

1 NEW YORK STATE SENATE

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3  
4 THE STENOGRAPHIC RECORD

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7  
8 ALBANY, NEW YORK

9  
10 June 4, 2012

11 3:02 p.m.

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13  
14 REGULAR SESSION

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16  
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18 SENATOR JOSEPH GRIFFO, Acting President

19 FRANCIS W. PATIENCE, Secretary

1 P R O C E E D I N G S

2 ACTING PRESIDENT GRIFFO: The  
3 Senate will come to order.

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

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

9 ACTING PRESIDENT GRIFFO: Our  
10 invocation today will be offered by the  
11 Reverend Chris Carrara, who's pastor of  
12 St. Peter's Church in Lowville, of the  
13 Archdiocese of Ogdensburg.

14 Father?

15 REVEREND CARRARA: Before I  
16 offer this brief invocation, I would like to  
17 say thank you to Senator Griffo for the honor  
18 of addressing you today, for the privilege  
19 it's been to lead this body in prayer.

20 Let us pray.

21 Lord God, there are so many  
22 things to be concerned about, so many needs to  
23 be addressed, so much work to be done. While  
24 we live in the greatest state in the Union, we  
25 also recognize there is much to do here.

1                   The members of this body have  
2   been elected by the people and entrusted with  
3   a sacred civic duty. They are called upon to  
4   pass laws which protect our basic human  
5   freedoms, assist the poor, create jobs, uphold  
6   the dignity of marriage, and protect all human  
7   life. And the list goes on.

8                   Lord, these Senators are not  
9   always respected or supported. They are often  
10  harshly criticized and expected to have all  
11  the answers. So, Lord, as the dedicated men  
12  and women of this honorable body gather here  
13  today, we invoke Your guidance upon them that  
14  they may execute their sacred trust.

15                  May they serve the needs of all  
16  the people of the state, from the greatest to  
17  the most vulnerable. In a world filled with  
18  so many competing voices, may they seek Your  
19  voice and have the courage to make difficult  
20  and sometimes unpopular decisions.

21                  Lord God, let us be mindful of  
22  the psalmist's words in the Hebrew  
23  scriptures: "If the Lord does not build the  
24  house, in vain, in vain do its builders  
25  labor. If the Lord does not watch over the

1 city, in vain do the watchmen keep vigil."

2 We ask You, Lord, with Your  
3 almighty power, to bless this great state.  
4 Protect it from Montauk to Manhattan, from  
5 Buffalo to Plattsburgh, and here in our  
6 state's capital. Bless our citizens with  
7 health and prosperity and the members of this  
8 Senate with the wisdom and courage needed to  
9 legislate in these difficult times.

10 And finally, Lord, please bless  
11 with Your powerful hand newly elected Senator  
12 David Storobin as he begins his service to the  
13 people of the 27th District.

14 We ask this in Your holy name.  
15 Amen.

16 ACTING PRESIDENT GRIFFO: Thank  
17 you, Father Carrara.

18 The reading of the Journal.

19 THE SECRETARY: In Senate,  
20 Sunday, June 3rd, the Senate met pursuant to  
21 adjournment. The Journal of Saturday,  
22 June 2nd, was read and approved. On motion,  
23 Senate adjourned.

24 ACTING PRESIDENT GRIFFO:  
25 Without objection, the Journal stands approved

1 as read.

2 Presentation of petitions.

3 Messages from the Assembly.

4 The Secretary will read.

5 THE SECRETARY: On page 40,  
6 Senator Seward moves to discharge, from the  
7 Committee on Insurance, Assembly Bill Number  
8 9702A and substitute it for the identical Senate  
9 Bill Number 6812A, Third Reading Calendar 841.

10 ACTING PRESIDENT GRIFFO: The  
11 substitution is so ordered.

12 THE SECRETARY: On page 44,  
13 Senator DeFrancisco moves to discharge, from the  
14 Committee on Finance, Assembly Bill Number  
15 9694 and substitute it for the identical Senate  
16 Bill Number 6821, Third Reading Calendar 891.

17 ACTING PRESIDENT GRIFFO: The  
18 substitution is so ordered.

19 THE SECRETARY: On page 45,  
20 Senator DeFrancisco moves to discharge, from the  
21 Committee on Veterans, Homeland Security, and  
22 Military Affairs, Assembly Bill Number 9415 and  
23 substitute it for the identical Senate Bill  
24 Number 6640, Third Reading Calendar 895.

25 ACTING PRESIDENT GRIFFO: The

1 substitution is so ordered.

2 Can we have some order in the  
3 house, please.

4 Messages from the Governor.

5 Reports of standing committees.

6 Reports of select committees.

7 Communications and reports of state  
8 officers.

9 Motions and resolutions.

10 Senator LaValle.

11 SENATOR LaVALLE: Mr. President,  
12 I'd like to recognize Senator Skelos for an  
13 introduction.

14 ACTING PRESIDENT GRIFFO: Senator  
15 Skelos.

16 SENATOR SKELOS: Thank you very  
17 much, Mr. President.

18 Today we are at a full complement  
19 of 62 Senators. And it's my pleasure -- and at  
20 his swearing-in, I did make some brief comments.  
21 But today we have sworn in and we have a new  
22 member in David Storobin, who is representing the  
23 27th Senate District in Brooklyn.

24 Just a few comments.

25 In 1984 I had the opportunity to

1 travel to the then Soviet Union, sponsored by the  
2 Long Island Committee for Soviet Jewry. When I  
3 was there, I had the opportunity to meet with  
4 various refuseniks, who were not allowed to get  
5 married in a religious ceremony, who were  
6 discriminated against on a daily basis, and  
7 certainly there was absolutely no opportunity to  
8 run for public office.

9 David Storobin left the Soviet  
10 Union with his mom, came to this country because  
11 he saw the American dream and the possibilities  
12 that exist here. He became a lawyer, became  
13 involved in local Republican politics, ran for  
14 the State Senate when many said he would not be  
15 successful. But with that desire and that dream,  
16 David Storobin today is a New York State Senator.

17 So, David, we welcome you to this  
18 body. We salute you in your life story and  
19 journey. And we hope that you will be able to  
20 accomplish much for your constituents in  
21 Brooklyn. So, David, we welcome you to the  
22 State Senate.

23 (Standing ovation.)

24 ACTING PRESIDENT GRIFFO: Senator  
25 LaValle.

1                   SENATOR LaVALLE:     Mr. President, I  
2 believe there is a privileged resolution by  
3 yourself, Senator Griffo, Resolution Number 5100,  
4 at the desk. I ask that it be read in its  
5 entirety and call on Senator Savino.

6                   ACTING PRESIDENT GRIFFO:     The  
7 Secretary will read.

8                   THE SECRETARY:     Legislative  
9 Resolution Number 5100, by Senator Griffo,  
10 honoring Rosanna Scotto for her commitment to  
11 preserving Italian American heritage.

12                   "WHEREAS, It is the sense of this  
13 Legislative Body, in keeping with its  
14 time-honored traditions, to recognize and pay  
15 tribute to those individuals who foster ethnic  
16 pride and enhance the profile of cultural  
17 diversity which strengthens the fabric of the  
18 communities of New York State; and

19                   "WHEREAS, Attendant to such  
20 concern, and in full accord with its  
21 long-standing traditions, this Legislative Body  
22 is justly proud to honor Rosanna Scotto for her  
23 commitment to preserving Italian American  
24 heritage; and

25                   "WHEREAS, Born and raised in



1 Brooklyn, Rosanna Scotto is a graduate of  
2 Catholic University and holds a bachelor's degree  
3 in fine arts. Today, she is the co-host of 'Good  
4 Day New York,' having been a member of WNYW-FOX 5  
5 News since 1986; and

6 "WHEREAS, Rosanna Scotto began her  
7 illustrious career in television at WTBS, Ted  
8 Turner's UHF television station in Atlanta, where  
9 she was a reporter for two local programs and an  
10 associate producer of the station's evening  
11 newscast; and

12 "WHEREAS, In the early 1980s,  
13 Rosanna Scotto returned to her native New York as  
14 a reporter for WABC's 'Good Morning New York,'  
15 which eventually became 'Live with Regis and  
16 Kathie Lee'; and

17 "WHEREAS, After a year with 'Good  
18 Morning New York' and 'The Morning Show,' Rosanna  
19 Scotto joined WABC-TV's 'Eyewitness News' as a  
20 reporter, where she remained until she joined  
21 FOX 5; and

22 "WHEREAS, Having covered many major  
23 stories in the tristate area, Rosanna Scotto's  
24 assignments have also taken her to Israel, Rome,  
25 and across the United States; and

1                   "WHEREAS, As a reporter, Rosanna  
2       Scotto won an endless string of coveted  
3       assignments, including the first exclusive  
4       interview with Diana Bianchi, the other woman in  
5       the Christie Brinkley divorce case; the Woody  
6       Allen/Mia Farrow child custody battle; the  
7       notorious 'Preppie Murder Trial'; and the trials  
8       of Joel Steinberg and the 'Swiss Nanny'; and

9                   "WHEREAS, Rosanna Scotto also led  
10      FOX 5 News to the forefront in getting Marty  
11      Tankleff a new trial and was granted an exclusive  
12      interview with him in jail; and

13                  "WHEREAS, This remarkable woman has  
14      won three Emmys for anchoring FOX 5 News at 10  
15      and 'Good Day New York.' She is the winner of  
16      the 1995 New York State Associated Press First  
17      Place Award for her report 'New York Survival  
18      Guide' and also the winner of three other  
19      Associated Press First Place Awards, including  
20      two special Associated Press Award nominations;  
21      and

22                  "WHEREAS, In addition, Rosanna  
23      Scotto has received a host of honors and awards  
24      for her community service work; and

25                  "WHEREAS, With her throughout have

1    been her husband and their two children, all of  
2    whom feel privileged to be a part of her life and  
3    rejoice in her achievements; and

4                    "WHEREAS, It is the custom of this  
5    Legislative Body that when individuals of such  
6    noble aims and accomplishments are brought to our  
7    attention, they should be celebrated and  
8    recognized by all the citizens of this great  
9    Empire State; now, therefore, be it

10                   "RESOLVED, That this Legislative  
11   Body pause in its deliberations to honor Rosanna  
12   Scotto for her commitment to preserving  
13   Italian American heritage; and be it further

14                   "RESOLVED, That a copy of this  
15   resolution, suitably engrossed, be transmitted to  
16   Rosanna Scotto."

17                   ACTING PRESIDENT GRIFFO:    Senator  
18   Savino.

19                   SENATOR SAVINO:    Thank you,  
20   Mr. President.

21                   Today the chamber is alive with the  
22   spirit of the American dream.  A few minutes ago  
23   we watched a young man who is an immigrant from  
24   Russia become the first Russian American to be  
25   elected to the New York State Legislature.

1                   Congratulations. You don't have to  
2 get up yet.

3                   (Laughter.)

4                   SENATOR SAVINO: In addition,  
5 today we're celebrating Italian American  
6 heritage. Today is the annual day where we pause  
7 in the Conference of Italian American Legislators  
8 to celebrate our heritage and the contributions  
9 of Italian Americans to not just this state but  
10 to the entire nation.

11                   We're honoring three people here  
12 today. I'm going to speak about Rosanna Scotto,  
13 but you're also going to hear about other  
14 Italian American legends, one of them Peter  
15 Vallone, the former Speaker of the New York City  
16 Council, a City Councilman and a great  
17 Italian American in his own right, and of course  
18 John Franco, who was just recently inducted into  
19 the Mets Hall of Fame and a wonderful sports  
20 figure.

21                   But as I said, today we're imbued  
22 with a sense of the American dream where anything  
23 can happen. Where, if we just work hard and we  
24 try hard, we can accomplish anything.

25                   And Rosanna Scotto is a living

1 example of that. As a young Italian American  
2 girl who came from Dyker Heights -- you know, she  
3 and I had a lot in common. I came from Astoria,  
4 but we were both young Italian American girls who  
5 were probably told a million times that we  
6 couldn't do the things that we wanted to, that we  
7 had to change how we looked, we had to change how  
8 we spoke, we had to become less Italian if we  
9 wanted to succeed.

10                   And Rosanna rejected that, and she  
11 went on to become not just an excellent reporter  
12 and a media personality, but she is now a famous  
13 anchor. In fact, as we were coming in the  
14 chamber, Senator Storobin, one of your supporters  
15 stopped and she looked at her and she said, "Oh,  
16 my God, it's Rosanna Scotto! I love you."

17                   How many people stop us on the way  
18 in the chamber and say that? Not too many.

19                   (Laughter.)

20                   SENATOR SAVINO: But Rosanna is an  
21 amazingly accomplished young woman. And she is  
22 just a living example of what other young  
23 immigrant girls around this state can accomplish  
24 if you just try hard.

25                   So congratulations to you,

1 Rosanna. Congratulations to our other nominees,  
2 Peter Vallone, Sr., and of course John Franco,  
3 and congratulations to Senator David Storobin  
4 today as we celebrate Italian American heritage  
5 and all things that are possible in our American  
6 dream.

7 Thank you.

8 (Applause.)

9 ACTING PRESIDENT GRIFFO: Thank  
10 you, Senator Savino.

11 The question is on the resolution.

12 All in favor signify by saying aye.

13 (Response of "Aye.")

14 ACTING PRESIDENT GRIFFO:

15 Opposed?

16 (No response.)

17 ACTING PRESIDENT GRIFFO: The  
18 resolution is adopted.

19 Senator LaValle.

20 SENATOR LaVALLE: Mr. President,  
21 I'm sure that you as the sponsor would like to  
22 open this resolution up for cosponsorship. Can  
23 we please place everyone on the resolution as a  
24 cosponsor. And if someone does not wish to be a  
25 cosponsor, they should notify the desk.

