NEW YORK STATE SENATE

THE STENOGRAPHIC RECORD

ALBANY, NEW YORK

February 1, 2005

3:14 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 please 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: In the absence of clergy, may we bow our heads in a moment of silence, please.

(Whereupon, the assemblage respected a moment of silence.)

THE PRESIDENT: Reading of the Journal.

THE SECRETARY: In Senate, Monday, January 31, the Senate met pursuant to adjournment. The Journal of Friday, January 28, 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.

The Secretary will read the report of the standing committees.

THE SECRETARY: Senator Bruno, from the Committee on Rules, reports the following bills:

Senate Print 1206, by Senator Rath, an act to create a joint bipartisan task force;

And Senate Print 1264, by the Senate Committee on Rules, an act to amend the Tax Law.

All bills ordered direct to third reading.

THE PRESIDENT: Both bills are ordered direct to third reading.

Senator Volker.

SENATOR VOLKER: Move to accept the Rules report.

THE PRESIDENT: All in favor of accepting the Rules report please signify by saying aye.

(Response of "Aye.")

THE PRESIDENT: Opposed, nay.

(No response.)

THE PRESIDENT: The report is accepted.

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

Senator Volker.

SENATOR VOLKER: Madam President, can we have the noncontroversial reading of the calendar, please.

THE PRESIDENT: The Secretary will read.

THE SECRETARY: Calendar Number 5, by Senator Volker, Senate Print 215A, an act to amend the Tax Law, in relation to providing.

SENATOR SCHNEIDERMAN: Lay it aside.

THE PRESIDENT: The bill is laid aside.

THE SECRETARY: Calendar Number 8, by Senator Rath, Senate Print 1206, an act to create a joint bipartisan task force to

study the legislative process.

THE PRESIDENT: Read the last section.

THE SECRETARY: Section 9. 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: In relation to Calendar Number 9, Senator Bruno, from the Committee on Rules, moves to discharge Assembly Bill Number 2489A and substitute it for the identical Senate Bill Number 1264, Third Reading Calendar 9.

THE PRESIDENT: Substitution ordered.

The Secretary will read.

THE SECRETARY: Calendar Number 9, by the Assembly Committee on Rules, Assembly Print Number 2489A, an act to amend the Tax Law.

SENATOR SCHNEIDERMAN: Lay it aside.

THE PRESIDENT: The bill is laid aside.

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

SENATOR VOLKER: Madam President, before we call the controversial calendar, would you please instruct the Sergeant-at-Arms to ring the bells, please.

THE PRESIDENT: The Secretary will ring the bells, and the Sergeant-at-Arms will ask the members to take their seats.

Senator Skelos.

SENATOR SKELOS: If we could go to the controversial calendar at this time.

THE PRESIDENT: The Secretary will read.

THE SECRETARY: Calendar Number 5, by Senator Volker, Senate Print 215A, an act to amend the Tax Law.

SENATOR VOLKER: Madam President.

THE PRESIDENT: Senator Volker.

SENATOR VOLKER: This is -- my colleague Senator Padavan asked me whether we're stuttering in Erie County, and we are, sort of.

This is -- the bill we passed last Tuesday, I think, whenever it was, was a 1 percent tax that has been a temporary tax in Erie County since I believe something in the '80s, like 1983 or '84, and would raise the tax in Erie County to 8 percent.

And incidentally, the county legislature that actually enacts the tax passed it today. However, they finally today met at noon, got the 10 votes, the two-thirds vote for the home-rule message on the other 1 percent, which is the second 1 percent that the county executive is demanding to raise to 9 and -- will raise our taxes to 9 1/4 percent.

Now, they still have to pass it, but this is enabling legislation. The problem is that the reason we need to do this is that the county executive, as authorized, shuts down the emergency services or the parks and all sorts of other things. So it's important that we get this done as soon as possible.

The Assembly is -- I don't think they've done it yet. I think we're waiting for the Assembly. But they will pass it also.

It's unfortunate -- Erie County, we have checked and found out, has the lowest real property taxes of any major county in the State of New York. But it has been six years since taxes were lowered, and it has not been risen since then.

But the county legislature and the county executive have agreed to raise the sales tax effectively to 9 1/4 percent. So everybody understands, we in this Legislature hope that as of January 1, 2006, we hope to have the 1/4 percent lapse, because we do not -- as I understand it, we hope we are not going to have to reenact it, so it will lapse.

But the situation here -- and Senator Meier has another bill, unfortunately. And neither one of us want to do what we're going to do. Because we do not enact this tax. I want everybody to understand, these are designators. We have been asked by the county legislature, as Senator Meier would be the same way, to provide authorization.

And that's exactly what we're doing here. It is not our doing, even though some county executives would say it is. And we

realize the Medicaid is a problem. But this is the way they've decided to resolve it.

So that's what this bill does.

THE PRESIDENT: Does any other member wish to be heard?

Then the debate is closed.

There is a local fiscal impact note at the desk.

Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE PRESIDENT: The Secretary will ring the bill. The Sergeant-at-Arms will assure that all members are in the chamber.

Senator Maziarz, to explain your vote.

SENATOR MAZIARZ: Thank you, Madam President, to explain my vote.

I just want to indicate that I'm voting in the negative on this legislation, because although I supported maintaining the sales tax in Erie County at 8 percent, this increase to 9 1/4, I should say, to 9 1/4

percent, is really being done because the other half of the New York State Legislature refuses to reform the Medicaid system.

They refuse to follow the lead of Senator Rath and Senator Meier and this body in the Medicaid -- the bipartisan Medicaid reform proposal that we passed last year. That has forced Erie County and many other counties across the state to look at increasing their sales tax.

The problem with this legislation is that this 9 percent, this additional 1 percent is going to be shared with the City of Buffalo and with suburban towns. Some of those towns' budgets have already been adopted, tax rates have already been set. Those areas are going to see a windfall, in once instance of a million dollars, from this extra percent of sales tax.

This sales tax, if it was implemented, should have all gone to the County of Erie to offset the local share of Medicaid costs that the Assembly insists on imposing on counties throughout the state.

So I'm voting against this because

it's shared with the City of Buffalo and the other municipalities in Erie. Thank you.

THE PRESIDENT: Senator Maziarz, you will be so recorded as voting in the negative.

The Secretary will announce the results.

Senator Ada Smith.

SENATOR ADA SMITH: Thank you, Madam President.

THE PRESIDENT: To explain your vote?

SENATOR ADA SMITH: To explain my vote.

