, "AT&T to eliminate up to 350 local jobs."

Senator Bruno, I know that in bringing this bill to the floor today, you're concerned about jobs. I hope so, Senator, because while I'm suffering and fighting for rent control in my city, I hope right under your nose you're concerned about losing these jobs. Not only that, it mentions in here that this latest news of impending local layoffs follows the announcement by Governor George Pataki last week that Clifton Park Relay Center for the Hearing Impaired was going to be relocated to Syracuse.

Here again, the Governor tried to do in the Albany community a couple years ago, Senator Bruno, and maybe you shouldn't spend so much time in rent control because there's jobs right under your nose in your own district that are being threatened.

You know, Senator Bruno -

ACTING PRESIDENT MARCELLINO:

Senator Gold.

SENATOR GOLD: Yes, Mr. President.

ACTING PRESIDENT MARCELLINO: To the Chair, please.

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

Mr. President, I have a great respect for Senator Bruno and that is not said in jest, but it's funny. It seems wherever I go, there are reminders of our distinguished Leader, and a little while back I was in Florida and there it was right in front of me, right in front of me and I thought of our distinguished leader, Mr. President, because right in front of me was this reminder and it said, "What are we doing with the budget?" We're like in a swamp. We're in a quagmire. We can't seem to get out of the mess we're in with the budget and everybody's looking for the exit and Senator Bruno says, Look, I know we're looking for the exit but we can get there my way. I'm the Leader of the Senate, my way, one way and we'll take one way, but the problem, Senator Bruno, is that as this Florida reminder showed me, your

one way doesn't get us to the exit. As a matter of fact, it takes us in a completely different direction. That's the problem. The problem is, Senator, that we are here on March -- on April 9th talking about one-house bills -- one-house bills that don't get us a budget.

Senator Stafford and I and Assemblyman Farrell and Assemblyman Faso had the opportunity to hold budget hearings and in all fairness, Senator Bruno -- Mr. President, in all fairness, Senator Bruno was not there because he had Senator Stafford there. Senator Connor had me, et cetera, et cetera, and we went through days of hearings on the budget and we went through a period of this conference on revenue estimates and, again, the leaders were not there, Mr. President, and Senator Bruno said maybe we ought to have these Conference Committees now. After all, the legislators ought to be involved.

We have transportation issues and certainly Senator Levy should have some input and the courts are a major part of the budget, and I know Senator Lack has sincere interest in that, and I could go around all the members of

your side and I could go around all the members on our side, talk about Senator Hoffmann in agriculture, et cetera, et cetera, but the point is the committees never got set up. We're not doing any work.

Now, when Governor Cuomo was the Governor and there were criticisms about a late budget, I know one thing. Governor Cuomo would sit down there and he would be exasperated and he would call in Warren Anderson and call in Ralph Marino and many of us did not like the fact that there were three people working on the budget but somebody was working on the budget, somebody, somewhere. And what do we have today?

I want you to listen, Senator Bruno, Mr. President and my colleagues, to the present budget negotiations. I don't hear anything either. There are none that we hear about and if it's happening in some room some place, that's disgusting. If it turns out that it's going to happen in the press, that's even worse. It ought to be part of a legislative solution and we're doing nothing, Mr. President, to bring about a budget.

Having said that, I will say that this package is posturing. Are there ideas in it that are worthwhile to be discussed? Absolutely. I particularly like the one that Senator Bruno mentioned where he said that it hasn't been implemented because it costs too much to implement. So I say to myself, if it hasn't been implemented, where is the savings? It's not -- nothing is happening with it but, Senator, there are some interesting points you made, and I won't belittle it. You know business and you have made their points very well and when it comes to gross receipts tax, Senator, this is something which many of us believe should be spoken about and addressed but not in an omnibus bill with no budget, no budget and if you're asking your members, Senator, to vote on a bill that throws away $2.5 billion after we already had a bill which talked about your property tax relief and your school relief -- that was another 2.5 billion, $5 billion - without showing us a total budget, I think, Senator, that that is fiscally irresponsible.

Not only that, I might point out that the Assembly passed a budget and there was

some criticism as to where is the money. Senator -- Mr. President, our distinguished Leader has shown where the money is by putting out his property tax bill and putting out this bill. There's an acknowledgment that there's enough money there to do the kind of things that the Assembly has been talking about.

Now, the only way to decide, Senator, whether we do those things that the Assembly is talking about or whether we just take all of these cuts or some of these cuts, most of these cuts, is to deal with it in negotiation, not posturing, and if you want to criticize us for posturing, Senator, it's time to look in the mirror, Mr. President, because that's all we're doing today is posturing. I wish we weren't. I wish that we could get the budget behind us. I wish that we could have gotten rent control behind us the other day so that didn't get filtered into this issue, and I wish, Mr. President, that we could all make a decent plane today after the posturing.

Thank you.

ACTING PRESIDENT MARCELLINO: Senator DeFrancisco.

SENATOR DeFRANCISCO: This is very instructive debate, very instructive debate for the students up there from my district.

What's being debated is a tax cut bill that would help stimulate jobs in our community, reduce taxes for businesses so your parents and your relatives could get jobs and to provide tax benefits for the individuals as well along the way and Senator Bruno outlined each one of those in graphic detail.

Now, when you're thinking of this debate later on, children, I just want to just ask you to think about the response to that bill. The response quoted quotes from Dan Quayle, talked about budget negotiations, talked about everything except whether the bill is a good idea or whether it's a bad idea and the reason there is no indication from the other debater as to that it was a bad idea, because he really likes it. He doesn't want to go out and say to the world that "I'm against tax cuts". So he'll criticize Senator Bruno for everything. He'll make jokes.

If you were here about this time a year and a half ago, maybe two years ago, we

had a similar debate about income tax cuts and you would have heard the same nonsense that you're hearing today. "We can't afford it. It's a one-house bill. It's this. It's that." I don't think it was Dan Quayle then. Maybe it was President Bush, but the fact of the matter is -- or whatever it was. Maybe it was even Clinton. The fact of the matter is that's a perfect way to debate a bill when you don't want to say you're against it but you can't really support it for political reasons.

So, ladies and gentlemen, I think what we have -- let me just complete and then I will be happy to answer any question. So I think what we have here is an interesting exercise in democracy. The bill is a good bill for the reasons that Senator Bruno stated and no one has indicated that it was a bad bill, at least at this point in time in the debate.

SENATOR GOLD: Mr. President.

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

SENATOR GOLD: Would the distinguished gentleman from Syracuse yield to a question?

ACTING PRESIDENT MARCELLINO: Will the distinguished gentleman from Syracuse yield to a question?

SENATOR DeFRANCISCO: I will.

SENATOR GOLD: Thank you.

