NEW YORK STATE SENATE

THE STENOGRAPHIC RECORD

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3:24 p.m.

REGULAR SESSION

SENATOR JOSEPH GRIFFO, Acting President

FRANCIS W. PATIENCE, Secretary

P R O C E E D I N G S

ACTING PRESIDENT GRIFFO: The Senate will come to order.

I ask all present to please rise and join with us as we recite the Pledge of Allegiance to our Flag.

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

ACTING PRESIDENT GRIFFO: Today's invocation will be offered by the Reverend Peter G. Young, of the Mother Teresa Community here in Albany.

Father Young.

REVEREND YOUNG: Thank you, Senator.

Let us pray.

As we enter the season of tornadoes and enter the season of good weather, we pray that we'll be guided by You and be able to be protected by You, O God.

Ever-living God, we gather here in this chamber as members representing our constituents, to provide leadership for our New York State citizens. Let Your spirit enlighten our minds and guide our actions,

that we may be united in love and bring our fulfillment to the good work of government and to the greater honor and glory of all of our citizens.

We ask You this now and forever. Amen.

ACTING PRESIDENT GRIFFO: The reading of the Journal.

THE SECRETARY: In Senate, Tuesday, May 29th, the Senate met pursuant to adjournment. The Journal of Sunday, May 27th, was read and approved. On motion, Senate adjourned.

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

Presentation of petitions.

Messages from the Assembly.

The Secretary will read.

THE SECRETARY: On page 26, Senator Martins moves to discharge, from the Committee on Local Government, Assembly Bill Number 9773 and substitute it for the identical Senate Bill Number 6867, Third Reading Calendar 560.

ACTING PRESIDENT GRIFFO: Substitution ordered.

THE SECRETARY: And on page 43, Senator Ball moves to discharge, from the Committee on Finance, Assembly Bill Number 2651B and substitute it for the identical Senate Bill Number 6308A, Third Reading Calendar 805.

ACTING PRESIDENT GRIFFO: Substitution ordered.

Messages from the Governor.

Reports of standing committees.

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President. We've got a little bit of housekeeping today.

On behalf of Senator Ritchie, I wish to call up her bill, Senate Print 6774, recalled from the Assembly, which is now at the desk.

ACTING PRESIDENT GRIFFO: The

Secretary will read.

THE SECRETARY: Calendar Number 457, by Senator Ritchie, Senate Print 6774, an act to amend the Agriculture and Markets Law.

SENATOR LIBOUS: Mr. President, I now move to reconsider the vote by which this bill was passed.

ACTING PRESIDENT GRIFFO: Call the roll on reconsideration.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 51.

SENATOR LIBOUS: Mr. President, I hand up the following amendments.

ACTING PRESIDENT GRIFFO: The amendments are received.

May we have some order in the chamber, please.

Senator Libous.

SENATOR LIBOUS: Mr. President, on behalf of Senator Maziarz, on page 15 I offer the following amendments to Calendar Number 207, Senate Print 277, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT GRIFFO: The amendments are received, and the bill shall

retain its place on third reading.

SENATOR LIBOUS: Mr. President, on behalf of Senator Ritchie, on page 27 I offer the following amendments to Calendar Number 580, Senate Print 3552, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT GRIFFO: The amendments are received, and the bill shall retain its place on third reading.

SENATOR LIBOUS: On behalf of Senator Martins, on page 45 I offer the following amendments to Calendar Number 834, Senate Print Number 7047, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT GRIFFO: The amendments are received, and the bill shall retain its place on third reading.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

Again, by Senator Martins, on page 45 I offer the following amendments to Calendar Number 835, Senate Print 7048, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT GRIFFO: The amendments are received, and the bill shall retain its place on third reading.

SENATOR LIBOUS: And, Mr. President, a very important motion. On behalf of Senator Libous, I move the following bills be discharged from their respective committees and be recommitted with instructions to strike the enacting clause. They would be Senate Prints 3135A, 3138, 3139A, and 3150B.

ACTING PRESIDENT GRIFFO: So ordered.

SENATOR LIBOUS: Mr. President, at this time would you call on (pause) Senator Breslin.

ACTING PRESIDENT GRIFFO: Senator Breslin.

SENATOR BRESLIN: Thank you, Mr. President. How soon we forget.

On behalf of Senator Dilan, on page number 13 I offer the following amendments to Calendar Number 112, Senate Print Number 1340, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT GRIFFO: The

amendments are received, and the bill shall retain its place on third reading.

SENATOR BRESLIN: Thank you, Mr. President.

On behalf of Senator Avella, I move that the following bill be discharged from its respective committee and be recommitted with instructions to strike the enacting clause: Senate Number 2741A.

ACTING PRESIDENT GRIFFO: So ordered.

SENATOR BRESLIN: Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Breslin.

Senator Libous.

SENATOR LIBOUS: Mr. President, could you please call on Senator Carlucci at this time.

ACTING PRESIDENT GRIFFO: Senator Carlucci.

SENATOR CARLUCCI: Mr. President, on page number 40 I offer the following amendments to Calendar Number 771, Senate Print Number 6447, and ask that the said bill retain

its place on the Third Reading Calendar.

ACTING PRESIDENT GRIFFO: The amendments are received, and the bill shall retain its place on third reading.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

Mr. President, at this time there's a resolution at the desk by Senator McDonald. It's Resolution Number 4752. It was previously adopted by the house on May 22nd.

May we have the title read, and please call on Senator McDonald for some comments.

ACTING PRESIDENT GRIFFO: The Secretary will read.

THE SECRETARY: Legislative Resolution Number 4752, by Senator McDonald, honoring Mary Jean Coleman, M.S.W., upon the occasion of her designation as recipient of the inaugural Edgar Francis (Eddie) Reed Annual Suicide Prevention, Advocacy and Leadership Award.

ACTING PRESIDENT GRIFFO: Senator McDonald.

SENATOR McDONALD: Thank you, Mr. President.

Today we introduce an inaugural award program in two different areas. The first is an introduction of an inaugural Edgar Francis (Eddie) Reed Suicide Prevention, Advocacy and Leadership Award.

As a young man in our area in 1969, growing up as a 17-year-old in a different era, Edgar Francis Reed was a bright, handsome, lovable teenager. He volunteered for his church as altar boy, he loved music, and as the fourth out of five children, he loved to tease his siblings.

Yet the darkness of untreated depression and stigma associated with seeking help for mental illness and thoughts of suicide clouded his bright young future. On November 20th of 1979, Eddie took his own life, just three weeks past the age of 17.

In 1979, suicide was a sin, marking survivors of a loss to suicide with whispers and silence. In this great State of New York, we have advanced tenfold since 1979. While it is easy to sit up and take notice, what is most

difficult is standing up and taking action. With Eddie's award, we celebrate special folks who stood up and took action.

Today we honor Mary Jean Coleman, Eddie's sister, who did the what-ifs and turned them into "if I did this," who took no for an answer and turned it around into positive work.

Mary Jean Coleman knew that there were answers to be found. She knew because the person she loved, one of the most important people in her life, needed to be saved. And she's been sharing that with our community.

There is hope for everybody with these type of problems, and with this wonderful state government that we now have evolved into as far as mental health and disabilities. And she will be the first awardee of this wonderful Eddie Reed Annual Suicide Prevention, Advocacy and Leadership Award.

And if she would stand up, please.

This is our awardee, Mary Jean Coleman. And thank you for your service to your state and to your community and to the people that you deal with every day. God bless you. Thank you.

(Standing ovation.)

ACTING PRESIDENT GRIFFO: We welcome Mary Jean Coleman to the chamber today and appreciate your presence.

As stated, the resolution was adopted on May 22nd.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

There is another resolution at the desk by Senator McDonald. It is Resolution Number 4753. This too was previously adopted by this house on May 22nd. Could we please have the title read, and could you call on Senator McDonald.

ACTING PRESIDENT GRIFFO: The Secretary will read.

THE SECRETARY: Legislative Resolution Number 4753, by Senator McDonald, honoring Glenn Liebman upon the occasion of his designation as recipient of the inaugural Thomas P. Morahan Annual Leadership Award in Mental Health and Developmental Disabilities.

ACTING PRESIDENT GRIFFO: Senator McDonald.

SENATOR McDONALD: Thank you, Mr. President.

This is also an introduction of an inaugural award named after one of our most beloved colleagues, the Thomas P. Morahan Annual Leadership Award in Mental Health and Developmental Disabilities.

Some words about the great Senator. He had consistency and courage. He advocated on behalf of individuals with serious emotional disturbances. He was a father, a grandfather, a husband, a citizen who cared about his community.

We are going to be giving this award to another individual very similar. But before we do, we have two very special guests visiting us today that Senator Morahan would be proud of -- and I know some of my colleagues may even know these people. We have daughters Maureen and Irene Morahan.

Please stand up.

This award is based on the work that your father did to recognize the importance of mental health and developmental disabilities in our society. He was a trailblazing

State Senator who cared a great deal, and we're honored to recognize him in the award of this every year. Thank you so much to you, your family, and your wonderful father. May he rest in peace.

We will be honoring today Glenn Liebman. Since 2004, Glenn has been the CEO of the Mental Health Association of New York State. Many of us have dealt with Glenn.

Mr. Liebman has been a leader in both policy and legislative issues transforming New York's mental health system, including mental health parity, adult home reform, medication accessibility issues, as well as healthcare enhancements for direct-care staff and mental health programs.

In a state of almost 20 million people, there's very few families that are not impacted by these type of issues. And I can't think of a better person who has dedicated his professional career, okay, as well as his own personal time to helping these people out.

Glenn, if you would stand up. And you have your wife with you, I believe, Mrs. Liebman.

Thank you so much.

(Standing ovation.)

SENATOR McDONALD: Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator McDonald.

We welcome and congratulate Glenn Liebman.

And we also welcome Irene and Maureen Morahan back to the chamber where their father was such as outstanding and exceptional Senator. We thank you for your presence here today.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

We also have a resolution at the desk by Senator Farley, Number 4766. This too was previously adopted on May 22nd. May we have the title read, and could you please call on Senator Farley.

ACTING PRESIDENT GRIFFO: The Secretary will read.

THE SECRETARY: Legislative Resolution Number 4766, by Senator Farley,

honoring Schenectady High School and its John Sayles School of Fine Arts and their bands upon earning honors at the Music Festivals.

ACTING PRESIDENT GRIFFO: Senator Farley.

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

We're very pleased to have in the gallery today the band members from the Schenectady High School and the Johns Sayles School of Fine Arts.

The concert band, the jazz ensemble, and the marching band are here today, and their band director, Joel Servant. All three bands competed in the Music Festivals, which was held on April 19th through the 22nd in Williamsburg, Virginia.

This was the first competition of this caliber for these bands, and they performed exceptionally well. The concert band and the jazz ensemble both earned first place and a superior rating. The marching band earned a third place and an excellent rating. The concert band percussion section, the jazz ensemble rhythm section, and the marching band's drum line also

received special recognition.

I was pleased to sponsor this resolution in the Senate recognizing their success, which was adopted on May 22nd.

It is a sincere pleasure of mine to welcome these musicians to the Capitol and congratulate them on a job well done. Schenectady High School and the entire community is very proud of this outstanding achievement.

And I'd ask that you stand up. There they are. Congratulations.

(Applause.)

ACTING PRESIDENT GRIFFO: Thank you, Senator Farley.

And again, we welcome and congratulate the Schenectady High School bands upon earning this recognition at the Music Festivals. Thanks for being here today.

The resolution was previously adopted on May 22nd.

Senator Libous.

SENATOR LIBOUS: Mr. President, at this time could you please recognize Senator Breslin for a statement.

ACTING PRESIDENT GRIFFO: Senator

Breslin.

SENATOR BRESLIN: Thank you, Mr. President.

For many in this chamber and many people in the Assembly, we're well aware that today was the Seventh Annual Turkish Cultural Day in the Well of the LOB. Many of us enjoyed Turkish food and Turkish culture, which was exhibited in large measure by a group of wonderful dancers that are off to the left.

And those Turkish dancers are part of the Turkish Cultural Center in Albany, New York, one of 13 across the state. And they're here, their names are -- and correct me if I mispronounce them a little bit -- Nur Gul, Betul Yucedal, Yagmur Cicek, Damla Cicek, Yasemin Menekse, Ceren Muslim, Eda Ercan, Vildan Ulukaya, and their coach, Reyhan Cicek.

And they're of course joined here by the director of our cultural center here in Albany, Veysel Ucan.

And you know, all of us who have dealt with the Turkish community both locally and in the other cultural centers across this state have seen a dialogue between Americans and the

Turkish community that is unparalleled. The Turkish community has reached out to share with us their customs and ideals, and at the same time we have been able to share our American values with them. And I think there's an intertwining of the values of both countries.

And we applaud you for what you've done in reaching out and having classes, English classes at the Cultural Center, and culture classes, and weekends for kids and educational programs for adults, summer camps, seminars, annual events, all of it wonderful and all of it bringing together our cultures to eventually form into one.

And thank you very, very much for being here and sharing the cultural values and traditions with us.

ACTING PRESIDENT GRIFFO: Thank you, Senator Breslin.

(Applause.)

ACTING PRESIDENT GRIFFO: We welcome Veysel Ucan and all of the Turkish Cultural Center delegation that are here today. Thank you for being with us.

Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President.

I too want to welcome our friends from the Turkish Cultural Center.

I am proud to represent Queens County, where we have a very active Turkish Cultural Center also. And the outreach, as Senator Breslin described it -- and I thank Senator Breslin for introducing this group -- the Turkish Cultural Center reaches out and makes us feel part of one large community.

They have friendship dinners; we had a friendship dinner in Flushing several weeks ago. They have dinners in Albany where we're able to discuss issues and learn about each other's culture. And it's just a wonderful opportunity to be part of the larger community.

So again, I welcome Veysel Ucan. My pronunciation -- I learned my Turkish in from Senator Breslin.

(Laughter.)

SENATOR STAVISKY: But we welcome you nevertheless.

And the fact that you brought young people I think is so important, because you're

learning not only about your heritage but about government. And this is what government is about, and that's welcoming people so that we all work together in harmony.

Thank you.

(Applause.)

ACTING PRESIDENT GRIFFO: Senator Espaillat.

