NEW YORK STATE SENATE

THE STENOGRAPHIC RECORD

ALBANY, NEW YORK

January 23, 2007

11:03 a.m.

REGULAR SESSION

LT. GOVERNOR DAVID A. PATERSON, 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 would ask all those in the chamber to please stand and join me in reciting the Pledge of Allegiance.

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

THE PRESIDENT: In the absence of clergy, we will bow our heads in silence for a moment.

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

THE PRESIDENT: Reading of the Journal.

THE SECRETARY: In Senate, Monday, January 22, the Senate met pursuant to adjournment. The Journal of Sunday, January 21, was read and approved. On motion, Senate adjourned.

THE PRESIDENT: Without objection, the Journal stands approved.

Senator Skelos.

SENATOR SKELOS: Mr. President, there will be an immediate meeting of the

Majority in the Majority Conference Room.

THE PRESIDENT: There will be an immediate meeting of the Majority in the Majority Conference Room.

SENATOR SKELOS: And we'll stand at ease.

THE PRESIDENT: Till then, we'll stand at ease.

(Whereupon, the Senate stood at ease at 11:04 a.m.)

(Whereupon, the Senate reconvened at 11:35 a.m.)

THE PRESIDENT: The chair recognizes Senator Skelos.

SENATOR SKELOS: Mr. President, if we could continue, regular order, please.

THE PRESIDENT: 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 Skelos.

SENATOR SKELOS: Mr. President, I move that we adopt the Resolution Calendar in its entirety.

THE PRESIDENT: All those in favor of adopting the Resolution Calendar in its entirety signify by saying aye.

(Response of "Aye.")

THE PRESIDENT: Opposed, nay.

(No response.)

THE PRESIDENT: I believe the ayes have it. The Resolution Calendar is adopted.

SENATOR SKELOS: Mr. President, if we could go to the noncontroversial reading of the calendar.

THE PRESIDENT: Thank you, Senator.

The Secretary will read.

THE SECRETARY: Calendar Number 1, by Senator Padavan, Senate Print 66, an act to amend the Penal Law, in relation to including gambling.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 56.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 2, by Senator Padavan, Senate Print 67, an act to amend the Penal Law, in relation to possession of gambling devices.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 56.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 12, by Senator Skelos, Senate Print 436, an act to amend the Penal Law, in relation to

establishing.

THE PRESIDENT: The Secretary will read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 55. Nays, 1. Senator Duane recorded in the negative.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number 13, by Senator Skelos, Senate Print 439, an act to amend the Criminal Procedure Law, in relation to limited plea bargaining.

THE PRESIDENT: Read the last section.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 56.

THE PRESIDENT: The bill is

passed.

THE SECRETARY: Calendar Number 17, by Senator Bruno, Senate Print 1A, an act to amend the Tax Law, the Administrative Code of the City of New York, the Real Property Tax Law, and the Education Law.

SENATOR DUANE: Lay it aside.

THE PRESIDENT: The bill is laid aside.

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

SENATOR SKELOS: Thank you, Mr. President.

If we could go to the controversial reading of the calendar, and please ring the bell so that members will know that we have one bill to discuss, controversial.

THE PRESIDENT: The Secretary will ring the bell.

The Secretary will read on the controversial calendar.

THE SECRETARY: Calendar Number 17, by Senator Bruno, Senate Print 1A, an act to amend the Tax Law and others.

THE PRESIDENT: The chair

recognizes Senator Valesky.

SENATOR VALESKY: Thank you, Mr. President.

I believe there's an amendment at the desk. I ask that the reading of the amendment be waived and that I have an opportunity to be heard on the amendment.

THE PRESIDENT: The reading of the amendment is waived, and the chair recognizes Senator Valesky.

SENATOR VALESKY: Thank you, Mr. President.

Mr. President, I'm sure many if not all of my colleagues in the chamber today have repeatedly heard concerns from our constituents about the burden of property taxes. It was an issue and has been an issue that we have attempted to address in recent years, and there's certainly much more work that needs to be done.

Senate Print 1A is a bill that would provide additional property tax relief to property taxpayers all across the State of New York. We anticipate next week, in Governor Spitzer's budget presentation, for an

alternative plan to be offered.

Today I have an amendment, and my colleague Senator Stewart-Cousins has an amendment as well, which represent an attempt on this side of the aisle to enhance and improve Senate Bill 1A sponsored by Senator Bruno.

This amendment specifically relates to a real property tax credit -- it's sometimes referred to as a circuit-breaker tax credit -- that has been on the books in this state long before, actually, the STAR program was created a decade or so ago.