1                   ACTING PRESIDENT GRIFFO:    The  
2 resolution is open for cosponsorship. Should you  
3 choose not to, please notify the desk.

4                   Senator LaValle.

5                   SENATOR LaVALLE:    Mr. President, I  
6 believe there is a privileged resolution by  
7 yourself, Senator Griffo, Resolution Number 5101,  
8 at the desk. I ask that it be read in its  
9 entirety and call on Senator Avella for some  
10 comments.

11                  ACTING PRESIDENT GRIFFO:    The  
12 Secretary will read.

13                  THE SECRETARY:    Legislative  
14 Resolution Number 5101, by Senator Griffo,  
15 honoring Peter F. Vallone, Sr., for his  
16 commitment to preserving Italian American  
17 heritage.

18                  "WHEREAS, It is the sense of this  
19 Legislative Body, in keeping with its  
20 time-honored traditions, to recognize and pay  
21 tribute to those individuals who foster ethnic  
22 pride and enhance the profile of cultural  
23 diversity which strengthens the fabric of the  
24 communities of New York State; and

25                  "WHEREAS, Attendant to such

1 concern, and in full accord with its  
2 long-standing traditions, this Legislative Body  
3 is justly proud to honor Peter F. Vallone, Sr.,  
4 for his commitment to preserving Italian American  
5 heritage; and

6                   "WHEREAS, Peter F. Vallone, Sr.,  
7 served as Speaker and Majority Leader of the  
8 New York City Council from 1986 through 2001, and  
9 represented the 22nd District in Astoria, Queens,  
10 since 1974; and

11                   "WHEREAS, He strongly advocates  
12 fiscal responsibility, passing 11 consecutive  
13 balanced budgets on time. Furthermore, he  
14 championed the Safe Streets/Safe City program,  
15 which virtually restored the city's criminal  
16 justice system, rebuilding the police force from  
17 a low of 26,000 in 1989 to 41,000 in 2001,  
18 resulting in the lowest crime rate since the  
19 1960s and the safest big city in the country; and

20                   "WHEREAS, Peter F. Vallone, Sr.,  
21 created a reserve fund and increased funding to  
22 parks, libraries, cultural institutions, health  
23 care and youth programs. In 1996, he allocated  
24 the funds necessary for school construction and  
25 textbook replacement to ease overcrowding,



1 replace coal-burning furnaces, and update  
2 textbooks from the 1950s and 1960s; and

3               "WHEREAS, Peter F. Vallone, Sr.,  
4 has been a champion of the environment and  
5 quality-of-life legislation. He gave New York  
6 its first modern recycling programs, led the  
7 fight to ban pornographic book and video stores  
8 from residential areas, and protected New Yorkers  
9 from second-hand smoke; and

10              "WHEREAS, Peter F. Vallone, Sr.,  
11 strongly advocates on behalf of women's health  
12 issues by increasing funding for breast, ovarian,  
13 and lung cancer research and treatment  
14 facilities; and

15              "WHEREAS, A lifelong resident of  
16 Queens, Peter F. Vallone, Sr.'s mother, Leah, was  
17 a State Committeewoman and his father, Charles,  
18 was a Civil Court judge and civil rights  
19 advocate; and

20              "WHEREAS, Peter F. Vallone, Sr.,  
21 graduated from Power Memorial Academy in 1952,  
22 and from Fordham College of Arts and Science. He  
23 then earned his J.D. from Fordham Law School,  
24 where he received the prestigious Francis Bacon  
25 Award for excellence upon graduation; and

1                   "WHEREAS, At Fordham, Peter F.  
2 Vallone, Sr., became a member of The Sodality and  
3 has kept his pledge of daily Mass and Communion  
4 ever since; and

5                   "WHEREAS, He is also an  
6 Extraordinary Eucharistic Minister and Lector.  
7 In 2002, he rejoined the law firm of Vallone &  
8 Vallone, founded by his father, the late  
9 Judge Charles J. Vallone, after whom the new  
10 Civil Courthouse in Queens was named; and

11                   "WHEREAS, Moreover, Peter F.  
12 Vallone, Sr., is a member of the governmental  
13 consulting firm of Constantinople & Vallone, and  
14 serves on the Mayor's Election Modernization Task  
15 Force; and

16                   "WHEREAS, He served as Professor of  
17 Politics and Principles of Government at Fordham  
18 University and lectures at the Peter F. Vallone  
19 Lectureship Government Series of televised public  
20 lectures at Baruch College's School of Public  
21 Affairs, and authored Learning to Govern: My  
22 Life in New York Politics, From Hellgate to City  
23 Hall, Chaucer Press (2005), and God Came Home  
24 With Me: Retreat Reflections, Passionist Press  
25 (2008); and

1                   "WHEREAS, With him throughout have  
2     been his wife, Tena, and their three sons, Peter  
3     Jr., Perry and Paul, as well as his eight  
4     grandchildren, all of whom feel privileged to be  
5     a part of his life and rejoice in his  
6     achievements; and

7                   "WHEREAS, It is the custom of this  
8     Legislative Body that when individuals of such  
9     noble aims and accomplishments are brought to our  
10    attention, they should be celebrated and  
11    recognized by all the citizens of this great  
12    Empire State; now, therefore, be it

13                  "RESOLVED, That this Legislative  
14    Body pause in its deliberations to honor Peter F.  
15    Vallone, Sr., for his commitment to preserving  
16    Italian American heritage; and be it further

17                  "RESOLVED, That a copy of this  
18    resolution, suitably engrossed, be transmitted to  
19    Peter F. Vallone, Sr."

20                  ACTING PRESIDENT GRIFFO:     Senator  
21    Avella.

22                  SENATOR AVELLA:     Thank you,  
23    Mr. President.

24                  I rise as State Senator Diane  
25    Savino did a few minutes ago, to honor the life

1 and achievements of our three honorees today:  
2 Rosanna Scotto, John Franco -- especially as a  
3 lifelong Mets fan -- but I'm also here rising to  
4 speak about a good friend, Peter F. Vallone, Sr.,  
5 who, as many of my colleagues listened to the  
6 bio, has had a tremendous history of public  
7 service and devotion to his community.

8                   A lifelong resident of Queens, he  
9 has done so much to revolutionize government in  
10 the City of New York. He was the first Speaker  
11 of the New York City Council. And the Council  
12 today, as it exists, is an equal partner with the  
13 Mayor of the City of New York, in large part due  
14 to his efforts.

15                   And he has certainly set the way  
16 for future Speakers and to make sure that every  
17 New York City Councilmember has a right to stand  
18 up to the Mayor of the City of New York. And I  
19 was proud to serve in the City Council after he  
20 left the office.

21                   But I have to tell you about, in  
22 addition, one other thing that was mentioned in  
23 his bio, which was really an achievement. There  
24 was a time in the City of New York where people  
25 were afraid to go outside their house because of

1 the crime. Crime was rampant. But it was  
2 actually Peter Vallone who came up with the  
3 Safe Streets/Safe City program, which increased,  
4 significantly increased the police force of the  
5 City of New York and set in stage the dramatic  
6 reductions in crime.

7 Now people are not afraid to walk  
8 the streets. In fact, New York City is one of  
9 the safest streets in the country, due in large  
10 part to that one single effort that he  
11 championed.

12 And for the work that he did as the  
13 first Speaker of the City Council and his efforts  
14 in the Safe Streets/Safe City program, he will  
15 always be remembered as one of the best Speakers  
16 and one of the best Councilmembers in the City of  
17 New York.

18 And I rise to champion his life and  
19 achievements. And I have to tell you, if you  
20 ever want to meet somebody who puts integrity and  
21 ethics at the forefront of public service, it is  
22 Peter F. Vallone, Sr.

23 And I know we have one more  
24 resolution, but I hope at the end of the next  
25 resolution we will all stand and rise and salute

1 the achievements of our three honorees.

2 Thank you, Mr. President.

3 ACTING PRESIDENT GRIFFO: Senator  
4 Gianaris.

5 SENATOR GIANARIS: Thank you,  
6 Mr. President.

7 When I first registered to vote  
8 when I was but a teenager, one of my first votes  
9 was to vote for Peter Vallone to be my  
10 City Councilman. And I've been voting for a  
11 Peter Vallone for that position ever since. Now  
12 it's his son, Peter Vallone, Jr., who is also a  
13 good friend and colleague.

14 He has in many ways been a role  
15 model to me in my public service career. As  
16 you've heard from the reading of the resolution  
17 and from my colleague Senator Avella's kind  
18 words, he is a trailblazer in many ways.

19 The structure of city government  
20 that exists today is the way it is in large part  
21 because he went all the way to the Supreme Court  
22 of the United States to make sure that the  
23 City Council structure and the powers of the  
24 Council are what they are today.

25 He was the very first Speaker of

1 the City Council.

2                   And while over the years many have  
3 taken credit for the dramatic crime reduction in  
4 New York City, and they all deserve their share  
5 of it, the one unsung hero who deserves certainly  
6 more credit than is widely acknowledged is Peter  
7 Vallone. The Safe Streets/Safe City program, at  
8 a time when crime was rampant in New York City --  
9 and I remember that from growing up there  
10 myself -- turned the corner and began the  
11 downward trend in dangerous crimes in New York  
12 that continues to this day.

13                   None of that would have been  
14 possible without his efforts. He has been a  
15 great role model for me. I'm so privileged that  
16 I get to represent him now in the State Senate  
17 and that, whereas I voted for him, I hope that he  
18 is voting for me these days.

19                   (Laughter.)

20                   SENATOR GIANARIS: But it's great  
21 to have him up here and to welcome him to these  
22 chambers and to participate in honoring him  
23 today.

24                   Thank you.

25                   ACTING PRESIDENT GRIFFO: Senator

1   Espaillat.

2                   SENATOR ESPAILLAT:    Thank you,  
3   Mr. President.

4                   I also rise to recognize the  
5   achievements and the contributions of the  
6   honorees:  Rosanna Scotto, who is a role model  
7   for women and everyone in New York State -- I was  
8   interviewed by her recently.  And I was nervous  
9   when I was getting there, because she's such an  
10   icon and someone that I look up to, as well as  
11   all New Yorkers -- and of course John Franco.  He  
12   has -- and I hope he still has a little bit of  
13   that mean curve ball left in him.  But he was a  
14   great pitcher and a St. John's baseball program  
15   graduate.

16                  And finally Peter Vallone, who many  
17   of you may know, that his efforts, because of his  
18   efforts, hundreds of students were able to get  
19   access to higher education through the Peter  
20   Vallone Scholarships.  And he was also the first  
21   Speaker after the New York City Council was  
22   restructured.  After the old Board of Estimates  
23   was done away with, he led the way in the  
24   City Council that proved to be a more powerful  
25   institution that answered to the needs of all



1 New Yorkers.

2                   So I want to stand up today to pay  
3 tribute to these three great New Yorkers that  
4 have made us all very proud.

5                   Thank you, Mr. President.

6                   ACTING PRESIDENT GRIFFO:    Thank  
7 you, Senator Espaillat.

8                   The question is on the resolution.  
9 All in favor signify by saying aye.

10                   (Response of "Aye.")

11                   ACTING PRESIDENT GRIFFO:

12 Opposed?

13                   (No response.)

14                   ACTING PRESIDENT GRIFFO:    The  
15 resolution is adopted.

16                   Senator LaValle.

17                   SENATOR LaVALLE:    Mr. President, I  
18 know you would like to open this resolution up  
19 for cosponsorship. Can we please place everyone  
20 on as a cosponsor. If someone does not wish to  
21 be a cosponsor, they should notify the desk.

22                   ACTING PRESIDENT GRIFFO:    The  
23 resolution is open for cosponsorship. Should you  
24 choose not to, please notify the desk.

25                   Senator LaValle.

1                   SENATOR LaVALLE:     Mr. President, I  
2 believe there is a privileged resolution by  
3 yourself, Senator Griffo, Number 5102, at the  
4 desk. I ask that it be read in its entirety and  
5 call on Senator Fuschillo.

6                   ACTING PRESIDENT GRIFFO:     The  
7 Secretary will read.

8                   THE SECRETARY:     Legislative  
9 Resolution Number 5102, by Senator Griffo,  
10 honoring John Anthony Franco for his commitment  
11 to preserving Italian American heritage.