I am morally opposed to increasing a regressive sales tax. However, when you call me a "tax-and-spend Democrat," I want you to remember that most of us are opposed to these tax cuts [sic]. And I'm voting for it because my Republican colleague has requested that we do so for the benefit of his county. And I will do so because he is a colleague and we must help one another.

I vote in the affirmative.

THE PRESIDENT: You will be so

recorded, Senator Smith.

The Secretary will announce the results.

THE SECRETARY: Those recorded in the negative on Calendar Number 5 are Senators Brown, Klein, Maziarz, Morahan, Onorato, Parker, Sabini, Stachowski and Valesky.

Those Senators absent from voting on Calendar Number 5 are Senators Connor and Montgomery.

Ayes, 45. Nays, 9.

THE PRESIDENT: The bill is passed.

The Secretary will continue to read.

THE SECRETARY: Calendar Number 9, by the Assembly Committee on Rules, substituted earlier today, Assembly Print Number 2489A, an act to amend the Tax Law.

SENATOR SCHNEIDERMAN: Explanation.

THE PRESIDENT: Senator Meier, an explanation has been requested.

SENATOR MEIER: Thank you, Madam President.

This is a home rule request from the County of Oneida to increase the local portion of the sales tax in that county by 1 1/2 cents. Together with the existing sales tax, that would bring the sales tax in the County of Oneida to 9 3/4 cents.

This is a revenue which has been budgeted by the County of Oneida within their enacted budget. They are foreclosed at this point from seeking any other revenue source. The time provided for by law for them to establish and collect a real property tax levy has expired.

As Senator Volker explained before, this is a home rule request. This is the legislative body of the County of Oneida deciding this is the way by which they are requesting to balance their budget, which includes the pressures caused by Medicaid.

And to tell you the truth, Madam President, were I county executive still, I probably would have done it a different way. But just as my county executive doesn't get confused and think he's the state senator, I understand I'm no longer the county executive.

And so we introduce this bill.

THE PRESIDENT: Does any other member wish to be heard?

Senator Valesky.

SENATOR VALESKY: Thank you, Madam President. On the bill.

THE PRESIDENT: You may proceed on the bill, Senator.

SENATOR VALESKY: We are here today voting on this measure for one simple reason, and that reason is the fact that our state government has failed to address the Medicaid funding crisis. I think we all know and understand that.

That failure means that local leaders -- those in Oneida County, those in Erie County and undoubtedly in other counties across the state -- are forced to pass this burden on to taxpayers; in this case, in the form of a sales tax increase.

We need to say enough is enough. And I will be opposing this measure today. I certainly feel for the county executive in Oneida County, for the county board of legislators in Oneida County who are trying to

make ends meet, who are forced into making extremely difficult decisions because this state government has failed to reform the Medicaid crisis. But I don't believe that this is the right way to fix the problem.

By increasing the sales tax to 9.75 percent, making it the highest in the Northeast -- not just in the state of New York, but in the Northeast -- this will place Oneida County at a significant disadvantage in regard to surrounding counties.

Stores, certainly store owners on county lines will be suffering lost income, lost revenue as patrons seek taxable products by going across county lines and purchasing them in other counties.

Companies that consider expanding in Oneida County or even coming into the region in the first place will no doubt look at a 9.75 percent combined sales tax as a reason not to locate in Oneida County or not to expand and create new jobs. And in fact, research on the topic is fairly clear: high sales taxes have a measurable and negative

effect on job creation and on investment.

And the short-term effect, as I'm sure we all know, includes a decrease in private-sector job growth and includes an increase in the cost of living, of course, and a drop in per-capita personal income.

We can do better, and we must do better. We must stop passing the bill and the burden on to counties across this state who in turn are forced in many cases to pass that burden on to sales taxpayers and property taxpayers.

Medicaid costs have been an issue now, as you all know, for years. In fact, in 1995, ten years ago, Governor Pataki, in his State of the State address then, called for reform of the Medicaid system. We have had no significant reform of Medicaid now in 10 years.

We must solve this crisis. We must solve it now, this year. Senator Meier, of course, has chaired a task force on Medicaid reform. Senator Paterson has issued a report on how to reform Medicaid. The Assembly Democrats have their plan. The Governor now

has his plan. The fact of the matter is there are all these plans out there, and nothing ever gets done. We must reform Medicaid this year.

As a result, I will be voting no on this particular piece of legislation. Counties like Oneida and others across the state can no longer be forced into making these kinds of decisions.

Thank you, Madam President.

THE PRESIDENT: Does any other member wish to be heard?

Senator Meier.

SENATOR MEIER: Madam President, will Senator Valesky yield for a question?

SENATOR VALESKY: I do.

THE PRESIDENT: You may proceed, Senator Meier.

SENATOR MEIER: Senator, you're aware, aren't you, that the County of Oneida has budgeted some $26 million in its adopted budget from this revenue source?

SENATOR VALESKY: Yes, I am.

SENATOR MEIER: Well, are you prepared to explain to the county executive

how he is to fund his budget, fund the services provided for within it to keep his credit rating from being cratered by Moody's and Standard & Poor's if we were to vote this down today?

SENATOR VALESKY: Well, what I am prepared to do and in fact have already done in explaining my vote to the county executive in Oneida County is the fact that what we should be voting on now is real reform of the Medicaid system so that the county executive in Oneida County and others across the state will not be forced into this situation.

SENATOR MEIER: Well, Senator, that's true in an ideal sense. But in the meantime, isn't it true that even if we were to have the ultimate Medicaid bill on the floor today, that that still doesn't provide them adequate revenue in time to balance the budget that they have enacted?

SENATOR VALESKY: This Legislature last year and in years past should have approved real Medicaid reform so that the County of Oneida would not be in this situation today.

SENATOR MEIER: Thank you, Senator.

Madam President, on the bill.

THE PRESIDENT: You may proceed on the bill, Senator.

SENATOR MEIER: Thank you, Madam President.

You know, I know a little something about Medicaid. I was a county executive for six years. And for six years, I complained bitterly about Medicaid every year. And indeed, when I had the chance, it was one of the reasons why I ran for the Senate, because I thought that I could maybe have some more influence here on that.

And, you know, I was very fortunate that I think Senator Bruno also shared that concern, as did the members of this conference. And so we formed a Medicaid reform task force and we spent time around this state talking to the stakeholders, to the local governments, to the health care providers, to the people who rely on the Medicaid system. And we came together, along with some participation from Senator

Paterson -- and the Minority did issue a Minority report. But we came together with some 40 some recommendations.

And it's disingenuous to say that it's the Legislature that refuses to reform Medicaid. We passed a bill last year in this house that contains substantial Medicaid reform. In this house. It was introduced in this house. It passed with the vote and support of every member on this side of the aisle and the vote of every member on that side of the aisle but three.