SENATOR ESPAILLAT: Thank you, Mr. President.

I also want to rise to congratulate the Turkish Cultural Center and their fine afternoon that they had here in Albany and the young ladies that came in their beautiful attire.

And this is specifically special to me because one of the visitors, Yakup Gul, is a former intern when I was in the other chamber. And he's here with his beautiful daughter.

And I wanted to thank them for their presence here, they come every year, and Veysel Ucan for your leadership. And it's just a wonderful afternoon and a wonderful event that we're happy to share this culture with you. Thank you so much for being here.

(Applause.)

ACTING PRESIDENT GRIFFO: Thank you, Senator Espaillat.

Senator Libous.

SENATOR LIBOUS: Mr. President, I have a motion on behalf of Senator DeFrancisco. I want to call up his bill, Print Number 2899, recalled from the Assembly, which is now at the desk.

ACTING PRESIDENT GRIFFO: The Secretary will read.

THE SECRETARY: Calendar Number 332, by Senator DeFrancisco, Senate Print 2899, an act to amend the New York State Printing and Public Documents Law.

SENATOR LIBOUS: Mr. President, I now move to reconsider the vote by which this bill was passed.

ACTING PRESIDENT GRIFFO: Call the roll on reconsideration.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

SENATOR LIBOUS: Mr. President, I hand up the following amendments.

ACTING PRESIDENT GRIFFO: The

amendments are received.

Senator Libous.

SENATOR LIBOUS: There will be an immediate meeting of the Rules Committee in Room 332, an immediate meeting of the Rules Committee in Room 332.

So the Senate will stand at ease temporarily.

ACTING PRESIDENT GRIFFO: There will be an immediate meeting of the Senate Rules Committee in Room 332.

The Senate stands at ease.

(Whereupon, the Senate stood at ease at 3:46 p.m.)

(Whereupon, the Senate reconvened at 4:08 p.m.)

ACTING PRESIDENT GRIFFO: The Senate will come to order.

Senator Libous.

SENATOR LIBOUS: Mr. President, at this time may we return to reports of standing committees. I believe there is a report of the Rules Committee at the desk.

ACTING PRESIDENT GRIFFO: Reports of standing committees.

The Secretary will read.

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

Senate Print 502A, by Senator Diaz, an act to amend the Elder Law;

Senate 4726, by Senator Kennedy, an act to amend the Penal Law;

Senate 4855A, by Senator Montgomery, an act to amend the State Finance Law;

Senate 6237, by Senator Diaz, an act to amend the Correction Law;

Senate 6292, by Senator Peralta, an act to amend the Penal Law;

Senate 7448, by Senator Skelos, an act to amend the Tax Law;

Senate 7449A, by Senator LaValle, an act to amend the Tax Law;

And Senate 7490, by Senator Robach, an act to amend Chapter 557 of the Laws of 2001.

All bills reported direct to third reading.

ACTING PRESIDENT GRIFFO: Senator Libous.

SENATOR LIBOUS: Mr. President, I move to accept the report of the Rules Committee.

ACTING PRESIDENT GRIFFO: All in favor of accepting the report of the Rules Committee signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The Rules report is accepted.

Senator Libous.

SENATOR LIBOUS: Mr. President, at this time could we have the noncontroversial reading of the active list, please.

ACTING PRESIDENT GRIFFO: The Secretary will read.

THE SECRETARY: Calendar Number 67, by Senator Fuschillo, Senate Print 525A, an at to amend the General Business Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the

roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Squadron to explain his vote.

SENATOR SQUADRON: Thank you, Mr. President.

This is a bill that in the past I've spoken about and had concerns about, and I want to thank and commend the sponsor for working collaboratively and across the aisle on the bill.

There were some definitions in this bill that really raised concerns for me in the past, we worked together on it, and I think this bill is now really tightly drawn and very effective. The sponsor's both goals and also process is one that I am grateful for.

I will vote yes and urge my colleagues to do the same.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Squadron to be recorded in the affirmative.

Senator Fuschillo to explain his vote.

SENATOR FUSCHILLO: Thank you very

much, Mr. President.

I just too want to rise and thank Senator Squadron for his assistance. This is a bill that previously came to the floor. I laid it aside, at the request of Senator Squadron, to work with him and tighten up the language.

But this bill, the original intent to protect consumers from items either that either are stolen and resold at flea markets, is a great concern because of the type of products and the exposure that they have to the elements and to the sun could be potentially hazardous to the health of those who purchase these items, such as baby foods and other cosmetics.

So I want to thank Senator Squadron again for his support. We do have the agreement of the Assembly. And I appreciate the support of this house.

Thank you very much.

ACTING PRESIDENT GRIFFO: Senator Squadron to be recorded in the affirmative.

Announce the results.

THE SECRETARY: Ayes, 57. Nays, 1. Senator Duane recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill

is passed.

THE SECRETARY: Calendar Number 99, by Senator Saland, Senate Print 1411, an act to amend the Penal Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 175, by Senator Lanza, Senate Print 4892A, an act to amend the Vehicle and Traffic Law.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 2. This act shall take effect on the 90th day.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 221, by Senator Skelos, Senate Print 6162A, an act to authorize the assessor.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Announce the results.

THE SECRETARY: Ayes, 55. Nays, 3. Senators Bonacic, Larkin and O'Mara recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 225, by Senator Skelos, Senate Print 6297B, an act to authorize the assessor.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 2. This

act shall take effect immediately.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 56. Nays, 2. Senators Bonacic and O'Mara recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 255, by Senator Marcellino, Senate Print 937, an act to amend the Retirement and Social Security Law.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 2. This act shall take effect on the 90th day.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: In relation to Calendar Number 255, those recorded in the negative are Senators Farley, Libous, Little, Montgomery, O'Mara and Robach.

Ayes, 52. Nays, 6.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 299, by Senator Robach --

SENATOR BRESLIN: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

THE SECRETARY: Calendar Number 351, by Senator Gallivan, Senate Print 6061A, an act to amend the Highway Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 388, by Senator DeFrancisco, Senate Print 6395C, an act to amend the Education Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 422, by Senator Carlucci, Senate Print 4815, an act to amend the State Administrative Procedure Act.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Carlucci to explain his vote.

SENATOR CARLUCCI: Thank you, Mr. President.

This is a common-sense piece of legislation that really helps to bring New York

State government into the 21st century by simply allowing state agencies to accept electronic permits.

Right now the Department of State has that capability. They've had that capability since 2000. What this legislation does is it simply allows other state agencies to do the same. This will dramatically lower costs for state agencies operating as well as lower costs for businesses trying to do business in the New York State.

So, Mr. President, I support this legislation and thank my colleagues for doing the same.

ACTING PRESIDENT GRIFFO: Senator Carlucci to be recorded in the affirmative.

Announce the results.

THE SECRETARY: Ayes, 57. Nays, 1. Senator Duane recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 502, by Senator Flanagan --

SENATOR LIBOUS: Lay the bill aside for the day.

ACTING PRESIDENT GRIFFO: Lay it aside for the day.

THE SECRETARY: Calendar Number 560, substituted earlier today by Member of the Assembly Weisenberg, Assembly Print Number 9773, an act to amend the Real Property Tax Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: On page 27, Senator Seward moves to discharge, from the Committee on Insurance, Assembly Bill Number 8627B and substitute it for the identical Senate Bill Number 2874B, Third Reading Calendar 566.

ACTING PRESIDENT GRIFFO: The substitution is so ordered.

The Secretary will read.

THE SECRETARY: Calendar Number

566, by Member of the Assembly Gunther, Assembly Print 8627B, an act to amend the Insurance Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 57. Nays, 1. Senator Duane recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 567, by Senator Libous, Senate Print 6463, an act to amend the Insurance Law.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 3. This act shall take effect on the 30th day.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill

is passed.

THE SECRETARY: Calendar Number 568, by Senator Robach, Senate Print 6740A, an act to amend the Insurance Law.

SENATOR LIBOUS: Lay it aside for the day.

ACTING PRESIDENT GRIFFO: Lay the bill aside for the day.

THE SECRETARY: Calendar Number 569, by Senator Seward, Senate Print 6810A, an act to amend the Insurance Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Announce the results.

THE SECRETARY: In relation to Calendar Number 569, those recorded in the negative are Senators Addabbo, Avella, Duane, Espaillat, Gianaris, Hassell-Thompson, Krueger, Peralta, Perkins, Rivera, Sampson, Serrano,

Smith, Squadron, Stavisky and Stewart-Cousins.
Also Senator Montgomery.
Ayes, 41. Nays, 17.
ACTING PRESIDENT GRIFFO: The bill is passed.
THE SECRETARY: Calendar Number 571, by Senator Robach, Senate Print 486B, an act to amend the Alcoholic Beverage Control Law.
ACTING PRESIDENT GRIFFO: Read the last section.
THE SECRETARY: Section 2. This act shall take effect immediately.
ACTING PRESIDENT GRIFFO: Call the roll.
(The Secretary called the roll.)
THE SECRETARY: Ayes, 58.
ACTING PRESIDENT GRIFFO: The bill is passed.
THE SECRETARY: Calendar Number 610, by Senator Ranzenhofer, Senate Print 6690, an act to amend the Public Authorities Law.
ACTING PRESIDENT GRIFFO: Read the last section.
THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 633, by Senator Ritchie, Senate Print 6962, an act to amend the Agriculture and Markets Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 641, by Senator Hannon, Senate Print 3676, an act to amend the Civil Practice Law and Rules.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 2. This

act shall take effect immediately.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 55. Nays, 3. Senators Duane, Krueger and Rivera recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 668, by Senator Johnson, Senate Print 4009, an act to amend the Executive Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Announce the results.

THE SECRETARY: Ayes, 54. Nays, 4. Senators Krueger, Little, Perkins and Rivera recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill

is passed.

THE SECRETARY: Calendar Number 671, by Senator Bonacic, Senate Print 4255, an act to amend the Public Health Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 674, by Senator Maziarz, Senate Print 515A, an act to amend the Vehicle and Traffic Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 681, by Senator LaValle, Senate Print 1449C, an act to amend the Correction Law.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 3. This act shall take effect on the first of July.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 57. Nays, 1. Senator Montgomery recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 696, by Senator Stewart-Cousins, Senate Print 6634A, an act to amend the Local Finance Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 713, by Senator Saland, Senate Print 7267, an act to amend the Penal Law.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 7. This act shall take effect on the first of November.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 54. Nays, 4. Senators Duane, Hassell-Thompson, Montgomery and Perkins recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 715, by Senator Young, Senate Print 755, an act to amend the Private Housing Finance Law.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 3. This

act shall take effect immediately.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 728, by Senator Flanagan, Senate Print 4393A, an act to amend the Executive Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 57. Nays, 1. Senator Duane recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 780, by Senator Fuschillo, Senate Print 7217, an act to amend the Public Authorities Law.

ACTING PRESIDENT GRIFFO: Read the

last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Krueger to explain her vote.

SENATOR KRUEGER: Thank you, Mr. President.

On behalf of constituents of mine and those people living in Queens, Bronx and Manhattan, the three boroughs connected by the now Robert F. Kennedy Bridge -- also known as the Triborough Bridge and Triborough Bridge and Tunnel Authority -- if you live in those communities, suddenly to discover there are massive signs, perhaps with lights on them going all day, all night, reflecting into your home, reflecting everything that is going on and impacting the aesthetics of your community, the light pollution that those of us who live in urban settings face, you would understand why you cannot supersede local communities' decision-making or local municipalities' right to

say no to this kind of signage.

So I feel very strongly that this should not become the law in New York State.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Krueger to be recorded in the negative.

Announce the results.

THE SECRETARY: In relation to Calendar Number 780, those recorded in the negative are Senators Avella, Duane, Espaillat, Gianaris, Hassell-Thompson, Krueger, Montgomery, Perkins, Rivera, Serrano, Squadron, Stavisky and Stewart-Cousins. Also Senator Kennedy.

Ayes, 44. Nays, 14.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 795, by Senator Libous, Senate Print --

SENATOR BRESLIN: Lay it aside, please.

ACTING PRESIDENT GRIFFO: Lay it aside.

THE SECRETARY: Calendar Number 805, substituted earlier today by Member of the Assembly Jacobs, Assembly Print Number 2651B, an

act to amend the Social Services Law.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 2. This act shall take effect on the 180th day.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 806, by Senator Gallivan, Senate Print 6544, an act to amend the Executive Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number

817, by Senator Young --

SENATOR LIBOUS: Lay it aside temporarily.

ACTING PRESIDENT GRIFFO: The bill will be laid aside temporarily.

THE SECRETARY: Calendar Number 825, by Senator Saland, Senate Print 5504C, an act creating.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 10. This act shall take effect immediately.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 833, by Senator Saland, Senate Print 7000A, an act creating.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 10. This act shall take effect immediately.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator Libous, with the exception of the temporary lay-aside, that will complete the noncontroversial reading of the calendar.

SENATOR LIBOUS: Thank you, Mr. President. You've done a fine job.

Now, Mr. President, could we go to the supplemental calendar, 49A. And if we could have the noncontroversial reading of Calendar Number 969 by Senator Skelos.

ACTING PRESIDENT GRIFFO: The Secretary will read Calendar Number 969, by Senator Skelos, on Supplemental Calendar 49A.

THE SECRETARY: Calendar Number 969, by Senator Skelos, Senate Print 7448, an act to amend the Tax Law.

SENATOR BRESLIN: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

Could we now have the controversial reading of Calendar Number 969, by Senator Skelos.

ACTING PRESIDENT GRIFFO: The Secretary will ring the bell.

The Secretary will read.

THE SECRETARY: Calendar Number 969, by Senator Skelos, Senate Print 7448, an act to amend the Tax Law.

SENATOR KRUEGER: Explanation.

ACTING PRESIDENT GRIFFO: Senator Breslin, why do you rise?

SENATOR BRESLIN: Mr. President, I believe there's an amendment at the desk. I ask that the reading of the amendment be waived and that Senator Espaillat be allowed to be heard on the amendment.

ACTING PRESIDENT GRIFFO: Senator Breslin, upon review, and in accordance with Section 4(B) of Rule 6, I find the amendment not to be germane to the bill before the house.