ACTING PRESIDENT MARCELLINO: He will, Senator.

SENATOR GOLD: Mr. President, I heard the statements made by my colleague to the students and, first of all, I'm delighted that they're here and they ought to be here because that is learning, but I would like to know from the gentleman whether or not if the Governor's budget was on the floor today, he would vote for it to give us a budget. Would you vote for the Governor's budget as it stands today?

SENATOR DeFRANCISCO: No, I would not.

SENATOR GOLD: All right. Will you yield to another question?

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT MARCELLINO: Will you yield? He yields.

SENATOR GOLD: Senator, I don't know why you wouldn't vote for it but I admire

your answer. The Governor's budget, as you and I understand it, would increase the costs of education at SUNY and CUNY. It would do damage to the entire educational system and I would think, Senator, that one of the reasons that you might not vote for the budget is your concern for children and their education but, Senator, I've suggested we shouldn't pass the bill before us today because we don't have that final budget that takes care of our children's education and funds it properly. Isn't it more responsible, Senator DeFrancisco, to wait until we have a full budget, know what money we need for our children and then filter in whatever tax cuts we can?

SENATOR DeFRANCISCO: Then that's exactly what you said a couple years ago when we in the Senate passed a, quotes, "one-house bill" for three years of income taxes that returned substantial amounts of monies to the citizens of this state. It was a one-house bill at the time, but guess what happened? During the budget negotiations, the Assembly decided that politically we can't just keep spending the state down into bankruptcy and they adopted that

one-house bill.

So what we're doing today is responsible. It's making it part of the debate so that we can, in addition to providing for the children, provide tax relief so for the long term we have a better tax base and there's more money spread across fewer people -- more people paying that bill.

Thank you.

ACTING PRESIDENT MARCELLINO: Senator Dollinger.

SENATOR DOLLINGER: Mr. President, will Senator Gold yield to a couple questions?

ACTING PRESIDENT MARCELLINO: Senator gold, do you yield to Senator Dollinger?

SENATOR GOLD: If they're easy.

ACTING PRESIDENT MARCELLINO: Only if they're easy, Senator, and if they're directed through the Chair.

SENATOR DOLLINGER: Senator, this bill -- I have not been through all the text of it. I know you in your ranking position on Finance have been through and are familiar with

the terms of this bill. Does this bill specify the spending cuts that we will impose upon the people of this state to finance these tax cuts?

SENATOR GOLD: No.

SENATOR DOLLINGER: Again, if Senator Gold will continue to yield.

ACTING PRESIDENT MARCELLINO: Senator Gold, do you continue to yield?

SENATOR GOLD: Yes.

ACTING PRESIDENT MARCELLINO: He yields.

SENATOR GOLD: I'm doing good.

SENATOR DOLLINGER: Is it safe to assume, Senator -- you have been here for a long time.

SENATOR GOLD: Yes.

SENATOR DOLLINGER: You have been through many budgets many times. Is it safe to assume that in order to fund these tax cuts, we would do what the Governor has proposed this year, which is to cut funds for education, increase tuition at CUNY and SUNY, cut our funds to hospitals, cut our funds to nursing homes, cut our state work force? Is it safe to assume that that's what would be necessary to fund

these tax cuts?

SENATOR GOLD: What is safe to assume, Senator Dollinger, is that you obviously understood my remarks and you now understand the problem. Unless you know what it is you are going to spend money on and unless Democrats, Republicans, Liberals, Conservatives, middle of the roaders all agree that there are certain projects that are important -- maybe it's roads in certain areas. Maybe it's beaches in a different area. Maybe it's senior citizen homes in certain areas. Maybe it's education. Maybe it's transportation for education -- once both sides of the aisle, once both houses, together with the Governor, agree that these are the legitimate needs of the people and then agree on what revenues we have available to meet those needs, it may very well be, as was pointed out, that a year may come when we can cut certain kinds of taxes, but tax cuts can be expensive also.

When you take away educational opportunity from children, that's expensive. When you don't provide jobs for their parents, that's hugely expensive. So the answer is, yes,

Senator Dollinger. In terms of a tax cut, you don't put it out without explaining how it's funded. In terms of a tax cut, you don't put it out unless you can explain a total budget that makes sure that needs are taken care of.

If we don't have a need, Senator Dollinger -- Mr. President, we don't have to raise one penny of taxes. It is unnecessary to raise one penny of taxes in this state, I tell you that, unless you want hospitals, unless you want police, unless you want schools, unless you want jobs, et cetera, et cetera, et cetera.

SENATOR DOLLINGER: Will Senator Gold yield to just one more question?

ACTING PRESIDENT MARCELLINO: Would you yield to just one more question?

SENATOR GOLD: Just one more question.

ACTING PRESIDENT MARCELLINO: Just one more question.

SENATOR DOLLINGER: Senator, you heard earlier in this chamber in this debate, someone described the failed policies of the past decade. Just so I understand your remarks, was it your opinion -- and I just want you to

clarify this for me -- that those failed policies were actually approved by the Majority in this house and that those very same policies that increased taxes, that created assessments on nursing homes, that created the gross receipts tax, that put taxes on clothing, that created an insurance tax, that all these things were approved in this chamber, this very chamber; is that true, Mr. President?

SENATOR GOLD: Mr. President, I am shocked by the question.

ACTING PRESIDENT MARCELLINO: So is the Chair.

SENATOR GOLD: Senator Dollinger, yesterday and the day before you saw Senator Bruno and Senator Skelos and others stand up and say that procedure in this house was very, very important and that bills shouldn't come out unless committee chairmen approve those bills, and you and I know that bills don't even come out even if approved by a committee chairman if the Republican Conference doesn't approve those bills.

So, Senator Dollinger, I want you to know that all of those expensive programs

that took the budget of the state of New York and shot it through the ceiling had to have been approved and voted for by the Republican Party in this house under its rules, its customs, its history.

SENATOR DOLLINGER: Again through you, Mr. Chair -- Mr. President. Are you saying that none of those taxes originated through motions to discharge brought by the Democratic Minority?

SENATOR GOLD: Not a one.

SENATOR DOLLINGER: Not a one. They all came from the other side.

SENATOR GOLD: Not a one.

SENATOR DOLLINGER: Thank you, Senator Gold.

Senator Gold, in his response -

ACTING PRESIDENT MARCELLINO: Senator Dollinger, are you speaking on the bill?

SENATOR DOLLINGER: Yes, Mr. President, on the bill.

ACTING PRESIDENT MARCELLINO: Senator Dollinger, on the bill.

SENATOR DOLLINGER: Senator Gold,

in his remarks, used a phrase that just brought something to mind. He used that line that came from the King of Siam in the musical The King and I when he used the phrase, "et cetera, et cetera, et cetera", the line that was made famous by Yul Brynner.