12                   "WHEREAS, It is the sense of this  
13 Legislative Body to pay tribute to those  
14 individuals of true purpose and worthy  
15 accomplishment who provide opportunities to  
16 celebrate their rich ethnic flavor and who strive  
17 to preserve their cultural heritage; and

18                   "WHEREAS, Attendant to such  
19 concern, and in full accord with its  
20 long-standing traditions, this Legislative Body  
21 is justly proud to honor John Anthony Franco for  
22 his commitment to preserving Italian American  
23 heritage, to be observed at the Italian American  
24 Day Celebration in Albany, New York, on Monday,  
25 June 4, 2012; and

1                   "WHEREAS, John Franco is being  
2     inducted into the New York Mets Hall of Fame on  
3     June 3, 2012. He regularly makes appearances for  
4     the club's community relations, marketing and  
5     media relations departments, and can be seen on  
6     SNY, the club's television network; and

7                   "WHEREAS, John Franco pitched in  
8     the major leagues for nearly 22 years (1984-2005)  
9     with the Cincinnati Reds, New York Mets and  
10    Houston Astros. He received an overall 2.89 ERA  
11    in 1,245.2 innings pitched; and

12                  "WHEREAS, Placing fourth all-time  
13    on the career saves list with 424, John Franco  
14    has more saves than any left-handed pitcher in  
15    history. He has also made appearances in 1,119  
16    games, which is third on the all-time career  
17    list; and

18                  "WHEREAS, John Franco saved 30 or  
19    more games eight times, including 39 in 1988. He  
20    was selected to four All-Star Games in the years  
21    1986, 1987, 1989, and 1990 and also won two  
22    Rolands Relief Man Awards in 1988 and 1990; and

23                  "WHEREAS, John Franco was named the  
24    Mets captain on May 4, 2001, and was honored on  
25    the Mets 40th Anniversary All-Amazin' Team. A

1 native of Brooklyn, New York, he graduated from  
2 Lafayette High School and pitched collegiately at  
3 St. John's University, throwing two no-hitters as  
4 a freshman; and

5               "WHEREAS, John Franco was presented  
6 a distinguished service award from the  
7 Fire Department of New York for his efforts in  
8 assisting the firefighters and their families  
9 after the September 11th tragedy. In addition,  
10 he has been honored by the Thurman Munson Dinner  
11 committee, the Catholic Youth Organization, the  
12 New York Baseball Writers Association, St. John's  
13 University, and the Phi Delta International  
14 Fraternity's Lou Gehrig Dinner committee for his  
15 work in the community; and

16               "WHEREAS, With him throughout have  
17 been his wife, Rose, and their children, Nicole,  
18 JJ, and Ella, all of whom feel privileged to be a  
19 part of his life and rejoice in his achievements;  
20 and

21               "WHEREAS, It is the sense of this  
22 Legislative Body, in keeping with its  
23 time-honored traditions, to recognize and pay  
24 tribute to those individuals who foster ethnic  
25 pride and enhance the profile of cultural

1 diversity which strengthens the fabric of the  
2 communities of New York State; now, therefore, be  
3 it

4 "RESOLVED, That this Legislative  
5 Body pause in its deliberations to honor John  
6 Anthony Franco for his commitment to preserving  
7 Italian American heritage; and be it further

8 "RESOLVED, That a copy of this  
9 resolution, suitably engrossed, be transmitted to  
10 John Anthony Franco."

11 ACTING PRESIDENT GRIFFO: Senator  
12 Fuschillo.

13 SENATOR FUSCHILLO: Thank you very  
14 much, Mr. Speaker.

15 I rise as a proud Italo-American,  
16 somebody who really cherished and loved my  
17 grandfather, who came here from a small town  
18 called Nola, in Naples. Typical story: Two  
19 bags, one with his clothes -- he never told me  
20 what was in the other bag -- but he came to  
21 Brooklyn and started his family.

22 And now I rise as a lifelong  
23 frustrated Met fan. But I was glad to see  
24 John Franco quoted in Newsday yesterday or today  
25 where he said "The magic is back." That gives me

1 hope.

2                   You know, every year so many of my  
3 colleagues here honor the kids from  
4 Little Leagues, where they're in the gallery  
5 because they won the state champs, or high school  
6 teams when they won the county champs. And I  
7 wonder how many have the dream of what John  
8 Franco succeeded.

9                   And you heard his stats; they're  
10 incredible. Over 1200 innings pitched, over  
11 1100 games, fourth on the all-time save list,  
12 number one as a lefty. It's incredible. And  
13 they look for a hero; he certainly is it.

14                   And all too often the kids say this  
15 baseball player, this football player, this  
16 basketball player is my hero. But what sometimes  
17 is missing is what John Franco has.

18                   And yesterday he was inducted into  
19 the New York Mets Hall of Fame, an honor so  
20 justly deserved. But what I think I admire most  
21 about him -- and I must say your stats are very  
22 impressive -- was what he always wore under his  
23 uniform, the orange-clad Sanitation shirt, as a  
24 respect and love for his father.

25                   And yesterday, after thanking his

1 family, and his son JJ came on the field wearing  
2 his old uniform, he looked to the left center  
3 field and saw the orange-clad gang up there from  
4 the Sanitation Department, because he never  
5 forgot his roots from Brooklyn.

6                   And his stats are impressive, but  
7 that, to me, ladies and gentlemen, really shows  
8 what type of individual this man is. An  
9 incredible athlete, his statistics should put him  
10 in the Hall of Fame -- but a love and respect for  
11 his family really makes him, in my opinion, a  
12 complete hero.

13                   Ladies and gentlemen, I give you  
14 Number 45, pitching for the New York Mets, the  
15 captain, John Franco.

16                   (Standing ovation.)

17                   ACTING PRESIDENT GRIFFO:    Senator  
18 Robach.

19                   SENATOR ROBACH:    Yes,  
20 Mr. President, let me too rise and congratulate  
21 all our winners and thank the Italian American  
22 Legislators for these great choices, all so very  
23 accomplished in their field, but also so giving  
24 of themselves in other areas of not-for-profit  
25 and being great community people:   Rosanna

1 Scotto, Peter Vallone, whose work and reputation  
2 speaks for itself, and John Franco, who -- I  
3 think the Mets are very exciting, Chuck, I don't  
4 know.

5                   But in addition to that, these  
6 great choices, in this part of our program I just  
7 wanted to take a moment to highlight the  
8 scholarship fund that we do in the Italian  
9 American Legislators, and program, which I also  
10 think is an important part of this day too, as  
11 one of the things not only in my Italian American  
12 family, but I know so many -- promoting education  
13 so we can improve our lot, get a stake and really  
14 advance here in America.

15                   And I am very happy to have joining  
16 me today one of the winners from my district,  
17 Danielle O'Connor, who is not only a great  
18 student, she's been very active in programs to  
19 help young people, Rotary program, she also  
20 started, on her own, as a teenager she founded a  
21 program called Beads per Bambini, a program to  
22 raise money for the earthquake victims in Italy.  
23 And I just wanted to acknowledge her.

24                   Danielle's up in the gallery.  
25 She's joined by her father, Matt O'Connor, who is



1 a town councilman in Pittsford, back in Monroe  
2 County; her mom, Patty; and her sister, Alyssa.

3 Thank you, and congratulations on  
4 your award and being such a young representative  
5 of the Italian American community. Thanks.

6 (Applause.)

7 ACTING PRESIDENT GRIFFO: The  
8 question is on the resolution. All in favor  
9 signify by saying aye.

10 (Response of "Aye.")

11 ACTING PRESIDENT GRIFFO: Opposed?

12 (No response.)

13 ACTING PRESIDENT GRIFFO: The  
14 resolution is adopted.

15 Senator LaValle.

16 SENATOR LaVALLE: Mr. President, I  
17 know you would like to open this resolution up  
18 for cosponsorship. Can we please place everyone  
19 on as a cosponsor. If someone does not wish to  
20 be a cosponsor, they should notify the desk.

21 ACTING PRESIDENT GRIFFO: The  
22 resolution is open for cosponsorship. Should you  
23 choose not to be a cosponsor, please notify the  
24 desk.

25 At this time we'd also like to once

1 again extend our congratulations and  
2 appreciation to Rosanna Scotto, to John Franco,  
3 and to Peter Vallone, Sr.

4 (Applause.)

5 ACTING PRESIDENT GRIFFO: Senator  
6 LaValle.

7 SENATOR LaVALLE: Mr. President,  
8 can we stand at ease temporarily.

9 ACTING PRESIDENT GRIFFO: We  
10 will. The Senate stands at ease.

11 (Whereupon, the Senate stood at ease  
12 at 3:35 p.m.)

13 (Whereupon, the Senate reconvened at  
14 3:48 p.m.)

15 ACTING PRESIDENT YOUNG: The  
16 Senate will come to order.

17 Senator DeFrancisco.

18 SENATOR DeFRANCISCO: Yes, can we  
19 return to motions and resolutions, please.

20 ACTING PRESIDENT YOUNG: Returning  
21 to motions and resolutions.

22 SENATOR DeFRANCISCO: Madam  
23 President, I wish to call up Senate Print Number  
24 4262, recalled from the Assembly, which is now at  
25 the desk. It's a bill of Senator Zeldin.

1           ACTING PRESIDENT GRIFFO:    The  
2 Secretary will read.

3           THE SECRETARY:    Calendar Number  
4 82, by Senator Zeldin, Senate Print 4262, an act  
5 to amend the Civil Service Law.

6           SENATOR DeFRANCISCO:    I now move  
7 to reconsider the vote by which this bill was  
8 passed.

9           ACTING PRESIDENT GRIFFO:    Call the  
10 roll on reconsideration.

11                   (The Secretary called the roll.)

12           THE SECRETARY:    Ayes, 54.

13           SENATOR DeFRANCISCO:    Mr.  
14 President, I now offer the following amendments.

15           ACTING PRESIDENT GRIFFO:    The  
16 amendments are received.

17           SENATOR DeFRANCISCO:    Okay, thank  
18 you.

19                   Next I wish to call up Senator  
20 Grisanti's bill, Print Number 6368, recalled from  
21 the Assembly, which is now at the desk.

22           ACTING PRESIDENT GRIFFO:    The  
23 Secretary will read.

24           THE SECRETARY:    Calendar Number  
25 260, by Senator Grisanti, Senate Print 6368, an

1 act to amend the Labor Law.

2 SENATOR DeFRANCISCO: I now move  
3 to reconsider the vote by which this bill was  
4 passed.

5 ACTING PRESIDENT GRIFFO: Call the  
6 roll on reconsideration.

7 (The Secretary called the roll.)

8 THE SECRETARY: Ayes, 54.

9 SENATOR DeFRANCISCO: I now offer  
10 the following amendments.

11 ACTING PRESIDENT GRIFFO: The  
12 amendments are received.

13 SENATOR DeFRANCISCO: On behalf of  
14 Senator Flanagan, I move that the following bill  
15 be discharged from its respective committee and  
16 be recommitted with instructions to strike the  
17 enacting clause: Senate Bill Number 6142.

18 ACTING PRESIDENT GRIFFO: So  
19 ordered.

20 SENATOR DeFRANCISCO: On behalf of  
21 Senator Maziarz, on page 14 I offer the following  
22 amendments to Calendar Number 207, Senate Print  
23 Number 277A, and I ask that the bill retain its  
24 place on Third Reading Calendar.

25 ACTING PRESIDENT GRIFFO: The

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

3           SENATOR DeFRANCISCO: On behalf of  
4 Senator Farley, Mr. President, on page 45 I offer  
5 the following amendments to Calendar Number 899,  
6 Senate Print Number 6952, and I ask that the bill  
7 retain its place on the Third Reading Calendar.

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

11           Senator DeFrancisco.

12           SENATOR DeFRANCISCO: Amendments  
13 are offered to the following Third Reading  
14 Calendar bills:

15           Senator Grisanti's bill, on page  
16 23, Calendar Number 534, Senate Print 5155B.

17           Senator Golden's bill, page 11,  
18 Calendar 72, Senate Print Number 5576.

19           Senator Robach's bill, on page 25,  
20 Calendar Number 568, Senate Print Number 6740A.

21           Senator Marcellino's bill, on  
22 page number 27, Calendar Number 613, Senate Print  
23 Number 6194C.

24           Senator LaValle's bill, on page 39,  
25 Calendar Number 839, Senate Print Number 7289.

1           Senator Griffo's bill, page 45,  
2   Calendar Number 898, Senate Print Number 6777.

3           Senator Saland's bill, on page 40,  
4   Calendar Number 852, Senate Print Number 7350.

5           Senator Seward's bill, on page 21,  
6   Calendar Number 475, Senate Print Number 6710.

7           Also Senator Seward's bill, on  
8   page 21, Calendar Number 476, Senate Print Number  
9   6738.

10           I move that these bills retain  
11   their place on the order of third reading.

12           ACTING PRESIDENT GRIFFO:    The  
13   amendments are all received, and the bills shall  
14   retain their places on the Third Reading  
15   Calendar.

16           Senator DeFrancisco.

17           SENATOR DeFRANCISCO:    Would you  
18   please recognize Senator Breslin.

19           ACTING PRESIDENT GRIFFO:    Senator  
20   Breslin.

21           SENATOR BRESLIN:    Thank you,  
22   Mr. President.

23           On behalf of Senator Rivera, I  
24   offer the following amendments to page number 39,  
25   Calendar Number 816, Print Number 6854, and ask

1 that it retain its place on the Third Reading  
2 Calendar.

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

6           SENATOR BRESLIN:    On behalf of  
7 Senator Oppenheimer, on page number 29 I offer  
8 the following amendments to Calendar Number 658,  
9 Senate Print Number 1573, and ask that it retain  
10 its place on the Third Reading Calendar.

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

14          SENATOR BRESLIN:    On behalf of  
15 Senator Kennedy, on page number 11 I offer the  
16 following amendments to Calendar Number 5, Senate  
17 Print Number 3330, and ask that it retain its  
18 place on the Third Reading Calendar.

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

22          SENATOR BRESLIN:    And finally, on  
23 behalf of Senator Diaz, on page 36 I offer the  
24 following amendments to Calendar Number 782,  
25 Senate Print Number 7399, and ask that it retain

1 its position on the Third Reading Calendar.

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

5 SENATOR BRESLIN: Thank you,  
6 Mr. President.

7 ACTING PRESIDENT GRIFFO: Thank  
8 you, Senator Breslin.

9 Senator LaValle.

10 SENATOR LaVALLE: Mr. President,  
11 there is a resolution at the desk by  
12 Senator Griffo, Resolution Number 4937. It was  
13 previously adopted by the house on May the 31st.  
14 May we have the title read, and would you call on  
15 me for some brief remarks.