Now, that's a bipartisan consensus, in my book. I think that's pretty good when you can get people in this chamber, who represent diverse parts of the state, different kinds of communities, two political parties, vastly different political points of view -- you get every Republican and everybody Democrat but three.

And what happened in the other house? Not just nothing, less than nothing. Didn't vote on a bill, didn't introduce a bill, wouldn't entertain our bill.

And so now we tell the County of

Oneida: Oh, sorry, your budget's got to go $26 million into imbalance. You know something? I got to tell you, this is a home rule bill. They chose to do it this way. And, yes, we need to fix Medicaid. And I intend to go back at it and back at it and back at it again until somebody listens, particularly in the other body.

But I have to tell you this. Here's a reform for you. You want to reform politics in Albany? A vote against this bill is cynical and political and it tells the County of Oneida, We're going to play politics with your request.

Boy, if we could drain that stuff out of the business we're supposed to do, that would be a reform for you.

THE PRESIDENT: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Thank you, Madam President. On the bill.

THE PRESIDENT: You may proceed on the bill.

SENATOR SCHNEIDERMAN: I think that the difficulty a lot of people outside of

this building have understanding what we do here is that there appears to be something of a disconnect between our rhetoric about what we're doing and what a great job we're doing and how hard we're working and how much reform we're engaged in and the results for people who live in places like Oneida County or in my district in the City of New York.

And I don't think there's anyone here who views the legislators and the county executive and the people in Oneida County with anything other than complete sympathy. But essentially they're here today asking to have the highest sales tax in the state, 9.75 percent, because they have a gun to their head.

And I'm sorry if I get a little tired of hearing how great we are in the Senate and it's all the fault of the other house. We're here to pass laws. We're here to actually move things forward. And if we can't get it done, get with the other house, maybe we can't get the job done and other people should come here.

But our job is not to pass

one-house bills. Our job is not to trade one-house bills with the other house. They have every week their press conferences where they laud their great reforms that they're enacting, we have our press conferences, and they pass like ships in the night. I'm sorry, the public is tired of that.

Why does Oneida County need to go to a 9 3/4 percent sales tax? I would respectfully submit it's a lot more than Medicaid. When I got here in the Senate, every year you guys were passing budgets that had massive back-loaded tax cuts for the wealthiest New Yorkers and massive spending increases -- 1998, 1999, 2000, 2001, in the face of an economic downturn. Fundamentally unsound policy.

Of the twelve largest debtors in the United States, half are New York State and New York State entities -- the Dormitory Authority, the Thruway Authority, the MTA.

This is a state that if this was a private company, there would be a malpractice action by every shareholder. But when the voters are protesting, when the voters are

saying we're tired of this, we want reform, we want to shake up the Legislature, that is the equivalent of a shareholder derivative action against all of us.

So maybe it's not a bad idea to start to ask some hard questions about how we're doing things. And I hope that as we enter this session, we are going to do better than say, Oh, you know, we're doing a great job in this house, the problem is all on the other side.

The problem is, it's our job to get together with the other side. And I realize it's not easy. You all are in families. None of this is easy. But sometimes you have to eat your pride. Sometimes you have to go negotiate things in ways that are different.

Right now the system in Albany has become well known to people around the state. Everything goes in the hopper for one big end-of-session negotiation. It's not working, ladies and gentlemen. The budget being held up for nonbudget items, gun control being held up for issues that relate to social services.

We have made massive cuts in

programs, we have made massive cuts in taxes for the wealthy. We have shifted the burden systematically, as Senator Ada Smith noted, to more regressive taxes like the sales tax.

And we're facing now a budget where the Governor is proposing to eliminate, to repeal the income tax surcharge on the wealthiest New Yorkers and yet to eliminate the exemption for sales tax for clothing sales under $110.

That's the direction we've been going in in this state since I've been here. And these budgets have been passed with the support of many of my colleagues here today.

So let's not pretend this doesn't have anything to do with us. The first step in solving a problem is to recognize you've got a problem. And every week we're here and we hear this refrain, We're wonderful; it's the Assembly.

Our job is to pass laws, not one-house bills, and not to just play this blame game. I assure you there are similar comments going on in the other house that are equally useless to solving the problems of the

people of this state.

So this is a bad, bad tax increase. Some of us will support it holding our nose. Some may say, you know what, I have to send a protest any way I can, I'm voting no -- as did, I believe, quite a few members of the Assembly. I think all the Assembly Republicans in this area voted no on this. So you send messages however you can.

But the big message is this. The voters in this state are tired of this gridlock, they're tired of an increasingly regressive state that doesn't deliver the services they deserve for the taxes they pay. So let's not pretend this doesn't have to do with us.

I'm going to vote for this bill. I understand what Senator Meier is saying. If the City of New York comes here with bills to change its laws, I hope we'll be equally receptive whether it relates to rent control or changes in our own taxes.

But let's not play this game where we pretend the Senate is up on a hill shining in light and the problems lie elsewhere. We

have work to do here. Our job is to pass laws. If we can't do the job, the public wants someone here who can.

Thank you, Madam President.

THE PRESIDENT: Senator Meier.

SENATOR MEIER: Thank you, Madam President.

At the risk of changing Senator Schneiderman's mind about his vote, I find both the response and the responder interesting. Senator Schneiderman, you see, was one of the three people who voted no on the Medicaid reform bill that passed through here last year with nearly unanimous bipartisan support.

I'm the last guy in the world that you're going to see stand here and say that we're perfect or what we do here is perfect and that everything that's bad about this town resides in the opposite chamber. We're not talking about generalities; we're talking about the specifics of Medicaid reform.

And last year we introduced a bill, we voted for it over here, all but three of our Democrat colleagues voted for it. We did

something. We did something. And part of the thing that we did was we were able to achieve some bipartisan consensus. And I think it is not being partisan and it is being an accurate, objective observer to point out that the other body was not even able to introduce a bill, let alone pass one.

And so on this issue it would be nice if they would do so. Senator Hannon, Senator Rath and others, we're going to work on another package this year. It would be nice if the other body could get a bill to the floor and pass it. Maybe we could even, in a new spirit around this town, get together in a conference committee and make it possible for us to sunset some of these sales tax increases.

I have a hard time, though, I must say, telling people with a valid home-rule request that, no, Albany knows best and regardless of who's at fault, why don't you wait around until we decide what to do with Medicaid. It's a home-rule request. I'd ask my colleagues to support it.