Well, I guess I'm convinced, Senator Gold, on the basis of what you told me, that I would like to come up with another mystical illusion to another kingdom and frankly, Senator Gold, based on what you've told me, I'm convinced that I can only be one place today and that's in Shangri-la. I must be in Shangri-la because I now get a chance to vote for tax cuts without spending cuts. I get a chance to vote for something that may never come to pass, that's just an idealized fantasy that I would love to do, but I don't have to be responsible by pinpointing the cuts and services in education that would be required if we actually had to do something that was in reality, that if I was in Albany I would never do. I would never vote for tax cuts unless I knew what the spending cuts were attached to them. I wouldn't vote for tax cuts that would

promise cuts in education, cuts in hospitals, as Senator Gold described. I wouldn't do that if I were in Albany. I'm in Shangri-la. I must be representing a district from there. I'm in Shangri-la. I'm even tempted to vote yes. In Shangri-la you can vote yes without responsibility. It's the perfect place to be.

I thank Senator Bruno and his magic carpet for taking me there.

ACTING PRESIDENT MARCELLINO: Senator Gentile.

SENATOR GENTILE: I believe I have an amendment at the desk, Mr. President.

ACTING PRESIDENT MARCELLINO: The amendment's at the desk.

SENATOR GENTILE: I would ask that we waive the reading and allow me to explain the amendment.

ACTING PRESIDENT KUHL: The amendment is at the desk. We will waive the reading.

Senator Gentile, on the amendment.

SENATOR GENTILE: First of all, let me begin by saying with all the rancor and

political division I've seen in the last two days here, it's refreshing to see that we started today with the passing of a bill of my freshman classmate and colleague, Senator Meier.

Mr. President, I want to personally congratulate Senator Meier on the passage of his first bill and I want to remind Senator Meier that this is his classmate's first amendment and -- in the New York State Senate and remind him that I voted in the affirmative on Senator Meier's first bill. So after today's vote, may it be a day that Senator Meier and I can talk about for years to come.

You know, it is also -- so let me begin my explanation of my amendment by at least in a bipartisan way congratulating the Senate Majority for including in Senate 2-A the phase-out of the sales tax on clothing less than $500.

You know, I'm happy to see that we finally have gotten something on the floor that talks about the repeal of the sales tax on clothing, and it's the kind of -- it's the kind of economic relief, tax relief that will drive the economy in this state, something that I have

been talking about -- I've talked about to repeal the sales tax for years. I've said it - talked about it in my quest to become state Senator. I've talked about it since my election to the state Senate, and I'm happy to say that my first bill that I introduced in this Senate was to repeal the sales tax permanently in this state, and I've done that because as an activist in my community, I've heard for years the pleas of business, to please keep New York shoppers here in this state and I've heard the pleas from New York consumers who say that if they had no tax in this state, they would do their shopping here.

So I'm glad to see at least now in the Senate 2-A, there's a version of the repeal of the sales tax, and I congratulate the Majority for finally realizing that this is something that needs to be put on the floor.

You know, there could be an argument made that I should be content that there's something in Senate 2-A about the repeal of the sales tax and go home and be happy. Well, you know, half a loaf might be good but the type of loaf that's being offered really

doesn't -- doesn't effect what I want to effect and that's an increase in jobs, an increase in business in this state. To trickle down these phasing out of the sales tax over a four-year period does not give the economic shot in the arm needed to create the jobs and keep the business and consumers here in New York State.

So I am an optimist and I want to turn on the economic faucet now, not in four years. I want to repeal the sales tax now, repeal the entire sales tax all year long, 52 weeks a year, no, nada, nothing now, and that is what my amendment will do, and I trust in this day of bipartisanship that we started with, that all members will lay aside their party label and really both be together, do something that New Yorkers want us to do.

What my amendment will do is repeal the sales tax on clothing and footwear less than $500 starting January 1st, 1998 and it will maintain the one-week back to school week that is in this Senate 2-A proposal for August of '97.

Also, the amendment does not change any of the Senate 2-A provisions that

would give localities the option to repeal or reduce or phase out or even maintain their own local sales tax on clothing. It gives my -- my amendment still gives localities the freedom to do what's best suited for them, just like Senate 2-A, and it's interesting that in my area, for example, the mayor of the city of New York, I'm thrilled to be on the same side as the city of New York who said he would give -- he will use the power that we give him to repeal the four percent local sales tax. And why not? You know, it's time that we start to bring business back home today, not four years from now, bring it back home from the nearby states that have no sales tax in clothing that I believe, Mr. President, that Senator Bruno referred to and we don't need additional experimental weeks.

You know, New Yorkers welcomed the tax-free week with open arms and open wallets. It was very successful on a cold week in mid-January. In fact, in my area, the Brooklyn papers reported -- one of the Brooklyn papers reported that "I'm daunted by sub-freezing temperatures." "Thousands of shoppers flocked to Bay Ridge to take advantage

of the extraordinary one-week sales tax exemption on clothing." That was a January report.

On Staten Island, in the Staten Island newspaper, The Advance, The Staten Island Advance reported that "the Staten Island Mall, whose stores were jammed with shoppers and parking lots overflowed with cars as if it were the week before Christmas, two streets leading to the mall, Forest Hill Road and Rockland Avenue were backed up to the intersection of Brielle Avenue. That's a change from other weekends when many Staten Islanders trek over three bridges to shop in New Jersey which charges no sales tax on clothing every week of the year, not just one week." That was from The Staten Island Advance.

Do you hear the pleas of the people? Do you hear the pleas of the people to do it now -- to do it now and, you know, even other political leaders, other Republican leaders have jumped on board on this. As I say, Republican Mayor Rudolph Giuliani has indicated that retail jumped 94 percent during tax-free week, Rudolph Giuliani, the mayor of the city of

New York.

The Republican leader of Nassau County, Nassau County Executive Tom Gulotta, jumps on the bandwagon against clothing sales tax, Republican County Executive Tom Gulotta. Even pleas from the Republican Borough President of Staten Island, Guy Molinari. Borough President Molinari has said "The Governor has talked about phasing it out", meaning the sales tax, "because he knows what a phenomenal success this tax-free week is", Borough President Molinari said yesterday, "but I'm going to tell him it should be abolished right now to give us the economic boost we need." That is from the Republican Borough President from my area, Guy Molinari.

You know, I hate to think that these Republicans have gotten the message and we in Senate have not, but it's unfortunate that we're subjected to editorials that appear such as the one that appeared recently in the Daily News on March 13th concerning this issue and it troubles me when I see editorials of this type.