16 ACTING PRESIDENT GRIFFO: The  
17 Secretary will read.

18 THE SECRETARY: Legislative  
19 Resolution Number 4937, by Senator Griffo,  
20 memorializing Governor Andrew M. Cuomo to  
21 proclaim June 4, 2012, as Italian American Day in  
22 New York State.

23 ACTING PRESIDENT GRIFFO: Senator  
24 LaValle.

25 SENATOR LaVALLE: First,



1 Mr. President, I would like to acknowledge your  
2 leadership as president of the Italian American  
3 Legislators.

4                   You have worked very hard, very  
5 diligently to ensure that the greater population  
6 understands the contributions and the culture of  
7 the Italian American community. And thank you.  
8 You've spent hours upon hours doing your work in  
9 a very diligent and comprehensive way.

10                   ACTING PRESIDENT GRIFFO: Thank  
11 you, Senator LaValle.

12                   We're ready to call the next  
13 resolution, Senator LaValle?

14                   SENATOR LaVALLE: Mr. President,  
15 there is a resolution at the desk by Senator  
16 Griffo, Number 4938. It was previously adopted  
17 by the house on May 31st. May we have the title  
18 read, and would you call upon me for some brief  
19 remarks.

20                   ACTING PRESIDENT GRIFFO: The  
21 Secretary will read.

22                   THE SECRETARY: Legislative  
23 Resolution Number 4938, by Senator Griffo,  
24 commemorating the 125th Anniversary of the  
25 Italy-America Chamber of Commerce.

1                   ACTING PRESIDENT GRIFFO:     Senator  
2     LaValle.

3                   SENATOR LaVALLE:     Yes.   Thank you,  
4     Mr. President.

5                   The Italian-American Chamber of  
6     Commerce is an independent, private,  
7     not-for-profit corporation devoted to fostering  
8     trade, tourism, investments and economic  
9     cooperation between Italy and the United States.  
10    And so it is very fitting that today we are  
11    acknowledging their 125th anniversary.

12                  I would also like to indicate that  
13    this chamber is part of and a founding member of  
14    the European Chambers of Commerce in Europe, and  
15    they have worked with not only the chambers  
16    throughout Europe and here in the United States,  
17    but also with organizations such as the Center  
18    for Italian studies at Stony Brook University.

19                  So congratulations on 125 years as  
20    an independent not-for-profit organization.

21                  ACTING PRESIDENT GRIFFO:     Thank  
22    you, Senator LaValle.   Appreciate that.

23                  This is Italian American Heritage  
24    Day, based on the resolution that was passed, and  
25    the President of Italy has declared this a

1 national day of mourning in Italy because of the  
2 earthquake. So we'd ask all members if they  
3 could just rise and join us in a moment of silent  
4 tribute to all those who have lost their lives.

5 (Whereupon, the assemblage rose and  
6 respected a moment of silence.)

7 ACTING PRESIDENT GRIFFO: Thank  
8 you.

9 Senator LaValle.

10 SENATOR LaVALLE: Mr. President,  
11 may we please have the noncontroversial reading  
12 of the calendar.

13 ACTING PRESIDENT GRIFFO: The  
14 Secretary will read.

15 THE SECRETARY: Calendar Number  
16 289, by Senator Ritchie, Senate Print 5641A, an  
17 act to amend the Agriculture and Markets Law.

18 ACTING PRESIDENT GRIFFO: Read the  
19 last section.

20 SENATOR LaVALLE: Lay the bill  
21 aside for the day.

22 ACTING PRESIDENT GRIFFO: Lay it  
23 aside for the day.

24 THE SECRETARY: Calendar Number  
25 387, by Senator Martins, Senate Print 6079A, an

1 act to amend the Tax Law.

2 ACTING PRESIDENT GRIFFO: Read the  
3 last section.

4 THE SECRETARY: Section 2. This  
5 act shall take effect on the same date and in the  
6 same manner as Section 1 of Part B of Chapter 56  
7 of the Laws of 2011.

8 ACTING PRESIDENT GRIFFO: Call the  
9 roll.

10 (The Secretary called the roll.)

11 ACTING PRESIDENT GRIFFO: Senator  
12 Rivera to explain his vote.

13 SENATOR RIVERA: Thank you,  
14 Mr. President.

15 I'll be voting aye on this piece of  
16 legislation, but I would be remiss if I didn't  
17 point something out. What we have been doing  
18 over the last -- certainly for the last year and  
19 a half that I've been here, and unfortunately for  
20 a very long time in this state, is that we have  
21 been nickel-and-diming the MTA out of funding.

22 I have spoken on the floor before  
23 about the concerns that I have about the fact  
24 that we are not funding transit at an appropriate  
25 level. And certainly when more than 90 percent

1 of the folks that live in my district use it  
2 every single day, and a great majority of the  
3 people in this state use transit on a daily  
4 basis, we have to look as a body and as a state  
5 for more ways to be able to fund it adequately.

6           While in this case we're talking  
7 \$1.3 million total, and that certainly has an  
8 impact on the libraries that will receive this  
9 money, as opposed to the MTA, and it will make a  
10 lot of difference in their budgets, as opposed to  
11 the difference that it would make in the overall  
12 MTA budget, I wanted to make sure that I pointed  
13 it out -- that we are doing this type of thing  
14 all over the place, and we are just taking away  
15 some funding that the MTA needs.

16           So although I will be voting in the  
17 affirmative on this, I just wanted to make sure  
18 that I pointed that out.

19           Thank you, Mr. President.

20           ACTING PRESIDENT GRIFFO:   Senator  
21 Rivera to be recorded in the affirmative.

22           Announce the results.

23           THE SECRETARY:   Ayes, 52.   Nays,  
24 2.   Senators Dilan and Gianaris recorded in the  
25 negative.

1           ACTING PRESIDENT GRIFFO:    The bill  
2 is passed.

3           The Secretary will read.

4           THE SECRETARY:    Calendar Number  
5 841, substituted earlier by Member of the  
6 Assembly Hevesi, Assembly Print 9702A, an act to  
7 amend the Insurance Law.

8           ACTING PRESIDENT GRIFFO:    Read the  
9 last section.

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

12          ACTING PRESIDENT GRIFFO:    Call the  
13 roll.

14          (The Secretary called the roll.)

15          THE SECRETARY:    Ayes, 54.

16          ACTING PRESIDENT GRIFFO:    The bill  
17 is passed.

18          THE SECRETARY:    Calendar Number  
19 861, by Senator DeFrancisco, Senate Print 7002,  
20 an act --

21          SENATOR BRESLIN:   Lay it aside.

22          ACTING PRESIDENT GRIFFO:    Lay it  
23 aside.

24          THE SECRETARY:    Calendar Number  
25 867, by Senator Griffo, Senate Print 6691, an act

1 to amend the Education Law.

2 ACTING PRESIDENT GRIFFO: Read the  
3 last section.

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

6 ACTING PRESIDENT GRIFFO: Call the  
7 roll.

8 (The Secretary called the roll.)

9 ACTING PRESIDENT GRIFFO: Announce  
10 the results.

11 THE SECRETARY: In relation to  
12 Calendar 867, those recorded in the negative are  
13 Senators Addabbo, Avella, Breslin, Dilan,  
14 Espaillat, Gianaris, Huntley, Kennedy, Krueger,  
15 Peralta, Perkins, Rivera, Serrano, Squadron,  
16 Stavisky and Stewart-Cousins.

17 Ayes, 38. Nays, 16.

18 ACTING PRESIDENT GRIFFO: The bill  
19 is passed.

20 THE SECRETARY: Calendar Number  
21 868, by Senator Flanagan, Senate Print 7014, an  
22 act to amend the Education Law.

23 ACTING PRESIDENT GRIFFO: Read the  
24 last section.

25 THE SECRETARY: Section 2. This

1 act shall take effect immediately.

2 ACTING PRESIDENT GRIFFO: Call the  
3 roll.

4 (The Secretary called the roll.)

5 THE SECRETARY: Ayes, 53. Nays,  
6 1. Senator Little recorded in the negative.

7 ACTING PRESIDENT GRIFFO: The bill  
8 is passed.

9 THE SECRETARY: Calendar Number  
10 869, by Senator Flanagan, Senate Print 7016, an  
11 act to amend the Education Law.

12 ACTING PRESIDENT GRIFFO: Read the  
13 last section.

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

16 ACTING PRESIDENT GRIFFO: call the  
17 roll.

18 (The Secretary called the roll.)

19 THE SECRETARY: Ayes, 54.

20 ACTING PRESIDENT GRIFFO: The bill  
21 is passed.

22 THE SECRETARY: Calendar Number  
23 870, by Senator Young, Senate Print 6882, an act  
24 to amend the Social Services Law.

25 ACTING PRESIDENT GRIFFO: Read the



1 last section.

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

4 ACTING PRESIDENT GRIFFO: Call the  
5 roll.

6 (The Secretary called the roll.)

7 ACTING PRESIDENT GRIFFO: Senator  
8 Krueger to explain her vote.

9 SENATOR KRUEGER: Thank you,  
10 Mr. President. I rise to explain my vote no on  
11 this bill.

12 While I appreciate a part of the  
13 bill which would allow for electronic  
14 conferencing of fair hearings, I do not think it  
15 is in the best interests either of the state nor  
16 of the people who apply for fair hearings because  
17 they believe they have been wrongly denied or  
18 disapproved government benefits, for us to  
19 contract out this function to people who are not  
20 responsible directly to the State of New York.

21 And so I wish that this was only  
22 half the bill it is. But because it is the whole  
23 bill, I need to vote no.

24 Thank you, Mr. President.

25 ACTING PRESIDENT GRIFFO: Senator

1 Krueger to be recorded in the negative.

2 Announce the results.

3 THE SECRETARY: In relation to  
4 Calendar Number 870, those recorded in the  
5 negative are Senators Addabbo, Avella, Breslin,  
6 Diaz, Dilan, Espaillat, Gianaris, Huntley,  
7 Krueger, Montgomery, Peralta, Perkins, Serrano,  
8 Squadron, Stavisky and Stewart-Cousins. Also  
9 Senator Rivera.

10 Ayes, 37. Nays, 17.

11 ACTING PRESIDENT GRIFFO: The bill  
12 is passed.

13 THE SECRETARY: Calendar Number  
14 874, by Senator Fuschillo, Senate Print 7370, an  
15 act to amend the Penal Law.

16 ACTING PRESIDENT GRIFFO: Read the  
17 last section.

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

20 ACTING PRESIDENT GRIFFO: Call the  
21 roll.

22 (The Secretary called the roll.)

23 THE SECRETARY: Ayes, 54.

24 ACTING PRESIDENT GRIFFO: The bill  
25 is passed.

1                   THE SECRETARY:     Calendar Number  
2     878, by Senator Ritchie, Senate Print 6764, an  
3     act to amend the Public Service Law.

4                   ACTING PRESIDENT GRIFFO:     Read the  
5     last section.

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

8                   ACTING PRESIDENT GRIFFO:     Call the  
9     roll.

10                   (The Secretary called the roll.)

11                   THE SECRETARY:     Ayes, 54.

12                   ACTING PRESIDENT GRIFFO:     The bill  
13     is passed.

14                   THE SECRETARY:     Calendar Number  
15     880, by Senator LaValle, Senate Print 1007A, an  
16     act to amend the Tax Law.

17                   ACTING PRESIDENT GRIFFO:     Read the  
18     last section.

19                   THE SECRETARY:     Section 2.   This  
20     act shall take effect December 1, 2012.

21                   ACTING PRESIDENT GRIFFO:     Call the  
22     roll.

23                   (The Secretary called the roll.)

24                   THE SECRETARY:     Ayes, 53.   Nays,  
25     1.   Senator Krueger recorded in the negative.

1                   ACTING PRESIDENT GRIFFO:    The bill  
2 is passed.

3                   THE SECRETARY:    Calendar Number  
4 882, by Senator Maziarz, Senate Print 3126A, an  
5 act to amend the New York State Urban Development  
6 Corporation Act.

7                   ACTING PRESIDENT GRIFFO:    Read the  
8 last section.

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

11                   ACTING PRESIDENT GRIFFO:    Call the  
12 roll.

13                   (The Secretary called the roll.)

14                   THE SECRETARY:    Ayes, 54.

15                   ACTING PRESIDENT GRIFFO:    The bill  
16 is passed.

17                   THE SECRETARY:    Calendar Number  
18 883, by Senator Ranzenhofer, Senate Print 3194A,  
19 an act to amend the Tax Law.

20                   ACTING PRESIDENT GRIFFO:    Read the  
21 last section.

22                   THE SECRETARY:    Section 2.  This  
23 act shall take effect on the first of April.

24                   ACTING PRESIDENT GRIFFO:    Call the  
25 roll.

1 (The Secretary called the roll.)

2 ACTING PRESIDENT GRIFFO: Announce  
3 the results.

4 THE SECRETARY: In relation  
5 Calendar Number 883, those recorded in the  
6 negative are Senators Huntley, Krueger, Squadron  
7 and Stavisky.

8 Ayes, 50. Nays, 4.

9 ACTING PRESIDENT GRIFFO: The bill  
10 is passed.

11 THE SECRETARY: On page 44,  
12 Senator Seward moves to discharge, from the  
13 Committee on Finance, Assembly Bill Number 9672  
14 and substitute it for the identical Senate Bill  
15 Number 6763, Third Reading Calendar 890.

16 ACTING PRESIDENT GRIFFO: The  
17 substitution is so ordered.

18 The Secretary will read.

19 THE SECRETARY: Calendar Number  
20 890, by Member of the Assembly Magee,  
21 Assembly Print Number 9672, an act to amend the  
22 Executive Law.