ACTING PRESIDENT MARCELLINO:

Senator Volker.

SENATOR VOLKER: Mr. President, I normally don't get into these political debates.

(Laughter.)

SENATOR VOLKER: But let me point out something. Senator Valesky, you weren't here in '97 when we did a substantial Medicaid reform here. In fact, the result of the legislation, a million people went off of welfare. I'm told that 100,000 people went off in a matter of a few months when we did fingerprinting here. It's amazing, they just dematerialized. Mostly in New York City, by the way. That never was -- The New York Times somehow missed that, and a lot of things.

Actually, we had a complete dip in Medicaid in '97, '98. And during that time, County Executive Joel Giambra in Erie County cut real property taxes by over 30 percent.

Now, Nassau, which was run at the time by Republicans, they didn't do anything. In fact, they just kept spending. A lot of counties did. In fact, we don't even think they enacted some of the reforms that were

done here, by the way.

But what happened is 2001 came, 9/11. And all of a sudden, after 9/11, Medicaid started cresting again. But I must tell you, there's a difference in Medicaid's crest now than it was back in the 1990s. It is mostly wealthy Medicaid, which most people don't realize -- nursing homes, long-term care, et cetera. We know that. We've got to deal with it.

The Assembly, you can say all you want about the Assembly, 63 people held the budget hostage in New York City because of school aid until August. Now, you can tell us that we should negotiate. We'd have to negotiate with guns. I mean, how do you negotiate when people won't listen to you?

This house has tried to do Medicaid reform for years. We know it's a tough New York City issue. We know that. But I have to tell you, it's disingenuous to say that this house is more at fault or is as much at fault when we've been trying to do something.

And I want to tell you something.

The Brennan Institute is a New York City institution trying to help New York City. We know -- I know that. I realize that we can talk all we want about this nonsense about, you know, what we're talking about here. But this house -- and by the way, you there on the Codes Committee, and I said it to everybody, we had the most successful criminal justice year last year in my time. We passed major legislation.

My good friend Sheldon Silver, I think the reason he's doing this death penalty thing now, he's trying to recoup some of his friends who were pretty upset at some of that legislation. It's pretty tough legislation. So he's now trying to show, I think, how tough he is against crime. But -- I mean on the death penalty.

The death penalty, The New York Times is pushing the death penalty and they're opposed to it and they're trying to make it into some sort of a -- you're going to get a chance, by the way, on the death penalty very soon, because we're going to do the fix here. The Governor is going to get it to us. He

will, very shortly, and we're going to do it. And we'll see how the Assembly stands up. That's up to them.

But I just want everybody to know, you can say all you want about this house, but Democrats and Republicans here have got together. That hasn't happened in the other house. They're friends of mine and all that. But this house has been ready to reform Medicaid, it's been ready to deal with school aid, it's been ready to deal with all those kinds of things. And yet we have not been able to successfully convince the other house to do that. That's too bad.

But don't accuse us of sitting here doing nothing. That's silly. I mean, that's what, unfortunately, some people in the Business Council have done.

And by the way, Eric, I didn't realize that cutting the estate tax for middle-income people was for wealthy people. I didn't realize that getting rid of the gift tax was for wealthy people. I guess I didn't realize that getting rid of corporate taxes and bringing some of them down and all those

different taxes we've done -- by the way, we have cut more taxes in this state than any state in the union ever has. And that's true. But we, until 9/11, until we got hit by 9/11, we were in very good shape.

By the way, one more thing I want to say. The Thruway Authority is not a taxpayer's expense. The entire debt of the Thruway Authority, like a lot of other of those institutions, are paid for out of revenue and they're paid for from the tolls. Even, by the way, UDC. A lot of UDC debt is paid for out of revenues from the facilities that were set up by UDC. It's something that no one pays a lot of attention to. A lot of our debt is not paid for by taxpayers.

ACTING PRESIDENT MARCELLINO: Senator LaValle.

SENATOR LaVALLE: Thank you, Mr. President.

I think this is probably the first time that I have gotten up and talked about a sales tax bill in a county other than Suffolk. But I think there are a couple of things that were said in this debate that I think we need

to talk about, that need to be reinforced.

Senator Meier, as a colleague in this chamber, along with Senator Rath and Senator Hannon, have probably done more to advance Medicaid reform than anyone else. They held hearings and meetings around this state and worked doggedly to try and bring about change. I think it's been mentioned several times that Senator Paterson was part of those deliberations.

And Senator Meier, as he said in his remarks, knows firsthand, being a county executive, what it is and what the impact of Medicaid. And I think he brought to the table some of the recommendations on how we reform the system that could very tangibly help the counties.

And this house did, as he said, pass -- with but, what, three negative votes -- legislation. And I think the hope and the expectation was that after all of that work holding hearings and meetings, meeting with stakeholders, that we would have a positive result.

The thing that was upsetting -- and

I think we have to evaluate some of the words that we use. Senator Schneiderman, when you use the word "disconnect" in talking about the process, I take umbrage with that.

Because the process is that the county executive and the county legislature in Oneida County are elected by the people in Oneida County. They have a debate and a dialogue over how they are going to deal with their budget. They talk about and debate whether they're going to make cuts in programs, whether they're going to raise real property taxes.

And so, as has been said by Senator Volker and Senator Meier, they have made a request of this body, under our constitution and our laws, that they be -- that they can move forward and enact this tax. We are not doing it because we believe this is the best methodology; they, locally, have made these judgments and have asked this house and the other house and the Governor to go along with their wishes.

So I don't know how that's a disconnect. That is very much a connect in

terms of our process, our constitution, and our law.

And we just can't be frivolous and use words like "dysfunction," "disconnect" and hope that they're going to connect someplace out there. We are trying, both individually and collectively, to build respect for ourselves and our institution. And our institution is the Senate of the State of New York. And it's important that we keep our eye on that ball.

Now, we are certainly, through our Majority Leader, Minority Leader, and as individual members, doing everything possible to build a connection wherever possible with the other house and with the Executive. Because as we all know, our process has three components and three parts to it. And it has to come together like a good play at the end where everyone can come out on the stage and take a bow that we've brought closure and resolution.

So I really rise because there is a connection here. It started in Oneida County. It started with the elected officials and came

forward. And I think Senator Meier rhetorically raises a good question. What are the people to do when they make a judgment that they want $26 million in expenditures, how are they going to make that closure? They made a decision that they wanted this legislation.

I am confident, just to go back on the issue of Medicaid, that we made major steps last year. You heard one of the major movers say he will come back again and again and again until we get closure on Medicaid reform. Not everyone is in agreement on how we achieve that. But I am sure, because of his and Senator Rath, Senator Hannon and other people involved in this issue, that we will reach compromises through negotiations. But we do need the other house to come to the table and say we'll meet you halfway.