The editorial from the Daily News, a major New York paper, indicates "Albany

put shoppers on the rack" and I'll read you a portion. It says "A motto of the state Senate. Never do today what you can put off until tomorrow." The latest example of the manana philosophy, repeal of the sales tax on clothing. "Oh, the Senate Republicans like the idea but swiftness frightens them. Instead of just killing the state's share of the tax outright, they urge a slow death, a four-year phase-out and more experiments with tax-free weeks. What is this, a legislative body or the Food and Drug Administration?" That's from the Daily News editorial of March 13th.

I don't know about you, colleagues, but it angers me when I hear that this grand institution is being called timid, that it is being called frightened. I don't want this institution to be called timid or frightened and the answer to that is to repeal the sales tax now, starting January 1st of 1998 and we still need the sales tax-free week in August for the back to school season this year. That's no change, as I said, from our provision of 2-A.

You know, just leaving the back

to school week is not enough. It leaves out too many consumers. For example, back to school week leaves out the parents of small children.

You know, put the four percent sales tax in the pockets of the parents of small children because it's time to buy shoes for the baby. It's time to buy baby's shoes, not only in January but in April and then in July and then in October. It's time to buy baby's shoes. It's time to buy the toddler new clothes, maybe three or four times a year and for those -- for those people, those seniors, those people who are more senior than you, people more senior than me, it's time to buy necessities for those seniors, whether it be a coat or shoes, whenever it's time to buy those necessities.

The point is that we can't limit the purchase times for these necessities. Clothing and footwear, as we all acknowledge, are not luxuries. Besides food, clothing and footwear with basic for life and taxing basic necessities, I think we can all agree, are highly regressive and they hurt most of the hard-working families and the seniors that we

all serve. So why do we need to do that to them? Let's give them the opportunity to have these necessities tax-free 52 weeks per year.

Take a minute now to look at the business side of this proposal and see how the S.2 plan, as proposed, is bad for business also. It's bad for business because the scattered sales tax-free weeks, the phase-in of the repeal over four years does little or nothing for business to attract shoppers to stay here in New York rather than go across to other states.

The small savings over a four-year period is not enough incentive for businesses to have the shot in the arm that they need and merchants know that. Merchants know that money talks and customers walk. Customers speak with their wallets. We all know that and proof of that is only to look at the reaction of New Jersey merchants during the sales tax-free week back in January here in New York. New Jersey merchants started to offer double back, 80 percent off, paid parking, paid tolls to keep New Yorkers going to New Jersey and why not? 20 to 40 percent of the New Jersey retail market depends on New York consumers. So all you have

to do is look at the New Jersey retail reaction and know how important it is that we have a sales tax-free week here in New York.

I guess, you know, sometimes we have to look to our other states to kind of wake us up, and I guess it was best said by a New Jersey mayor, Perth Amboy Mayor Joseph Voss, who put it this way about the sales tax-free week. "Perth Amboy Mayor Joseph Voss put the issue in perspective. He said, "We don't have a sales tax on clothing ever", meaning New Jersey. "I wish them", meaning New York, "I wish them the best of luck. The taxpayers of New York deserve a break. When is the New York government going to see the light of day?" That's from a New Jersey mayor.

Now, we all agree -- and I think we can all agree that old habits die hard. For my people in Brooklyn and in Staten Island, it's no different. Old habits die hard. It's too easy for them to revert to their old habits when tax-free week is over and go back to their shopping ways of the past. For my people, it's easy. They jump in the car, take a short hop across the bridge and all of a sudden they're in

the shopping mecca, the sprawling malls that are known as tax-free New Jersey, the state of New Jersey, not New York.

For Staten Islanders, it's just as easy. They hop over the Goethals Bridge, the Outer Bridge and in New Jersey in minutes and we've lost them. We've lost them. They're in New Jersey, and I'm sure that members here who represent areas near sales tax-free states like Connecticut and Pennsylvania have the same problem with constituents in their areas leaving New York to go to those sales tax-free areas. So it is bad for business to do this over a four-year period.

You know, this dilemma of consumers and merchants has been heard by some members here in the Senate. It has been heard by some members of the Majority because several of you in the Majority have heard those pleas and you've introduced your own bills to repeal the sales tax in one form or another and to those members that Senators Marchi and Cook, Senators Goodman and Trunzo, Senators Holland and Present, to those Senators, I say Bravo, Bravo. You heard the pleas and now I ask you to

join me in making those pleas reality by voting for the amendment to S.2-A, the amendment that I call the four percent solution. I call it that because it keeps our economic activity in our local communities right away not in four years. The advantage is New York's. The cost to the state in the next fiscal year between January and April is 70- to $100 million, easily covered by the increase in economic activity, again, advantage New York.

You know, I have been on the campaign to repeal the sales tax over the last several months. I've held tax sales repeal rallies. I've had petitions signed. I talked in the newspapers about the sales tax repeal and my constituents know very much about this proposal and these hard-working men and women of Brooklyn and Staten Island have asked me several times, "Senator, do you think we really can get this done on the floor of the Senate this year? Do you think we can really have this happen? This would be so great. Do you think it will happen", and I say to them, I respond to them by saying, you know, at rare moments things can happen in dramatic fashion in this state. So

stay tuned. This may be one of those moments, and I say to them that keep the faith, keep the hope.

Well, let's take that bold step today, ladies and gentlemen. Let's not be labeled as timid as the Daily News has labeled us as timid. If we act affirmatively, we do right for New York consumers. We do right for merchants immediately, not four years from now. Let's show New Yorkers we can unite as a group, we can do it and do right for them. Let this chamber show that as New Yorkers, we can pass bipartisan -- bipartisan progressive tax relief that we can be non-partisan when it comes to the good and welfare of New Yorkers. Let this chamber show that the spirit -- we can come together, one and all, in support of this amendment and may this be one of those rare moments, colleagues, where dramatic things happen. Let's pass this amendment.

ACTING PRESIDENT MARCELLINO: Any other Senator wishing to be heard on the amendment?

SENATOR GOLD: Yes, Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Gold.

SENATOR GOLD: I promise to be brief, but I can't help, Mr. President, recalling something.

We, once a year, have a day, Senator Lombardi did it and I think now Senator Larkin does it, where we honor our wonderful young people at West Point and we make quite a to-do over them and we should. If the one day that you see them here is not enough, right before Christmas each year, if you want to follow their bus from West Point to the Danbury Mall where they do their Christmas shopping, you can see these beautiful young faces for hours.

I happened to be there one Christmas with my children and walking around, as a tourist, Senator, and I was stunned. West Point, New York -- and they don't take the bus to New York. They don't take them to Exit 16 where you've got a big outlet store. They transport these people to Danbury, Connecticut to do all of their Christmas shopping. If that is not a perfect example of why we should accept this amendment and how important it is, I don't

know of any others.