SENATOR BRESLIN: Mr. President, I appeal the ruling of the chair and ask that

Senator Espaillat be allowed to be heard on the appeal.

ACTING PRESIDENT GRIFFO: There has been a request to appeal the ruling of the chair. I will recognize Senator Espaillat to make that appeal.

SENATOR ESPAILLAT: Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Espaillat, I would ask you, just in accordance with the procedures, to keep it germane to the appeal.

SENATOR ESPAILLAT: Absolutely. Thank you, Mr. President.

My amendment to Senator Skelos's bill is germane for the following reason. The amendment deals with the same subject matter as the underlying bill in the following respects. Both pieces of legislation seek to spur business development and the creation of jobs in this state.

The amendment that I offer today strengthens the Majority Leader's job-creation bill by raising the statutory minimum wage from $7.25 to $8.50 per hour beginning January 1,

2013, and indexing further increases to the minimum wage rate to reflect the rate of inflation.

When Congress enacted the federal Fair Labor Standards Act in 1938 and prescribed a minimum wage, it was intended to ensure that low-wage workers should earn, at minimum, a livable wage. Over the years, however, data shows that the federal government's actions to preserve this standard against the erosive power of inflation have fallen decades behind.

The annual income for a minimum-wage worker in New York State has not exceeded the federal poverty threshold since 1979. Furthermore, the annual gap between the state stated minimum wage and the effective minimum wage continues to grow steadily.

In 2010 there were over 264,000 New Yorkers at or below the minimum wage, many of whom reside within the New York City metropolitan area, the area ranked as having the highest cost of living in the nation, with a relative cost of living that far exceeds the national average. It is important that the minimum-wage standards in this state reflect this very important fact.

Our state's lowest-paid workers have experienced a decline of over one-third of the value of their weekly paycheck in the past 42 years. At $7.25 per hour, New York's minimum wage rate translates into just over $15,000 per year for a full-time, year-round worker, well below the federal poverty levels for a family of three.

The guarantee of a livable wage not only benefits workers and their families, but also it is a direct benefit for the state's overall economic development. Lower-wage earners are more likely to reinvest any disposable income into their local businesses. Greater consumer spending and demand is good for business and grows jobs.

In 2011 a study by the Federal Reserve Bank of Chicago estimated that a $1 hike in the minimum-wage rate results in between $2,800 and $3,200 in additional spending by each recipient family, far exceeding the amount of the wage increase.

Minimum-wage earners will by necessity spend a wage-rate increase immediately, and largely at the local level, by patronizing

local businesses and using local services.

This job development measure is exactly what the state needs. Nearly 800,000 workers across the state would benefit from a statewide minimum-wage-rate increase, including 10,800 workers in Broome County, 48,200 workers in Erie County, 36,600 workers in Monroe County, 12,400 workers in Dutchess County, 126,500 workers in Long Island, 72,500 workers in the Lower Hudson Valley, and 352,000 workers in New York City.

This minimum wage increase is what an overwhelming majority of New Yorkers want to see get done right now, Mr. President.

And just to show you some of the other states and what they're doing, for example, the State of Illinois, which ranks 20th insofar as the cost of living is concerned, has a minimum wage of $8.25. The State of Ohio, which ranked 13th as having one of the lowest costs of living, has a minimum wage of $7.70. The State of Michigan, which ranks 18th as one of the states with the lowest cost of living, has a minimum wage of $7.40.

This situation is unacceptable.

When the minimum wage was established by the federal government right in the middle of the Great Depression, President Roosevelt saw it as a tool to bring back economic development across the United States. We should lead the way in the same direction here in New York State. The Empire State has been a state noted for its leadership across the United States.

And certainly making $7.25 an hour is not really acceptable for any New Yorker. Those people are living in poverty. Many of them are having a hard time making ends meet. We are a better state than that. And there is no better economic development plan than increasing the minimum wage, Mr. President.

Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Espaillat.

All those in favor of overruling the ruling of the chair signify by saying aye.

(Response of "Aye.")

SENATOR BRESLIN: A show of hands, please, Mr. President.

ACTING PRESIDENT GRIFFO: A show of hands has been requested and so designated.

Announce the results.

THE SECRETARY: Ayes, 22.

ACTING PRESIDENT GRIFFO: The ruling of the chair is sustained.

Senator Breslin, why do you rise?

SENATOR BRESLIN: Thank you, Mr. President.

I believe there's another amendment at the desk. I ask that the reading of the amendment be waived and that Senator Stewart-Cousins be allowed to be heard on the amendment.

ACTING PRESIDENT GRIFFO: Senator Breslin, upon review, in accordance with Rule 6, Section 4(B), I rule that the amendment before the house is nongermane.

SENATOR BRESLIN: Mr. President, I appeal the decision of the chair and ask that Senator Stewart-Cousins be allowed to be heard on the appeal.

ACTING PRESIDENT GRIFFO: An appeal of the ruling of the chair has been made, and I will recognize Senator Stewart-Cousins for that appeal.

SENATOR STEWART-COUSINS: Thank

you, Mr. President.

My amendment to Senator Skelos's bill, Mr. President, is germane for the following reasons. The amendment deals with the same subject matter as the underlying bill in the following respects. Both pieces of legislation seek to spur business development and the creation of jobs in this state.

The amendment that I offer today strengthens the Majority Leader's job-creation bill by protect the employability of unemployed workers. The amendment that I'm speaking about mirrors national legislation, because there's been a disturbing trend nationally that sees employers openly stating that unemployed people in many cases need not apply.

My amendment would make it unlawful for any employer, employment or licensing agency to refuse to hire or employ a job seeker or otherwise discriminate against an individual in compensation or in terms, conditions, or privileges of employment because of the individual's unemployment status.

According to the U.S. Department of Labor, the unemployment rate in New York State

hovers around 8.5 percent, and the average length of time that an individual has been unemployed has become longer.

Because the unemployment rate and the length of time to find a new job is at an all-time high, the practice of excluding the unemployed has become a concern for job seekers who are laid off through no fault of their own.

Adoption of this amendment will ensure equal opportunity for all New Yorkers who are ready and willing to work. Regardless of their current employment status, they should be able to obtain work in this state.

So I would suggest that this is germane indeed.

ACTING PRESIDENT GRIFFO: Thank you, Senator Stewart-Cousins.

I'm asking the question, all those in favor of overruling the ruling of the chair signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

Senator Breslin.

SENATOR BRESLIN: I request a show

of hands, Mr. President.

ACTING PRESIDENT GRIFFO: A show of hands is so ordered.

Announce the results.

THE SECRETARY: Ayes, 22.

ACTING PRESIDENT GRIFFO: The ruling of the chair is sustained.

We are on the bill in chief. I'll recognize Senator Skelos.

SENATOR SKELOS: Thank you, Mr. President.

Today, under our leadership, the State Senate is acting on the most pressing issue facing New York's middle-class families: The need to help the private sector create new jobs and economic opportunity across the state.

Whether it's in Buffalo or Binghamton, Rockland County or the Far Rockaways, sit down with a constituent for five minutes and inevitably they'll talk about jobs, unease over keeping the jobs they have or concern over the job they just lost.

Many New Yorkers have even given up looking for a job. And who can blame them, especially when you consider New York ranks 49th

out of 50 states when it comes to business tax climate. Three-point-four million residents left New York State between 2000 and 2010, the most of any state in our country.

When we enacted New York SUNY 2020 and eliminated the MTA payroll tax for thousands of businesses and all schools, it was a good start. I thank Governor Cuomo for helping us get that done. But more has to be done.

Our New York jobs program is very simple. We provide tax credits for businesses that create new jobs. We eliminate taxes on manufacturers. We provide a 20 corporate tax cut for small businesses and a 10 percent reduction in their income taxes. We accelerate the elimination of the job-killing 18-a energy tax assessment.

Now, some in Albany have said that we cannot afford to pass this legislation to help businesses create jobs. I don't believe we cannot do it. We must pass this legislation so that New York State can move forward in private-sector job creation.

Our New Jobs-New York legislation would cost just $130 million this year, but it

would send an unmistakable message that New York is serious about creating jobs, serious about helping businesses succeed and grow, and serious about helping middle-class families settle, stay, and prosper right here in New York.

I urge all of my colleagues on both sides of the aisle to support this common-sense legislation.

ACTING PRESIDENT GRIFFO: Thank you, Senator Skelos.

Senator DeFrancisco.

SENATOR DeFRANCISCO: Yes, I'd just like to talk specifically about a few of these items that are in the bill, the first of which deals with eliminating taxes on manufacturers. I think all -- and that's the corporate franchise tax. And, if it's an individual-owned manufacturer, the individual taxes as well, the personal income taxes.

Everybody knows, and they've heard it for years and know that it's true, that manufacturing is extremely important part of any economy. And if you have manufacturing, then the spin-off businesses are such that you get multiple benefits and multiple job growth when

the manufacturer is doing well -- all the suppliers provide product to that manufacturer, and they're hiring people as well.

So this is an important aspect of this particular package. And it will promote new employment in manufacturing, and that's one part of this particular bill that we have before us.

When this is entirely phased in, it will result in about $495 million of tax relief for manufacturers. In the first year, it will be $114 million.

And this is the way to go. Senator Skelos mentioned about the loss of people in the State of New York. One of the reasons is that we don't have the jobs, we're not providing a climate as good as we can to allow for businesses actually to make money -- which is not a bad thing, despite what you hear from some. If they make money, they can actually hire people, and those hired people pay taxes.

Secondly, there's a 20 percent tax cut for small businesses. And small businesses are generally those who earn less than $290,000 in net income. And this 20 percent reduction is in the tax rate for these small businesses. And

it would be an immediate shot in the arm for those small businesses to also make money, hire employees, and grow. And that's always a good thing.

And unfortunately, some of our plans and some of our incentives in the past have really not provided enough for small businesses, and this would be an excellent addition to our tax structure; namely, a reduction, a reduction in taxes for small businesses by 20 percent.

Also, we have a small business jobs credit. And if they don't use the entire credit to offset their income taxes, a balance would be refundable. And it provides a credit of 10 percent of business income for about 800,000 small businesses. And those small businesses are those which have at least one employee and have business income of less than $250,000.

And once again, we need more help for small businesses so that they can be successful, create jobs, and provide more revenue for our State of New York so we can provide for all of the needed services that New York residents seek and should be able to receive if we had the income to do that.

So this is part of the bill, and others will speak on other aspects of it.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator DeFrancisco.

Senator Maziarz.

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

I rise to support this legislation. And I particularly want to address what I consider to be the most important part of that, and that's the rollback of the 18-a assessment.

We all know the 18-a assessment was a tax instituted in the 2009 budget. The purpose of that 18-a assessment, that tax on all of the electricity and natural gas in the State of New York, was to fund the regulatory agencies of New York State, the Public Service Commission and the Department of Public Service.

But instead, instead -- and I think at the time -- and I well realize that not everyone who's here now was back here then -- that everyone realized that this money would be swept into the General Fund. That was a

$600-million-a-year tax on utility ratepayers in the State of New York that went clearly into the state's General Fund. It didn't go to fund the Public Service commission or any energy-related issue.

Prior to 2009, New York already had the highest energy costs in the country, and the imposition of 18-a only made that situation worse. Everyone from seniors living on fixed incomes to entrepreneurs looking to start a small business were hurt. And because this was a flat amendment, everybody paid the same amount, one could argue that working families were hit the hardest.

Today, and I think in a very positive way, we're taking two major steps in reversing the damage of the increased 18-a assessment. First, it ends the 2 percent assessment one year early, 2013 instead of 2014.

And second, the budget language in 2009 allowed for a permanent increase of this tax from one-third of a percent to 1 percent. And this bill repeals that permanent increase, keeping the overall assessment at one-third of 1 percent.

Eliminating the 18-a assessment is an important part of job creation in this state. Companies will locate here if they know that they can get a cheap source of energy. And we have it, particularly with the Governor's Energy Highway that he's proposed in the state budget and in the State of the State message.

Lowering the price of energy means more jobs for the state. I wholeheartedly support this legislation.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Maziarz.

Senator Zeldin.

SENATOR ZELDIN: I rise support in support of the brewers production credit and label registration credit.

In response to a recent New York State Supreme Court decision, New York State craft breweries lost out on a tax exemption which was greatly benefiting their industries. This particular part of the legislation helps support New York State companies who hire New York State employees.

There are two components. The

first is a tax credit for 14 cents on each gallon of beer, up to 6.2 million gallons of beer, or 200,000 barrels. The second part is a tax credit for the label fees of $150.

Now is the time for us to stand with the New York State craft brewing industry, which is thriving. Over the course of the last decade, while other industries were faltering and jobs have been lost, this is a particular industry that has been growing. There are dozens of craft brewing companies all across this state that are investing back into the industry and growing jobs and people are paying taxes to our state. There are many more others that are coming online now.

So this sends a very important message that we stand behind the New York craft brewing industry. It helps correct the result of that recent Supreme Court decision. And I'm glad to support this entire package.

I specifically would like to thank Senate Majority Leader Dean Skelos for including this in this piece of legislation. And thank you, Mr. President, for your leadership on this issue as well.

ACTING PRESIDENT GRIFFO: Thank you, Senator Zeldin.

Senator Robach.

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

In addition to the Business Council, Unshackle Upstate, NFIB, and all the business groups that support this, I'd say most importantly -- before I get to my specific piece I want to talk about -- more importantly, the public is getting it and supports this and understands the linkage between policy and job creation and the need for all those things.

While I certainly applaud every part of this, I want to take a moment to talk about a piece on angel investment tax credit that both I, Senator DeFrancisco, and others in our conference have been working on, as well as Assemblyman Kellner and Assemblywoman Lupardo in the other house that are part of this package too.

Oftentimes in New York we're very fortunate with our colleges, universities who create a great deal amount of technology, discoveries. Even SUNY has a tremendous amount

of patents. When yet when the translation comes to make these products, make that vaccine, whatever it may be, we often see that going somewhere else.

One of the reasons that's cited for this time and time again is that the financial package that's put together for the new company is always a little bit better or more likely to get funded somewhere else. We need to change that.

In my community alone, between the U. of R., Rochester Institute of Technology, even some private companies, the things that they've created, cures for diseases that then are manufactured somewhere else, the pharmaceutical application -- that needs to change. And we could grow a tremendous amount of jobs.

