NEW YORK STATE SENATE

THE

STENOGRAPHIC RECORD

ALBANY, NEW YORK

May 18, 1999

3:03 p.m.

REGULAR SESSION

LT. GOVERNOR MARY O. DONOHUE, President

STEVEN M. BOGGESS, Secretary

P R O C E E D I N G S

THE PRESIDENT: The Senate will come to order.

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

(Whereupon, the assemblage recited the Pledge of Allegiance to the Flag.)

THE PRESIDENT: The invocation today will be given by the Reverend Peter G. Young, from Blessed Sacrament Church in Bolton Landing.

REVEREND YOUNG: Let us pray.

Dear God, we ask Your presence and blessings for this Senate session. Our Senators have been elected to express our concerns about the welfare of our state, to learn from each other, to grow in spirit and character, to find out Your will for our lives and our neighborhoods.

We thank You for the opportunity of this country to assemble ourselves at any time to discuss the concerns of our New York State citizens. Grant this, and in the wisdom then of this body to carry out the discussions that

will make it a better place to be in New York State, now and forever.

Amen.

THE PRESIDENT: Reading of the Journal.

THE SECRETARY: In Senate, Monday, May 17th, the Senate met pursuant to adjournment. The Journal of Sunday, May 16th, was read and approved. On motion, Senate adjourned.

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

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

Senator McGee.

SENATOR McGEE: Thank you, Madam President. I offer the -- amendments to the following Third Reading Calendar bills.

On behalf of Senator Kuhl, page 16, Calendar Number 446, Senate Print Number 3242.

On behalf of Senator Kuhl, page number 26, Calendar Number 627, Senate Print 3241.

On behalf of Senator Rath, page number 27, Calendar Number 633, Senate Print Number 4436.

On behalf of Senator Marcellino, page number 34, Calendar Number 740, Senate Print 2790A.

Madam President, I now move that these bills retain their place on the order of third reading.

THE PRESIDENT: The amendments are received, Senator McGee, and the bills will retain their place on the Third Reading Calendar.

SENATOR McGEE: Thank you, Madam President.

Madam President, on behalf of Senator Rath, please place a sponsor star on Calendar Number 729.

THE PRESIDENT: So ordered, Senator.

SENATOR McGEE: Thank you, Madam President.

THE PRESIDENT: Senator Bruno.

SENATOR BRUNO: Madam President, can we at this time adopt the Resolution Calendar, with the exception of Resolutions 1388, 1391, 1392, 1412, and 1457.

THE PRESIDENT: All in favor of adopting the Resolution Calendar, with the exception of Resolutions 1388, 1391, 1392, 1412, and 1457, signify by saying aye.

(Response of "Aye.")

THE PRESIDENT: Opposed, nay.

(No response.)

THE PRESIDENT: The Resolution Calendar is adopted.

Senator Bruno.

SENATOR BRUNO: Madam President, can we at this time take up Senate Resolution 1388, by Senator Meier. I ask that the title be read and move for its immediate adoption.

THE PRESIDENT: The Secretary will read.

THE SECRETARY: By Senator Meier, Legislative Resolution Number 1388,

commemorating Memorial Day, May 30, 1999, in the State of New York.

THE PRESIDENT: The question is on the resolution. All in favor signify by saying aye.

(Response of "Aye.")

THE PRESIDENT: Opposed, nay.

(No response.)

THE PRESIDENT: The resolution is adopted.

Senator Bruno.

SENATOR BRUNO: Madam President, there is another privilege resolution at the desk, 1391, by Senator Meier. I would ask again that the title be read and move for its immediate adoption.

THE PRESIDENT: The Secretary will read.

THE SECRETARY: By Senator Meier, Legislative Resolution Number 1391, commemorating May 7, 1999, as Victory in Europe Day in the State of New York.

THE PRESIDENT: The question is on the resolution. All in favor signify by saying aye.

(Response of "Aye.")

THE PRESIDENT: Opposed, nay.