I'm certainly going to support this amendment.

ACTING PRESIDENT MARCELLINO: Senator Bruno.

SENATOR BRUNO: Mr. President, I just want to make a quick comment on this amendment, and I will just repeat what I said earlier. You want to cut taxes, we want to cut taxes, and we will join you as long as you act responsibly. What you're proposing, to eliminate 550 million -- and that's a low number. It's anywhere from that number to 700 million -- overnight is not responsible.

Mr. President, we phase out the sales tax in our package over a period of five years, doing something immediately and then phasing it out over five years. If you do it in an irresponsible way, all you'll be doing is shifting the taxes to local property taxes.

Now, those of us that are in upstate New York will feel that, you're right, much more than you might downstate but the people downstate will also feel it because you have homeowners. You have property owners and

the revenue to support your local governments has to come from somewhere. So we phase out our $2.5 billion package over a period of four, five years. Mr. President, that's the responsible way to cut taxes.

Now, when we talk about spending or cutting -- I think one of my colleagues talked about spending these tax cuts, spending $5 billion. We're not spending. We're investing and there's a huge difference. Spending is when you pass a budget, as the Assembly has passed, that increases spending over $5 billion more than the Governor's budget. That's spending in one year. That is putting this state on the brink of bankruptcy. That is returning to the failed ways of the previous administration where we inherited a $5 billion deficit when the new administration took over.

So let's tell it like it is. Let's posture for our constituencies, if that's what we have to do but let us act responsibly.

SENATOR GOLD: Mr. President.

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

SENATOR GOLD: Would Senator Bruno yield to what is really a short one question?

ACTING PRESIDENT MARCELLINO: Senator Bruno, do you yield to Senator Gold?

SENATOR BRUNO: Yes, Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Gold, he yields.

SENATOR GOLD: Senator Bruno, you said that the Assembly budget would bring us back to old ways and is irresponsible. My only question, Senator, is where's our budget?

SENATOR BRUNO: Our budget, Mr. President, is waiting on the Assembly to come down to the Governor and to us with a real revenue number.

We passed a law in this chamber that mandated us to have a consensus for revenues for this state by March 10th. We have a revenue forecast. The Governor has a revenue forecast done with the help of experts and the Assembly talks about a budget that spends $5 billion. That's why we don't have a budget. That's why there are no serious negotiations.

That's why we don't have a budget until the Assembly recognizes that there is a limit on spending and we cannot spend ourselves back into the bankrupt ways of the past.

That's the long answer, Mr. President.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Gold.

SENATOR GOLD: I kept my word and it was a short question. Maybe I could ask one other short question, if our Leader would yield.

ACTING PRESIDENT MARCELLINO: Senator, you're going to break your word and ask two questions.

SENATOR GOLD: If our Leader would yield.

ACTING PRESIDENT MARCELLINO: Senator Bruno, do you yield to Senator Gold?

SENATOR BRUNO: Yes, Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Bruno yields.

SENATOR GOLD: Senator, you have heard as much as I have heard members on your

side put out bills which our side characterizes as one-house bills and your side says, Well, but now it's out there and now we can negotiate and, Senator, I don't know why that tactic is a tactic that seems to be good for smaller issues but not the budget.

Two years ago you put out a budget and criticized the Assembly for not having a budget. So, Senator, if the Assembly is doing things that are not responsible and you say that this Senate has a revenue estimate, where is this Senate's budget so that the public can take a look at our budget, the Senate's budget, look at the Assembly budget and then put together what's going on here and compare it with the Governor's budget which everyone has rejected?

SENATOR BRUNO: Mr. President, we've been there. We've done that. You voted against us last year when we did our one-house budget. You voted against us the year before when we did our one-house budget and what did we accomplish, Mr. President? Two of the latest budgets in the history of this state.

So we're easy, quick learners.

So we have learned that one-house budgets don't work. I would have thought that the Assembly might have learned that. I might have thought that you might have learned that and, Senator Gold, when you voted against that budget last year and the year before, you were right. It didn't work.

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

(Response of "Aye".)

Those opposed, nay.

(Response of "Nay".)

The amendment is defeated.

We're back on the bill.

Senator Connor.

SENATOR CONNOR: Thank you, Mr. President.

If I may close for the Minority. Today the Senate will be doubling their work output on the current year's budget that's already late. We did S.1 two weeks ago and now we take up a second disembodied one-house bill. Together these two bills cost more than $5 billion over five years. What Senator Bruno

calls phasing in, we call backloading and, indeed, if one criticizes the Assembly for having some backloaded spending plans that also over the next four years or so add up to $5 billion, I say why don't we deal, instead of worrying about backloading everything -- because these are really press releases -- backloading everything, why don't we deal with the budget with our job this year. Let the Legislature that it's elected two or three years from now deal with the problems then and meet our responsibilities to have a budget that's already late?

The major difference between the two houses is that the Assembly had the courage to pass a budget, agree with it or not, and I remember two years ago when the second floor and this house -- and I think people even made up badges that said, "Where are your numbers, Shelly? Where is your budget, Shelly" and heavily criticized in the late budget process, the post-April 1st time period which we're in now, the fact that the Assembly didn't do their budget, and there were calls for reform from this house, from the Majority in this house and

from the Governor. Well, the Assembly should do their budget. The Senate's done their budget and we should have Conference Committees and this will solve -- this will solve what I believe it was Governor Pataki criticized as the three men in a room with a budget syndrome which the public of this state is, frankly, thoroughly disgusted with, and I dare say a large proportion of the members of the Legislature, if not publicly, privately agree, that there's good reason for disgust.

In this house, there's no known budget. The Republican Majority here continues to fiddle while the budget is not done. There's no known restoration for education or for health care from this Majority, none that we know. We know what the Governor would do clearly. Clearly the Majority will not embrace and pass the Governor's budget. They didn't do it last year. We won't do it this year. What's the plan? What's the plan for education? What's the plan for health care? Tell us. Bring it out here. We may agree. We may not agree but we'll vote on it. That's why we're elected to be here and if it's different from what the

Assembly views, have a Conference Committee. We have very, very able members of this house who serve on the Finance Committee. I'm sure we can put together a Conference Committee that would work this out in the light of day, with public comment, with public scrutiny. Even the members will get to see what's going on before the 11th hour.

There's no balanced financial plan being offered by the Majority that says it leads this house. There is no context for anything we're doing, no planning, no leadership, no budget. I say to the Majority, where is your budget? Where are your numbers? Why are we drifting aimlessly in this house? Where is the commitment to the Conference Committees, the new budget reforms which the Majority talked so loudly about in the last two years? Why aren't we doing it?