The problem with the real property tax credit as it currently exists is that its thresholds for participation have not been raised in some 30 years. And so the way the program works right now, if you have a household income up to $18,000 and an assessed value of your home up to $85,000, you're eligible for a tax credit. If you're a senior, that tax credit can be up to $375; if you are a nonsenior, a $75 tax credit.

And, Mr. President, I'm sure that members would agree over 30 years, those

levels are no longer sufficient to provide some significant property tax relief.

So this amendment would increase the household eligibility level from $18,000 to $36,000. It would increase the assessed value of a home to participate in this project from $85,000 to $100,000. And it would increase those maximum benefits for seniors from $375 to $1125 and for nonseniors from $75 to $225.

Right now there are about 280,000 households that take advantage of this property tax credit. We estimate that if this amendment were to be adopted today and ultimately become law, we would see over a half a million households across New York State getting real help and relief in regard to their property taxes through an enhanced property tax credit structure.

So, Mr. President, I encourage all of my members to support this particular amendment. Thank you very much.

THE PRESIDENT: Thank you, Senator Valesky.

On the amendment, all those in

favor of the amendment signify by raising your hand.

THE SECRETARY: Those recorded in agreement are Senators Breslin, Diaz, Dilan, Duane, Gonzalez, Hassell-Thompson, Klein, Onorato, Perkins, Sabini, Sampson, Savino, Schneiderman, Serrano, Smith, Stavisky, Stewart-Cousins, Thompson and Valesky.

THE PRESIDENT: The amendment is not agreed to.

The chair recognizes Senator Stewart-Cousins.

SENATOR STEWART-COUSINS: Yes, Mr. President. I believe there's an amendment at the desk, and I ask that the reading of the amendment be waived so that I can be heard on the amendment.

THE PRESIDENT: Waive the reading of the amendment.

Senator Stewart-Cousins.

SENATOR STEWART-COUSINS: Yes, Mr. President. I rise because Chapter 105 of the Laws of 2006 will increase the New York State STAR credit against the New York City personal income tax. What the Senate

Democratic minority is proposing today is that we expand that personal income tax credit to include renters who are outside of New York City.

Currently the personal income tax credit applies to approximately 900,000 households. By expanding that credit, we will be able to impact the lives and the prospects to maintain affordable housing for middle-class families, working poor families, and it would impact, frankly, approximately another million households.

I think that as we move forward to stabilize our economy and to create possibilities for New York's economic growth, we try and create ways quickly for the middle class, for working poor to maintain affordability. So although I certainly am happy that New York City renters are able to receive a personal income tax credit, I believe that it is an egregious error to exclude non-New York City residents.

So this amendment, Mr. President, would include non-New York City renters as being eligible for a personal income tax

credit. And I certainly would urge all of the Senators to adopt this amendment.

THE PRESIDENT: On the amendment, all those in favor please indicate by raising their hands.

THE SECRETARY: Those recorded in agreement are Senators Breslin, Diaz, Dilan, Duane, Gonzalez, Hassell-Thompson, Klein, Onorato, Perkins, Sabini, Sampson, Savino, Schneiderman, Serrano, Smith, Stavisky, Stewart-Cousins, Thompson and Valesky.

THE PRESIDENT: The amendment is not agreed to.

Senator Little, on the bill.

SENATOR LITTLE: Thank you, Mr. President.

The bill that we have before us is one that we have all talked about bringing to the floor for a number of years. It is a bill that will reform the property tax payment system in New York State, and it has two parts to it.

It has one part which is a short-term fix which will expand the STAR program. Over a number of years, $6 billion

will go into this program to expand the STAR rebate to help primary residents pay their school taxes.

In all six of the counties that I represent, the average county rebate will more than double with this program, offering a substantial help in paying their school taxes.

But we shouldn't fool ourselves. Reforming the property tax issue is a very complicated issue. The amount of money collected in property taxes in New York State amounts to about $38 billion. If you decide not to collect that through a property tax, where are you going to collect it from? And are you going to be able to attack the spending as needed to meet what you can collect in an income tax or a sales tax or fees or however else we come up with?

So the second part of this bill incorporates a bill that I have proposed, which is to have a blue-ribbon commission. And that blue-ribbon commission will have one year, meeting on a monthly basis, with nine members -- not politicians, but financial experts who will look at all the myriad of

property tax bills that we have. I myself have probably submitted eight to 10 property tax bills.