(No response.)

THE PRESIDENT: The resolution is adopted.

Senator Bruno.

SENATOR BRUNO: Madam President, another privilege resolution, 1392, by Senator Meier. I would ask that the title be read and move for its immediate adoption.

THE PRESIDENT: The Secretary will read.

THE SECRETARY: By Senator Meier, Legislative Resolution Number 1392, honoring the United States Armed Forces upon the occasion of Armed Forces Day on May 16, 1999.

THE PRESIDENT: The question is on the resolution. All in favor signify by saying aye.

(Response of "Aye.")

THE PRESIDENT: Opposed, nay.

(No response.)

THE PRESIDENT: The resolution is adopted.

Senator Bruno.

SENATOR BRUNO: Madam President, there's another privilege resolution at the desk, 1412, by Senator Meier. I would ask that the title be read and move for its immediate adoption.

THE PRESIDENT: The Secretary will read.

THE SECRETARY: By Senator Meier, Legislative Resolution Number 1412, honoring the Veterans of New York State upon the occasion of Veterans Day on November 11, 1999.

THE PRESIDENT: The question is on the resolution. All in favor signify by saying aye.

(Response of "Aye.")

THE PRESIDENT: Opposed, nay.

(No response.)

THE PRESIDENT: The resolution is adopted.

Senator Bruno.

SENATOR BRUNO: Madam President, the last privilege resolution at the desk, 1457, by Senator Maziarz. I would ask that the title be read and move for its immediate adoption.

Wanted to see whether or not you're paying attention, Senator.

THE PRESIDENT: The question is on the resolution.

The Secretary will first read.

THE SECRETARY: By Senator Maziarz, Legislative Resolution Number 1457, memorializing Governor George E. Pataki to proclaim 1999 as the International Year of Older Persons, to be recognized October 1, 1998, through December 31, 1999, in the State of New York.

THE PRESIDENT: Senator Maziarz.

SENATOR MAZIARZ: Thank you very much, Madam President. I thank Senator Meier for giving me a brief moment here to adopt another resolution.

Madam President, as this resolution states, 1999 has been designated by the United Nations as the International Year of the Older Person. And I would just like to take a brief moment to highlight what Governor George Pataki and the New York State Office of the Aging, under the directorship of Walter Hoefer, is doing, preparing for the next

millennium for the older persons of New York State with Project 2015, which is a proactive study of what the next generation of older persons in New York State are going to require as far as health care, employment, transportation, and housing -- some very critical issues for the baby boomers of today's generation but the seniors of the future.

Thank you, Madam President.

THE PRESIDENT: The question is on the resolution. All in favor signify by saying aye.

(Response of "Aye.")

THE PRESIDENT: Opposed, nay.

(No response.)

THE PRESIDENT: The resolution is adopted.

Senator Bruno.

SENATOR BRUNO: Madam President, I would ask that these five resolutions that were just passed be open to the entire membership of the house. Anyone not wishing to be on the resolutions would please notify the desk.

THE PRESIDENT: Thank you, Senator Bruno.

We will put everyone on these resolutions. If a member is not interested in being a cosponsor, please notify the desk.

Senator Bruno.

SENATOR BRUNO: Can we at this time, Madam President, take up the noncontroversial calendar.

THE PRESIDENT: The Secretary will read.

THE SECRETARY: Calendar Number 349, by Senator Lack, Senate Print 3400, an act to amend the Estates, Powers and Trusts Law and the General Obligations Law.

THE PRESIDENT: Read the last section.

THE SECRETARY: Section 3. This act shall take effect September 1st.

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 43.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number

494, by Senator Kuhl, Senate Print 3086B, an act to amend the Soil and Water Conservation Districts Law.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 43.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 613, by Senator Kuhl, Senate Print 3243, an act to amend the Alcoholic Beverage Control Law, in relation to the imposition of drivers' licenses.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 42. Nays,

1. Senator Duane recorded in the negative.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 644, by Senator Saland, Senate Print 3815A, an act to amend the Family Court Act, in relation to dispositions.