Indeed, if I may digress, I was happy to hear Senator Bruno the day before yesterday saying to those tenants, Don't worry. In a couple of weeks, we'll bring out to the Senate floor the Majority's view of what rent regulations should be and then we'll have

Conference Committees. Do it. I invite you in the next two or three weeks, Senator Bruno. Bring your plan for the tenants -- for the 2.8 million tenants to the floor. See if you can pass ending rent regulations on this floor and if you have 31 votes to do that, then we'll go to Conference Committee. The Speaker has called for a Conference Committee on it but this house must act first and it must pass something that 31 members agree to.

So I look forward to the Majority presenting their rent regulation bill and passing it on this floor -- yes. Well, Senator Bruno, you said that you would have your bill. It would come out in a few weeks. Bring it out and see if you can pass it. See if you can pass it. See if all those good Senators in the Majority will stick with you on that procedure and if you do pass what you want to do, conference it with the Assembly. Put a Conference Committee together.

Similarly on the budget, make it happen now. Make this new process happen. Pass your budget. It's already late, Senator. It's already late.

When the current six-week extender expires, we'll be moving into the period when school budgets are planned and passed. Once again, school districts will have to borrow and once again the Majority won't even acknowledge the liability for the interest costs. Go back to, I believe it was Washingtonville where they tried to send us all a bill and tell them we've done it again and the Senate didn't even pass a one-house budget this time.

Why is he so determined to convey to Wall Street that we deserve the second lowest bond rating in the nation, because of our inability to have the political and fiscal will to do the responsible thing and have a real budget process, and I tell you, I took heart two years ago when this Majority passed their one house and they threw stones for weeks at the Assembly for not acting and then we came back the next year and I thought, you know, this is going to work. It's going to suddenly be that politically -- politically, each house will have to pass its view of the budget and then we'll have Conference Committees and the public will

see the light of day on at least a little bit of what we do here.

Instead the Majority here takes three giant steps backwards and won't even do a budget bill, won't even do a budget, a real budget. Instead we get more and more and, Mr. President, as to the numbers, the Assembly's one-house budget provides two billion more in revenues. They have a revenue number and it moves, what we call move money. It transfers $1 billion in spending and it restores a billion and a half in cuts and provides a half a billion dollars for tax cuts.

The Republicans say this is three billion more in spending? Well, the Assembly tells us where the revenues are. They tell us what money they'll transfer and what they'll give as tax cuts. That's a budget.

Where is our budget? Instead, no, S.1, S.2, press releases. The Majority, they're for tax cuts, tax cuts, tax cuts and we all know in the dark of night, three men in a room with a budget, this Majority, year after year after year has driven spending through the ceilings. That's what's really happening. Talk

tax cuts, talk tax cuts, spend, spend, spend. That's what's happened in this house and we all know it.

The fact is, Mr. President, I call upon the Majority while we're here, while we're late, pass your budget and have an open process.

Now, Mr. President, on the current bill, the current bill is chock full of apple pie, motherhood. It's a press release. It's a press release that says you want tax cuts. You don't tell us how you'll pay for it. You backload it. Some future Legislature will have to worry about the fiscal impacts but, Mr. President -- Mr. President, I wasn't born yesterday politically. I don't vote against popular press releases. I wish we were voting on a real budget with a real fiscal plan. That would be the responsible thing to do but, Mr. President, I say to the Majority, you're -- you claim the responsibility of running this house. I urge you to be responsible. When you put out press releases to catch the headlines about tax cuts, I'm not going to try and stand in the way of that kind of gimmickry.

The other day, we heard Senator Bruno characterize a very serious motion to discharge which would have relieved the fear and anxiety of 2.8 million tenants in New York as posturing, as a political game. Well, Mr. President, I can't imagine what's more of a political game than billions of dollars in tax cuts that some day may be kicked in, backloaded for three or four years, but if those are the kind of games we want to play here, I'm for tax cuts too, Mr. President. Tax cuts are great. You'll never get me saying I'm not for tax cuts.

Thank you.

ACTING PRESIDENT MARCELLINO: Senator Stafford.

SENATOR STAFFORD: Mr. President, I'll be -- before our Leader continues his excellent presentation and closes debate -- and I mean excellent presentation -- I'm going to be a bit historical and make maybe a broad stroke with a conceptual brush.

I'm reminded of the 1990 -- no, 1966 transit strike. I wouldn't say anything like this, of course, but I'm reminded of this. Somebody on that side of the aisle was ranting

and raving and got so frustrated -- his name was Tommy. I won't tell you who it is, but if you looked up in '66, you'll figure out who probably it was and he pointed at one of us on the other side of the aisle and he said, "You know something? I hope you never get near a window because if you do, you slip out, you'll go up." I wouldn't say that, of course, but I want you to know that I thought about it after listening to some of this nonsense -- excuse me -- that I have been listening to the past three -- leave it at three -- three days. If it hurts a little, it is meant to.

Get with it. There isn't one person in here who isn't a political animal, your speaker included, probably more so than others, but some of the things I've seen and listened to the last two, three days have made me realize why the electorate sometimes has the opinion of some of us they do.

I was told before I stood up, don't offend anyone. I said I won't.

SENATOR GOLD: Not everyone.

SENATOR STAFFORD: You got it. You got it.

Mr. President, we had a great locomotive in this state, our economic locomotive, but every locomotive has to have engines and the engines of the economic locomotive here in this state are jobs that our Leader has talked about, done something about with Governor Pataki.

Governor Pataki, Senator Bruno, the Senate and, yes, the Assembly -- and, yes, the Assembly have turned us around. I'm going to be a little bipartisan here -- just a little, but you know exactly -- not too much, but there was a governor before Governor Carey took over. This gentleman, many others supported that governor and he was a great governor but mistakes have been made. We all realized that and we started a trend. I'm trying to get the year right now. 1960 -- 59. I think we had one of the biggest tax increases that this state and this nation, frankly, percentagewise, had ever been passed.

I supported that person. I supported him afterwards. I would have supported him for President and it's too bad he wasn't President because this country would have

been a lot better off, in my opinion. That's only my opinion, but you know what? We started a trend there and it never stopped and we had both parties involved. We had both parties involved. We had -- in 1965, we had one party in control. 1966, this house was taken over by one party. The other house stayed over there with another party and we all kept moving. We all kept going but we kept going up, up, up and we were putting the state down the drain.

Now, I don't mean some of the things we were spending on weren't good. They were. You can smirk, but if you think back a few minutes, you'll realize a lot of what we were doing was good but we were putting this state down the drain because people were leaving and all of our districts that were involved in business, they were leaving, my district, your district, every district and practically anybody you talked to in business, they would say, we can't do business in this state and we laugh, all of us, both parties.