Thank you. I vote in the affirmative.

ACTING PRESIDENT MARCELLINO: Before the chair recognizes the next speaker, I would just remind the members, as we see from up here people walking in and out, that

come the time of the vote, we must be in our chairs to be counted.

So I would remind everybody, it makes it a lot easier on the people up here who have to do the counting if everybody would be in their seats and would stay in their seats as much as possible.

Senator Balboni.

SENATOR BALBONI: Mr. President, at the risk of belaboring this discussion, I find this debate today to be wholly appropriate at this time of the session. Let's get down to rules. How are we going to play with one another? How are we going to talk to each other?

This is supposed to be a new year. Right? Reform is in the air. We're supposed to do things differently. Let's start now. Let's start by understanding that we are only one house. As much as we'd like to think that we control the agenda for the Assembly or for the Governor, we do not. It's us.

So on the bills that we all the mostly agree on, please join us in lobbying the other house. It's your responsibility, as

ours. Because there are people really hurting in this state, really hurting. We need to move together on this.

So it's not just -- Senator Schneiderman, I understand your role. I've played your role. You are to bring some positive commentary for the other house. I understand that. But at the same time, you have an opportunity and a responsibility to take the message of this house, particularly when your conference supports it, and bring it to the other house.

And Senator Valesky -- actually, Marty Connor is in the chamber. And, Marty, you talked about something last week, about the respect we pay one another. I thought it was a very good comment. Well, part of the respect that I grew up with in the State Assembly was that I would never think of voting against a home-rule message. Never.

You know why? Unless I had gone to that county, pulled their municipal records, went through their budgets, spoke to their legislators and understood that they were making the wrong decision that bordered on

scandal, I would never second-guess them. Because the body we're second-guessing is an independently elected body. It's not appointed like, say, the Court of Appeals that might keep on a huge unfunded mandate on the state, and with no electoral accountability.

The people in Oneida County, they have electoral accountability. And therefore they will be responsible to their voters and their constituents.

As we go forward, I'm very sincere in my plea. On the things we agree on, let's work to get the other house to join with us for the betterment of everybody.

Thank you, Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Nozzolio.

SENATOR NOZZOLIO: Mr. President, on the bill.

ACTING PRESIDENT MARCELLINO: Senator Nozzolio, on the bill.

SENATOR NOZZOLIO: I wish to build upon the comments of my colleagues to discuss two areas that I never thought I'd be rising over today, but the debate has moved me

to do so.

The respect that I wish we would have is certainly for this house but, more importantly, for the constitution of this state. The constitution of this state clearly respects the issue of home rule, a long-standing legal obligation that the State of New York and local units of government with within this state have had to endure and enjoy and fight for and respect for over two centuries.

Ironically, when the work "Democracy in America" was written, it was written by a Frenchman who traveled through, in all likelihood, Oneida County and other areas through Central New York to discuss what made the United States and democracy in the United States different than what has being displayed in Europe in the early part of the 19th century.

And that difference was how we dealt in the United States, this new country, with local units of government. There was a respect for government at local levels, an understanding of the dynamics and a

cooperative partnership between local, state and federal systems.

We're here today as an outgrowth of what de Tocqueville talked about, about democracy in America. We're here as an outgrowth directly of what is in our New York State Constitution, and that is respect for local units of government and the decisions they make.

This body has a responsibility to review, but that review also must be taken with respect to the needs of local government. And their request before us is very specific, as sponsored by Senator Meier, as pro-offered to this Senate. Our mandate is clear. Our direction is simple. The authority was requested by the County of Oneida.

For us to micromanage, to turn our backs on that request says to Oneida County: We're not interested in hearing your opinion. Our opinion matters, not yours. That's a travesty. That's a travesty of this institution. It's a travesty of the constitution.

On the broader issue of Medicaid

reform, ironically, the architect of Medicaid reform in this house is Senator Meier, who comes from Oneida County and represents that county. For us to parse words and indicate that for some reason this Legislature is fully, totally, exclusively, undeniably responsible for the lack of reform, and particularly the Senate is responsible for the lack of that reform, I think is disingenuous at best.

I ask my colleagues on the other side of the aisle, of which at least 24 of you voted for our Medicaid reform principles, in effect, do you believe that it was right for the Assembly not to take up this issue last year?

I don't hear any of you describe your consternation in the fact that Medicaid reform was totally ignored by that other house, the other house this year, last year, the year before. Where is your righteous indignation with the fact that the Assembly never even cared enough to pro-offer a substantial reform measure by any member of the majority?

Those of you Democrats who voted for Medicaid reform, I would implore you to ask your colleagues on the Democratic side of the aisle in the Assembly why they have refused to join the Senate in Medicaid reform. Our counties in upstate, their backs are against the wall. Our property taxpayers were never expected to pay for the largest single-cost item of the state budget. And that's health care for the poor.

We support health care for the poor. We're just asking you to say that our property taxpayers can no longer afford to bear that entire burden. We ask for you to join us in reforming the Medicaid system.

Frankly, what you're telling us, though, is the counties can drop dead. Is that the response that we should be giving to the counties who are dealing with formulas that they never create but are having to deal with? I think not.

Twenty-four of you supported our Medicaid reform the last year. Please use this year as the opportunity to push for Medicaid reform. Before we tell the counties

how they should be running their governments, we should be telling the State of New York that it can no longer pass on the burden of Medicaid to the local property taxpayers in this state.

ACTING PRESIDENT MARCELLINO: Senator Brown.

SENATOR BROWN: Thank you, Mr. President. On the bill.

You know, there's been a lot of talk today about us supporting the things that we agree on. And one bill that we dealt with today that I think we all agreed on, because it was noncontroversial, that got just about every member's vote, was Senator Rath's bill to create a joint bipartisan task force to study the legislative process.

And I commend Senator Rath and I commend Assemblywoman Galef for that bill, which really deals with the reform -- and Senator Robach. I know he's a prime cosponsor of the bill, as many of us in this chamber are cosponsors of that piece of legislation.

And what it deals with is a process by which the two houses of this Legislature

can come together and talk about how we can work more cooperatively together to get these important issues addressed for the public.

And let's be honest about it. Let's be realistic about it. Until we as members of this Legislature start working with each other more cooperatively, start sitting down more regularly, Democrats and Republicans, Assembly members and Senators, some of these critical issues that affect each and every one of our districts are not going to be addressed properly.