We all know we need to do something. One of the amendments that we had here today dealt with a circuit-breaker bill. A circuit breaker, my understanding is, is one of the best ways to help have a property tax figure in the ability to pay. We have a circuit breaker on the books. It is not enough. It has never been changed. The current one says a household -- market value of your house has to be $85,000.

The amendment that was proposed today only increases that household value to $100,000. I will tell you that the houses in my district, the median value the market value of them in many areas has doubled, tripled, quadrupled. A $100,000 house of market value on Long Island? I don't know how many are left of $100,000 value. And even in many of my small communities in the Adirondacks, where people are buying these homes for second homes.

However, a circuit breaker is

something to be looked at. I have a bill that not only helps seniors but it helps all primary residents. And it figures in their income, so that after a certain percentage of that income, they get a tax rebate back to help pay their property taxes. And it's not just their school, it's also all of their property taxes.

We need to consider everything. And the way I believe that we can do it, and the way that this bill shows us, is to have a group of experts. Those experts would have subcommittees who would look at all of the different issues in property tax reform: Accountability, property assessment plans, tax containment policies, alternative financing methods, government options.

Is a circuit breaker right? Is a STAR program right? What do we need to do to help the people of New York State who have some of the highest property taxes in this country? I find people whose income has not increased in a number of years, and yet the market value on their home has doubled and tripled. Therefore, their taxes are more than

they can bear. I have people whose taxes are more than 15, 20 percent of their income. A senior citizen and many young families can't handle this, and they can't afford to do all the other things.

Many of our communities are finding declining growth, no growth -- I guess that's an opposite, declining growth. But there is no growth, declining enrollment in the schools.

We have to do something to make New York State more affordable, and the one way to do it is to help property taxes, not only for the homeowner but for the commercial businesses in our state as well. It's something that they have to consider.

So I would say that the amendment that was proposed does not go far enough, it is not big enough, it does not help enough people.

The bill that we have before us today has the short-term plan, expanding the STAR program. And whether you like it or not, in my district two years ago, the STAR program paid $45 million of school taxes for

year-round residents. People complaining about their property taxes -- and they are -- would complain all the more if that $45 million had to be paid by the homeowners.

STAR has benefited New York State residents. Expanding the STAR will help in the short term. But don't kid yourselves, it's a complicated process. We need to examine the whole system: the real property offices, the meanings of assessment, the way we are doing the whole thing and how we are funding our schools.

So this bill with this blue-ribbon commission I think is step number one to get us on the road to real property tax reform. I urge all my colleagues to support this bill, and I thank Senator Bruno for putting it on the floor.

Thank you.

THE PRESIDENT: Thank you, Senator Little.

Senator Bonacic.

SENATOR BONACIC: Thank you, Mr. President.

I'm going to support this bill. We

all know that property tax and the burden that it's putting on our constituents is probably one of the biggest problems facing all elected officials.

It's tough when you have to pay rising taxes and it's not based on your wealth. If I'm a poor family and I have to pay taxes on a home that's $10,000 and right next to me is a multimillionaire with the same house, he has to pay $10,000.

And what's happening is that hardworking families have to choose between should I vote for these school budgets for the education of my children, or should I vote against these school budgets in order to pay the mortgage and taxes on my house? That's the choice that's facing many of our constituents, not throughout the state of New York but a lot of pockets in the state of New York.

Now, in New York City, the property tax burden is not as high outside New York City. The Island, Hudson Valley, Westchester County, and pockets upstate are getting squeezed badly.

Now, let's talk of what we've done in the past. I commend my colleagues on the other side of the aisle who have gotten up and said, We recognize there's a property tax problem; I have this idea, with this amendment. Senator Valesky: I have this idea. You are at least cognizant of the problem as a high priority to help our constituents.

In fact, last year, together, we voted to abolish the property tax, school property taxes on primary homeowners in the state of New York, with your support. What happened? The Assembly did absolutely nothing.

In 1994, Senator Cook, my predecessor, voted to get away from the property tax and go to an income tax. In '94, a phaseout over years. The Assembly did nothing.

Last year, we asked for a blue-ribbon panel to study the school tax problem. The Assembly did nothing, not even in a committee.

So I'm glad we have partners in

this house that realize how acute this problem is. But the Leibell, the Saland, the Bonacic bill would have given every school district the option to get away from school taxes and have the state pick up that share. It would have been a six-year phase-in at $9 billion. And if the city didn't want it, they don't have to do it. So we have addressed it.