THE PRESIDENT: Read the last section.

THE SECRETARY: Section 5. This act shall take effect on the first day of November.

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 43.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 646, by Senator Saland, Senate Print 4357, an act to amend the Family Court Act and the Domestic Relations Law.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 43.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 653, by Senator Fuschillo, Senate Print 4143, an act to amend the General Business Law, in relation to the use of courier pickup and delivery services.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 43.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 659, by Senator Seward, Senate Print 3559, an act to amend the Insurance Law, in relation to individual life insurance policies.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 43.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 684, by Senator Marchi, Senate Print 3530, an act to amend the Public Authorities Law, in relation to expanding.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 43.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 726, by Senator Balboni, Senate Print 4557, an act authorizing the assessor of the County of Nassau to accept applications.

THE PRESIDENT: Read the last

section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 42. Nays, 1. Senator Dollinger recorded in the negative.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 727, by Senator Hannon, Senate Print 4560, an act in relation to permitting the Church of the New Life to file an application.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 42. Nays, 1. Senator Dollinger recorded in the negative.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 733, by Senator Larkin, Senate Print 1066A, an act to amend the Penal Law, in relation to trespass.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 46. Nays, 1. Senator Duane recorded in the negative.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 737, by Senator Saland, Senate Print 1831, an act to amend the Criminal Procedure Law.

THE PRESIDENT: Read the last section.

THE SECRETARY: Section 3. This act shall take effect on the first day of the calendar month next.

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 47.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 744, by Senator Rath, Senate Print 3468, an act to amend the Penal Law, in relation to aggravated harassment.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 47.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 763, by Senator Trunzo, Senate Print 4295, an act to amend Chapter 591 of the laws of 1996.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 47.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 840, by Senator Padavan, Senate Print 1893, an act to amend the General Business Law, in relation to the possession and sale of drug-related.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 45. Nays, 2. Senators Duane and Sampson recorded in the negative.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 842, by Senator Libous, Senate Print 2463C, an act to amend the General Business Law, in relation to enacting.

SENATOR DOLLINGER: Lay the bill aside.

THE PRESIDENT: The bill is laid aside, Senator.

THE SECRETARY: Calendar Number 845, by Senator Lack, Senate Print 4717, an act to amend the General Business Law, in relation to optical disks.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 47.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 901, by Senator Spano, Senate Print 2261, an act to amend the General Municipal Law.

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

Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 50.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 916, by Senator Johnson, Senate Print 4838, an act to authorize the Salvation and Deliverance Church to file an application.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 49. Nays, 1. Senator Dollinger recorded in the negative.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 1006, by Senator Wright, Senate Print 1231A, an act to amend the Tax Law.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 50.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 1018, by Senator Goodman, Senate Print 4039, an act to amend the Alcoholic Beverage Control Law.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 49. Nays, 1. Senator Padavan recorded in the negative.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 1025, by Senator Goodman, Senate Print 4282, an act to amend the Alcoholic Beverage Control Law.

THE PRESIDENT: Read the last section.

SENATOR DOLLINGER: Explanation, please.

THE PRESIDENT: The bill is laid aside.

THE SECRETARY: Calendar Number 1033, by Senator Maziarz, Senate Print 5373, an act to amend the General Business Law.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 50.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 1073, by Senator Libous, Senate Print 3312B, an act to amend Chapter 649 of the laws of 1996.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 50.

THE PRESIDENT: The bill is passed.

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

SENATOR SKELOS: Madam President, at this time I'd ask that we recall Calendar Number 1006 and reconsider the vote by which it passed.

THE PRESIDENT: The Secretary will read.

THE SECRETARY: Calendar Number 1006, by Senator Wright, Senate Print 1231A, an act to amend the Tax Law.

THE PRESIDENT: Call the roll upon reconsideration.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 50.

THE PRESIDENT: The bill is laid aside.