23 ACTING PRESIDENT GRIFFO: Read the  
24 last section.

25 THE SECRETARY: Section 2. This

1 act shall take effect immediately.

2 ACTING PRESIDENT GRIFFO: Call the  
3 roll.

4 (The Secretary called the roll.)

5 THE SECRETARY: Ayes, 54.

6 ACTING PRESIDENT GRIFFO: The bill  
7 is passed.

8 THE SECRETARY: Calendar Number  
9 891, substituted earlier by Member of the  
10 Assembly Millman, Assembly Print 9694, an act to  
11 amend Chapter 624 of the Laws of 2007.

12 ACTING PRESIDENT GRIFFO: Read the  
13 last section.

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

16 ACTING PRESIDENT GRIFFO: Call the  
17 roll.

18 (The Secretary called the roll.)

19 THE SECRETARY: Ayes, 54.

20 ACTING PRESIDENT GRIFFO: The bill  
21 is passed.

22 THE SECRETARY: Calendar Number  
23 895, substituted earlier by Member of the  
24 Assembly Magnarelli, Assembly Print Number 9415,  
25 an act to amend the Executive Law.

1                   ACTING PRESIDENT GRIFFO:    Read the  
2 last section.

3                   THE SECRETARY:    Section 4.  This  
4 act shall take effect on the 30th day.

5                   ACTING PRESIDENT GRIFFO:    Call the  
6 roll.

7                   (The Secretary called the roll.)

8                   ACTING PRESIDENT GRIFFO:    Senator  
9 Valesky to explain his vote.

10                  SENATOR VALESKY:    Thank you,  
11 Mr. President.

12                  This is a very, very important  
13 piece of legislation.  I had the opportunity just  
14 last week to convene a roundtable hearing in my  
15 district with providers of services for veterans,  
16 and we were discussing many of the challenges  
17 that returning veterans from Iraq and Afghanistan  
18 are having, and reviewing the data and looking at  
19 the instances particularly of an extremely high  
20 unemployment rate among our veterans, and also  
21 the challenges that many are having in regard to  
22 mental health issues and substance abuse issues.

23                  So this bill, the Veterans Mental  
24 Health and Chemical Dependency Act, which will  
25 create an state interagency plan to coordinate

1 all of these services for our men and women  
2 returning from overseas, I think is very  
3 important.

4 I would note that the Assembly has  
5 already passed this legislation and certainly  
6 look forward to the Governor's favorable  
7 consideration.

8 I want to thank Senator DeFrancisco  
9 for writing this bill and bringing it to the  
10 floor for a vote. I vote in the affirmative.

11 ACTING PRESIDENT GRIFFO: Senator  
12 Valesky to be recorded in the affirmative.

13 Announce the results.

14 THE SECRETARY: Ayes, 54.

15 ACTING PRESIDENT GRIFFO: The bill  
16 is passed.

17 THE SECRETARY: Calendar Number  
18 966, by Senator Montgomery, Senate Print 4855A,  
19 an act to amend the State Finance Law.

20 ACTING PRESIDENT GRIFFO: Read the  
21 last section.

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

24 ACTING PRESIDENT GRIFFO: Call the  
25 roll.



1 (The Secretary called the roll.)

2 THE SECRETARY: Ayes, 54.

3 ACTING PRESIDENT GRIFFO: The bill  
4 is passed.

5 THE SECRETARY: Calendar Number  
6 970, by Senator LaValle, Senate Print 7449A, an  
7 act to amend the Tax Law.

8 ACTING PRESIDENT GRIFFO: Read the  
9 last section.

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

12 ACTING PRESIDENT GRIFFO: Call the  
13 roll.

14 (The Secretary called the roll.)

15 SENATOR STAVISKY: Lay it aside.

16 ACTING PRESIDENT GRIFFO: Lay it  
17 aside.

18 Senator LaValle, that completes the  
19 noncontroversial reading of the calendar.

20 SENATOR LaVALLE: Mr. President,  
21 thank you. Now may we have the controversial  
22 reading of the calendar.

23 ACTING PRESIDENT GRIFFO: The  
24 Secretary will ring the bell.

25 The Secretary will read.

1                   THE SECRETARY:     Calendar Number  
2     861, by Senator DeFrancisco, Senate Print 7002,  
3     an act to amend the Tax Law.

4                   SENATOR BRESLIN:     Explanation.

5                   ACTING PRESIDENT GRIFFO:     An  
6     explanation has been requested by Senator  
7     Breslin, Senator DeFrancisco.

8                   SENATOR DeFRANCISCO:     This bill  
9     removes the prohibition against tax-return  
10    preparers or facilitators operating on the same  
11    premises as licensed check cashers that is now  
12    contained in Section 32 of the New York State Tax  
13    Law. This prohibition went into effect in an  
14    ill-advised legislation in 2009.

15                  ACTING PRESIDENT GRIFFO:     Senator  
16    Krueger.

17                  SENATOR KRUEGER:     Thank you.  
18    Through you, Mr. President, if the sponsor would  
19    please yield.

20                  SENATOR DeFRANCISCO:     Yes.

21                  ACTING PRESIDENT GRIFFO:     The  
22    Senator yields.

23                  SENATOR KRUEGER:     Thank you.

24                  Why do you think it was  
25    ill-advised? Because I actually thought it was a

1 very good idea in 2009.

2           SENATOR DeFRANCISCO: Well, I  
3 think that whenever you're -- we're in a  
4 situation where we're trying to promote business  
5 in the New York State. And to restrict licensed  
6 check cashers from specific premises that happen  
7 to be occupied by tax preparers is a needless  
8 prohibition restricting the location that people  
9 can do business.

10           They're two licensed professions,  
11 tax preparers and check cashers. And whether  
12 they work in the same building or not should be  
13 irrelevant.

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

17           SENATOR DeFRANCISCO: Yes.

18           ACTING PRESIDENT GRIFFO: The  
19 sponsor yields.

20           SENATOR KRUEGER: So just so that  
21 I understand my colleague's bill, if we were to  
22 pass his bill then the following section would  
23 not apply for tax preparation sites within or  
24 affiliated with check cashers.

25           So right now they cannot charge or

1 impose any fee, charge, or other consideration in  
2 the making or facilitating of a refund  
3 anticipation loan or refund anticipation check,  
4 apart from the fee charged by the creditor or the  
5 bank that provided the loan or check.

6                   So they would be exempt from that  
7 rule?

8                   SENATOR DeFRANCISCO: I'm advised  
9 that this concern about loans being given in  
10 anticipation of refunds, they are not offered in  
11 the State of New York anymore because the IRS  
12 does not provide the information as to what the  
13 likely refund is going to be.

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

17                  SENATOR DeFRANCISCO: Yes.

18                  ACTING PRESIDENT GRIFFO: The  
19 sponsor yields.

20                  SENATOR KRUEGER: Thank you.

21                  I guess partly an answer, then a  
22 question.

23                  My understanding is those don't  
24 happen as much anymore because we passed the law  
25 in 2009, not necessarily because of the IRS.

1                   But to follow through, if this bill  
2 became the law, then the section of the current  
3 law would no longer exist, "the tax-return  
4 preparer or facility author shall not engage in  
5 unfair or deceptive acts or practices in the  
6 facilitating of a refund anticipation check or  
7 refund anticipation loan, including making any  
8 oral statements contradicting any of the  
9 information required to be disclosed under the  
10 Taxpayer Bill of Rights set forth in Section 371  
11 through 373 of the General Business Law."

12                   So that would no longer apply?

13                   SENATOR DeFRANCISCO:   There are  
14 existing fraud statutes that deal with fraudulent  
15 misrepresentations that would still apply if this  
16 bill were repealed.

17                   In addition, you just mentioned  
18 that there's a Taxpayer's Bill of Rights, and if  
19 someone violates the Taxpayer's Bill of Rights,  
20 then under those circumstances that's an issue  
21 that could be taken up with respect to the  
22 licensing of these particular licensed check  
23 cashers or tax-return preparers.

24                   So there's existing law without  
25 this duplication that would be available to

1 handle those abuses if in fact fraud and  
2 misrepresentations did in fact occur.

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

6 SENATOR DeFRANCISCO: Yes.

7 ACTING PRESIDENT GRIFFO: The  
8 sponsor yields.

9 SENATOR KRUEGER: Thank you.

10 So I'm gathering that the  
11 answers are yes, these things wouldn't apply, but  
12 the sponsor thinks there are other sections of  
13 law that would apply.

14 But going on, so if this bill were  
15 to become law, then it would no longer be against  
16 the law for tax preparers within check-cashing  
17 sites to take or arrange for a creditor to take a  
18 security interest in any property interest of the  
19 taxpayer, other than the proceeds of the tax  
20 refund to secure the payment of the refund  
21 anticipation loan? So they could in fact go  
22 after other property of the taxpayer?

23 SENATOR DeFRANCISCO: Again, these  
24 loans are no longer available. So it's difficult  
25 to see how you would need these types of

1 restrictions if these loans are no longer  
2 available.

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

6 SENATOR DeFRANCISCO: Yes.

7 ACTING PRESIDENT GRIFFO: The  
8 sponsor yields.

9 SENATOR KRUEGER: Thank you.

10 And so just in closing, the final  
11 section of the existing law which these taxpayer  
12 preparation sites and check cashers would no  
13 longer be obligated to follow prohibits them to  
14 refer, facilitate, solicit consumers or conduct  
15 business on behalf of or in conjunction with or  
16 in the same premises as a third-party engaged in  
17 check cashing for a fee.

18 Obviously, that would be allowed to  
19 take place. The refund anticipation loans  
20 through the tax preparers could take place in the  
21 third-party check cashing site for a fee; is that  
22 correct?

23 SENATOR DeFRANCISCO: My  
24 understanding is there is -- no one offers these  
25 loans any longer. So to regulate an activity

1 that is problematic, which activity doesn't occur  
2 any longer, seems to be regulation without a  
3 purpose.

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

7                   SENATOR DeFRANCISCO: Yes.

8                   ACTING PRESIDENT GRIFFO: The  
9 sponsor yields.

10                  SENATOR KRUEGER: Thank you.

11                  So you've answered several  
12 questions with "there are no refund anticipation  
13 loans anymore in New York State." Did we outlaw  
14 them at some point in time?

15                  SENATOR DeFRANCISCO: We didn't  
16 formally outlaw them any longer.

17                  But the way I understand it is in  
18 order to provide a loan for a refund, the lender  
19 would have to be in a position to understand what  
20 the likely refund was going to be, and the IRS  
21 does not provide that information any longer.

22                  SENATOR KRUEGER: Through you,  
23 Mr. President. On the bill.

24                  ACTING PRESIDENT GRIFFO: Senator  
25 Krueger on the bill.



1                   SENATOR KRUEGER:     Thank you.

2                   My understanding is in 2009 we put  
3 some reasonable but not extreme limitations on  
4 those who provide tax preparation and refund  
5 anticipation loans in this state. I personally  
6 thought it was a good law, perhaps didn't even go  
7 far enough.

8                   But it went some steps to protect  
9 people from ending up filing their taxes with a  
10 specific company, being told they were eligible  
11 for a refund anticipation loan, but only being  
12 told after the deal was made, the taxes were  
13 completed, and the refund anticipation loan  
14 calculation was signed off on -- only then were  
15 they told that there could be a fee or set of  
16 fees that added up to 300, 400 percent of what  
17 the actual refund anticipation loan was, when in  
18 fact you might be receiving your refund from the  
19 IRS within a matter of weeks.

20                  I do not believe that anything has  
21 changed other than our better state law from 2009  
22 forward. You don't need the Internal Revenue  
23 Service to tell you in advance what your refund  
24 will be in order to get a refund anticipation  
25 loan. In fact, the irony is the tax preparer

1 knows what they believe you will get back as a  
2 refund from the IRS, and perhaps the State of  
3 New York, because they did the tax preparation  
4 work.

5           So if they are allowed to give you  
6 a loan with high interest rates on it, they're  
7 almost guaranteed to get it back, because they  
8 were very often having you sign something saying  
9 they got the refund from the IRS, not you. But  
10 they got to pay themselves back from that  
11 refund.

12           If they were wrong on their tax  
13 preparation and in fact you weren't eligible for  
14 as large a refund as they thought, you still owe  
15 them the loan that you took out, at perhaps 200,  
16 300, 400 percent annualized fees.

17           On top of that, they were also not  
18 telling people who might not have had bank  
19 accounts that they would have to open up a bank  
20 account in order to get the money and now were  
21 going to charge them fees on that. And in fact  
22 check cashers play a similar role to banks,  
23 without perhaps the same strong regulations.

24           So in fact what we did in 2009 was  
25 we helped to establish standards of how these

1 businesses could go forward, and we helped to  
2 decrease the likelihood that people would be,  
3 quote, unquote, taken for a ride getting a refund  
4 anticipation loan with enormous fees attached  
5 that might really only get them their refund from  
6 the Tax Department a couple of weeks early.

7 But to get a refund a couple of  
8 weeks early to the tune of 200 or 300 or even  
9 400 percent interest rates was ridiculous. So in  
10 fact, this state I believe took a very large step  
11 forward in 2009 by establishing standards and  
12 criteria. I think we would do a serious harm to  
13 individuals if we were to exempt any sub-universe  
14 of facilities from these standards and rules.

15 I'm not sure that tax-preparing  
16 sites working with check cashers were any worse  
17 than anyone else who was doing this work before  
18 2009. But I also don't think there's any reason  
19 to believe they were any better. And in fact the  
20 protections we put in place in 2009 went a long  
21 way to helping with the problem.