This piece would create a pool of money to help that and also give a tax credit for those people investing directly in New York State, whether it's in Rochester, New York City, or anywhere else in this great state.

I think this is something very much needed and would also thank the leader and my colleagues for making this a part of the package,

and encourage everyone -- we talk about public/private partnerships and the importance of jobs. This package and this piece will go a long way to address a lot of that.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Ranzenhofer.

SENATOR RANZENHOFER: Thank you, Mr. President.

I also rise today in support of the jobs package and just want to highlight a comment that Senator Skelos made, is we really need to address our population loss in this state. We have lost more people in this state than any other state, and that's particularly true in the western region.

The part of the plan that I want to talk about specifically is the Hire Now New York tax incentive. Which essentially what it would do is if you are an employer and you hire somebody, you get a $5,000 tax credit. That's one of the things that we need to do to encourage job creation. We need to encourage, we need to incentivize employers to hire people.

Right now they're very concerned

about the economy, it's a little skittish right now, and they need this extra incentive in order to push them over the edge in order to hire somebody.

In addition to that, Mr. President, we have an additional component, which is the unemployment bonus credit. Which essentially says that in addition to the $5,000 credit, if you hire somebody that's currently unemployed and they remain on your rolls for a full year, you will get an additional $3,000 credit to you or to your business.

What this will do, Mr. President, this will save employers in New York State $50 million.

I would urge its support and am proud to be part of this jobs creation program. There is no more important message, there is no more important policy that we need to advocate for than the creation of jobs for our residents in New York State.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Ball.

SENATOR BALL: I rise today in

support of this extremely important package, and most specifically on the Hire a Vet portion.

When we talk about less than 1 percent of our population that is fighting and preserving the freedom for the rest of us, it seems that sometimes in society we can become disconnected from that reality.

There are a few other statistics that are out there as well. That for returning veterans they have twice the unemployment rate, twice the unemployment rate of the rest of society. And for those that have a service-connected disability, they have an even greater unemployment rate -- in some regions, actually three times the national unemployment rate -- because they have very specific challenges.

So this program would provide up to $10,000 in tax credits to make sure that -- as a nation and as a state, we do a very good job in allowing young men and women to raise their right hand, and we make all sorts of promises to them when they raise that right hand and they say that they're willing to fight and die for the United States of America.

And what this does is it puts New York State at the forefront to say once you return and you've served your country, we will make sure that we keep the promises that we made to you when you raised that right hand. You will be welcome with open arms. We welcome you to the State of New York and thank you for your service.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Grisanti.

SENATOR GRISANTI: Thank you, Mr. President.

You know, my colleagues, what this plan is, this comprehensive plan, this entire plan, supported by councils and public, as was stated, is basically it's saying yes to businesses and saying yes to jobs. It's rebuilding New York as New York has never been.

And as Senator Ball stated, the veterans component for me is one of the most important issues, not only with the relief for small businesses, but recognizing our members of our armed services that are coming back in droves that need the help, that need to acclimate back

into society. This is what's important when it comes to this package as well.

We need to help them acclimate, the men and women who fought for our freedom. We need to have jobs available for them. We need businesses to grow and jobs to be available so this way our tax base grows and people get relief from all sides of this bill.

Mr. President, I vote aye.

ACTING PRESIDENT GRIFFO: Senator Alesi.

(Pause.)

SENATOR ALESI: I'm sorry, Mr. President. I was deeply involved in a conversation with my colleague over here on the benefits of this package.

As you've heard from a number of my colleagues, as we've looked across this state we can see the leadership that has been provided by this Governor, Senate Majority Leader Skelos, and the members of this house that truly support the efforts to create job creation and stimulate our economy, to take advantage of the things that this state has to offer.

And supporting this legislation

will do just exactly that. I commend Leader Skelos and my colleagues, those that are supporting this, and urge those who might not support it to reconsider how vitally important it is to create jobs and stimulate the economy here in New York State.

ACTING PRESIDENT GRIFFO: Thank you.

Senator Krueger.

SENATOR KRUEGER: Thank you, Mr. President.

If Senator Skelos would answer some questions.

ACTING PRESIDENT GRIFFO: Senator Skelos.

SENATOR SKELOS: Yes.

SENATOR KRUEGER: Thank you. Thank you, Mr. President.

So we've heard quite a bit about this bill and the various sections of it, and so I have questions broken down by the sections.

But just to start, what would the cost of this job creation package be when fully enacted on an annual basis?

SENATOR SKELOS: First of all,

we're dealing with this year, it would be $130 million. And certainly with the income growth that we're seeing in New York State for the job credit, job parts of this bill, we can adequately cover it.

If we stay within a 2 percent spending cap upon ourselves, we will have, based on the growth of revenue coming into this state, $2.2 billion that we can use towards this tax cut package. Plus in terms of eliminating the 18-a assessment which you imposed on us several years ago, there are sufficient fund balances in order to pay for this early elimination of this job-killing tax.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR SKELOS: Yes.

SENATOR KRUEGER: Thank you.

I appreciate the answer, but the specific question was what would be the annual cost of this package when fully enacted. There's Parts A, B, C, D, E and F.

SENATOR SKELOS: Approximately $657 million, somewhere in that range.

SENATOR KRUEGER: Thank you.

Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR KRUEGER: Thank you.

How many jobs will be created at this cost of $657 million annual?

SENATOR SKELOS: My feeling is there will be thousands of jobs, you know, created other than -- unlike what we saw when the last minimum wage was increased, where, with young people between the ages of 16 and 24, there was a 22 percent decrease in employment. And it's estimated that an increase to $8.50 with the minimum wage tax now would cost New York about 29,000 jobs, about 7300 of them being poor workers.

So our bill will create jobs. The minimum wage which you supported will cost thousands of people jobs in New York State.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The

sponsor yields.

SENATOR SKELOS: Yes, Mr. President.

SENATOR KRUEGER: Thank you.

Well, I appreciate the discussion of minimum wage. But in fact the science and the data shows that minimum wage would guarantee almost 900,000 people an increase in their wage right away and not lead to a decrease in the number of people employed in the state.

But that wasn't my question. My question was, in this bill, this specific package, in most circumstances when we the Legislature are asked to vote for a bill to create jobs, we are told how many jobs will be created. And I was wondering if the sponsor knew how many jobs are expected to be created by these specific actions, Part A, B, C, D, E and F.

SENATOR SKELOS: If I may, Mr. President, tens of thousands of jobs.

SENATOR KRUEGER: Mr. President, if through you the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

Is there a minimum salary or benefit requirement needed to get the tax credits or the advantages within any of the parts of this bill?

SENATOR SKELOS: No.

SENATOR KRUEGER: So, Mr. President, if through you the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So these could be minimum-wage part-time jobs without any benefits?

SENATOR SKELOS: They would be full-time jobs.

SENATOR KRUEGER: Through you, Mr. President, could the sponsor cite the section of the law that says they have to be full-time jobs?

SENATOR SKELOS: If you could repeat that.

SENATOR KRUEGER: Certainly. Could the sponsor please find the sections of the bill that make explicit all of the job creation

must be for full-time jobs?

SENATOR SKELOS: There's nothing that says it has to be full-time jobs. We're talking about an entire package that we believe will create tens of thousands of jobs in New York State.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

I understand that. I'm asking the sponsor to prove that this law and the sections of it would in fact create tens of -- tens of thousands of jobs? I'm sorry --

ACTING PRESIDENT GRIFFO: Are you speaking on the bill now, or are you asking a question, Senator Krueger?

SENATOR KRUEGER: I'm asking a question to identify within the bill the sections that show that for this $657 million per year we would get tens of thousands of jobs at full-time jobs. Because he said that's not part-time jobs.

SENATOR SKELOS: Mr. President, if I could respond, talking to the business community, business leaders throughout the state,

all of whom are supporting this legislation, speaking to the Nassau County Chamber of Commerce, who came in and visited with the Nassau County delegation, all of them indicated to us, whether it's a small business or a medium-sized business, that they would be hiring people based upon the benefits of this legislation.

As to your question, you may look at page 4, section 13. "New employees shall mean any full-time employee that is hired by the taxpayer after July 1, 2012."

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

So that section of the law applies specifically to the tax credits for new hires. And so I will agree with the sponsor that that section does lay out "full-time," although it can be minimum wage with no benefits.

But a significant section of this bill relates to the reduction of the corporate franchise tax. And is there anything that

actually says a company, upon receiving a reduction in their manufacturing tax, actually has to create new jobs in exchange for getting an elimination, actually, ultimately in their corporate franchise tax?

SENATOR SKELOS: I guess, you know, Senator Krueger, the difference in your philosophy and my philosophy is that the business community always is looking to invest within their business and create jobs. That's what makes a successful business.

So we can cut the taxes, especially a number of the $14 billion in taxes that you imposed when you were in the majority, including the job-killing payroll tax -- which fortunately we were able to repeal that for about 80 percent of the small businesses. That will create jobs.

Now, philosophically, you may think taxing and spending creates jobs. We believe in cutting taxes is what creates jobs.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

We could have a discussion about the philosophy of what works and doesn't work in our economy, but that's not what I'm asking the sponsor to do tonight. I'm asking him to identify in this bill --

SENATOR SKELOS: I've responded to that question. The Senator may not like the way I responded, but that's my answer.

SENATOR KRUEGER: Through you, Mr. President, to continue the questions. Thank you.

ACTING PRESIDENT GRIFFO: Senator Krueger, you posed a question?

SENATOR KRUEGER: Where in the bill specific to the elimination of the manufacturer's corporate franchise tax does it demand, in return for an elimination of taxes, the creation of jobs, a number of jobs, wages paid for these jobs? Or is it simply an elimination of a tax under the philosophical belief that that will lead to job creation?

SENATOR SKELOS: You're absolutely right, it will create jobs.

SENATOR KRUEGER: Does it require

the creation of jobs?

ACTING PRESIDENT GRIFFO: Senator Krueger, are you asking the sponsor --

SENATOR KRUEGER: I am asking the sponsor a question.

SENATOR SKELOS: I'd be happy to answer that. Again, it's my belief, it's the belief of the business community, by cutting taxes, jobs will be created.

And the cut in the manufacturing tax, the upstate community in particular has been devastated by the loss of manufacturing jobs. And you may recall that -- I believe in the budget that we passed we actually cut a percentage of the manufacturing taxes for upstate New York, so that we were in sync with the Governor. And I believe you voted for that budget that did cut taxes for upstate manufacturers.

And now we're going to continue that path of cutting taxes on manufacturing to create jobs.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

We have cut quite a few taxes for corporations in this state. Senator Skelos is absolutely right, we have cut taxes for manufacturers.

It is not proven that there is a direct correlation between cutting certain kinds of taxes and actually creating jobs. Unfortunately, what this country has actually seen over the last several decades is that in fact we can lower corporate taxes and actually still decrease the number of jobs created.

ACTING PRESIDENT GRIFFO: Senator Krueger, are you asking a question again or on the bill?

SENATOR KRUEGER: I am asking the Senator the question, in the section of this bill that lowers and ultimately eliminates corporate franchise taxes, is there anything that requires, in exchange for a lowering of taxes, the creation of jobs?

SENATOR SKELOS: The answer is no.

But we also believe that something like this has to happen, because our state right now is 49th out of 50 in terms of being business-friendly. So even if it comes down a notch to 48, I think we could declare that a wonderful victory. Because the people of this state who do not have jobs or those that are hanging onto their jobs by a thread want to see that business climate changed in New York State, and that's exactly what this legislation is doing.

SENATOR KRUEGER: Through you, Mr. President. I have been asked to ask questions specific to the bill and not to philosophize about our policies. Could I ask you to ask the sponsor to also answer the questions as I'm asking them.

ACTING PRESIDENT GRIFFO: Senator Krueger, I've just asked you to either speak on the bill or pose a question. You've asked the sponsor to be available to answer questions, so that's all we've made the differentiation. If you would like to speak on the bill --

SENATOR KRUEGER: No, no, I have many, many more questions. Thank you,

Mr. President.

ACTING PRESIDENT GRIFFO: And also, Senator Krueger, at your request for an explanation we recognized a number of members in order to provide you with a thorough explanation of the bill. So there are other members that may choose to also come in and speak on specific aspects of the bill.

SENATOR KRUEGER: Oh, I'm happy if other people want to answer questions, if the sponsor would like to yield to other questions.

On the bill, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR SKELOS: Thank you, Mr. President.

SENATOR KRUEGER: Thank you.

In Section A of the bill -- it's specific to the tax credits for job creation -- am I right to understand that you could receive $5,000 as a corporate tax filer for each new job, plus an additional $5,000 for the same person if they're a veteran, plus an additional $3,000 if that person you're hiring who is a veteran was

unemployed at the time you hired them, totaling $13,000 in tax credits for one employee? Is that a correct reading of the bill?

SENATOR SKELOS: It's a total of $8,000. Five thousand dollars for the hiring of the individual, and then I believe it's an extra $3,000 if the person came off of unemployment.

SENATOR KRUEGER: Thank you.

Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

So as I understand it, this section of the bill actually is putting a correlation between a job created and a cost to the state, which could be as much as $8,000, I'm corrected, not $13,000. Is that correct?

SENATOR SKELOS: I believe I answered that about five questions ago.

SENATOR KRUEGER: I think that was actually one question ago.

Thank you, Mr. President. If the sponsor would continue to yield.

SENATOR SKELOS: Yes,

Mr. President.

SENATOR KRUEGER: Thank you.

Excuse me, Mr. President. (Pause.) Under the assumption that the largest-cost part of the bill, which I show to be Part B, would be approximately $495 million per year once actually annually -- after we move to the annual maximum -- again, we just went over Part A and what the cost could be potentially per job created. Well, through a person hired, not necessarily a job created. Obviously, you could simply be replacing one person for another.

But could the Senator help me understand what the cost per job might be under Part B? Because it's a separate piece. And so Part A actually has an explicit answer, and I'm wondering if there's any explicit answer under Part B.

SENATOR SKELOS: No.

SENATOR KRUEGER: Okay. Through you, Mr. President, I'll speak on the bill.

ACTING PRESIDENT GRIFFO: Senator Krueger on the bill.

SENATOR KRUEGER: I want to thank Senator Skelos for his answers.