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

SENATOR SKELOS: Madam President, at this time if you would please recognize

Senator Breslin and then -- or Senator Waldon and then Senator Breslin.

SENATOR WALDON: Thank you very much, Madam President.

THE PRESIDENT: Senator Waldon, go ahead.

SENATOR WALDON: Thank you, Senator Skelos.

Madam President, my colleagues, we have two very distinguished people in our chamber today representing the great nation of Uganda.

As many of you know, Uganda gained its independence from Britain in 1962 and has for that length of time worked towards becoming a very viable partner of the great nations of this earth.

Each of us who are participating in a program today with the representatives of the parliament of Uganda were assigned a person that we were to show, as best as we can, what our government is all about. I was fortunate indeed to have assigned to me a research officer. His name is Francis Kintu. And he is here in this area of the chamber.

I would ask that he stand and I would ask that we recognize him.

And Senator Breslin also has a similar statement to make.

THE PRESIDENT: Senator Breslin.

SENATOR BRESLIN: Thank you, Madam President.

I too have someone mentoring my performance here today, a research officer from the country of Uganda, Elizabeth Bakibinga, who has been very impressed with the collegiality of this house and the democratic principles that she's viewed and witnessed during this day.

Thank you very much, Elizabeth.

SENATOR WALDON: Why don't you all stand up.

(Applause.)

SENATOR WALDON: Thank you, Madam President.

THE PRESIDENT: Senator Skelos.

SENATOR SKELOS: Madam President, if we could take up the controversial calendar, please.

THE PRESIDENT: The Secretary

will read.

THE SECRETARY: Calendar Number 842, by Senator Libous, Senate Print 2463C, an act to amend the General Business Law, in relation to enacting the Motor Vehicle Renters Responsibility and Protection Act.

SENATOR PATERSON: Explanation, please.

THE PRESIDENT: Senator Libous, an explanation has been requested by Senator Dollinger and Senator Paterson.

SENATOR LIBOUS: Thank you, Madam President.

The bill before us actually changes the law to assist those who are renting motor vehicles in New York State. Presently, under the General Business Law, if a person rents a motor vehicle in New York State and that motor vehicle is totaled, they are responsible for only up to a hundred dollars.

What that has done over the years, Madam President, is put a tremendous burden on the businesses in this state that are in the business of renting automobiles to individuals. As a matter of fact, we have

seen a decrease in that business over the past several years, from over 500 companies to down to about 300 companies.

The dollars that go along with that are quite staggering also, because we see that the car industry, the automobile industry in this state has lost hundreds of millions of dollars since many of those companies have gone out of business. At one time, over a billion dollars in automobiles were purchased in this state, and that's now down to about 600 million. We've seen significant tax revenues disappear.

What this would do is it would clean up the inequity in the law and conform with the other 49 states that would basically require insurance purchased at the time that you rent a motor vehicle or, if you have a personal policy, you would be covered under your personal policy, or if you have a credit card and your credit card has coverage, you would be covered under your credit card coverage.

So what we're doing here is I think legislation that creates fairness, legislation

that conforms us with every other state in the country, and one that also at the same time helps to promote business and industry in this state.

THE PRESIDENT: Read the last section.

SENATOR PATERSON: Madam President, we have some questions.

THE PRESIDENT: Senator Dollinger.

SENATOR DOLLINGER: Would the sponsor yield for a couple of -- I'll yield to Senator Breslin, if I may.

THE PRESIDENT: Senator Breslin, do you wish to be heard at this time?

SENATOR BRESLIN: Yes, Madam President. Would the sponsor yield to a couple of questions?

THE PRESIDENT: Senator Libous, will you yield -

SENATOR LIBOUS: Madam President, I would be honored to yield to the Senator.

SENATOR BRESLIN: Senator Libous, is there any empirical data -- you indicated there's been a significant reduction in car

rental companies. Is there any empirical data that might indicate that there are other reasons for the lessening of companies in that area?