Now we're all talking about Medicaid reform and the impact of Medicaid on our counties. But Medicaid reform isn't one of the bills that we're dealing with early in the session so counties wouldn't have to make these terrible choices, so our upstate counties principally wouldn't be at such a competitive disadvantage with other neighboring communities.

Because when we pass these increases in these county sales taxes, these counties are going to be at terrible, terrible competitive disadvantages. In fact, you know,

all of us who think job creation and economic development is so important will be dealing with the aftermath of the increase in these sales taxes.

So I am hopeful that Assembly Member Galef and Senator Rath's bill really is treated seriously by this house, to get both houses of the Legislature working together cooperatively so that we can reform the process of how the houses communicate, about how we get things on the agenda, so that we can deal with the conference committee process, so that we can work out differences in legislation.

So that when bills come to this house, they will also come to the other house of the Legislature, so there won't be so many one-house bills that we're dealing with that we know at the end of the day will end up not going anywhere.

So it grieves me that we are in this position today where we have county governments that are in this unenviable position where they have to balance their budgets based on raising the sales tax to

astronomical proportions. It grieves me that we are not dealing with Medicaid reform earlier in the session so that county governments would not be in this very difficult position.

And I don't think it is unreasonable as a protest, I don't think it is unreasonable as a way of sending a message that members of good conscience vote against these sales tax increases. Because what we are doing to our local communities is going to have a devastating effect.

And I think we need to spend more time working together, dialoguing together and finding ways that both houses of this Legislature can address the important business that the people have sent us here to do.

Thank you, Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Schneiderman.

We have an order, Senator. You were up. Unless you want to yield your space.

SENATOR SCHNEIDERMAN: I'll yield my space.

ACTING PRESIDENT MARCELLINO:

Senator Krueger, then.

SENATOR LIZ KRUEGER: Thank you.

Mr. President, if I could request Senator Nozzolio to answer a question, please, based on his earlier statement in the debate.

ACTING PRESIDENT MARCELLINO: Senator Nozzolio, do you yield to a question from Senator Krueger?

SENATOR NOZZOLIO: Yes, Mr. President.

SENATOR LIZ KRUEGER: Thank you.

Senator Nozzolio, I heard your very impassioned argument for home rule. And Senator Balboni also made an impassioned argument for home rule. And so I want to ask you, if the City of New York sends home rule bills here this year, do you commit that you will vote for them?

SENATOR NOZZOLIO: Mr. President, of course I am not sure what specific legislation Senator Krueger refers to.

But I believe that not only myself but many if not virtually all members of this side of the aisle have consistently supported home rule measures asked for, requested for by

the City of New York.

SENATOR LIZ KRUEGER: Thank you.

Mr. President, if Senator Nozzolio would yield to an additional question.

ACTING PRESIDENT MARCELLINO: Senator, will you yield for an additional question?

SENATOR NOZZOLIO: Yes, Mr. President.

ACTING PRESIDENT MARCELLINO: The Senator yields.

SENATOR LIZ KRUEGER: Thank you, Mr. President.

Your point is valid and well-taken. If the City of New York were to send a home-rule message asking for repeal of the Urstadt Law and return of decisions about housing policy in New York City to the City of New York, would you vote for that, sir?

SENATOR NOZZOLIO: Mr. President, an unusual request on the floor of the Senate asking me how I would vote on a measure when describing only the title, not certain about the merits of the issue and whether in fact it is a home-rule request or simply an issue

which the proponents wish to forge. I think it's a question that is inappropriately disguised as a home-rule request.

I, though, stand by my original answer. I have supported home-rule requests in the past and certainly intend to respect and support home-rule requests in the future.

SENATOR LIZ KRUEGER: Mr. President, if the Senator would yield to an additional question, please.

ACTING PRESIDENT MARCELLINO: Senator, do you yield for an additional question?

SENATOR NOZZOLIO: I'd be happy to yield for an additional question, Mr. President.

ACTING PRESIDENT MARCELLINO: The Senator yields.

SENATOR LIZ KRUEGER: Thank you so much.

I am not familiar with a disguised home-rule message. How is that different than an actual home-rule message?

SENATOR NOZZOLIO: Mr. President.

ACTING PRESIDENT MARCELLINO:

Senator Nozzolio.

SENATOR NOZZOLIO: Would Senator Krueger be so kind as to repeat the question.

ACTING PRESIDENT MARCELLINO: Senator, would you so kind as to repeat the question?

And I would ask my colleagues to please hold down the conversations so everybody can hear clearly what's going on.

SENATOR LIZ KRUEGER: Thank you.

ACTING PRESIDENT MARCELLINO: Thank you.

SENATOR LIZ KRUEGER: Again, if I misheard you, I apologize. But I heard you say that you would always support a home-rule message but that you couldn't answer the question of whether you would support that home-rule message because it might be disguised as a home-rule message as opposed to being an actual home-rule message.

So I was wondering if you could describe to me the difference between a document that comes up from a locality that is an actual home-rule message versus one that might just be masquerading as such.

SENATOR NOZZOLIO: Well, let me, Mr. President, try to respond Senator Krueger this way.

If it's a home-rule message appropriately before this house as a home-rule message, attached, that's a measure that would support.

You asked me, Senator -- Mr. President, Senator Krueger asked me whether or not a specific subject matter, could I support that bill or could I not support that bill. My response to you, Mr. President, was of course I could respond to a home-rule request.

I wasn't sure whether the specific subject matter Senator Krueger referenced was in factual a valid subject for a home-rule message.

If in fact it is a valid subject for a home-rule message and we have appropriate documentation and this house considers such a message and such a proposal, I certainly respect home rule, as I have in the past, as most of the members of this side of the aisle have continually for years supported home-rule messages. And regardless

of what jurisdiction they come from, that I certainly would support that matter and look forward to discussions like this in the future.

SENATOR LIZ KRUEGER: Thank you.

Thank you, Senator Nozzolio.

Mr. President, if I could ask Senator Balboni to yield to a question.

ACTING PRESIDENT MARCELLINO: Senator Balboni, will you yield to a question from Senator Krueger?

SENATOR BALBONI: Yes.

ACTING PRESIDENT MARCELLINO: The Senator yields.

SENATOR LIZ KRUEGER: Thank you. Thank you very much, Mr. President.

Senator Balboni, you also made an eloquent argument --

SENATOR BALBONI: Thank you. Very nice.

SENATOR LIZ KRUEGER: -- for supporting home-rule messages. I didn't agree with all of your points today, but I appreciated the eloquence around home rule.

Would you support any home-rule

bill that came from the City of New York to the Senate floor, based on your statement earlier today?