I'm not opposed to this bill. I think it is very -- I think it's actually very important for New York State to work hard to figure out how we jump-start our economy through creation of jobs.

I don't think this is as good as we could have done. Because, as we've learned, Part A, which will cost at least $130 million, is no guarantee of the creation of even one new job.

It clearly is a motivation for companies to hire people who are veterans, and that is a good thing in its own right. It clearly is a motivation to hire people who are unemployed, and that is a good thing in its own right.

But when you look at the cost per job, which as we discussed can be as much as $8,000 per job created, it's a fairly expensive exercise -- perhaps not for any new jobs in the economy, but rather for a retargeting of who gets the jobs.

Now, I think that those are good targets, returning veterans and unemployed people. But again, I want to highlight the

difference between tax credits for businesses that we have passed into law in this state that have actually required the creation of a new job, and this model.

We have called for the creation of jobs in a variety of bills that actually say they need to be living-wage jobs. They need to be jobs that are more than part-time. We have called for jobs to provide payment of greater than him wage. That's not what we see in this bill.

In Part B we are proposing a significant reduction in manufacturing corporate franchise tax. As Senator Skelos points out, we have passed reductions recently. This would speed up and ultimately do away with corporate franchise taxes.

The problem with tax cuts or tax reductions that aren't actually pegged to specific job creation is you can end up giving away your tax revenue and not seeing any job creation. Manufacturing, which we do need to support and expand in this state, may be manufacturing that doesn't involve any human beings. More and more of manufacturing is done

through robotic modeling, which may not translate into job creation of any significant number, while it will result in an enormous reduction in revenue for the State of New York, which leads us to another problem.

So I actually think tax credits and tax reductions that are specifically targeted to an assurance of the creation of a living-wage job in our communities is exactly what we ought to be doing. But the two biggest cost items in this bill don't do that, Section A and Section B.

Now, some of the sections I don't have any fault with. I think that addressing the concern about the beer production credit in light of the recent constitutional ruling is an important thing for us to do and is to some degree an obvious piece of this package for us to support. But it has minimal cost.

The phaseout of the 18-a assessment one year early, clearly this legislative body and the state already recognized why it wanted to phase out 18-a. But if we do it a year early, it will cost us $261 million. And again, there is no correlation between that and job creation. There's not an obligation to create jobs as your

18-a phases out.

So again, it's a one-year speed up of something we were already doing. But there's no evidence that that's a job-creation change.

The angel tax credit is a limited and interesting proposal worth exploring.

The change in the formula on the film production tax credit to expand those benefits applied to post-production, I don't have an argument with. But I wish we had added into that tax credit the writers who have been begging, as the only set of workers within the film tax credit who don't get included, the importance of supporting the writers here throughout New York State, and to assure that as we are producing film, TV, and commercials here in our state, we are also having them written by residents of New York State. So I wish that was in here.

So again, I'm going to vote for this bill. But I believe we could have done so much better in actually defining a job-creation package where the dollars being lost in revenue to the State of New York were guaranteed to in fact create jobs, not simply to go back into the

pockets of people who are in small business.

But I'm not going to vote no, because I actually think that my colleagues make some very good points about the various pieces of this bill.

One warning. As Senator Skelos said, it's estimated to be an annualized cost of $657 million. I think soon we will be picking up a different bill on the floor which will cap our state budget if it was to become law.

When you reduce your revenue and you cap the size of your budget, you have to ask the question and you have to answer the question, what are you doing to cut instead? And so that is the challenge facing us as a state, which is why this package would be better negotiated within a budget document where you had to answer the question: If we don't collect this revenue, what will we cut out of the budget instead?

Senator Skelos is correct when he said because this was a phase-in, it would not have a significant impact on this year's fiscal plan. But it will have a significant impact in future years, in what we call in budgeting the outyears.

So in fact if we were approaching this more responsibly, we would deal with it in the context of decisions of our overall budget, what we have decided to pay for, what we realize we can't pay for because we've reduced our tax revenue -- or perhaps deal with it in the broader question of are we collecting the right amounts of tax revenue in other taxes and balancing decisions on behalf of small businesses with other New Yorkers.

So it is a hesitant yes, Mr. President, because as I've pointed out -- I think quite accurately -- there are flaws and divots in the road to be dealt with if this were ever to become the law of the State of New York. But I fault no one for trying.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Krueger.

Senator DeFrancisco.

SENATOR DeFRANCISCO: I think there truly is a difference in philosophy.

When we on this side of the aisle talk about cutting taxes and creating jobs, we mean just that. Manufacturers or any other

businesses are in existence to make money. And if they make money, they're going to hire people who will pay more taxes. And what we're trying to do is to put more money in the hands of the job creators rather than giving more money to government to spend that is not going to create jobs.

I'm really at a loss on one of the arguments that was made, one of the arguments that was made about the minimum wage would provide more money in the hands of people to spend. Well, that's no different than phasing out the 18-a tax on energy early so there's more money in the hands of people to spend. Why is one reducing tax revenue and a bad thing, and the other is providing more money for people and it's a good thing, by the minimum wage? I guess you can make an argument to justify any conclusion that you want to reach.

The fact of the matter is is that businesses in New York have to make a decision: Where can we make money? Can we make money more in New York, or should we go over to China and manufacture? Can we make more money in Pennsylvania or New York? Where should we go?

And depending upon what our tax structure is will determine where they go.

They're not organizations to do public works for the public generally; they're organizations to make money. And the more money they make, the more they grow the more jobs.

So that aspect has not even been discussed in the questions that were being asked. We're competing with other states, other nations. And no question we don't like that jobs go overseas. Well, why would we want to have a tax structure that helps force them to go overseas or to go to a different state? And when we're 49th in the favorability to businesses going to our state, this is a small part of doing what we have to do to move up the ladder so we're more attractive so these businesses will make money, stay here, or actually come here.

The thing -- you know, whether they create those -- whether they build their business by robotic manufacturing or not, we can't impose how they're going to be successful so they compete with other states or with other countries and stay here. Whether it's robotic or not, if they're successful, it's going to ultimately

result in more jobs one way or the other. So I don't understand the robotic argument.

In addition, government shouldn't be involved in how businesses operate as long as they're operating in a safe way.

In addition, I'm almost at a loss for words -- and that is very difficult for me, to be at a loss for words -- when the ranking member on the Finance Committee says there's a lot of good pieces here, but it could be better. It could be better.

When we go back to the years 2009 and 2010, is this better, eliminating property tax relief checks, the STAR checks, to take money out of the hands of the people? Is this better, to create a payroll tax for the MTA region to take money out of the hands of those businesses and give it to government to spend? Is it better by increasing the cost of utilities by having a tax, the 18-a tax? Is that better?

The fact of the matter is, we've been moving since last year along hand-in-hand with the Governor in a philosophy to create jobs and make New York State more competitive. There is no bill that is perfect. But this is an

excellent, excellent bill which will help turn us around and turn us around sooner than if we did not present this bill before this body. And hopefully it will be considered by the Assembly.

So this is a good bill. We can't say there will be 1,823 jobs or 12,467 jobs created by any aspect of this bill. What we can say is that this package will make us more competitive to keep our manufacturers, to keep our businesses, and to grow business in this state when we're more competitive with other states and other countries.

So this is a great bill that should unanimously pass in order to jump-start our economy and keep us going in the correct direction.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: Thank you, Mr. President.

So the first thing I'm going to say right off the bat is that it is very likely that there's a couple of my colleagues right now that are thinking it. I can hear it, I can hear you

thinking it: You hate small business! You hate job creation! You hate the job creators! I can hear it. I can hear it.

Well, I will state it for the record: I love small business. Not only that, I understand that small business is the engine -- oh, I'm on the bill, by the way. Just -- you probably already saw that, but --

ACTING PRESIDENT GRIFFO: Senator Rivera on the bill.

SENATOR RIVERA: Thank you, sir.

And I understand that small business is certainly the driving force behind most of the economic growth in this country. So I understand those two things.

But we have to ask certain questions. The first one, this bill, as Senator Skelos clarified for us, would cost us about $657 million. That is not chump change. So we have to ask -- but I do understand that the purpose of it is to create jobs, as we've stated over and over again. So we have to ask whether this is the smartest way to do that. We can certainly have a debate about that; I believe that is what we have been doing today.

I support small business. I support the hiring of veterans, I certainly support that. But we have to start asking other questions, such as: What makes businesses grow? What makes small businesses grow?

Businesses grow with demand. When more people are able to pay for either their services or their products, then these businesses can grow. This happens in economic boom times. And unfortunately we are not in economic boom times, as we all recognize.

So the question that we are having, as both Senator DeFrancisco and Senator Skelos were arguing, they were talking about what they believe and they were talking about what they think is the smartest way to be able to do some of this stuff.

And I have to respectfully disagree with both of my colleagues. We have not spoken about the fact that businesses cannot grow if demand for their product is low. If there's no one to purchase their products or their services, then they have no way to grow.

Putting these tax credits and creating these tax credits, while a good idea on

its face, sometimes -- when we're not talking about in boom economic times -- does not lead to job growth. Just as we look at Iowa or Wisconsin or Texas, all these states have established programs where they have created tax credits to be able to create jobs. The results unfortunately, because they are not in boom economic times, have not been that positive.

Just speaking about Texas, while the Governor over there claims that the tax credits that were put in place were going to create 54,600 jobs, after the period of time which he said these jobs were going to be created, only 22,349 jobs were created.

Now, that is a good thing. But again, the question is, where is the best place for us to spend this money?

Now, I would argue -- and my colleague Senator DeFrancisco loves to look at the past. He has a tendency to look constantly at what happened before. And so I would ask him to do this. Look back not two or three years ago, but look all the way back to the beginning of the 20th century. Or a couple, maybe 20 or 30 years after the 20th century started. We're in

the biggest hole that we've ever had in our economy during the Great Depression. Our President figured out that a job-creating program was actually taking the minimum wage and creating a minimum wage and saying that you had to pay at least this amount.

It was that program, along with everything else that happened in the New Deal, which made it possible for people to be able to purchase products that are produced by small businesses, purchase services that are provided by small businesses, and having these businesses grow. And here it comes.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, why do you rise?

SENATOR DeFRANCISCO: Will he yield to a question?

SENATOR RIVERA: I absolutely, most certainly, Mr. President, will do that.

SENATOR DeFRANCISCO: Senator, are you saying that raising the minimum wage during the Depression was how we got out of the Depression?

SENATOR RIVERA: Mr. President, through you, I am saying that as part of the

package that the President introduced during the Great Depression, this was certainly one of the ways that we did get out of the Depression, yes, sir.

SENATOR DeFRANCISCO: One other question.

ACTING PRESIDENT GRIFFO: Senator Rivera, do you yield?

SENATOR RIVERA: I yield.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR DeFRANCISCO: Do you know what the other parts of the plan was to get out of the Depression? Did it include incentives for businesses and the like?

SENATOR RIVERA: Mr. President, through you. Not only that, but there were also many government programs where people were employed by the government. And I know it's crazy to think that government can actually employ individuals, I know.

But they were actually also employed. They had projects that were -- massive projects that were done. They had money in their pocket, they spent it on services and goods, and

they were all definitely --

SENATOR DeFRANCISCO: Thank you.

SENATOR RIVERA: Absolutely.

Thank you, Senator DeFrancisco.

ACTING PRESIDENT GRIFFO: Senator Rivera on the bill.

SENATOR RIVERA: So ultimately, if we're talking about the package that we need to consider to help get us out of the economic hole that we find ourselves in in New York, I would argue that while some of what is in this package is certainly one of the ways that we should go at it, to consider it without thinking about the minimum wage and the impact that that would have on thousands and thousands if not millions of New Yorkers that would then be able to afford services and goods that are produced by these small businesses -- just to consider, the raise from $7.25, if we raised it from $7.25 to $8.50, it would mean about $50 a week in the paycheck of a minimum-wage worker that works full-time.

Fifty dollars. Fifty dollars will go right to the local supermarket, it will go right to the local bodega, it will go right to the local pharmacy -- small businesses, all of

these, that then will be able to continue to operate in these neighborhoods.

So ultimately, I think that when we're talking about how to stimulate the economy, if we're not having a discussion not only about potentially creating tax credits for businesses so that they can create jobs, but also about putting more purchasing power in the pockets of millions of New Yorkers that are currently right at the tip, right at the tip of falling into a depression of their own, economically speaking, I believe that we're not having a full conversation.

So even though there are parts of this bill that I might agree with, I think that ultimately the whole package, without considering this part, makes it an incomplete package. And even though I appreciate the overall purpose of the bill, I think ultimately it is misguided and it is incomplete. And I am going to be forced to vote in the negative.

SENATOR LIBOUS: Mr. President.

ACTING PRESIDENT GRIFFO: Senator Libous.

SENATOR LIBOUS: Will Senator

Rivera yield for a question?

SENATOR RIVERA: To Senator Libous? Mr. President, absolutely.

ACTING PRESIDENT GRIFFO: Senator Rivera yields.

SENATOR LIBOUS: Thank you, Mr. President.

Senator, do you know when the federal government raised the minimum wage last?

SENATOR RIVERA: I'm sorry, I didn't hear.

SENATOR LIBOUS: I'm sorry, I'll speak louder.

Mr. President, through you, does Senator Rivera know when the federal government raised the minimum wage last?

SENATOR RIVERA: Through you, Mr. President, I do not recall. No, sir.

SENATOR LIBOUS: I believe it was 2009.

And, Mr. President, through you, if I could ask another question.

ACTING PRESIDENT GRIFFO: Senator Rivera, do you yield?

SENATOR RIVERA: Yes, sir.

SENATOR LIBOUS: Since 2009, what is your estimate of the economy of this country?

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: Through you, Mr. President, that's an interesting question. If you look at the numbers of jobs that have been created in the private sector during that period of time, it is actually an increase. It has been overly positive.

And over that same period of time, if you look at the number of jobs that have been in the public sector and you look at the fact that there's been so much encroachment in so many different states that are led by your party where the state and state employees -- because again, when we are saying state employees, our state can actually employ folks as well. During that same period of time, there has been either a flattening or a lessening of people working in state government.

So during that same period of time, if we're talking about job creation, the private industry has actually created jobs almost every single month for the entire period of time since

2009 till now.