SENATOR LIBOUS: We have information provided us, Madam President, that basically says the number of passenger rental car companies has decreased from 572 to 319 locations, a decrease of about 46 percent in the industry. And that information comes from the New York State County Business Patterns, and it basically is from the industry itself.

SENATOR BRESLIN: Again, through you, Madam President.

Is there any data that would suggest that this particular piece of legislation, which we enacted in the late '80s, is responsible for the diminution of those companies?

SENATOR LIBOUS: In the number of businesses that have gone out of business, in the meetings that I've had over the past three or four years I have seen, you know, instances, financial statements from losses basically due to the fact that they would have

a car that was worth, to them, $20,000, they would owe on that car, the car would be totaled. The liability to the consumer was only a hundred dollars. And then, of course, under New York State then the private policy would not kick in under present law.

And because of that data, that information provided to me by a number of companies, it was pretty clear to me that the reason is because of the losses under this law that they then went out of business.

SENATOR BRESLIN: Again, through you, Madam President.

THE PRESIDENT: Senator Libous, do you continue to yield to Senator Breslin?

SENATOR LIBOUS: I'll be more than happy, Madam President.

THE PRESIDENT: Go ahead, Senator.

SENATOR BRESLIN: Don't we then take the company, which is in the best position to insure its own vehicles and be responsible for the losses, which they pass on to the consumer as a way of doing business - don't we then pass on that to the entire

insurance community, the insureds throughout the state, as opposed to just those who rent cars?

SENATOR LIBOUS: Right now, unfortunately, Madam President, if you have a policy -- like myself -- and if you rent a car under present law in New York State, again, you are only liable up to a hundred dollars. Or if I use my credit card, my American Express card, which also has coverage under that, at the present time it only covers up to a hundred dollars.

I think this is an inequity in the law. And, Madam President, certainly if you look, people can purchase the insurance. If this law passes, they will be able to purchase the insurance. It will be anywhere from up to $9 a day, on a vehicle of $30,000 in value, and could be up to $12 a day on any vehicle over that.

So then the insurance can be purchased at the time by the individual if they do not have a personal policy or if they do not have a credit card that covers that. So indeed, that can be purchased at the place

of rental.

SENATOR BRESLIN: Thank you very much, Madam President, Senator Libous.

On the bill.

THE PRESIDENT: Senator Breslin on the bill.

SENATOR BRESLIN: This bill passed in the late '80s to make sure that our renting public was protected, protected by - from possible abuses from an unsuspecting public. And what it did was -- is it placed the responsibility for collision on the people who own the vehicles, the car rental agencies. And the car rental agencies had the ability to pass it on to the renter as a cost of doing business.

That law has worked fine. It's worked without problems. And now we're suggesting that it's up to the individual who rents -- and we've all rented vehicles, and I'm sure everyone in this house has read thoroughly that contract that's placed before us. With the law that we've had, we've been secure that we've had insurance. I'm not so sure that's the case with this law.

This law goes to -- not to protect the consumer, but to protect the car rental agency, the agency that's best able to insure that vehicle through its fleet coverage - fleet coverages that are estimated at times at $25 a year per vehicle, yet this legislation would pass on a per-diem rate to have the car rental agency take the insurance of $12. Multiply $12 times the number of days in a year, and compare that to a fleet rate of $25. It's a hidden profit-maker.

And what about the people in our state who don't own vehicles, who go to a car rental place and are placed in a position where they must get their own insurance or be subject to that per diem? I think this is patently unfair. It's bad for our consumers, and it's bad for our state. And I urge my colleagues on both sides of the aisle to vote no.

Thank you very much, Madam President.

THE PRESIDENT: Senator Dollinger.

SENATOR DOLLINGER: Would the

sponsor yield to a couple of questions, Madam President?

THE PRESIDENT: Senator Libous, will you yield?

SENATOR LIBOUS: Absolutely, Madam President. I'll be happy to yield to Senator Dollinger.