22 Now, if it actually outlawed  
23 taxpayer refund anticipation loans, as my  
24 colleague thinks, I don't think he's correct. If  
25 perhaps it's been reduced so much since 2009 that

1 people think we don't have them anymore in  
2 New York State, maybe that's for the good.  
3 Because would you take out a loan for two weeks  
4 and owe 200, 300, 400 percent interest on it?  
5 That's a bad plan by any of us, as taxpayers or  
6 consumers.

7                   So if the law that we put in effect  
8 in 2009 somehow actually made it so clear that  
9 this was a bad deal that people stop taking  
10 refund anticipation loans at all, hooray. I  
11 don't really think that was the case.

12                   But I certainly don't think we  
13 should be going backward as a state at this point  
14 in time, because we should be doing everything  
15 possible to make sure that all our citizens are  
16 protected from usury, whether it's at a bank, a  
17 check casher, or anyone else lending money. We  
18 should have strict rules to protect consumers.

19                   2009's law was a big step in the  
20 right direction, and I don't think now in 2012 we  
21 should be going backward.

22                   I vote no, Mr. President. Thank  
23 you.

24                   ACTING PRESIDENT GRIFFO: Senator  
25 Squadron.

1                   SENATOR SQUADRON:   Thank you very  
2 much.   If the sponsor would yield.

3                   SENATOR DeFRANCISCO:   Yes.

4                   ACTING PRESIDENT GRIFFO:   The  
5 sponsor yields.

6                   SENATOR SQUADRON:   Thank you.

7                   To start, Senator Krueger described  
8 refund anticipation loans and how they worked.  
9 Just is it the sponsor's view that refund  
10 anticipation loans are advisable financial  
11 instruments for consumers?

12                  SENATOR DeFRANCISCO:   Depends on  
13 the consumer.   I can't speak for every consumer  
14 as to whether this type of loan is a good deal or  
15 a bad deal.   But the fact of the matter is they  
16 don't provide these loans anymore.

17                  Because, very simply, if you're  
18 going to loan money -- now, maybe you're  
19 different.   But if I'm going to loan money, I  
20 want to make sure that I got it paid back.

21                  And if the IRS is not telling  
22 people who want to issue these loans whether the  
23 refund is going to get back to the consumer or  
24 whether that refund is going to be used to offset  
25 child support, offset prior taxes, offset

1 something else, and it's really not there to be  
2 used to pay off the loan and the consumer has no  
3 other assets to pay the loan off, I know I'm not  
4 going to loan the money. And that's exactly why  
5 these loans are not occurring anymore.

6                   So whether it's a good deal or a  
7 bad deal, it's kind of academic at this point.  
8 Without the information from the IRS as to  
9 whether that refund is free and clear and it's  
10 going to come back to the lender, lenders aren't  
11 lending anymore.

12                   SENATOR SQUADRON: If the sponsor  
13 would continue to yield.

14                   SENATOR DeFRANCISCO: Yes.

15                   ACTING PRESIDENT GRIFFO: The  
16 sponsor yields.

17                   SENATOR SQUADRON: Thank you.

18                   So it's the sponsor contention that  
19 if this bill were to become law that tax  
20 preparer, slash, check cashers, which would  
21 become lawful again, would not offer refund  
22 anticipation loans?

23                   SENATOR DeFRANCISCO: I can only  
24 tell you what's happening now. And they're not  
25 offering them now.

1                   SENATOR SQUADRON:    If the sponsor  
2 would continue to yield.

3                   SENATOR DeFRANCISCO:    Yes.

4                   ACTING PRESIDENT GRIFFO:    The  
5 sponsor yields.

6                   SENATOR SQUADRON:    As far as the  
7 sponsor knows, these sorts of facilities would  
8 not engage in -- don't in other states, for  
9 example, engage in refund anticipation loans?

10                  SENATOR DeFRANCISCO:    I don't  
11 understand the question.

12                  SENATOR SQUADRON:    To clarify the  
13 question, the sponsor says that Senator  
14 DeFrancisco can't predict whether tax preparer,  
15 slash, check-cashing providers would want to  
16 offer refund anticipation loans.  So I'm asking  
17 in other states where these sorts of entities are  
18 allowed, do they provide refund anticipation  
19 loans?

20                  Or, separately -- in the interest  
21 of time, two questions in one -- does the sponsor  
22 know of any interest from providers in this state  
23 who would, if this law passed, offer refund  
24 anticipation loans?

25                  SENATOR DeFRANCISCO:    I don't know

1 of any.

2           The two biggest organizations that  
3 were offering these were Chase and JP Morgan.  
4 And once the IRS changed its policy by not giving  
5 information out about whether there were any  
6 liens, again, or any offsets of the refund that  
7 the lenders were relying on to get paid back,  
8 they stopped doing those loans.

9           So I don't know -- I can't talk  
10 about hypothetical situations. I can only talk  
11 about what the facts are presently.

12           SENATOR SQUADRON: If the sponsor  
13 would continue to yield.

14           SENATOR DeFRANCISCO: Yes.

15           ACTING PRESIDENT GRIFFO: The  
16 sponsor yields.

17           SENATOR SQUADRON: And I apologize  
18 for two questions in one.

19           So just to clarify, in terms of  
20 other states the sponsor is not aware of whether  
21 facilities that do or entities that do both tax  
22 preparation and check cashing in other states  
23 offer refund anticipation loans? And I apologize  
24 again for my lack of clarity.

25           SENATOR DeFRANCISCO: Is that a



1 question?

2 SENATOR SQUADRON: Yes.

3 SENATOR DeFRANCISCO: I have no  
4 idea what other states do. But I'm sure the IRS  
5 is treating these type of lenders the same way in  
6 other states as they are treating them in  
7 New York State and not providing the required  
8 information that the lender would need to make  
9 sure that they were going to get paid in order to  
10 give the loan.

11 So I assume the rationale behind no  
12 loans in New York State of this type would be  
13 applied to other states, since we have the same  
14 IRS in all states.

15 SENATOR SQUADRON: If the sponsor  
16 would yield for another question.

17 ACTING PRESIDENT GRIFFO: The  
18 sponsor yields.

19 SENATOR DeFRANCISCO: Yes.

20 SENATOR SQUADRON: Thank you.

21 Before this law was passed, tax  
22 preparers who also cashed checks did offer refund  
23 anticipation loans, as Senator Krueger described,  
24 as far as you know; correct?

25 SENATOR DeFRANCISCO: As far as I

1 know, yes.

2 But this law was not the reason  
3 that these loans aren't given anymore, as I've  
4 said a couple of times. The reason is that the  
5 IRS won't provide the needed information to give  
6 comfort to the lenders to provide these loans any  
7 longer.

8 SENATOR SQUADRON: If the sponsor  
9 would continue to yield.

10 SENATOR DeFRANCISCO: Yes.

11 ACTING PRESIDENT GRIFFO: The  
12 sponsor yields.

13 SENATOR SQUADRON: Thank you.

14 Just to clarify and just to be  
15 sure, the sponsor is not aware that currently  
16 there are tax preparers operating in New York  
17 State who offer refund anticipation loans on the  
18 home pages of their websites and prominently on  
19 their literature?

20 SENATOR DeFRANCISCO: I'm not  
21 aware of that, and I don't know how current, you  
22 know, those websites are or their literature is.  
23 But I'm not aware of that.

24 SENATOR SQUADRON: If the sponsor  
25 would continue to yield.

1                   SENATOR DeFRANCISCO:    Yes.

2                   SENATOR SQUADRON:    If I understand  
3 the rationale for this bill, it's that this  
4 provision was put into law in 2009 because there  
5 was a real problem with refund anticipation  
6 loans. And this was one way to get at a  
7 particularly destructive sort of refund  
8 anticipation loan from a certain kind of  
9 provider. And that the law is no longer needed  
10 because refund anticipation loans essentially no  
11 longer exist.

12                   If that is in fact the sponsor's  
13 rationale, would the sponsor agree with me that,  
14 if refund anticipation loans do in fact still  
15 exist, that this law probably does not make  
16 sense?

17                   SENATOR DeFRANCISCO:    No, I would  
18 not.

19                   What we're talking about is the  
20 context of those loans being given under the  
21 context of this bill. Remember, the bill is  
22 basically dealing with eliminating the former  
23 provision that prohibits tax preparers and  
24 facilitators from being in the same location as  
25 check cashers. That's the specific issue and

1     that's the specific circumstance.

2                     If there are people on the Internet  
3     providing these loans and they choose to do that,  
4     that has nothing to do with this restriction on  
5     tax preparers and check cashers from being on the  
6     same premises.

7                     So there may be these loans on the  
8     Internet or there may be these loans somewhere,  
9     but my understanding is that under the  
10    circumstances that this bill was originally  
11    passed under -- namely, this practice that was  
12    sought to be regulated -- is no longer necessary  
13    under the situations where there is tax preparers  
14    in the same building as check cashers.

15                    SENATOR SQUADRON:    If the sponsor  
16    would yield for a final question.

17                    SENATOR DeFRANCISCO:    Yes.

18                    SENATOR SQUADRON:    Thank you.  
19    Contingent on the answer to the question.    But  
20    thank you to the sponsor for yielding.

21                    So I think I misunderstood the  
22    rationale for the bill, and I want to make sure I  
23    do.    So this is just a clarification question.

24                    My understanding of what the  
25    sponsor is saying is this bill makes sense from

1 the sponsor's point of view even if these sorts  
2 of entities, tax preparers and check cashers who  
3 are linked, would now provide or offer refund  
4 anticipation loans? That regardless of the  
5 effect on whether they are offering refund  
6 anticipation loans, this law makes sense?

7 SENATOR DeFRANCISCO: I have no  
8 idea what you're talking about, or I don't  
9 understand the question.

10 But I can simply say to you over  
11 and over again that there's no reason presently  
12 to not allow tax preparers and facilitators to be  
13 in the same location as check cashers, because  
14 these loans are not being given anymore under  
15 those circumstances, so we don't have to regulate  
16 something that doesn't exist, that doesn't -- you  
17 don't have to regulate a problem, against a  
18 problem that doesn't exist. That's the purpose  
19 of the bill.

20 SENATOR SQUADRON: If the sponsor  
21 would yield for clarification of my question,  
22 because I was obviously quite confusing.

23 SENATOR DeFRANCISCO: Sure.

24 SENATOR SQUADRON: Thank you.

25 Even if this provision cuts down on

1 refund anticipation loans, it is still a  
2 provision that the sponsor believes should be  
3 repealed?

4                   SENATOR DeFRANCISCO:    This  
5 provision -- I don't buy the premise. This  
6 provision does not cut back on loan anticipation  
7 notes under these circumstances. And therefore,  
8 the bill that was passed in 2009 is not  
9 necessary.

10                   SENATOR SQUADRON:    Thank you.  
11                   On the bill.

12                   ACTING PRESIDENT GRIFFO:    Senator  
13 Squadron on the bill.

14                   SENATOR SQUADRON:    I thank the  
15 sponsor for bearing with me and for answering the  
16 questions quite fully.

17                   Unfortunately, I think that the  
18 premise that the sponsor doesn't buy is the key  
19 here. And we have cut down on refund  
20 anticipation loans, which are extraordinarily  
21 destructive in many, many cases, are not  
22 advisable in almost all cases as a financial  
23 instrument.

24                   There are in almost all cases  
25 better ways to get loans that are safer and

1 lower-cost for the borrower than refund  
2 anticipation loans. The reason they exist is  
3 because of their seeming convenience with  
4 seemingly found money. Neither the convenience  
5 nor the seemingly found money turn out to be true  
6 in most cases.

7 Mr. President? A little order,  
8 Mr. President? A little order, Mr. President.  
9 I'm having trouble hearing myself.

10 ACTING PRESIDENT GRIFFO: Can we  
11 have some order, please.

12 SENATOR SQUADRON: Thank you. I  
13 appreciate that.

14 And this provision, this law in  
15 2009 that was passed in that legislative session  
16 cut down on refund anticipation loans. It did it  
17 in a variety of ways that are being preserved,  
18 but it did it in one way that is now being  
19 repealed.

20 And quite simply, that will mean  
21 that we will have more refund anticipation loans  
22 in this state, that the confusion and the  
23 difficulty for someone who is having their taxes  
24 prepared by someone who is also offering a  
25 financial instrument that is almost never in that

1 tax filer's interest is going to rear its ugly  
2 head again. And that's the reason this bill  
3 shouldn't pass.

4           Cutting down on these instruments,  
5 which the sponsor and myself and Senator Krueger  
6 all agree has happened, is a great victory for  
7 the state. Slipping back on that is very bad for  
8 tax preparers and for citizens across the state.  
9 And that's why this bill just doesn't make any  
10 sense.

11           I agree, if refund anticipation  
12 loans disappeared and no longer existed, then we  
13 would probably want to revisit a statute passed  
14 to cut down on them. But since we know they  
15 exist, we know they exist on the websites of  
16 multiple tax preparers in this state today, the  
17 protections that we provided for consumers, for  
18 taxpayers, should be preserved.

19           Anything else doesn't make any  
20 sense to me. So I urge a no vote.

21           Thank you, Mr. President.

22           ACTING PRESIDENT GRIFFO:   Senator  
23 Montgomery.

24           SENATOR MONTGOMERY:   Yes, thank  
25 you, Mr. President.



1                   I just want to identify just  
2 exactly what it is we're talking about. I  
3 certainly have a number of the check-cashing  
4 businesses in my district. And I know that they  
5 really serve especially poor people, and a number  
6 of them also serve the immigrant community also.