Through you, Mr. President.

SENATOR LIBOUS: Mr. President, again, I'll ask the question. So you believe that during that period of time after the federal government increased the minimum wage that the economy of this country has improved and that we've been creating jobs?

SENATOR RIVERA: Through you, Mr. President. I don't believe that; the facts state that.

If I had -- I know that we're not allowed to bring props, but give me a few minutes and I can bring up some numbers from very -- not from some hippie think tank, but from probably some of the same folks that you would count on that that would actually demonstrate this clearly. The private sector has created, in almost every quarter, has created more and more jobs. A lot of it has been the public sector and the fact that it's been mostly flat and in some places decreasing that has actually made the number of total jobs created kind of not as high as it needs to be.

Through you, Mr. President.

SENATOR LIBOUS: Mr. President, through you, would he yield for another question?

ACTING PRESIDENT GRIFFO: Senator Rivera, do you yield?

The Senator yields.

SENATOR RIVERA: Yes.

SENATOR LIBOUS: Senator, then contrary to what has been reported, you do not believe since 2009 that we have experienced the worst recession, maybe an economic period as difficult as the Great Depression has been reported every day on every news outlet -- not just certain news outlets, but every news outlet -- and even the current President of the United States claims that he inherited this terrible job situation? But yet the minimum wage went up, and it didn't seem to get us out of this depression or recession, whatever -- Senator Krueger is changing her seat.

SENATOR RIVERA: Through you, Mr. President. What I am saying -- I am not saying that the economy is rosy. But I am saying that as far as job creation is concerned, over that period of time I believe that the number is

about 3.5 million that have been created in the private sector.

And although we're certainly not out of -- we're not out of the woods yet, I do think that because of the actions of this President -- and thank you so much for bringing that up. I would not have thought that you of all folks would actually bring us, in this chamber and actually help to remind me that we should all laud the actions of our President that have actually stopped a lot of the economy from jumping off that cliff.

And certainly the actions of the President, along with Congress, sometimes with great difficulty, have actually led to creation of private jobs that have been going up almost every quarter in the last couple of years.

SENATOR LIBOUS: Mr. President, I am quite excited about the Senator's animated answer to that. But actually the number of jobs has gone down since the period of time that the minimum wage went up. And there are statistics that show that. And the unemployment rate continued to rise during that time, which shows that there are fewer and fewer jobs.

So again, I will sit down. The Senator was gracious to yield to me. But it is my belief that since the last minimum wage was increased to $7.25 by the federal government, we have been in one of the worst recessions this country has seen since the Great Depression.

ACTING PRESIDENT GRIFFO: Thank you, Senator Libous.

Senator Rivera, I believe you were concluding when Senator Libous rose.

SENATOR RIVERA: I was, before I was rudely interrupted. I almost forgot what I was saying. I might just have to start again. I'm messing with you. I'm messing with you.

Ultimately, ultimately, my colleagues -- and I would actually like to be able to show this stuff to Senator Libous and let's have a battle of graphs, if you will. But I'm very comfortable in saying that there has been, as far as job creation is concerned -- if we're talking about that over the last couple of years, we have gotten better in the private sector.

But the more important part of this whole conversation, my colleagues, has to do with

the choices that we make about where to put these resources. We are choosing to say $657 million of our revenue, we should say we're going to give that up because we believe that it will create jobs.

And certainly while belief is important, I believe that facts are more important. And what I have seen in other states is that some of the types of programs that we're creating here today or that we're proposing here today ultimately in a noneconomic boom will not allow for the job creation that a lot of folks say would be possible.

And I think that when it comes to demand, when the products and the services that are available cannot be afforded because people can't pay for them, that makes those businesses fail. So if we're going to allow for some of those businesses to grow, we have to allow -- we have to also consider, as part of a package like this, raising the minimum wage.

The fact that we are not doing that is disappointing, and I believe it makes for an incomplete package. And I will be voting in the negative on this piece of legislation. Unless

somebody more wants to interrupt -- no, nobody? Okay, voting in the negative.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Marcellino.

SENATOR MARCELLINO: Thank you, Mr. President.

I want to commend Senator Skelos for bringing this bill to the floor. It's absolutely necessary that we engage in a conversation where we can talk about growing the economy and stimulating small businesses to create jobs.

I was listening on the way up this morning, as I was driving on the way up I was listening to Fred Dicker's show, which emanates, as we all know, out of this Capitol building. And he was talking to Mickey Carroll, the guy who does the Quinnipiac polls, and they were talking about the fact that between the years 2000 and 2009, in New York State, we lost a total of about 3.4 million people: 3.4 million people left New York State between 2000 and 2009.

During that same period of time, we gained a little more than 2 million people. So

we have a net loss of population of over 1 million people. Which accounts for a net loss of revenue to the state, from these people who have left the state, of about a billion-plus in revenue to the State of New York which couldn't be used for goods and services for our constituents and for people in the state.

This trend has to be changed. This trend can't go on. We cannot have people leaving the state. Where are they going? Interestingly enough, Senator, where were they going? They're going to Texas. They're going to Florida -- as I refer to it, God's waiting room. But that's where they're going. They're going to states where there are no income taxes, where there are no inheritance taxes, where the taxes are lower and the cost of living is lower and the cost of doing business is lower than it is right here in New York State.

Now, I don't like that. I don't like that. I'm a resident of New York State, a lifelong resident of New York State, and I want to stay here in New York State. And I want my children and my grandchildren to stay here in New York State. But they can't stay here if they

can't make a living. And they can't make a living if small businesses, big businesses, and medium-sized businesses, I don't care what they are, don't come here, settle here, and start doing business here. Which means hiring our citizens. Hiring our people.

We pay a fortune to educate our children, and they have to leave New York State to get a job. That isn't good. That isn't good politics, and that isn't good government. We've got to change that.

This bill -- flawed? Maybe. I don't know any great bills, I don't know any perfect bills that have ever come out of this place, except maybe one that Kevin Parker wrote. I understand that, Kevin.

But the name of the game is there's no such thing as perfection except for the Supreme Being, and that might be the only perfection we can all agree upon.

But right now, this bill is a good bill. It starts the process, it engages, it gets small business in the realm. And then we can start the process of getting our people back to employment and stop the bleeding of human beings

out of New York State.

I don't care what side of the aisle you're on, you cannot be happy -- and I'm sure we all have it in our families -- you cannot be happy when members of your family say, Gee, Dad, Mom, Granddad, Uncle, whatever, I can't stay here, I've got to go to Texas, Carolina, Florida, all those other states, Pennsylvania, where I can get a job and the cost of living is less than living in New York State.

Everything we talk about, everything we debate is negated when our citizens tell us they can't afford to stay here. And I will guarantee it, and I'm willing to bet each and every one of you is getting the same mail I get: Senator, I can't afford to live here anymore. You got to help me. You got to cut my taxes. You got to make it better for me to stay here. I want my children to stay here. I want my grandchildren to stay here. And right now they can't, under current conditions.

Working with Senator Skelos's bill, working with Governor Cuomo over the past year has been positive. We have gone and moved this state in the right direction. This bill will

move more in the right direction towards creating jobs, cutting the cost of doing business in this state, cutting the cost of living in this state, and encouraging more of our people to stay in this state.

Ladies and gentlemen, I suggest we vote aye on this piece of legislation.

ACTING PRESIDENT GRIFFO: Senator Parker.

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

ACTING PRESIDENT GRIFFO: Senator Parker on the bill.

SENATOR PARKER: I actually stand to rise -- I stand to rise, that's a good one. I rise to join my colleagues, and that's because I'm going to do something unusual and congratulate Senator Skelos on this bill.

I feel like, as I've been listening to this debate, to some degree the Republicans have started negotiating against themselves. I think that there's no one in this chamber who does not think that creating jobs and being able to do better for small businesses in our state is an important thing for us to do.

But I do certainly stand shoulder to shoulder with my colleague Senator Krueger and her warnings about how we go about that, that it is important for us to create an environment where business, particularly small businesses -- and when we talk about small business, most of us are not really talking about the SBA definition, which talks about a hundred people in the business and, you know, a hundred million dollars' worth of revenue and all that stuff.

We're really talking about, for the most part, mom-and-pop shops. We're mostly talking about, you know, not the Wall Street economy but the Main Street economy. And in my district, the main streets of Flatbush and Church Avenue and Utica Avenue and Ocean Avenue. And those businesses are businesses of about 25 people; most of them have total revenues of less than $5 million.

And that's what I'm sure that we're talking about around the state. And certainly many of the things that are being proposed in this current bill are going to be helpful to those businesses and so on.

So I am going to vote yes on this

bill. I think, you know, I agree with the chairman of the Energy and Telecommunication Committee, Senator Maziarz, when he talks about the taxes that are onerous on energy and communications companies that we did a number of years ago, the 18-a surcharge, and we certainly need to get rid of that. Wish we didn't have to do it in the first place.

But I really rose because I could not help but to be engaged in the kind of debate that I thought that I would be engaged in when I came here as a Senator, which it is really to talk about the direction that we're going to go.

All of us agree that we ought to be bringing more jobs and small businesses are the way to go. And I think that we agree that that ought to be the way to go about it, that we ought to be moving in that direction. The question is how do we go about it. The question is how do you create jobs. The question is how do you put more money in the pockets of everyday people, those of us who are our constituents.

And what I'm hearing across the aisle is that we ought to do a top-down approach, that we ought to take the business owners and put

more money in the hands of the business owners. And that may be a part of the approach. But what we have seen on a national level is that that has not in fact worked, that bailing out AIG and bailing out the big banks on Wall Street and bailing out GM and Chrysler and all the rest of the companies that we bailed out in this country has not in fact created new jobs in this country for us. It certainly has not done what we thought it would do in terms of creating more buying power for every single working man and woman not just in our state but across the country.

And so we're saying let's do something that's a little more balanced. We're going to pass this bill today in this house, because I'm sure that the votes are there, but it's a one-house bill. So clearly you have not gotten the Assembly to agree that this is the way that we ought to go. So maybe there's a little bit of work that needs to be done, and we ought to have some conversations about that.

But on the same day that you are putting this forward to in fact say you're going to put more money in the hands of people -- and

we're going to agree, and many of us are going to vote for it -- you have denied an access to a vote on a resolution that would absolutely put more money in the hands of people, and that's raising the minimum wage.

That in fact if we're going to give tax cuts for jobs, that we ought to be in fact putting more money in the hands of working people so they in fact have some money so they can buy things in these beautiful new buildings and these beautiful new small businesses that are going to be all over the place now because we're cutting everybody's taxes and everybody is going to be running and flocking back to New York once we pass this bill. All right? We ought to be doing both.

And I certainly again want to reiterate that I think that Senator Krueger's point should be well-taken: That when you cut taxes, you in fact have to pay for those tax cuts some way. And so we're going to get rid of something, and it's going to cost $216 million to provide the tax cut. The question that has not been answered is where that $216 million is going to come from.

The question is if in fact we're going to say we're going to produce jobs, how many jobs? Where are those jobs going to be located at? Are they part-time jobs or are they full-time jobs? Are they minimum-wage jobs or are they living-wage jobs? Right? A lot of questions here that have not been answered.

I'm going to vote yes because on this particular subject on this particular day, I'm going to trust that Senator Skelos has those answers and we will be able to get those things maybe after the session today. But certainly we have not been provided those answers in the questioning that Senator Krueger made to the Finance chair or anyone else.

And so I think that, you know, we're going in the right direction. I'm not sure it's the correct road, but we're at least, I think, going in the right direction as we start talking about, you know, job creation, as we start talking about small business development.

But we certainly ought to be answering the important questions about how are we going to pay for this, where the jobs are going to be created, and how do we in fact make

sure that these are the kinds of jobs that are going to be full-time jobs at a living wage with benefits. Because unless they're full-time jobs at a living wage with benefits, we're really doing a disservice to the people of this state and we're really, you know, kicking the can down the road, you know, for other times for us to resolve these important issues.

Thank you.

ACTING PRESIDENT GRIFFO: Thank you.

Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President. On the bill initially.

ACTING PRESIDENT GRIFFO: Senator Stavisky on the bill.

SENATOR STAVISKY: Yeah, I think this bill is incomplete also. It's missing the minimum-wage component that I think is crucial. But it seems to me that half a bill is better than no bill at all. And for that reason, I'm going to vote for the bill.

But I was listening to the debate between my colleague Senator Rivera and two Senators on the other side, and I wonder -- and I

was sitting here thinking they were comparing unemployment to today to the period in the 1930s during the Great Depression. And if one of the Senators would respond to really just one question.

ACTING PRESIDENT GRIFFO: You have a question, Senator Stavisky?

I would ask Senator DeFrancisco, would you yield?

SENATOR DeFRANCISCO: Sure.

ACTING PRESIDENT GRIFFO: Senator Stavisky, Senator DeFrancisco yields.

SENATOR STAVISKY: During the 1930s we were obviously in the period of the Great Depression. How did we get out of the Great Depression?

SENATOR DeFRANCISCO: I wasn't there, but what I understand --

(Laughter.)

SENATOR STAVISKY: I wasn't there either.

SENATOR DeFRANCISCO: But what I understand is that there was a job-creating by the federal government called World War II.

SENATOR STAVISKY: That's right.

SENATOR DeFRANCISCO: And during that period of time there was a lot of people that had to go to the service, not voluntarily -- or actually voluntarily, but because of need, and that ended up creating a lot of industries and kick-started the economy.

Not really the way we'd want to do it. So we're proposing this package as opposed to World War Three.

(Laughter.)

SENATOR STAVISKY: I wonder if we had the same history professor at Syracuse.

(Laughter.)

SENATOR DeFRANCISCO: Probably.

SENATOR STAVISKY: Probably. Since I happen to be a graduate of the institution in the Senator's district.

Exactly, it was the beginning of the Second World War, a public stimulus package.

But there was one other aspect that got us out of the Great Depression, and that was a massive public works project. Public monies --

ACTING PRESIDENT GRIFFO: Are you on the bill now?

SENATOR STAVISKY: On the bill.

ACTING PRESIDENT GRIFFO: Senator Stavisky on the bill.

SENATOR STAVISKY: Public money was spent on a massive public works project where government became the employer of last resort.