SENATOR DOLLINGER: Thank you, Senator Libous -

THE PRESIDENT: Thank you, Senator Libous.

Senator Dollinger, you may proceed with a couple of questions.

SENATOR DOLLINGER: Thank you very much, Madam President.

THE PRESIDENT: You're welcome.

SENATOR DOLLINGER: Senator Breslin asked you a couple of questions about the size of the industry. My question is, do you have any evidence that the imposition of the law in 1988 has resulted in a greater loss occurrence among rental car companies here in New York? Is there evidence that there have been greater losses that the industry has suffered -- or, for that matter, that there

have been a higher number of claims than in other states?

SENATOR LIBOUS: Yes.

SENATOR DOLLINGER: Tell me what they -

SENATOR LIBOUS: We have had greater losses here in New York State. If you compare that with other states, and if you can compare it with the number of companies that have gone out of business, there's no question -- because the law has not been changed, Madam President, in New York -- that those losses exist.

SENATOR DOLLINGER: Again, through you, Madam President.

Could you make available some of that information that demonstrates that because collision damage waivers are not permitted in New York that somehow this has caused greater loss ratios or greater damage to the rental car companies here in this state? Are there more claims here in New York State because of the absence of collision damage waivers?

SENATOR LIBOUS: There are two

indicators, Madam President, that are pretty clear to me. The fact that 46 percent of the businesses went out of business, that's very clear. And then also the amount of theft that took place, documented to me by the industry.

SENATOR DOLLINGER: Again, through you, Madam President.

Senator Breslin asked a question about the pressures in this industry. I would daresay since 1988 probably a half of our furniture stores and half of our family-owned bookstores have gone out of business, all part of the changing times and the consolidations, the advantages of large-scale businesses, cost advantages.

Do you have anything -- and again, I'll ask -- repeat the question of Senator Breslin. Do you have any specific evidence that says that the outlawing of CDWs, collision damage waivers, that that was the cause for this consolidation in the rental car business?

SENATOR LIBOUS: There's no question about it, in my mind, that the information provided by the industry -- and I

can go over -- let me go on here. Let me read you some numbers and figures, just the decline and the effect that it's had in New York State, for instance.

At one time the industry purchased, as I said earlier, over a billion dollars in automobiles right here in New York State. That purchase is down to about $600 million. The amount of revenue that was collected here in New York State has been off.

Now, certainly, Madam President, the Senator could question that other businesses and industries are down. But I would say that if any other business or industry was down 46 percent, almost 50 percent, that they would have come to this body, Madam President, and asked for some sort of disaster aid or help.

Now, certainly we have seen a number of businesses decline. But I would say, Madam President, that from the information provided us here, looking at the total amount of automobiles purchased down in New York State, looking at the number of claims up, looking to see the evidence from

the other states versus New York in liability, I think, Madam President and Senator Dollinger, that it's pretty clear to me -- the loss in sales tax revenue -- that this industry has been hurt tremendously because of basically this law that needs to be changed.

SENATOR DOLLINGER: Again, through you, Madam President.

Just so I make sure I understand this, Senator Libous. Is there evidence of claims data that there were more claims and more payouts on rental cars in this state than in other states because of the absence of CDWs in this state?

SENATOR LIBOUS: Madam President, Senator Dollinger, I can give you one example. From 1988 to 1995, the number of third-party liability claims per 100 hundred cars in a fleet increased by 109 percent. That is information available to us here in New York State. And then, since 1988, the accident frequency from New York rental agencies has increased by as much as 250 percent.

The other factor which is pretty clear to me, and I don't have to be a graduate

of the Wharton School to figure this out, when I sit and meet with individuals who went out of business and they show me the value of the cars that they had in their fleet and then they show me the value of the damages to those cars and what they were liable for, those numbers are pretty clear. And that's - that's why they went out of business.

SENATOR DOLLINGER: Again, through you, Madam President.