7                   But low-income people, who are the  
8 least able to afford losing money, yet they pay a  
9 very high price for the use of these businesses.  
10 Some would refer to them as predatory  
11 businesses.

12                  And so I wanted to just make sure  
13 that we understand that currently the Tax Law  
14 prohibits registered tax-return preparers and  
15 facilitators from referring, facilitating,  
16 soliciting consumers or conducting business on  
17 behalf of or in conjunction with or on the same  
18 premises as third-party engaged in check cashing  
19 for a fee.

20                  So the separation of these two  
21 activities, both of which are very much part of  
22 the lives of the poorest citizens in our state,  
23 those least able to afford the high cost of doing  
24 business with them, now this legislation seeks to  
25 reverse the current law which separates them, and

1 putting therefore an opportunity for these two  
2 possibly predatory operations together, expressly  
3 for the purpose of serving poor citizens in our  
4 state.

5                   So, Mr. President, I think this is  
6 a bad move, and I certainly am opposed to it.  
7 And I hope my colleagues will join me in  
8 rejecting this attempt to assist predatory  
9 businesses coming together so it makes it easier  
10 for them to exploit poor people in our state.

11                   Thank you. I vote no.

12                   ACTING PRESIDENT GRIFFO: Senator  
13 Krueger.

14                   SENATOR KRUEGER: Thank you,  
15 Mr. President. On the bill for a second time,  
16 because I now better understand the confusion I  
17 think the sponsor and I were having, both from  
18 listening to my colleague Senator Squadron and  
19 Senator Montgomery.

20                   I do think some of the disconnect  
21 is due to the fact that it's the check-cashing  
22 company who arranges for the refund anticipation  
23 loans and the various fees attached. But in fact  
24 it is done through some kind of financial entity.

25                   And Senator DeFrancisco, for the

1 record, was correct that in 2012, because of  
2 changes in FDIC rules when the federal banks --  
3 actually, quite a few of the banks have stopped  
4 participating in the actual account loan  
5 function.

6                   But that means the tax-preparing  
7 companies are looking for alternative sites where  
8 this kind of continued business model, which  
9 Senator Montgomery just described could be so  
10 usurious and harmful to poor people, that they're  
11 looking for new sites to make their deals because  
12 the banks won't participate.

13                   So in fact from a recent January  
14 2012 example from The New York Times, that the  
15 Republic Bank has said no, we will not  
16 participate, but Jackson Hewitt, the tax  
17 preparation site, confirmed that their company  
18 will continue to offer the loans again this year,  
19 just simply not through the FDIC banks.

20                   So the companies who have been in  
21 fact exploiting poor people's desperation to get  
22 money as quickly as possible are looking for new  
23 entities to play with them, because the feds have  
24 actually put a halt to some of the national banks  
25 participating. And that perhaps is why the

1 check-cashing sites want to go into this  
2 business, to continue a lucrative but exploitive  
3 model of business on the poorest New Yorkers.

4 Which adds strength to the argument  
5 for those of us who are opposed to this bill to  
6 say no, the feds have come in and they have tried  
7 to stop some of this activity through the  
8 FDIC-insured banks; let's not give these bad  
9 players an opportunity to participate with some  
10 other colleagues in business.

11 So please, let's not open this up  
12 to reexpansion in the State of New York through  
13 check cashers. Again, I urge a no.

14 Thank you, Mr. President.

15 ACTING PRESIDENT GRIFFO: Seeing  
16 and hearing no other Senator, debate is closed.

17 The Secretary will ring the bell.

18 Read the last section.

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

21 ACTING PRESIDENT GRIFFO: Call the  
22 roll.

23 (The Secretary called the roll.)

24 ACTING PRESIDENT GRIFFO: Announce  
25 the results.

1                   THE SECRETARY:    In relation  
2 Calendar Number 861, those recorded in the  
3 negative are Senators Avella, Breslin, Diaz,  
4 Dilan, Duane, Espaillat, Gianaris, Krueger,  
5 Montgomery, Peralta, Perkins, Rivera, Serrano,  
6 Squadron, Stavisky, and Stewart-Cousins.

7                   Absent from voting:   Senators  
8 Adams, Huntley and Parker.

9                   Ayes, 37.   Nays, 16.

10                  ACTING PRESIDENT GRIFFO:   The bill  
11 is passed.

12                  The Secretary will read.

13                  THE SECRETARY:    Calendar Number  
14 970, by Senator LaValle, Senate Print 7449A, an  
15 act to amend the Tax Law.

16                  ACTING PRESIDENT GRIFFO:   Senator  
17 Stavisky.

18                  SENATOR STAVISKY:   Will the  
19 sponsor yield for a number of questions?

20                  ACTING PRESIDENT GRIFFO:   Senator  
21 LaValle.

22                  SENATOR LaVALLE:    Before you do  
23 that, I would like to give an explanation, a  
24 little preamble on the bill, if you might.  Is  
25 that okay?

1                   SENATOR STAVISKY:    No problem.

2                   SENATOR LaVALLE:    Thank you.

3                   ACTING PRESIDENT GRIFFO:    Senator  
4 LaValle on the bill.

5                   SENATOR LaVALLE:    Mr. President,  
6 the New York State College Affordability Plan  
7 that is before the house is one that deals with a  
8 very complex problem that faces both students and  
9 families across our state.  It is one that --  
10 well, we have placed so much focus on the  
11 education portion of college that sometimes we  
12 have not placed enough emphasis on the business  
13 side, what is happening to students in terms of  
14 cost, debt, and affordability.

15                   This chamber has led the way --  
16 it's not something new that we have discovered.  
17 We have passed, in 2002, legislation that  
18 provided tuition tax credits.  We have held  
19 hearings on this very problem in 2008.

20                   And prior to that, we set up  
21 opportunities for the creation of what we call  
22 the 529 plans to allow parents, grandparents, and  
23 benefactors to put money aside for their  
24 children, grandchildren, or friends.  So we have  
25 been very focused on this.

1                   In 2008, when Governor Cuomo was  
2 the Attorney General, this house worked with him  
3 to pass very important legislation on this whole  
4 loan problem and how, in colleges, preferences  
5 were given to certain lending agencies. So under  
6 the SLATE legislation, we really got in and made  
7 sure that students were not incurring debt that  
8 they should not.

9                   Today, students on the average are  
10 carrying, for an undergraduate program, something  
11 like \$26,000 in debt. If they go to graduate  
12 school and go to law school, it is obviously much  
13 higher.

14                  One of the things that I do, I go  
15 around the chamber to the young attorneys, the  
16 young counsels who work for us, and I say, "Would  
17 you mind telling me what your debt is?" And if  
18 you go to law school, graduate from law school,  
19 you're talking about a \$100,000 debt. A hundred  
20 thousand dollars.

21                  This means that individuals are  
22 postponing a relationship, buying a house,  
23 getting a new car because their debts and paying  
24 off their debts are very critical.

25                  Under this plan, we broaden the

1 measure that we passed in 2002, I think the first  
2 state in the nation and well before the federal  
3 government passed tuition tax credit and  
4 deduction. And so under the present law, each  
5 student can get a \$10,000 deduction or a  
6 \$400 credit, and we are doubling that, over a  
7 five-year period, to \$20,000 and \$800.

8                   We add a very interesting  
9 component -- Senator Stavisky, if you'd just bear  
10 with me, maybe I will have answered your  
11 question -- a very, very innovative  
12 stay-in-New-York tax credit. Students must  
13 graduate from a New York State institution in  
14 four years or less, complete 20 hours of  
15 community service, and then they must reside and  
16 work in New York State for four years after  
17 graduation.

18                   If a student worked through their  
19 baccalaureate program, we give them a fifth  
20 year. So this student would get a \$3,000 tax  
21 credit.

22                   We have, in years gone by,  
23 introduced legislation in this house for a  
24 prepaid college savings plan, and this is part of  
25 the program.



1           The third piece is very innovative,  
2 a linked-deposit student loan program that would  
3 make \$100 million available to reduce the  
4 percentage that a student pays in loans. The  
5 median average is 6.67 percent. We would lower  
6 it, using this program, to 3.67 percent.

7           And the last thing, which is very  
8 critical and builds on the SLATE program, is the  
9 student lending transparency program.

10           It has always been our belief in  
11 this chamber that disclosure and information  
12 empowers the consumer, and here we make sure  
13 that, through our new Department of Financial  
14 Services, that information is put onto the  
15 computer so that parents understand all the  
16 information about the loans, the rates, the  
17 period of time that they would be carrying this,  
18 et cetera. This builds on SLATE and is  
19 critically important.

20           I yield to you, Senator.

21           ACTING PRESIDENT GRIFFO:   Senator  
22 Stavisky.

23           SENATOR STAVISKY:   Thank you.

24           And thank you, Senator LaValle, for  
25 your complete explanation of the bill.

1 I have a number of questions,  
2 though. And I certainly commend the approach  
3 that you've taken over the years. And I agree  
4 with it, obviously, since I was a cosponsor or a  
5 prime sponsor with you of that student loan bill.

6 I have a number of questions. We  
7 have a Higher Education Committee meeting  
8 tomorrow. Why was this bill sent directly to  
9 Rules and avoiding the Higher Education Committee  
10 and the Finance Committee, since there is an  
11 obvious public policy impact on higher education  
12 and a very substantial financial commitment?

13 SENATOR LaVALLE: Senator, as you  
14 know, there have been a number of bills that we  
15 have talked about last week -- a jobs bill,  
16 before that, other bills. Sometimes bills go to  
17 Finance, sometimes they go directly to Rules.

18 And this bill has a significant and  
19 important impact on the students and the families  
20 of New York, so I think moving it through the  
21 Rules Committee is not an uncommon procedure.

22 SENATOR STAVISKY: If the Senator  
23 will continue to yield.

24 SENATOR LaVALLE: Yes.

25 ACTING PRESIDENT GRIFFO: The

1 Senator yields.

2           SENATOR STAVISKY: It seems to me  
3 that this bill cried out for a public hearing, a  
4 public airing, with a little more opportunity for  
5 the various stakeholders to be heard.

6           But let me ask some specific  
7 questions about this bill. On page 2 -- and in  
8 no particular order, but I'll try to follow the  
9 bill itself -- Section B, Roman number II.

10           One of the requirements to qualify  
11 for the credit is to be employed full-time within  
12 the state. And with our state having an  
13 unemployment rate of something over 8 percent,  
14 there will be many students who are unable to  
15 find employment. How do you respond to that?

16           SENATOR LaVALLE: Well, when we  
17 craft public policy there are a number of things  
18 that we look at. And one of the things that we  
19 want to make sure is that we're making investment  
20 in our students, we want to keep them here for a  
21 period of time. This is something that the  
22 Higher Education Committee has -- over its  
23 history, all the time you've been there, I've  
24 been there, we have talked about keeping people  
25 here in New York.

1                   So we are assuming that there is  
2 light at the end of the tunnel, that there will  
3 be jobs for students. Maybe not the right jobs,  
4 but students today want to work. Even though  
5 there is a holding-pattern-type job, it's not the  
6 career that they envisioned when they got their  
7 baccalaureate degree.

8                   So that's the public policy that we  
9 were focused on, to keep our students here in  
10 New York, working in New York, paying taxes in  
11 New York, after we made a great investment in  
12 them.

13                   SENATOR STAVISKY: And I agree  
14 totally with that concept, particularly tying  
15 scholarship money to staying in New York.

16                   A little further down on that page  
17 you use the term "qualified college expenses."  
18 Does that include deductions for Pell grants or  
19 TAP? Oh, will you yield. Through you,  
20 Mr. President. That's my question.

21                   SENATOR LaVALLE: To answer  
22 Senator Stavisky's question, we're talking about  
23 tuition as being the expense that we are focused  
24 on. Because as you know, through the 2002 law on  
25 the tuition tax credit, slash, deduction, you

1 have to produce a tuition bill in your hand.

2 And the other piece of your  
3 question, as you know, in almost every law that  
4 we pass we automatically say if you have a Pell  
5 grant, TAP or any other grant, that is deducted  
6 before we start paying.

7 SENATOR STAVISKY: Will the  
8 Senator continue to yield.

9 SENATOR LaVALLE: Yes.

10 ACTING PRESIDENT GRIFFO: The  
11 Senator yields.

12 SENATOR STAVISKY: Your definition  
13 "institution of higher education" -- and I  
14 apologize for the number of questions, but we  
15 haven't really had an opportunity to discuss this  
16 bill in committee.

17 Institution of higher education.  
18 And this is basically any institution that's  
19 either approved by the Regents or located in the  
20 state, recognized and approved by the Regents,  
21 et cetera.

22 HESC, the Higher Education Services  
23 Corporation, I believe may have a different  
24 definition. Is there any conflict here?

25 SENATOR LaVALLE: No, I think in

1 our various statutes that we have, we always go  
2 back to the University of the State of New York,  
3 which is the State Education Department. So they  
4 control that definition.

5 ACTING PRESIDENT GRIFFO: Senator  
6 Stavisky.

7 SENATOR STAVISKY: Will the  
8 Senator continue to yield.

9 SENATOR LaVALLE: Yes.

10 ACTING PRESIDENT GRIFFO: The  
11 Senator yields.

12 SENATOR STAVISKY: You have an  
13 inflation adjustment in the bill -- which I think  
14 is a good idea, but you're using the HEPI, the  
15 Higher Education Price Index, which is extremely  
16 low, from what I understand. Is there a reason  
17 why you're using the Higher Education Price Index  
18 and not one of the other indices?

19 SENATOR LaVALLE: Senator, as you  
20 know, it's kind of roll of the dice whether you  
21 use the CPI or the HEPI. For a long period of  
22 time HEPI was the higher index than the CPI.