SENATOR BALBONI: Any one? No. And I would hope that nobody in the chamber would support any home-rule message that came to this chamber without examining it first, seeing the circumstances underlying the different proposals, seeing whether in fact it has been supported by members who come from that county.

I think the point you're trying to make is part of the appeal that I was making. We should be very careful about voting against other communities. And a vote against a home-rule message is a vote against other communities.

Now, we have the right to do what we want to do. That's why people elected us and sent us here. My point is that before you do that, you've got to exercise due diligence. You have to look underneath, find out what the motivations are, are they valid. In that case, then of course it's appropriate to vote up or down.

But my point is that you should always try to respect and give the benefit of the doubt unless you have something to the contrary.

SENATOR LIZ KRUEGER: Thank you.

Mr. President, if Senator Balboni would yield to an additional question.

SENATOR BALBONI: Yes.

ACTING PRESIDENT MARCELLINO: I hear you, Senator. The chair would never, ever attempt to in any way stifle debate. But one would ask that we are debating a bill here on a tax proposal from a particular community. And what I'm hearing from up here is a philosophical debate on home-rule messages that might be better served for a later time.

However, Senator Krueger, if you wish to question the Senator, he has already yielded.

SENATOR LIZ KRUEGER: No, I accept your argument. Thank you, Mr. President. I would like to speak on the bill. And I appreciate your raising --

ACTING PRESIDENT MARCELLINO: Senator Krueger, on the bill.

SENATOR LIZ KRUEGER: You raise a good question of germaneness, because if one had been listening here today, one might think this was a Medicaid bill, not a sales tax bill for Oneida County. So that in fact was a tad confusing perhaps to some of us as well.

But since so many issues have been raised to make this bill broader than a sales tax in Oneida County, and so many of my colleagues have spoken -- and they've spoken about Medicaid. And I am one of the three Democrats who voted against the Medicaid bill that was brought to the floor last year.

And I highly respect Senator Meier and his work on Medicaid, and I agreed with many parts of the bill. But I have to tell you and remind everyone, the fact that we passed a Medicaid reform bill did not necessarily make it a good Medicaid reform bill and did not necessarily mean that it was the direction we should have gone down -- without denying the importance of addressing Medicaid.

It is also true that this is not a sales tax bill specifically tied into

Medicaid. Because one might have to ask the question, then, since there are counties in the State of New York who pay dramatically greater shares at a local level for Medicaid than Oneida County, why are we not addressing this in terms of every county?

Oneida County pays a percentage of the New York State Medicaid cost dramatically lower than my own City of New York, which pays 18 percent of the Medicaid cost, far above the state average. Oneida County is one of the counties in the state that pays lower than average. Not to reject the argument that all of New York State counties are suffering from having too great a share of costs to deal with given their tax policies and their tax structure.

But I do want to address the fact that sales tax is one of the most regressive taxes out there. And several people raised it before. Senator Volker made the argument -- I don't see him right now, I apologize. He's not here at the moment -- that in fact we've done good things by reducing our other taxes even if we've had to increase our sales tax to

make up for the cost.

And he referenced that estate taxes are not taxes that are applied only to the wealthy. Well, I would disagree. In fact, the estate tax right now loses us $705 million a year in this state, and it is disproportionately from the top 40 percent income brackets for the State of New York.

The sales tax of course falls highest and the greatest pain is felt by the people who are the lowest 40 percent income earners in the state.

And he mentioned corporate taxes being reduced and that that's a good thing. And of course nobody ever wants to see taxes go up, they want to see them go down. But in fact, when you look through the tax expenditure budget, the largest and the only significant corporate tax, now about 1.3 -- excuse me, forecast to be about $2.3 billion this year is an exclusion of interest, dividends and capital gains from subsidiary capital.

That is not a tax reduction that is going to small businesses. That is a tax

reduction going to the largest corporations and multinational corporations.

So in fact we do leave ourselves with the situation you respect a locality's request to raise their sales tax even though you know it is the most regressive tax and even though you know it is because we do fail to come together and do the job we need to do here.

So I will support this bill despite my opposition to sales tax increases. I will track my colleagues' commitment to home-rule-message philosophy throughout the future of this session.

But I would also raise the question of when other dollar amounts are asked of us in our budget, we should think very carefully about the people of Oneida County and all our counties and what are they are paying in to contribute to the debate and the future for the budget and where we get our money or how we spend our money.

I would urge our colleagues in advance, do not spend $300 million of state money for a Jets stadium in Manhattan, and do

not support the City of New York spending $300 million of its money for the Jets stadium, unless you truly believe every other item that is more important to the State of New York and the City of New York has been addressed prior to that.

So I will support this bill on the home-rule ground. But this debate raises many questions for all of us as we move forward in this session about how we decide to tax our population, who gets taxed, who doesn't, and then how we spend the people's money.

Thank you, Mr. President.

ACTING PRESIDENT MARCELLINO: Senator Skelos.

SENATOR SKELOS: Mr. President, when analyzing a home-rule bill that is before us, as was laid out before the Senate by Senator Meier, obviously the elected officials of Oneida County made a very deliberative decision and deliberate decision that this was in the best interest of their constituency to maintain the vital services that are necessary.

We've heard much of a debate about

home-rule messages. When, again, I look at a home-rule message, if a deliberate decision has been made by the local officials, I think it's appropriate for this house to support that legislation.

And would Senator Balboni yield for a question.

SENATOR BALBONI: Yes, Mr. President.

SENATOR SKELOS: Senator Balboni, there was an issue concerning respecting every single home-rule message. The question to you is, if New York City came with a home-rule message to reimpose the commuter tax on people outside of New York City, do you think that's something that we could vote against?

SENATOR BALBONI: I would certainly hope so.

SENATOR SKELOS: That impacts people beyond New York City?

SENATOR BALBONI: It's an excellent example, Senator, if I might say so, about how home-rule messages are not simply contained within the home jurisdiction. We take it as it comes before us.

SENATOR SKELOS: So we can separate out, in your opinion, a home-rule message that may have a negative impact on other people in other parts of the state or in fact a negative impact on a state interest, as against something that is solely local, such as the request that has come from Oneida County?

SENATOR BALBONI: Not only can we, but we must.

SENATOR SKELOS: Thank you very much.

ACTING PRESIDENT MARCELLINO: Senator Breslin.

SENATOR BRESLIN: Thank you, Mr. President. On the bill.

ACTING PRESIDENT MARCELLINO: Senator Breslin, on the bill.