But not having a partner in the Assembly, we expand STAR. STAR last year -- rough numbers, not exact -- 175 bucks for the nonsenior that owned a home. If you were a senior, you got about 300 bucks. This two-year plan triples it over two years.

Governor Spitzer is talking about -- and we'll find out next Wednesday in his budget -- some kind of STAR expansion, middle-class families. I congratulate him. He recognizes there's a problem. Now we have a partner in the Governor's office that's trying to address it.

I happen to think that this bill, it's good because it does provide some relief. It doesn't provide the structural changes that we need when we come back here, when the STAR

money runs out and taxes keep going up. Five to ten years from now, the Senate and the Assembly will be still talking about escalating property taxes.

So if we're really going to bite the bullet, we have to take the school taxes away from primary homeowners, put it at the state level, fund it. And that is the way we would like to proceed in the Senate. And I know many of you do, by the vote which I have in front of me, and I thank you for that.

But this is all we have today. And I will continue to support this. But it's not a cure. It's not really the structural remedy that we need.

Thank you very much, Mr. President.

THE PRESIDENT: Thank you, Senator Bonacic.

Are there any other members that wish to speak on this bill?

The Secretary will ring the bell.

The debate is closed. We'll give some of the members who are not in the chamber a chance to join us.

The Secretary will read the last

section.

THE SECRETARY: Section 13. This act shall take effect immediately.

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE PRESIDENT: Senator Nozzolio, to explain his vote.

SENATOR NOZZOLIO: Mr. President, I rise to explain my vote.

Mr. President and my colleagues, I rise to support this desperately needed legislation. Senator Little framed it well, that our overburdened taxpayers are being crushed by, particularly, the property tax.

That New Yorkers, and upstate homeowners specifically, are extremely stressed. They're stressed for their financial future. They believe their children will inherit a far worse New York State than their parents gave to them.

This is a signal to our upstate taxpayers that reform is on the way in the form of property tax relief. Financial peace of mind is the very least that this house can forge on behalf of our constituents. And that

the time is now to reform the outdated, burdening, crushing property tax system.

I support this legislation, Mr. President. I urge my colleagues to do the same. Our property taxpayers deserve to have their burden eased.

Thank you very much.

THE PRESIDENT: Senator Libous will be recorded in the affirmative -- I'm sorry, Senator Nozzolio will be recorded in the affirmative.

Senator Marcellino, to explain his vote.

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

I rise also to support this bill. I think it's long overdue. The issue of property tax impacts my district greatly, and my constituents are constantly asking me to come up here and do something about their property taxes, and I'm glad to see we've taken a good first step. I'd like to see it go a lot more and do a lot more, but it's a good first step in the process.

I would just caution that any

further movement towards getting off property tax and moving over other forms of taxes we need to discuss and we need to study carefully, lest we shift one burden to another and overly impact certain districts and certain other areas of the state.

However, that being said, this bill does a good job, this bill is positive. It will go a long way in protect our hardworking, overburdened taxpayers, particularly the property owners of the state of New York. But as I said earlier, it's only a first step in my mind. We need to do a lot more.

I will vote aye.

THE PRESIDENT: Senator Marcellino will be recorded in the affirmative.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

Senator Little, thank you for your explanation and certainly your support of this legislation.

Over the past two years, in going throughout my district, the taxpayers of the

Southern Tier have made it very clear to me that they cannot afford a penny more when it comes to property taxes. We did give some relief last year, but that was only the beginning.

This legislation goes a long way in helping senior citizens who are on fixed incomes who cannot afford to pay their property taxes in many cases, helping young families, the forgotten middle class who are trying to make ends meet every day, trying to share in the American dream of homeownership and with that American dream of homeownership, raise a family.

These are the people that are going to be most affected by this piece of legislation which is so badly needed.

On top of that, we in the Southern Tier most recently were hit six months ago with a very devastating flood. That flood wiped out many homes. And unfortunately, Mr. President, some of those people have to pay the very, very high taxes on homes that don't even exist.

This house passed legislation at

the end of last session to help relieve that, and I hope that we will do it again and that this time the Assembly will partner with us.

But reducing property taxes, in my opinion, is the most important thing we can do legislatively this year in helping the overburdened taxpayer -- certainly the fixed income, the middle income, and young families who are trying to begin the process and stay in New York.

So I join my colleagues, I applaud my colleagues for this legislation, and I say to the people that I represent: This is only the beginning. We will continue to work hard throughout this session to relieve you from the overburden of taxes, particularly property taxes, that exist in this state.

I vote aye.

THE PRESIDENT: Thank you, Senator Libous.