Then in 1990... I'm going to get the date right -- in 1994, the people of this state said, yes, we are going in the wrong

direction. We are spending too much, spending on some good things, mind you, on a lot of good things and very, very frankly, I was right there wanting to spend on a lot of good things, but you know what? If we hadn't turned around with Governor Pataki, with Senator Bruno and we hadn't had the budgets and had the legislation that passed in the last two years, that state was going down the drain and if you don't believe it, all you got to look -- again, the numbers, the 550,000 jobs within the last few years that we lost, 165 jobs we increased. We can debate the numbers but we all know the trend is going the right way now. 4-, $5 billion budget deficits -- I'm not saying that deficits, maybe you couldn't argue that they were spent on good things, but you can say it would be great if we could have an education system where we had one teacher for every student. I know I needed it but you can't do it. It doesn't make sense economically and some of the things we have done in the past, not 20 years, the past 36 years, 38 years, some of the things we were doing didn't make any more sense economically than having a teacher for every student in the

state. We made some tough, tough decisions. We've made some tough decisions and we finally got the locomotive moving.

I'm old enough to remember when you ran down to the track to see the locomotive running, I remember the first time the diesel engine came to Dannemora -- I was on the outside -- and it was quite a day, quite a day to see that diesel engine -- or see that diesel locomotive with all those engines going, but we're finally increasing the engines, the number of engines that we have to get this locomotive going and, frankly, I think everyone, all of us, we're not going to agree on everything, but we have to compliment our Majority Leader, our Governor and, again, with the budgets we've had the last couple of years, it's been with the Assembly.

Now, I have often said here sometimes one man's floor is another man's ceiling. Unless we realize there's a ceiling to what we spend and not do what's being done over there right now -- and, yes, I'm being direct, but they're getting back to the magic number, $5 billion, $6 billion, if you really looked at it

more than we're taking in. We can't spend more than we take in and unless we stop trying to take in as much, we're going to get right back on that other track and start going again and I use these terms because I think it's right, down the drain.

Mr. President, our Leader has explained it well, but I have to say that this state is now -- eighth was mentioned - increasing jobs right now. We did reduce taxes more than all the states combined in the nation last year and this state is going to be better and we're going to get healthy. We're going to be the Empire State and in conclusion, let me emphasize this, something I said to the people in the Education Department the other day.

You know, sometimes all of us, we forget this. We had the best educational system of this state before the administration over there right now and we'll have the best after they leave, and we can go -- even though the problems we had and where we were going economically, unless we turned it around, we still had the Empire State but it's this legislation which has been explained so well by

the Leader, Senator Bruno. It's this legislation which is going to keep this state the Empire State and make it a better Empire State.

Thank you, Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Bruno, to close for the Majority.

SENATOR BRUNO: Thank you, Mr. President.

Our very experienced senior only in the years that he serves here in the Senate, I think, has done an outstanding job of summing up what our discussion has been about, where we have been and where we're going, and I thank him for that. Thank you, Senator Stafford.

I am not going to belabor to close. I'm just going to answer very directly the Minority Leader when he talks about doing one-house budgets, going to Conference Committees. Maybe you weren't listening, Senator. We passed one-house budgets last year. We passed them the year before and we broke the records for late budgets in this state. So we're not going to do that again, but we will pass a budget in this state when the

Assembly understands that we will not, in this house, agree to spend ourselves back into the bankrupt ways of the Cuomo administration - bankrupt.

When Governor Pataki took over, this state was bankrupt, a $5 billion deficit by overspending, overtaxing, over-regulating. I am embarrassed, Mr. President, when I hear my colleagues on this side of the aisle talk about returning to those failed ways of the past. You want to return? You want to be there? I don't.

We're going to go forward. We've left that behind us, thanks to the good Lord and the intelligence of the majority of the voters in this state who had enough. They spoke out. They said we have had enough of 12 years of Democrats spending us into bankruptcy and they made a change and the change has been a worthwhile, fruitful change because now we've recovered our posture in this state. We are taking a leadership position and we've done it by being responsible.

So we'll be responsible. The law of this state says that by March 10th, we will agree on a revenue number available for spending

in the budget number. The Governor and we can agree. The Assembly will not agree. Their answer has been to pass a budget that spends 5 to $6 billion more than the Governor feels is available.

Now, how do you do that? Now, we would love to join, if we wanted to be irresponsible, with the other side and throw $1 billion into this restoration or program, $1 billion into this one, a half a billion here. You need two billion here. We all love to do that when we're grandstanding, when we're posturing. We are not going to do that on this side of the aisle. We'll leave that to you, if you want to follow the lead of spending this state back into bankruptcy but since we have a Governor that is responsible, that's providing the leadership, that's holding the line on spending, that's leading the country in cutting taxes, we're going to stay with the Governor. We're going to be responsible and we're going to go forward. So we won't agree on a budget until we get a revenue number. I don't know how on earth anyone in your families, in your businesses, in your professions, how you agree

on a budget if you don't know what revenue is coming in. How do you do a budget?

So, Mr. President, we're waiting for something responsible to come out of the discussions, out of maybe this debate and then we will go forward, but this package before us, I urge everyone in this chamber to support because it is a phase-out of a tax package over five years. It helps the people of this state enjoy an improved quality of life and that's what we're all elected to do.

Thank you, Mr. President.

SENATOR CONNOR: Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Connor.

SENATOR CONNOR: I listened very carefully to Senator Bruno and I'm delighted, and I think perhaps -

SENATOR BRUNO: Can we close debate?

ACTING PRESIDENT MARCELLINO: Senator Connor, you closed for the Minority. Senator Bruno closed. If you wish to explain your vote -

SENATOR CONNOR: Yes, I do.

ACTING PRESIDENT MARCELLINO: - we'll let you do that when we call the -

SENATOR BRUNO: Read the last section.

ACTING PRESIDENT MARCELLINO: Last section read, please.

THE SECRETARY: Sections 101 through 104 of this act shall take effect June 1st, 1997.

ACTING PRESIDENT MARCELLINO: Call the roll.

(The Secretary called the roll.)

SENATOR CONNOR: Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Connor, to explain his vote.

SENATOR CONNOR: Thank you, Mr. President.

I am delighted. I just heard good news here. It may move the process forward. For the first time I heard Senator Bruno say, we can agree with the Governor on a number.

Mr. President, if Senator Bruno would tell us what the number is that he's agreed -- that the Majority's agreed with on the

Governor for revenue, I'll be happy to go -- use my good offices and go across the Capitol and sit with the Speaker and see if we can get negotiations going, but I would like to know what is that number, Mr. President? What is the number the Majority can agree with the Governor on as to revenues? It's the first I've heard they have the same number. I think it's big news for everybody here in Albany and I would like to hear it. I would like to see next week the Majority's, based on that number, they can agree with on the Governor, the Majority put out their one-house budget and we'll move this process along and maybe May 1st can be the magic date.