And I suggest that the New Deal and obviously the Second World War were the economic stimuli that helped end -- and nobody is suggesting a war, but on the other hand, perhaps some kind of public works project might succeed again.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Stavisky.

Is there any other Senator wishing to be heard?

Seeing none, hearing none, debate is closed. The Secretary will ring the bell.

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator

Breslin to explain his vote.

SENATOR BRESLIN: Thank you, Mr. President.

Just briefly, I intend to vote for this bill because I believe in any attempt to improve our economy, to get small businesses more viable than they have been.

But again, as speakers have said, it's without a minimum wage, and denying more a million people the ability to make a fair wage to support families.

And I heard way too much finger-pointing --

ACTING PRESIDENT GRIFFO: Excuse me, Senator Breslin.

Can we have some order, please. Thank you.

Senator Breslin.

SENATOR BRESLIN: I heard way too much finger-pointing that "you Democrats."

The Democrats were in power here for two years. I have been in this body for 15 years, and upstate New York and Western New York has been an economic quagmire for those 15 years, most of the time supported by a

Republican Governor and a Republican Senate.

So the sooner that we begin to move this state forward and take away the labels, the better off we'll be.

So I applaud this bill, I'll vote for it, and I look forward to the minimum wage passing very shortly.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you. Senator Breslin to be recorded in the affirmative.

Senator Hannon to explain his vote.

SENATOR HANNON: Thank you, Mr. President.

I think it's of utmost importance that we've changed the direction that we're going. When we did the budget, we were talking about a fiscal plan for a year. When we do tax cuts, we're talking about the fiscal plan for the future.

And what we're doing in eliminating taxes on manufacturers, on small businesses, giving small business job credits, little small things like angel investing or helping the tax credit on the film industry, which brings jobs to

the state, is essential and important to the direction this state is going.

In addition to the job growth that comes about because of these --

ACTING PRESIDENT GRIFFO: Excuse me, Senator Hannon. (Gaveling.)

Thank you, Senator Hannon. Please proceed.

SENATOR HANNON: In addition to the job growth that comes about because of these tax cuts, the state has to be in a position of knowing that there are other states coming to New York on a daily basis offering enticements to our industries, to our manufacturers, sometimes even to our retailers to go to those states.

We have to be protective. The other states are lowering their taxes, they're designing economic packages. And we have to be protective of that. This will help. This will keep the economy of the state going forward.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Hannon to be recorded in the affirmative.

Senator Squadron to explain his vote.

SENATOR SQUADRON: Thank you, Mr. President.

I just want to rise and say that I think that the beer tax credit being in this bill is important. It's been a growing industry over the last decade, and one that we need to save, and so I am pleased to see that. There are some other positive and less positive things in the bill, but moving that forward is important.

As Senator Breslin pointed out, and so many others, the fact that this is moving without the minimum wage moving is really a terrible shame for the people of the State of New York. It's important, for fairness and for equity, we need to do the minimum wage. It doesn't mean that there aren't good pieces of this bill. But the fact that we haven't had the chance to vote on minimum wage in this house is a real shame.

I urge the other side to allow it to come to a vote. Let's see if we have a majority in the house who will raise the state's minimum wage. If we don't, we won't. But let's not bottle it up.

I'll vote yes on this bill and urge

a future vote on minimum wage.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Squadron to be recorded in the affirmative.

Senator Fuschillo to explain his vote.

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

I fully support Senator Skelos's legislation, and I want to applaud his efforts. This is so critically important to keep the state moving forward in the right direction, creating jobs, providing tax incentives, but putting money back in the pockets of small-business men and women so they can reinvest, rehire, and create jobs and keep stimulating the economy here throughout New York State.

I proudly vote aye on this legislation.

ACTING PRESIDENT GRIFFO: Senator Fuschillo to be recorded in the affirmative.

Announce the results.

THE SECRETARY: Ayes, 57. Nays, 1. Senator Rivera recorded in the negative.

Absent from voting: Senator Adams.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator Libous, that completes the controversial reading of the supplemental calendar.

SENATOR LIBOUS: Thank you, Mr. President.

We need to lay the rest of the supplemental calendar aside for the day. Can we do that?

ACTING PRESIDENT GRIFFO: The remainder of the supplemental calendar will be laid aside for the day.

Senator Libous.

SENATOR LIBOUS: Yes, lay the rest of the supplemental calendar aside for the day. So that would be 964, 965, 966, 967, 968, 970, and 971.

ACTING PRESIDENT GRIFFO: So noted and so ordered.

Senator Libous.

SENATOR LIBOUS: Mr. President, if we could go back to the main calendar and take up, and this would be non-controversial, a bill by Senator Young that was laid aside. That would

be Senate 817. If we could take that up right now.

ACTING PRESIDENT GRIFFO: Returning to the noncontroversial active list, the Secretary will read the substitution.

THE SECRETARY: On page 44, Senator Young moves to discharge, from the Committee on Health, Assembly Bill Number 9834 and substitute it for the identical Senate Bill Number 6970, Third Reading Calendar 817.

ACTING PRESIDENT GRIFFO: The substitution is so ordered.

The Secretary will read.

THE SECRETARY: Calendar Number 817, by Member of the Assembly Gunther, Assembly Print Number 9834, an act to amend the Public Health Law.

ACTING PRESIDENT GRIFFO: Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 59.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator Libous.

SENATOR LIBOUS: Now, Mr. President, if we can go to the controversial reading of the calendar, I believe Bill Number 299, Senate Print 716, by Senator Robach.

ACTING PRESIDENT GRIFFO: The Secretary will ring the bell.

The Secretary will read.

THE SECRETARY: Calendar Number 299, by Senator Robach, Senate Print 716, an act to amend the State Finance Law.

ACTING PRESIDENT GRIFFO: Senator Krueger.

SENATOR KRUEGER: Thank you, Mr. President. Would the sponsor please yield for some questions?

ACTING PRESIDENT GRIFFO: Senator Robach, do you yield?

SENATOR ROBACH: I would, gladly. Thank you.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR KRUEGER: Thank you.

So we've debated this bill several previous years. And in previous years, as you might recall, I'd asked you whether you had done any research into other states that have actually passed these kinds of budget increase cap legislation and if you had looked at the impact on those states.

So this year I will ask you again, have you done any research into some of the problems that have been created in other states that passed legislation similar to yours?

SENATOR ROBACH: Yeah, I'm not certain, but I'm trying to recall. I have actually looked at them, and I think that your -- it's kind of a leading question, as we call it in the courtroom.

I don't think that there are problems with places that have caps. I think that there's been structural problems in the places that don't that continually outpace the rate of inflation in their spending. So I have looked at those.

I think this bill simply does what the Governor has stated and what we've done the last two years in a row and said we are not going

to let spending increase greater than the rate of inflation, which I have to say I think would restore a lot of sanity putting that in a statute to our budgetary process.

I also -- Part 2 lets it, the rainy day fund, be increased from 3 percent to 10 percent, so in the event that we do have a bad year, we would have some money set aside to protect some of the important programs that we all value that people rely on regardless of age or upstate or downstate.

So I think the states, Senator Krueger, who have done that have actually fared better than the ones that haven't.

And I may even go one step further. And I think that if you look at, in particular, California and New York, who for years spent greater than the rate of inflation, they seem to have the most challenging times both in terms of issues with businesses and also, I would say, in unhappiness with the population on the taxes that have to be derived to sustain that type of fiscal policy.

This would level us out, give us some expectation. And, just like a family

budget, when you know what your income is, to say it can't grow too greater than that, to try not to have these spikes and valleys but have some stability.

And I would end the answer with I think over the last two years, with the Governor insisting that be part of the budget, we've done that now in ideology. I think it's time to put it into statute.

ACTING PRESIDENT GRIFFO: Senator Krueger.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR ROBACH: Certainly.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So is it the sponsor's understanding of his bill that if we increased the rainy day fund from 3 percent to 10 percent but we also must stay within the cap parameters of his bill, we actually are lowering the amount of money available for our budget by a significant amount, say next year? Is that correct?

SENATOR ROBACH: There's no question that to live within our means, just like any budget in any family, any business, you definitely have to make some challenging decisions. I don't deny that. But I think there's plenty of room in our state to do that.

We've started going down that road. I think we need to continue until it does stable out and we get the critical programming.

But I do also think, just like in my private economy, if you will, certainly I sleep a lot better at night knowing if I have a little bit of money saved for my kids' college and other things that are important to me, I think that would behoove the state to do that as well.

I do remember one year earlier in my career when we had a very bad economic downturn, the Legislature was here for the entire month of December having to vote on cutting a lot of programs that I knew were very important and critical, because we had no money and by constitution our budget has to be balanced on paper. I think that's the best I can answer it, that we'd avoid that.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR ROBACH: Certainly, Mr. President.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So as I do the calculations under your proposed bill, in fiscal year '13-'14, if the cap in your bill was in effect, the state operating fund spending would be limited to $90.3 billion, as compared to Department of Budget's estimate of $92.6 billion, which is $2.3 billion less than we're on schedule and projected to spend.

Do you agree with those numbers?

SENATOR ROBACH: What it would do is, regardless of the year, is this spending cap established in this legislation would limit the growth of state operating funds spending to no more than the average rate of inflation of the three previous calendar years.

SENATOR KRUEGER: So we did the math on what that would mean, and so it --

SENATOR ROBACH: I take your word

for it.

SENATOR KRUEGER: Okay. So assuming our math is right and we would have $2.3 billion less for the next fiscal year. And today almost all of us voted for an additional package which would lose another $657 million in revenue, as I recall from the previous debate. So we're up to about $3 billion less.

And then earlier today in Finance you carried a bill that would reduce our tax revenue by an additional $350 million. Now, I in fact didn't vote for your bill, but that was a bill that did move through Finance and could conceivably come to the floor.

SENATOR ROBACH: What bill would that be?

SENATOR KRUEGER: One moment.

ACTING PRESIDENT GRIFFO: Members, could you please direct your comments through the chair.

SENATOR KRUEGER: I'm sorry.

You know what, I apologize, it was Senator Ranzenhofer's bill, 319A. You voted yes for it, but it was not your bill, I apologize. It was Senator Ranzenhofer's bill.

ACTING PRESIDENT GRIFFO: Senator Krueger, do you have a question?

SENATOR KRUEGER: I was in a question. I was clarifying my question.

So if this bill reduces what we'd have to spend by $2.3 billion next fiscal year, the package we just passed would reduce another $675 million, and if Senator Ranzenhofer's tax reduction bill passed, it would be another $350 million -- so let's round to $3.2 billion -- what would you cut out of next year's budget? Because we wouldn't be able to spend that $3.2 billion.

SENATOR ROBACH: I guess I would look at it a little bit differently.

There's no question that even what we've already done currently over the last two years, we've had to make some challenging decisions, put in efficiencies, reduce the size of government -- which the public seems to appreciate, enjoy, and like.

And as I said earlier, there may be difficult decisions that have to be made regardless of that. But I don't shy away from that. I think there's appropriate times to do

government programming, and I think there's appropriate times to put money back to the taxpayers. Because I think we always have to remember where the money comes from.

You seem to feel like -- you keep using this term "what will it cost." It doesn't cost us anything. It's someone else's money. It's your constituents and my constituents, it's their dollars from their family that fund these things.

So given the fact, I guess would be my answer, because I don't know specifically, that we spend more money per capita in our government programs almost than any state in the nation -- I believe the most. And I like a lot of the programs. I don't want to be hypocritical. But we would have to fine-tune, tighten our belts, just like businesses, working families are doing in the State of New York, to get to the number.

But, Senator Krueger, we do that -- well, we don't do that every year. We've done it the last two years, working hand-in-hand with the Governor to try and be a little more fiscally responsible. I believe we should have been doing

that earlier. That's what the budget's all about.

The idea of continuing to spend money you don't have and then raise the revenue later always costs some taxpayer somewhere more money. So that's what I'm trying to avoid and stabilize.

SENATOR KRUEGER: Mr. President, on the bill.

ACTING PRESIDENT GRIFFO: Senator Krueger on the bill.

SENATOR KRUEGER: Thank you.

Well, I agree with Senator Robach in his final sentence. Our job in budgets is to try to balance the needs of the people of New York State, 19.5 million of them, and the budget realities we face, including being forced to make hard choices. I actually think that's what we get elected to do, to make decisions about revenue and taxation in the context of the decisions we make about spending money.

The problem I have with tax caps and spending caps is we're saying no, we can't be trusted to make those decisions, we must structurally do this so that we can't have the

back and forth, we can't be a legislature that makes hard decisions and prioritizes and does have to make decisions about if we have a budget that is frozen at $2.3 billion less than we expected we were going to have to spend next year, that we have to make the decision what programmatic cuts are we making.

If we cut taxes by close to a billion today, then what are we going to not be able to spend from our treasury because we didn't collect that money tomorrow?

I think this should all be done within the context of a budget, and I think we the Legislature should make the hard decisions. So I'm not disagreeing with the Senator, except that I don't want that responsibility taken away from the Legislature. Because you know what? If you do it in a vacuum, if you pass this cap and we didn't have $2.3 billion projected to spend, just to keep on the Governor's financial plan for next year we would have to still answer the question, What are we cutting?

And my guess is we'd be cutting education. And we'd be cutting healthcare. And we'd be cutting funding for our senior citizens.

Because when you look at what the budget gets spent on, those are the programs it gets spent on.

Now, there's the added risk if you have a property tax cap, which we do in the state -- and some people here thought it was a great idea, some of us not so much. But we have one. That means we know our localities and our school districts are limited to how much they can increase revenue to pay for schools.

So hello, they have to come to the state if they have a crisis. They have to come to the state and say here's our reality, here's our capped maximum that we can collect at home, here are our ongoing costs for education, whatcha gonna do for us, State of New York?

Now, maybe the State of New York, through a legislative process with the Governor, would actually have to say, Sorry, all you school districts, not here, we don't have the money here either.

But do we really want to tie our hands through an official cap where we would know starting off we would have just next year, without even playing out future years,

$2.3 billion less just to keep a budget at the level it is technically scheduled to be at without any additions?

Now, there are other states who have done this. And I continue to check the new research, and the research shows they have been very painful decisions. They have lowered their success rates in education, they have lowered their funding for their hospitals and healthcare, and they have increased the problems that they see in their communities.