Senator Libous will be recorded in the affirmative, as I predicted earlier today.

(Laughter.)

THE PRESIDENT: Senator Winner.

SENATOR WINNER: Thank you,

Mr. President. Just briefly to explain my vote.

I certainly rise in support of this legislation, but I also want to put another little equation on the table when we're dealing with this proposal. And that equation is the fact that there are places in this state that are not experiencing huge increases in value of their real property, and yet those places are suffering under tremendous percentages of taxation that in many instances are between 4 and 5 percent of their value.

Those percentages of value result in basically your buying your house back every 25 years for your real property tax payments. And we need to make sure that we're addressing those imbalances in areas that are not achieving high real estate value growth, because in those areas they're getting the double whammy -- not only are they paying high burdens in property taxes, but their property values are not growing as well.

So, Mr. President, I think that there was a study that went out from the Tax Foundation, rankings that showed a number of

counties that have overburdened tax rates, and those areas are the areas in which the property values are lower.

So I think this bill that is on the floor today goes a long way to meet that, because the STAR program directly relates to relief in that arena. So I support this measure, and I hope that this body going forward, in talking about additional real property relief, will take into account those circumstances where we have areas that are not achieving the high growth.

Thank you, Mr. President.

THE PRESIDENT: Senator Winner will be recorded in the affirmative.

Senator Robach, to explain his vote.

SENATOR ROBACH: Yes, Mr. President. I too rise to support this.

I think that we've in a good way had a lot of dialogue recently about trying to be responsive to the public in a lot of areas, whether it's been budget reform or other aspects of what we do here.

For us in our world, property taxes

is real as rain for the people we represent in upstate New York. Whether you're a new family -- and I still believe in the American dream of owning your own home -- those high taxes are an extra burden. Or if you're on the other end of the extreme, where you're a senior citizen who may have lost a spouse but want to end your years in dignity in the home you may have raised your children in and been in a long time, this is critically important.

We are being responsive today to those people on something that really does affect them. It is not ideology, it is not opinion, it is real, real stuff. And this is very, very good.

I have some people that live along Lake Ontario whose property tax portion of their bill is bigger than their mortgage payment, even in their first year of owning the home. This will go to address a lot of that, and I think it's very good.

And I also want to say I am very optimistic. We have voted for this almost every year I've been in the Senate, but this year I feel like we may have a chance to

really accomplish something and get this done. With you, Mr. Lieutenant Governor, and the Executive now on board and talking the same language, I am hoping, after we pass this, we'll be able to have a little bit more dialogue on the merits of this with the other house, and really not just pass this bill in the Senate but get this through all parts of the Legislature working together and really make a substantial difference for, as all my colleagues have pointed out, the overburdened taxpayers of New York.

And whether combined taxes -- I literally was at a meeting where people were saying we're not really number one in combined taxes, we're number two. It doesn't matter if we're one or two. While we do have a lot of great programs in New York, we have to make it affordable for people all across the spectrum, upstate and down, to be able to live in their homes and maintain them.

This goes very well to this, so I am very happy to cast my vote in the affirmative.

THE PRESIDENT: Senator Robach

will be recorded in the affirmative.

The chair recognizes Senator Saland, to explain his vote.

SENATOR SALAND: Thank you, Mr. President.

It is not a cliche to say that taxpayers, particularly real property taxpayers, are overburdened; it is regrettably a very unfortunate reality.

And we don't distinguish by age. There are certainly senior citizen who at times have to make the most critical of decisions as to what to pay, whether it's a medical bill, whether it's a pharmaceutical bill, whether it's the real property tax bill. Young people trying to establish a family, young people trying to trying to buy their first home, young people in their first home. Two working-member households. The vast majority of people are struggling to pay their property taxes.

When we created this program last year, it effectively established a beachhead. Well, we are now expanding that beachhead. We are ultimately quadrupling it -- first

tripling it and then quadrupling it, providing tax relief, much-needed tax relief across the entire spectrum of those who own real property and are paying those significant real property taxes.

It is, however, not the panacea. It is not the cure-all. It is not the fix. It is a form of relief. The system requires reform and change. That remains our task. The blue-ribbon commission that is part of this certainly is a step in that right direction. The legislation that this house passed, which I sponsored, along with Senator Bonacic and Senator Leibell, goes a long way in that same direction.

And hopefully this will elicit a response from the other house, as well as the interest expressed by the new executive, Governor Spitzer, can bring us all together and try and deal not merely with relief but with reform.

Mr. President, as you can well surmise, I vote in favor of this measure.