Thank you, Mr. President.

ACTING PRESIDENT MARCELLINO: Announce the results.

SENATOR CONNOR: I vote aye, Mr. President.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Gold, to explain his vote.

SENATOR GOLD: Yes. Mr. President, I understand that my Leader has just

voted yes and a lot of the colleagues on this side I think will vote yes on this bill and take the opportunity to do the same public statement as the Majority.

I, on the other hand, Mr. President, think I have a little different responsibility. I, first of all, thank Senator Stafford.

Senator Stafford, every once in a while, Senator Stafford, in your humor you get serious and I want to be serious. I thought the statement you made today was one of the best statements you've made today, Senator, and I appreciate the fact that you said "we" because a lot of people on your side cringe at the thought that they could have done something that they might think is wrong and have to admit it at some point. You have my admiration, Senator Stafford, for that statement.

But the bottom line here is that the Assembly is being criticized for supposedly spending $5 billion more but the Senate will not criticize itself for putting in tax bills which, if you add them up, are the same $5 billion and my feeling is that some of the words that come

from our distinguished Leader don't make sense.

We talk about the leadership of Governor Pataki for two years, three years and yet the fact is that Senator DeFrancisco said in response to my question, he would not vote for the Governor's budget. Senator Bruno last year would not put out the Governor's budget. Senator Bruno this year will not put out the Governor's budget. That's not leadership. It's rejection. That's what it is. It's rejection.

If you want to say that the Governor's budget is a starting point, you don't have to tell me that. By constitutional mandate, the Governor must file a budget but hopefully it's a serious budget. Hopefully it's a budget that shows leadership. If it's rejected by his own party, why do you say it's leadership?

Last year when you did put out a budget in this house, you overspent the Governor's budget by, I think over $1 billion. When you finally agreed with the Governor and the Assembly on a budget, that was about, I think 900 million more than the Governor.

So we haven't accepted any

leadership from this Governor. The Governor put in a budget which we know is terrible. It would hurt school children, et cetera, et cetera, et cetera, and we reject it. So where's the leadership? Where are the on time budgets? There is no leadership. I will tell -

ACTING PRESIDENT MARCELLINO: Senator Gold, two minutes to explain your vote is -

SENATOR GOLD: It's getting near.

ACTING PRESIDENT MARCELLINO: It's there, sir.

SENATOR GOLD: Thank you.

I would just say that Dan Walsh and the Business Council are sophisticated people. I will vote for tax cuts when I see a total budget. I think I am doing a disservice to the opportunity I have been given by my party to be the ranking on Finance and when I see a total budget, I will embrace tax cuts or whatever else is part of a total plan.

I vote no.

ACTING PRESIDENT MARCELLINO: Announce the results -- Senator Stavisky to

explain. Oh, he wants to vote no.

SENATOR BRUNO: Announce the results.

ACTING PRESIDENT MARCELLINO: Senator Hoffmann, to explain her vote.

SENATOR HOFFMANN: I am delighted to vote on a tax cut package. I just wished that I was not being forced to vote in a vacuum on a disembodied piece of legislation that has absolutely no meaning outside the paper that it's printed on for distribution to the press.

As a member of the Finance Committee, I wish that we could sit and reason together as intelligent men and women with the responsibility with which we are empowered and come up with the numbers that would make some sense to the people at home.

It is terribly frustrating to try to return to Central New York to the three county district that I represent and explain to people that it's a Republican proposal or a Democratic proposal because the people in Central New York -- maybe this is not true for the rest of the state but at least in Central New York, the people there do not think as

Republicans or Democrats when they sit down to do their household finances and they do not think about Republican and Democratic theology and bean counting when they are putting together school district budgets.

This past week I met with eight different school superintendents, all of whom explained in careful detail how there is real pain for their school districts, real pain measured in dollars and cents and human suffering because of our failure to negotiate and enact a budget in a timely fashion.

This maneuver today does not bring us one step closer to having a real budget in a timely manner and it once again creates a question of our credibility and our ability to function in the job to which we are elected. We bring ourselves perilously close to major revolt by the taxpayers of this state by this time of posturing and grandstanding.

I noted in the paper today that there's a wonderful picture of Senator Bruno and I'm pleased to see that Senator Bruno is characterized riding a horse and showing his relationship with the land. As an upstater, as

someone who owns horses of her own, I'm pleased that we have leadership in this house that understands the whole sum of the state or at least a portion of the state that's sometimes ignored but what forum do we have where we can bring these disparate parts of the state together for some reason?

ACTING PRESIDENT MARCELLINO: Senator Hoffmann.

SENATOR HOFFMANN: Must we lambast each other in this type of partisan charade.

ACTING PRESIDENT MARCELLINO: How do you vote?

SENATOR HOFFMANN: I vote aye.

ACTING PRESIDENT MARCELLINO: Announce the results, please.

THE SECRETARY: Ayes 54, nays 2, Senator Gold and Stavisky recorded in the negative.

ACTING PRESIDENT MARCELLINO: The bill is passed.

Senator, we have no other housekeeping.

SENATOR BRUNO: Is there

housekeeping at the desk, Mr. President?

ACTING PRESIDENT MARCELLINO: There is none.

SENATOR BRUNO: There being no further business to come before the Senate -

SENATOR MONTGOMERY: Excuse me, Mr. Majority Leader. I would like to register a negative vote.

SENATOR BRUNO: Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Montgomery will be counted in the negative.

SENATOR MONTGOMERY: Mr. President, I would like to have unanimous consent to be recorded in the negative on Calendars Number 307 and 491.

ACTING PRESIDENT MARCELLINO: Without objection.

SENATOR MONTGOMERY: Thank you.

Senator Bruno -- Senator Mendez.

SENATOR MENDEZ: Mr. President, I'm requesting unanimous consent to be recorded in the negative on Bill Number 307.

ACTING PRESIDENT MARCELLINO: Without objection.

SENATOR MENDEZ: Thank you.

ACTING PRESIDENT MARCELLINO: Senator Bruno.

SENATOR BRUNO: Mr. President.

ACTING PRESIDENT MARCELLINO: We have no housekeeping and the calendar is over, sir.

SENATOR BRUNO: Mr. President, there being no further business to come before the Senate, I would move that we stand adjourned until Monday at 3:00 p.m., intervening days to be legislative days.

ACTING PRESIDENT MARCELLINO: The Senate will stand adjourned until Monday, April 14th, at 3:00 p.m., intervening days to be legislative days.

(Whereupon, at 12:47 p.m., the Senate adjourned.)