SENATOR BRESLIN: I agree with some of my fellow Senators on the relatively sacred nature of the home-rule message. And I also defer to old tax-and-spend Ray Meier.

(Laughter.)

SENATOR BRESLIN: Seriously, Senator Meier was carrying out the wishes of

his county officials who voted.

But there's a question beyond that. There are bills, as I have had a bill very, very important to my jurisdiction that's gotten, I believe, eight straight home-rule messages. It's been passed every year in the Assembly. But there's another question. It doesn't get to the floor here. And it doesn't get to the floor for good reason, because it's not allowed to get to the floor.

And really there may be some criticism of the Brennan report, but it does outline that there were 7,109 bills from 1997 to 2001 that passed, but there are a lot of bills that sit. They don't get to be considered as a home-rule basis because they don't get here and because we in the Democratic conference don't have control or power or influence over them.

That doesn't mean to say that they're not entirely local, they're not entirely helpful to, in my case, to my jurisdiction, to my people, to my constituents that passes every year in the Assembly but doesn't get to the floor here.

However, I defer in this case to Senator Meier, to his county that suffers and has a $26 million hole. And I very forcefully vote in the affirmative for this bill.

ACTING PRESIDENT MARCELLINO: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Thank you.

Thank you, Senator Balboni. The role was rewritten for a slimmer man.

(Laughter.)

ACTING PRESIDENT MARCELLINO: Some of us resent that.

SENATOR SCHNEIDERMAN: Mr. President, on the bill.

I just want to address primarily a comment that was made by Senator LaValle, a colleague I have a high degree of respect for, about my use of the term "disconnect."

I was not talking about the disconnect related to this particular piece of legislation. There's a home-rule message, the county is faced with a problem, it's coming here, we're voting on it. I plan to vote for the bill.

The disconnect and the larger issue

which I think started us off on this debate -- and this is going to be quite a year if this is an indication of where we're going -- but that started us off and that was raised by Senator Valesky is the larger -- get yourself a pillow and a blanket. It's going to be a lot more talking now that we're all here.

The larger issue is simply this. Is it truly a decision being made by this county legislature on their own to raise taxes when their alternative, I gather under the county's estimate, is if they didn't raise sales taxes, they would have a property tax increase of 70 percent? Now, to me, that's not a decision being made because you have freedom to weigh the alternatives. That's a county with a gun to its head. That's a county without a good choice.

And when I talk about a disconnect, what I'm referring to is the fact that in this house we appear to have a difficult time accepting responsibility for the fact that, in my view, it is the policies of the State of New York towards our local governments, it is our taxing and spending policies that have put

counties all over the state in this situation. The gun is -- this is not a suicide attempt by Erie and Oneida, this is a gun being held to their head by the state government.

And I understand, you know, the pleas for collegiality and for us to help with the Assembly. But let's not lose sight of the reality here. As so eloquently stated by our Majority Leader last week, the Majority rules in this house. You all have absolute control of what bills come to the floor. Senator Breslin pointed out getting a home-rule message doesn't mean anything.

Every bill that comes to the floor is signed off on by the Majority. You control the legislative agenda. You negotiate and sign off on the budgets that have put the counties in this situation. And you have the ability to trade and negotiation with the Assembly. We're not invited to those meetings.

So if you take the benefits of being in the majority, which you do in terms of resources, in terms of your names on the big bills, then you've got to take the

responsibility. The budgets that have passed this state for the last five years have had a devastating effect on local governments all across the state.

Have we -- Senator Volker mentioned cutting taxes. Has the tax burden, if you combine state and local taxes and fees on our citizens, gone down? No, it's gone up. The size of the government has gone up. Has the quality of services necessarily gone up in line with the amount of money people are paying? No.

But if you shift from income tax and corporate tax to sales tax to subway fares to SUNY and CUNY tuition increases, that is a tax shift of huge proportions. And we have shifted the tax burden to poor and working New Yorkers.

So it's great we're starting the year like this, I agree with Senator Balboni, and that it's good to start with a debate. Let's talk about tax policy. Let's talk about the results of our conduct, not about the one-house bills we pass and our intentions. What is the effect of the work we do in Albany

having on the people out there? And that's where I feel, Senator LaValle, there's something of a disconnect.

This is not a county on its own undertaking. This is a county forced into this situation by the policies of the State of New York. We have the ability, and maybe holding out until we get something better done is the answer. Maybe if that's all under the Court of Appeals decision we're allowed to do, we may be forced to do it.

But business as usual is not getting the job done. Business as usual is not acceptable to the voters. So I hope to be able to work together. But we're not -- it's not going to do us any good if we work together in the same old patterns of passing bills here and praising ourselves and the Assembly passes their bills and praises themselves and we leave without solving the problems.

And if that means holdouts, if that means working all night, if that means doing something different than we've ever done before, maybe we need to try it.

I thank Senator Meier for bringing this to our attention. I thank Senator Valesky for provoking the debate. I think we should have a serious debate about how we tax and how we spend in this state, and I'm happy that we have started it this early in the process.

And maybe if we have some time between now and the time we pass the budget, we can actually come up with a better solution for the many, many millions of people who depend on us not to show up and put out press releases and pass one-house bills, but to pass laws and programs that make their lives better.

Thank you, Mr. President.

ACTING PRESIDENT MARCELLINO: Does anyone else wish to be heard?

Seeing no one, the debate is closed.

The Secretary will ring the bell. The Sergeant-at-Arms will bring the members into the chamber.

There is a local fiscal impact statement at the desk.

Read the last section.

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

ACTING PRESIDENT MARCELLINO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MARCELLINO: I would remind everybody to be in their seats, please.

Announce the results, please.

THE SECRETARY: Those recorded in the negative on Calendar Number 9 are Senators Brown, Klein, Morahan, and Valesky.

Ayes, 54. Nays, 4.

ACTING PRESIDENT MARCELLINO: The bill is passed.

Senator Skelos.

SENATOR SKELOS: Mr. President, is there any further business to come before the Senate?

ACTING PRESIDENT MARCELLINO: No, Senator, there is not.

SENATOR SKELOS: Then on behalf of Senator Bruno, I'd like to hand up at this time a Senate Minority leadership roster and

ask that it be filed.

ACTING PRESIDENT MARCELLINO: It will be received and entered into the Journal.

Senator Skelos.

SENATOR SKELOS: There being no further business to come before the Senate, I move we stand adjourned until Wednesday, February 2nd, at 11:00 a.m.

ACTING PRESIDENT MARCELLINO: Session is adjourned until Wednesday, February 2nd, at 11:00 a.m.

(Whereupon, at 4:35 p.m., the Senate adjourned.)