THE PRESIDENT: The Secretary will record Senator Saland in the affirmative.

Senator DeFrancisco, to explain his vote.

SENATOR DeFRANCISCO: Thank you, Mr. President.

I too rise in support of this legislation to give much-needed property tax relief to the citizens of Central New York as well as all over the state.

It's a significant piece of legislation because it returns money directly to the taxpayer. And that was done successfully last year, and now it's going to be quadrupled this year if we could get agreement by the other house and the Governor's office.

In any event, whether this is the exact legislation or not, there's no doubt, from the discussion that we've heard from the executive branch, that there is going to be property tax relief for the taxpayers in this state, much-needed property tax relief.

However, the fact of the matter is whether you call it property tax or any other tax, unless the cost of government decreases, we're going to be looking for other revenues.

So coupled with this, it is essential that the highest-rising cost in this government, Medicaid, has to be brought under control by real reform of the system. Because the monies that are being used for Medicaid now are eating up monies that are needed for education and every other source.

In addition, we must operate government more efficiently -- from the state level, from consolidation of services at the local level, and, if possible, consolidation of governments, local governments, so that there is a situation where government is not overlapping.

So this is a wonderful thing, tax relief, for our property owners. However, we need those other reforms. We need control over the cost of all levels of government, and including Medicaid and consolidation of services of local governments. So hopefully we can get the rest of this package completed this year so that there will be long-lasting property tax relief for everyone in the State of New York.

I vote aye.

THE PRESIDENT: Senator DeFrancisco will be recorded in the affirmative.

The chair now recognizes, to explain his vote, the distinguished Senator from Rockland County, Senator Morahan.

SENATOR MORAHAN: Thank you, Mr. President.

Obviously this bill starts the progress we want to make this year on property tax reform. It started last year in the Senate with the rebate program directly to the taxpayers, and certainly it was well received. This bill, which will triple and quadruple that benefit over the next two years, really will be a significant piece of legislation.

But what I'm really optimistic about is we have the Governor talking tax reform, we have the tax relief, we have that sort of conversation now with the Assembly. And I think even local governments and school districts recognize we must find a new way, not just to raise the revenues but to control the cost.

And Senator DeFrancisco put his

finger on a very, very important aspect of state spending, and that's Medicaid and the need for reform, investigations, and things that will bring that under control. Quite obviously, there's over $4 billion out there to be saved which more than would offset this increase each year and this relief that we're proposing.

So I rise in support of this legislation. As my fellow colleagues have said, property tax is the biggest issue in the state of New York. It's surpassing healthcare, it's surpassing education. It's property tax relief. And we not only have to find a new way to drive the tax to those who can afford it, like adding to this bill circuit-breaker legislation that would allow us to take care of the cost of living that's happening to government but not to the incomes of our people.

So I welcome this bill. I'm glad it's early in January; I know the Governor will be coming out next week with his budget and we'll see his plan, and we're going to probably negotiate hopefully a very rewarding

and a very rich rebate program, tax relief program, for the people of the State of New York.

Thank you, Mr. President.

THE PRESIDENT: Senator Morahan votes aye.

Senator Skelos, to explain his vote.

SENATOR SKELOS: Thank you, Mr. President.

This is probably one of the most significant pieces of legislation that we will pass this year, because it will begin the dialogue on how we can bring real property tax relief to our constituents throughout the state.

On Long Island we have some of the highest taxes not only in the state but in the nation. And our constituents, our taxpayers, are crying out for relief.

What's important about this legislation is that it indirectly recognizes the fact that there are higher costs of living and sometimes higher incomes in other areas of the state, but you're not penalized for this.

There's no means testing in this. You will get a percentage of your STAR program as a rebate check, which I think is critically important because there is a direct relationship to the taxes that you pay.

It's my hope that when Governor Spitzer brings out his budget next week that there will not be a sleight of hand, that there will not be means testing, or that you will say property tax relief but cut school aid so that taxes are raised in many districts on the other hand and that in the end it's a wash so there's no real property tax relief to our constituents.

So I know, for one, I anxiously await Governor Spitzer's budget release next week, and I hope that he fully understands the needs of suburban communities and upstate communities and the real property tax burden that we all suffer.

THE PRESIDENT: Senator Skelos will be recorded in the affirmative.

Senator Duane, to explain his vote.

SENATOR DUANE: Thank you, Mr. President.

I just want to thank some of the members on the other side of the aisle for their very complimentary remarks on some of the proposals that we put forward. And I'm hopeful that we'll be able to move forward on this important issue of property tax in a bipartisan manner and that we can each regularly be voting in the affirmative for proposals which come from both sides of the aisle.