You can make that decision. Sometimes you might have to make that decision. I just don't want that taken away from us, the elected officials and the Governor, to actually have to make the best decisions we can even with limited money even in bad economic times.

And you know what else is so interesting when you look at the states that have gone down this road? They've figured out how to cheat. They've figured out how to cheat by creating new fees that weren't general fund taxes, that didn't go through the budget. They've created whole new levels of local district governments so the district could create

a tax and could pay for things that way.

Well, the irony for New York State, we're the most overdistricted state in the country as far as the different levels of assessing units -- fire units, school districts, towns, villages. You know, there are more tax assessment districts in Long Island than in the entire state of California times 10.

So we're not a state that ought to be creating more layers of government to collect more sources of revenue because we would stop ourselves through a cap from being able to make these hard decisions. Because every time you add a level of government who then creates a revenue stream for themselves, you move farther and farther away from having a rational, progressive revenue and tax system.

And though we didn't all agree about the advantages of the bill we just debated here, I'm pretty sure all of us agree cutting taxes here only to create the exact same revenue through a whole series of new tax streams through new levels of government is something we would not agree with at all.

So I urge my colleagues -- okay, I

repeat myself, I don't think this is going anywhere. It's multiple years old. Even Republican governors and Republican legislatures throughout the country have been saying, unh, unh, unh, we're not making that mistake. Or: Boy, how the heck do we get ourselves out of the mistake we already made. So I actually think this proposal is a trend whose time came and went, and it's not going to go anywhere here in New York State.

But again, because we're supposed to have substantive, deliberative debate on complex issues, I urge my colleagues, whatever you do with the vote tonight, know, do your homework, you won't want a state where you're actually trapped under the limitations of a cap. And you would see it immediately, and you would see it even worse long-term down the road.

I urge everyone to vote no, Mr. President. Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Krueger.

Senator Robach.

SENATOR ROBACH: Yes, just quickly, because I really didn't get a chance to

explain the bill.

I actually agree with much of what Senator Krueger is saying but come to different conclusion.

If we had a cap in place earlier on, and why this is needed -- which some states just do voluntarily, and it is their culture -- we wouldn't need this bill. But because we have been so frequently spending and adding, it has really choked the life out of businesses and people. In upstate New York, people have moved, citing taxes.

So when you say where will the money come from, if we have policies that generate positive revenue, that's very different than getting more money out of those people who are captured and left here.

So I agree with much of what's been said; I think we need a different course of action. Unless you think overspending and overtaxing is guiding us to economic vitality, then you should vote for this bill.

If you think we need to put some fiscal sanity and try something a little bit more moderate and something more reliable -- and I

will point out not only has it passed this house with I think 48 votes in the past, but it's also tremendously popular with the public, and they're asking for it in polls -- absolutely, I think it makes sense to try this.

I'll end with this, because I don't want to talk too long. But for the two years that we've done this, at the insistence, kind of, of the Executive, it seems to be working pretty well.

Because it's no different than when you go to the store. If somebody says "Go buy whatever you want, and you don't have to worry what the bill is or how much money you're going to spend," you're going to make different purchases than if you say this is a couple of hundred dollars I've got to spend. You're going to be a little bit more careful, make different decisions.

I firmly believe, off political terms -- or nonpolitical terms but directional terms, that it is absolutely the direction the state should take. And I am hopeful that with the Governor's support we can get some -- not only pass it here again, but get some action in

the other house.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Is there any other Senator wishing to be heard?

Seeing none, hearing none, debate is closed and the Secretary will ring the bell.

Read the last section.

THE SECRETARY: Section 3. This act shall take effect on the 30th day.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: As the vote is being tallied, I'd like to remind members we still have one bill left. If you would remain close to the chamber, please.

Announce the results.

THE SECRETARY: In relation to Calendar Number 299, those recorded in the negative are Senators Dilan, Duane, Gianaris, Hassell-Thompson, Huntley, Krueger, Montgomery, Oppenheimer, Parker, Peralta, Perkins, Rivera, Serrano, Smith, Squadron, Stavisky, and Stewart-Cousins.

Absent from voting: Senators

Adams, Espaillat, and McDonald.

Ayes, 39. Nays, 17.

ACTING PRESIDENT GRIFFO: The bill is passed.

THE SECRETARY: Calendar Number 795, by Senator Libous, Senate Print 3445B, an act to amend the Tax Law.

SENATOR KRUEGER: Explanation.

ACTING PRESIDENT GRIFFO: An explanation has been requested by Senator Krueger, Senator Libous.

Can I have some order in the house, please.

SENATOR LIBOUS: Thank you, Mr. President.

Mr. President, what this bill does is it raises the sales tax exemption on food and beverage sold in vending machines from 75 cents to $1.50.

ACTING PRESIDENT GRIFFO: Senator Krueger.

SENATOR KRUEGER: How are you tonight, Mr. President?

ACTING PRESIDENT GRIFFO: I'm fine. How are you?

SENATOR KRUEGER: I'm fine, thank you. If the sponsor would yield, please.

SENATOR LIBOUS: Mr. President, through you, I would be happy to yield to Senator Krueger.

ACTING PRESIDENT GRIFFO: Senator Krueger, you are right, it is now evening. Good evening.

SENATOR KRUEGER: Okay, thank you, Mr. President. I promise to narrow this down in my questions for Senator Libous, so I'm just cutting out some.

If a candy bar or a can of soda in the vending machine costs, let's say, $1.25, under his bill would the first 75 cents be tax-exempt and the remaining 50 cents be what the vendor had to pay taxes on? Or would it exempt the entire product from sales tax?

SENATOR LIBOUS: Mr. President, through you. The current law is 75 cents. I wish to expand it to $1.50. So anything $1.50 and under would be exempt.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR LIBOUS: I will.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Do vending machine companies pay property taxes for the location their machines are located?

SENATOR LIBOUS: I would certainly hope so, Mr. President, unless they were viewed as nonprofits. But I don't know of any of them that are.

SENATOR KRUEGER: Through you, Mr. President, my understanding is most vending machines are inside of other buildings or sometimes outside buildings on concrete or even on a driveway path.

So the vending machines must pay a share of property tax? How does that work?

ACTING PRESIDENT GRIFFO: Are you asking the companies that own the machines, Senator?

SENATOR KRUEGER: Do the companies that own the vending machines today pay property tax at the locations the vending machines are sitting?

SENATOR LIBOUS: Well, it would be

possible, Mr. President, if they're renting the space, just like any renter indirectly probably contributes toward property tax.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR LIBOUS: Yes, of course.

SENATOR KRUEGER: Thank you.

Do mom-and-pop stores and convenience stores and other food stores that also sell candy and soda and typical vending-machine-type products pay property taxes?

SENATOR LIBOUS: Mr. President, if I could have a little order. There seems to be -- and I have a difficult time hearing Senator Krueger, and I want to respond as accurately and precisely as I can to her questions.

ACTING PRESIDENT GRIFFO: The chamber is becoming noisy. I would ask, please bring some quiet to the chamber so the members can hear each other.

SENATOR LIBOUS: Based on that, Mr. President, Senator, would you please reask

your question?

SENATOR KRUEGER: Thank you.

Do mom-and-pop stores, what we often call bodegas in New York City, convenience stores, other food stores that sell soda and candy and other vending-machine-type products, do those stores pay property taxes?

SENATOR LIBOUS: They pay property taxes, yes, they do.

SENATOR KRUEGER: Through you, Mr. President. Do those stores pay taxes on the employees they have working in their stores selling these products?

SENATOR LIBOUS: I would assume so.

SENATOR KRUEGER: Does a vending machine pay a payroll tax?

SENATOR LIBOUS: Well, a vending machine, Mr. President, doesn't directly pay. But the people who service the machine are employees of the vending company.

Just to give you an example, if I may. The industry in New York State, there's about 61 vending companies, and they have about 4200 employees. And one of the reasons why we're

promoting this is because it's been a long time since there's been an increase, and they've actually lost 5300 jobs. And there hadn't been any changes since 2000.

We're also making this, Mr. President, competitive with other states. Connecticut and Maine have exemptions up to $3.50. Vermont has no sales tax at all on vending machines. So I think, directly to Senator Krueger's question, is that we are trying to make this a very competitive situation for vending machine companies.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would yield.

SENATOR LIBOUS: Sure will.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So through that answer is the sponsor implying that people are going from New York State across state borders to buy their candy and soda and pretzels from vending machines without sales tax, as opposed to buying them in the machines we have here in New York?

SENATOR LIBOUS: I'm not implying

that at all.

But I can tell you I live 4 miles from the Pennsylvania border, and there might be one or two people from my district who have purchased in Pennsylvania out of the vending machines. But I am not implying that at all, Mr. President.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Does the sponsor believe we should have sales tax on products that are purchased over the Internet?

SENATOR LIBOUS: Mr. President, I'm not going to answer that because I don't think it has anything to do with this piece of legislation.

This legislation deals with vending machines. There is in place an exemption of 75 cents. I am asking in my legislation to increase it to $1.50 to be competitive.

So in all due respect to Senator Krueger, we're not talking about the

Internet, we're talking about vending machines.

SENATOR KRUEGER: Through you, Mr. President -- I'm going to speak on the bill because of the hour.

ACTING PRESIDENT GRIFFO: Senator Krueger on the bill.

SENATOR KRUEGER: Thank you. But I'm going to answer this last question by my speaking on the bill.

So why do I think decisions about Internet sales and whether we should have sales tax relates to vending machines? Because when we don't pay tax on Internet sales from other states, we don't go to bricks-and-mortar stores here in New York State where they pay property tax, they pay business taxes, they hire people and they pay payroll taxes.

If a vending machine company gets a tax advantage over bricks-and-mortar stores that sell the same products, (A) we are giving an unfair advantage to one type of sales outlet over another type.

If you go and by your food-type vending-type products at a store, you are paying a tax. And under the Senator's bill, if you're

buying those products through a machine, you're not paying a tax.

So you've given an advantage to one type of company and you've given an advantage to a type of company, not unlike Internet sales, that don't actually hire people to sell the product, who don't have a physical site in your community where they rent commercial space, where they pay property taxes, where they hire local people. And so you've actually given a tax incentive to a kind of marketer who's not creating jobs in your community.

Now, it's true there are employees who are hired by vending machine companies. I understand that. But I'm talking about jobs in neighborhoods in stores that sell the product. I really don't understand why the State of New York would want to give a tax advantage, a business advantage to a kind of business -- no disrespect to that business, but to a kind of business who doesn't have bricks and mortar and doesn't hire local people and pay local property taxes.

So in fact if you give an advantage to the vending machine sales, you are actually giving a business disadvantage to your local

stores just like we have seen with Internet sales where we lose jobs, we lose stores on Main Street, we lose the tax revenue.

So based on the theme of today, I think it's critical that we have an even playing field between the types of businesses that sell soda, candy, pretzels. I don't want to use any actual business name, but I think most of us know the kinds of food products we see in vending machines.

So I'm not making a judgment about whether we should buy those products, and I'm not making a judgment whether I personally decide to buy it at a store from an actual worker or buy it through a machine. I just don't think the State of New York ought to have a different set of tax rules for these two types of businesses, who at the end of the day are both selling products to us.

I would actually, if I had my druthers, want to give some kind of advantage to the people who are actually hiring employees in small mom-and-pop Main Street stores all over the State of New York. But I won't go that far.

I just think it should be tax

fairness and that there shouldn't be a tax advantage to a particular kind of company who is actually less labor-intensive than the types of bricks-and-mortar stores we are all familiar with. I urge my colleagues not to vote yes on this bill.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Krueger.

Is there any other Senator wishing to be heard?

Seeing none, hearing none, the debate is closed. The Secretary will ring the bell.

Read the last section.

THE SECRETARY: Section 2. This act shall take effect April 1, 2013.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Libous to explain his vote.

SENATOR LIBOUS: Mr. President, I'd like to rise to explain my vote.

And just in all due respect to my

colleague, Senator Krueger --

ACTING PRESIDENT GRIFFO: Excuse me, Senator Libous.

Please, can we have some order in the chamber. Thank you.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

In all due respect to my colleague Senator Krueger, I just wanted to qualify a couple of points.

There are indeed 61 vending companies in New York State. These companies in many cases have large warehouses. These companies employ 4,270 people in New York State. They do pay property taxes.

And many times vending machines are put in locations like here in the Capitol, when we're here late in the evening and the delicatessen downstairs is closed and everything in the concourse is closed, and vending machines are utilized by members here and staff and others.

So the industry has a purpose. And I just didn't want my colleagues to think that it

is not an industry that -- it does pay property taxes, and it employs over 4,000 people.

So while I have great respect for mom-and-pop stores -- because I grew up in one, and I understand the value and the importance of a small grocery store as I grew up with my grandfather and my father -- I also believe that there is a purpose for this industry and that they do pay property taxes.

And I vote aye.

ACTING PRESIDENT GRIFFO: Senator Libous to be recorded in the affirmative.

Announce the results.

THE SECRETARY: In relation to Calendar Number 795, those recorded in the negative are Senators Duane, Gianaris, Hassell-Thompson, Huntley, Krueger, Oppenheimer, Parker, Perkins, Rivera, Serrano, Squadron, Stavisky and Stewart-Cousins.

Absent from voting are Senators Adams, Dilan, Espaillat, and McDonald.

Ayes, 42. Nays, 13.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator Libous, that completes the

reading of the controversial calendar.

SENATOR LIBOUS: Mr. President, could we return to motions for one moment, please.

ACTING PRESIDENT GRIFFO: Motions and resolutions.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

On behalf of Senator Ball, on page 38 I offer the following amendments to Calendar Number 752, Senate Print 7268, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT GRIFFO: The amendments are received, and the bill will retain its place on third reading.

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

ACTING PRESIDENT GRIFFO: There is no further business.

SENATOR LIBOUS: Thank you, Mr. President.

There being no further business before the Senate today, I move that we adjourn

until Thursday, May 31st, at 11:00 a.m.

ACTING PRESIDENT GRIFFO: On motion, the Senate stands adjourned until Thursday, May 31st at 11:00 a.m.

Senate adjourned.

(Whereupon, at 6:43 p.m., the Senate adjourned.)