Just so I make sure I understand. If you're in the automobile rental car industry, don't you have fleet insurance that covers the cost of damage to -- these are collision, I understand this is just collision damage -- to any car in the fleet? Isn't that correct, that if I had a fleet of trucks or a fleet of cars, I would need to have collision damage for my fleet? Isn't that correct?

SENATOR LIBOUS: Madam President, that may be true for some of the bigger companies. But the smaller companies have difficulty in achieving it, and we believe that it is harder and harder to achieve today.

SENATOR DOLLINGER: Harder and

harder to achieve -

SENATOR LIBOUS: Harder and harder to receive that type of coverage today.

SENATOR DOLLINGER: Again, through you, Madam President.

Do you have any data that show the increase in the fleet premiums between 1988 and 1999, an 11-year period? Has the cost of fleet insurance gone up?

SENATOR LIBOUS: Madam President, I don't have that data because that -- we are not talking about fleet insurance in this bill. We're talking particularly to the rental car industry.

And that subject, Senator Dollinger, would have to be researched elsewhere. That information is not available, at least to me on the floor at this time.

SENATOR DOLLINGER: Right. And again, through you, Madam President.

The reason why I asked that question, Senator -

THE PRESIDENT: Senator Libous, do you continue to yield?

SENATOR LIBOUS: I am pleased to

continue to yield, Madam President.

SENATOR DOLLINGER: Thank you.

THE PRESIDENT: Go ahead, Senator Dollinger.

SENATOR DOLLINGER: -- is because it would seem to me, since the fleet insurance covers the cost of the protection of the rental fleet, if you abolished CDWs, as we did, and you eliminated collision damage waivers 11 years ago, you would have seen a significant rise in the exposure to fleet insurance, and there would be dramatic increases somewhere for fleet insurance to cover the greater risk associated with vehicles for which there is now a limitation on collision costs to a hundred dollars.

SENATOR LIBOUS: Madam President, Senator Dollinger. I want to get that information for you. So for the time being, I'm going to lay the bill aside, and we'll bring this up at another time.

SENATOR DOLLINGER: Thank you, Madam President.

THE PRESIDENT: The bill is laid aside.

The Secretary will read.

THE SECRETARY: Calendar Number 1025, by Senator Goodman, Senate Print 4282, an act to amend the Alcoholic Beverage Control Law.

SENATOR PADAVAN: Explanation.

THE PRESIDENT: An explanation has been requested.

Senator Velella.

SENATOR SKELOS: Madam President.

THE PRESIDENT: Senator Skelos.

SENATOR SKELOS: If we could lay aside Calendar Number 1025.

THE PRESIDENT: The bill is laid aside, Senator.

SENATOR SKELOS: Is there any housekeeping at the desk?

THE PRESIDENT: There is one motion.

Senator Fuschillo.

SENATOR FUSCHILLO: Madam President, on page 10 I offer the following amendments to Calendar Number 248, Senate Print Number 3162B -

THE PRESIDENT: Go ahead,

Senator.

SENATOR FUSCHILLO: Thank you, Madam President.

-- and ask that said bill retain its place on the Third Reading Calendar.

THE PRESIDENT: The amendment is received, and the bill will retain its place on Third Reading Calendar.

Senator Fuschillo.

SENATOR FUSCHILLO: Thank you, Madam President.

THE PRESIDENT: Thank you.

SENATOR FUSCHILLO: On page 40, I offer the following amendments to Calendar Number 821, Senate Print Number 4537, and ask that said bill retain its place on the Third Reading Calendar.

THE PRESIDENT: The amendment is received, Senator Fuschillo, and the bill will retain its place on Third Reading Calendar.

Senator Skelos.

SENATOR SKELOS: There being no further business, Madam President, I move we adjourn until Wednesday, May 19, at 11:30 a.m.

11:30 a.m., Senator Duane.

THE PRESIDENT: On motion, the Senate stands adjourned until Wednesday, May 19th, at 11:30 a.m.

(Whereupon, at 3:39 p.m., the Senate adjourned.)