I'll be voting yes, Mr. President. Thank you.

THE PRESIDENT: Senator Duane will be recorded in the affirmative.

Are there any other members that would like to explain their vote?

Senator Griffo.

SENATOR GRIFFO: Thank you, Mr. President.

I come as a freshman to this body and, as a former local official, each and every day saw and heard the concerns of the citizens of our community relative to the property tax and the significant burden that this placed upon their future and their

families' lives.

So today I think this step is significant because it indicates to people that we recognize this problem, that we're being attentive and responsive to this situation. And I think that's the important thing. If I have heard anything throughout my time in government, it is that there is erosion in competence that exists in government, and that erosion develops because we neglect to deal with the issues at hand.

And this particular issue is significant. And today this measure is a significant step in the right direction, but there's much more to do. And I'm encouraged by the opportunities that present themselves from both sides of the aisle, so that we, despite the differences we may have on where we should be on a breaker, more or less, that we come to some consensus ultimately that we will provide necessary and significant property tax relief which will encourage economic growth but, more importantly, be helpful to the families that we serve across this state.

Thank you. I vote aye.

THE PRESIDENT: Senator Griffo will be recorded in the affirmative.

Senator Diaz, to explain his vote.

SENATOR DIAZ: Thank you, Mr. President.

It's an honor to address you as my Senate President for the first time and congratulate you on your position.

I'm voting yes on this bill. However, I have to say that this Democratic side, we Democrats, since I came to this Senate, we have shown our support, we have shown our interest in helping the people of the State of New York and decreasing their taxes.

Even today, today we are showing, by an amendment to you by Senator Valesky and Senator Cousins, that we really want something that really helps the people. I'm very proud that my Democratic colleagues, Senator Valesky and Senator Cousins, has introduced an amendment to give bigger help to senior citizens, that they deserve that. And I'm very sad that that side rejected those

amendments.

I'm voting yes because I'm thinking to help senior citizens and to help the people of New York, I will take whatever it is, even though it is not enough and even though I'm sad that Senator Valesky, Senator Cousins' amendments were denied and were rejected by that side. However, that's all we get? I'm voting yes. But we could have done better if we would have said Senator Valesky, Democrat Senator Valesky and Democratic Senator Stewart-Cousins' amendments.

My President, that's my complaint.

THE PRESIDENT: Senator Diaz will be recorded in the affirmative.

Senator Sampson, to explain his vote.

SENATOR SAMPSON: Mr. President, I rise in support of this bill and want to say to my colleagues on the other side of the aisle, we recognize the problem, not only in the suburban counties but throughout the state of New York. That's why we rise in support of this.

But in addition, we want it to go

further. We want it to go further with the amendments of our two colleagues, Senator Valesky and Senator Cousins, because we recognize and realize the problem. We want to make sure that we cut those property taxes. And we're looking forward to partnership with the Executive to make that a reality.

So, my colleagues, this is a very important day, but we could have gone further. But you know what? This is just the first step of many steps to make sure that we provide relief, not only to New York City, but relief to all suburban counties in the state of New York.

Thank you very much, Mr. President.

THE PRESIDENT: Senator Sampson will be recorded in the affirmative.

Senator Fuschillo, to explain his vote.

SENATOR FUSCHILLO: Thank you, Mr. President.

First of all, it's nice that we all agree. This is the first time in a long time. And what Senator Duane said, I couldn't agree with him more. It may shock some of you.

This is not a partisan issue, providing tax relief to the residents of the state, whether it's upstate, the inner cities, or on the Island. Wherever I go, I could ask anybody, Tell me the three top issues of your concern -- it's taxes, taxes and taxes. They're being choked to death.

And it's such a game that I see of all the districts and school districts and municipal governments. And a village will blame a town or a city, the town will blame the county, and the county will blame the state, the school district will blame the state. Nobody takes credit, even though they have all independent elected bodies that are responsible for setting their own tax jurisdictions, tax rates.

This is a major step forward. We need, obviously, the other house to do it. By all signals, the Governor is on board. He wants to do it in three years, we want to do it in two years. We want to accelerate it because the tax relief is so necessary right now.

But much more does need to be done,

and I'm glad I'm starting to hear that. Because government has to be responsible. We have to provide action. You know, we talk about jobs, providing jobs and tax relief. We should be talking about careers and providing careers that people stay here in New York State. And in order to make them stay here, we have to make it affordable. So it is a domino effect.

Today is a significant step, but much more needs to be done. I'll be voting in the affirmative.

Thank you, Mr. President.

THE PRESIDENT: Senator Fuschillo will be recorded in the affirmative.

The chair recognizes Senator Klein to explain his vote.

SENATOR KLEIN: Thank you, Mr. President.

I too rise today in support of this very important legislation, which I think could have been improved if we adopted the two measures by my two colleagues, Senator Valesky and Senator Andrea Stewart-Cousins.

But I think what we're doing today

is a very, very important first step because we're sending a message loud and clear to our constituents that we hear their plea regarding property taxes.

It's a very simple premise, which is going on in my district, especially in Westchester County, as well as around the state. The price of everyone's home is going up, thus enhancing their property tax, but their income isn't going up. So I think what we're doing today is a very, very important first step in alleviating some of their property tax burden.

The STAR program has been very, very successful and our ability today to enhance that program is something that's very, very important.

I also look forward to doing more on this issue. I don't think our work is done yet today. Our new governor, Eliot Spitzer, has made property tax relief his number-one proposal, and I look forward in the way he's going to be dealing with that in the budget.

But I know one of my colleagues, Senator Saland, had a proposal last year which

I think certain pieces of that are certainly worth looking into.

I think Senator Fuschillo said it best, that a lot of our local school districts in many ways blame us or blame the county or blame their constituents. And what we're doing with our constituents is sort of giving them a Hobson's choice. They want great education -- and in many cases these local school districts are delivering that education -- but they really don't want to pay for it.

So I think we have to look at ways that maybe we can allow our local school districts a little more autonomy to figure out ways that they can raise money to make sure that our young people in overtaxed school districts get the education they need and deserve.

I vote yes, Mr. President.

THE PRESIDENT: Senator Klein will be recorded as voting in the affirmative.

The Secretary will announce the results.

THE SECRETARY: Those recorded in

the negative on Calendar Number 17 are Senators Perkins, Schneiderman and Serrano.

Those Senators absent from voting pursuant to Rule 9: Senators Johnson, C. Kruger, Larkin, Leibell, Maziarz, Montgomery, Oppenheimer, Parker and Stachowski.

Absent from voting, Senator Connor.

Ayes, 46. Nays, 3.

THE PRESIDENT: The bill is passed.

Senator Skelos.

SENATOR SKELOS: Mr. President, there will be no further substantive business to be taken up today in the Senate, but there may be some housekeeping. So if we could just stand at ease.

THE PRESIDENT: The Senate will stand at ease.

(Whereupon, the Senate stood at ease at 12:30 p.m.)

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

SENATOR SKELOS: Mr. President.

ACTING PRESIDENT MAZIARZ:

Senator Skelos.

SENATOR SKELOS: If we could return to the order of motions and resolutions.

I wish to call up bill Senate Print Number 1322, recalled from the Assembly, which is now at the desk.

ACTING PRESIDENT MAZIARZ: The Secretary will read.

THE SECRETARY: Calendar Number 38, by Senator Bruno, Senate Print 1322, an act to amend the State Finance Law.

SENATOR SKELOS: Mr. President, I now move to reconsider the vote by which the bill was passed and ask that the bill be restored to the order of third reading.

ACTING PRESIDENT MAZIARZ: The Secretary will call the roll on reconsideration.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

SENATOR SKELOS: Mr. President, I now move to discharge, from the Committee on Rules, Assembly Print Number 2755 and substitute it for the identical bill, Senate

Print 1322.

ACTING PRESIDENT MAZIARZ: Substitution ordered.

SENATOR SKELOS: The Senate bill on first passage was voted unanimously. I now move that the substituted Assembly bill have its third reading at this time.

ACTING PRESIDENT MAZIARZ: The Secretary will read.

THE SECRETARY: Calendar Number 38, by Member of the Assembly Farrell, substituted earlier, Assembly Print Number 2755, an act to amend the State Finance Law.

ACTING PRESIDENT MAZIARZ: Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MAZIARZ: The bill is passed.

SENATOR SKELOS: Mr. President, is there any further business at the desk?

ACTING PRESIDENT MAZIARZ: There is not, Senator Skelos.

SENATOR SKELOS: There being none, I move we stand adjourned until Monday, January 29th, at 3:00 p.m., intervening days being legislative days.

ACTING PRESIDENT MAZIARZ: On motion, the Senate stands adjourned until Monday, January 29th, intervening days to be legislative days.

(Whereupon, at 4:37 p.m., the Senate adjourned.)