23 So what we did was to make sure  
24 that when this is instituted the tuition tax  
25 credit deduction, that it will continue to be

1 updated and relevant well beyond a specific year.

2 We should have done that in 2002.

3 Had we done that in 2002, we would be today not  
4 talking about this, because it would have  
5 self-adjusted.

6 SENATOR STAVISKY: Will the  
7 Senator continue to yield.

8 ACTING PRESIDENT GRIFFO: The  
9 Senator yields.

10 SENATOR STAVISKY: You talk  
11 about -- in the definition section, you're  
12 talking about lenders, and you talk about the  
13 commercial and the thrift institutions. But  
14 there are others, such as credit unions.

15 SENATOR LaVALLE: From a personal  
16 standpoint, I think credit unions do a phenomenal  
17 job. But as you also know, under the law,  
18 because credit unions are a relatively new  
19 phenomenon, that they do not have the same status  
20 that some other of the other lending institutions  
21 have. That's something to be considered probably  
22 at another time.

23 SENATOR STAVISKY: If we could  
24 continue to Section 232 of the proposal. You  
25 talk about, in Part B -- will the Senator yield?

1                   SENATOR LaVALLE:    Yes.

2                   SENATOR STAVISKY:   -- the  
3   likelihood of the student successfully completing  
4   his or her higher education.  This is the  
5   benefit, the likelihood to benefit theory,  
6   presumably.

7                   Can you explain how you determine  
8   the likelihood of the student successfully  
9   completing his or her higher education and  
10   repaying the loan?

11                  SENATOR LaVALLE:    That is a  
12   criteria that is in HESC regulation.  So that is  
13   something that is part of existing regs.

14                  ACTING PRESIDENT GRIFFO:   Senator  
15   Stavisky.

16                  SENATOR LaVALLE:    HESC is going  
17   make that determination, Senator.

18                  SENATOR STAVISKY:   Will the  
19   Senator continue to yield.

20                  ACTING PRESIDENT GRIFFO:   The  
21   Senator yields.

22                  SENATOR STAVISKY:   In Part D --  
23   and I'm going to go back to some of the other  
24   parts, but in Part D you talk about the prepaid  
25   tuition savings program, the 529, which I believe



1 has a different startup date where you can enroll  
2 the child at birth.

3                   You're waiting until age 5. Is  
4 there a reason for that?

5                   SENATOR LaVALLE: The answer is,  
6 and it's clear in the legislation, that it is at  
7 age 5, between age 5 and age 13. So that this  
8 culminates in a way that the payments would be  
9 made prior to the student enrolling in a State  
10 University or City University program.

11                   SENATOR STAVISKY: Will the  
12 Senator continue to yield.

13                   SENATOR LaVALLE: Yes.

14                   ACTING PRESIDENT GRIFFO: The  
15 Senator yields.

16                   SENATOR STAVISKY: What about the  
17 private colleges?

18                   SENATOR LaVALLE: Private  
19 colleges, because each private college has a  
20 different tuition level, what would happen, under  
21 this, at the end of when the benefactor, parent,  
22 whoever, is setting that money aside, the  
23 individual would at that time pull the money out  
24 and redirect it and use it for a private college  
25 tuition.

1                   ACTING PRESIDENT GRIFFO:     Senator  
2     Stavisky.

3                   SENATOR STAVISKY:     Will the  
4     Senator continue to yield.

5                   SENATOR LaVALLE:     Yes.

6                   SENATOR STAVISKY     In Section D on  
7     page 14 you talk about New York State private  
8     schools. Does this include for-profit or  
9     proprietary colleges?

10                  SENATOR LaVALLE:     The answer is  
11     yes.

12                  SENATOR STAVISKY:     What about  
13     religious institutions?

14                  SENATOR LaVALLE:     Any school that  
15     they go to.

16                  SENATOR STAVISKY:     Any school?

17                  SENATOR LaVALLE:     Yes.

18                  Senator, if we go back to your  
19     earlier question, under the approved higher  
20     education that is governed by the State Education  
21     Department.

22                  SENATOR STAVISKY:     If the Senator  
23     will continue to yield.

24                  ACTING PRESIDENT GRIFFO:     The  
25     Senator yields.

1                   SENATOR STAVISKY:    That's the  
2 definition that we used for the so-called  
3 rabbinical TAP not otherwise covered.  Would they  
4 be included in this provision?

5                   SENATOR LaVALLE:    I don't know.  I  
6 don't know the answer.

7                   SENATOR STAVISKY:    That's why I  
8 asked the question.

9                   Will the Senator continue to  
10 yield?

11                  ACTING PRESIDENT GRIFFO:    The  
12 Senator yields.

13                  SENATOR STAVISKY:    Can you tell us  
14 what the difference is between the linked-loan  
15 deposit program and New York HELP?  Which is, as  
16 you know, the program besides the linked-loan  
17 deposit program.

18                  SENATOR LaVALLE:    I would.

19                  As a matter of fact, and you may  
20 have even been a cosponsor on the HELP program  
21 that we introduced, I introduced in 2008, 2007.  
22 Governor Paterson thought it was such a great  
23 idea, he made it a gubernatorial program bill.

24                  One of the problems that we had  
25 with that, and it's unfortunate, that in the last

1 two years, through HESC -- so in other words,  
2 this was government-run, in a sense -- we have  
3 had only 750 or less students apply for this  
4 program.

5                   So what we're doing with the linked  
6 deposit, the student linked deposit, is we have  
7 come on the idea that we have used in economic  
8 development, and we're making an investment of  
9 \$100 million to ensure that low-interest  
10 loans are available. As I said, just about  
11 halved of what they would normally be. The  
12 median average is 6.67; we would bring that down  
13 to 3.67.

14                   And we're using the private  
15 marketplace, where our taxpayers are not liable  
16 for any default on that loan. I think that's a  
17 critically important point.

18                   SENATOR STAVISKY: Will the  
19 Senator continue to yield?

20                   ACTING PRESIDENT GRIFFO: The  
21 Senator yields.

22                   SENATOR STAVISKY: Is there a  
23 guarantor to that program?

24                   SENATOR LaVALLE: The bank. The  
25 bank.

1                   SENATOR STAVISKY:    Oh, the bank.

2                   SENATOR LaVALLE:    Yeah.  What we  
3 believe will happen is that we will set up a  
4 competitiveness, that those banks who want to be  
5 the most competitive will get into this program.

6                   So what we've done here, using the  
7 hundred million, is we're making an investment.  
8 As we did with the linked deposit for economic  
9 development, we're using that here.  Just think  
10 what the students or family will do when we bring  
11 down and make their student loan affordable.  
12 We're hoping that they will pump that money into  
13 the economy, as they most likely will do.

14                  SENATOR STAVISKY:    Let me rephrase  
15 my question, if the Senator will yield.

16                  If the bank defaults, there's no  
17 guarantor to that money.  Well, presumably the  
18 federal government will step in.  But  
19 nevertheless, there still is no guarantor to that  
20 investment.

21                  SENATOR LaVALLE:    Well, I -- I  
22 mean, banks defaulting -- I mean, I don't know  
23 the Frank-Dodd and all of that and all the  
24 regulations.  But the chances of that happening  
25 really are remote.

1                   But we are making an investment in  
2 a loan to bring down the interest rate. The bank  
3 is involved in that transaction, and I believe  
4 it's the bank that ultimately is on the hook if  
5 they go under.

6                   ACTING PRESIDENT GRIFFO:     Senator  
7 Stavisky.

8                   SENATOR STAVISKY:     Will the  
9 Senator continue to yield.

10                  ACTING PRESIDENT GRIFFO:     The  
11 Senator yields.

12                  SENATOR STAVISKY:     If an  
13 individual takes out a loan on a car and is  
14 unable to make the payments, then the car can be  
15 taken as collateral. But there is no collateral  
16 in this situation. That's really the question  
17 that I'm asking.

18                  SENATOR LaVALLE:     Well, one of the  
19 things that we're doing is that New York State --  
20 and we've done the same thing. This is not a new  
21 template. We've taken the economic development  
22 template, and we're applying it to student loans.

23                  The State of New York most likely,  
24 and those people that want to want to be  
25 competitive are -- New York is not going to make

1 an investment in that bank if there is any -- if  
2 they're shaky. So we're going to make  
3 investments in good banks, in good banks. So I  
4 think that's the answer.

5 ACTING PRESIDENT GRIFFO: Senator  
6 Stavisky.

7 SENATOR STAVISKY: If the Senator  
8 will continue to yield.

9 SENATOR LaVALLE: Yes.

10 ACTING PRESIDENT GRIFFO: The  
11 Senator yields.

12 SENATOR STAVISKY: There are  
13 similar programs, prepaid tuition programs in  
14 other states such as Alabama, Colorado, Kentucky,  
15 New Mexico, Tennessee, et cetera.

16 What has been their -- are you  
17 familiar with their experience?

18 SENATOR LaVALLE: I'm not.  
19 Because -- the answer is I'm not. But New York  
20 is different than many other states.

21 As I had indicated to you before,  
22 and I know you know this, that this legislation  
23 is not new. We've talked about prepaid tuition  
24 legislation back I don't know how many years.  
25 This I believe is the right time for that. And

1 we have taken past legislation and I believe made  
2 it relevant to 2012 and the circumstances that  
3 we're in.

4 But as you know, and I say this  
5 regardless of the legislation, I think it's good  
6 to look at what's happening around the country or  
7 in the federal government, but New York is such a  
8 different, different state. So -- yeah.

9 ACTING PRESIDENT GRIFFO: Senator  
10 Stavisky.

11 SENATOR STAVISKY: If the Senator  
12 will yield.

13 ACTING PRESIDENT GRIFFO: The  
14 Senator yields.

15 SENATOR LaVALLE: Yes. Have we  
16 gotten to 20 questions yet?

17 ACTING PRESIDENT GRIFFO: Senator  
18 LaValle -- Senator LaValle.

19 Senator Stavisky, would you pose  
20 your question, please?

21 SENATOR STAVISKY: Yes. If the  
22 federal government allows for the expansion of  
23 the 529 programs to include prepaid tuition, why  
24 do we need a new program? If it's already in  
25 existence.



1                   SENATOR LaVALLE:    As you well  
2 know, the 529 program is entirely different than  
3 this.  Because in the 529 program we're making  
4 investments in equities or a combination of  
5 things.

6                   Here, through the Comptroller and  
7 Chancellor of the State University, we are  
8 establishing a fund that will prepay tuition and  
9 we know at the end of this we have a -- let me  
10 say a guesstimate that parents and students will  
11 save about \$27,000 on this -- 27 percent.  
12 Twenty-seven percent.

13                  SENATOR STAVISKY:    If the Senator  
14 will continue to yield.

15                  SENATOR LaVALLE:    Yes.

16                  ACTING PRESIDENT GRIFFO:    The  
17 Senator yields.

18                  SENATOR STAVISKY:    What will  
19 happen to the existing 529 programs?

20                  SENATOR LaVALLE:    I'm sorry?

21                  SENATOR STAVISKY:    What will  
22 happen to the existing 529 programs?

23                  SENATOR LaVALLE:    They'll  
24 continue.

25                  SENATOR STAVISKY:    They'll still

1 continue?

2                   SENATOR LaVALLE:    Yeah,  
3 absolutely.

4                   You know, quite honestly, Senator,  
5 because the stock market goes up and down, a lot  
6 of the allure that was -- when we passed that  
7 many, many years ago is not there. People don't  
8 have the confidence in the 529 programs.

9                   That's why this is a more focused  
10 one that I believe people will take to.

11                  SENATOR STAVISKY:    I thank the  
12 Senator. On the bill.

13                  ACTING PRESIDENT GRIFFO:    Senator  
14 Stavisky on the bill.

15                  SENATOR STAVISKY:    Thank you,  
16 Senator LaValle, for responding to my questions.

17                  A couple of comments.

18                  For one, reports by the Federal  
19 Reserve Bank of New York and the United States  
20 Department of Education reveal that students are  
21 more in debt today than ever before. And I  
22 almost would have preferred increasing the TAP to  
23 this approach, because it is more equalizing.

24                  Secondly, the answer to the  
25 question of the experience in other states is

1 that many of them are closed to new entrants or  
2 are closed, period. It has not worked as well as  
3 we would hope in other states. But then again,  
4 Alabama fortunately is not like New York.

5 A couple of other quick points.  
6 I'm troubled by the cost and how we're going to  
7 make up the revenue.

8 But lastly, I remember a prepaid  
9 tuition program going back probably 25 years or  
10 so that was put forth by then-State Senator  
11 Malcolm Wilson. He was the sponsor of a prepaid  
12 tuition legislation very similar to this. The  
13 problem is that they couldn't get the banks to  
14 offer the programs. There were very few banks  
15 that were offering it. And as a result, it was  
16 not successful.

17 But having said that, I'm going to  
18 vote for this bill because I think it sends the  
19 right message that student debt and student loans  
20 are indebting students and hurting their future.  
21 And for that reason.

22 And I thank Senator LaValle for  
23 responding, and I hope some of the issues that I  
24 have raised will be incorporated in an amended  
25 version.

1 Thank you, Mr. President.

2 ACTING PRESIDENT GRIFFO: Thank  
3 you, Senator Stavisky.

4 Senator Rivera.

5 SENATOR RIVERA: Thank you,  
6 Mr. President. On the bill.

7 ACTING PRESIDENT GRIFFO: Senator  
8 Rivera on the bill.

9 SENATOR RIVERA: Thank you,  
10 Mr. President.

11 As I have spoken many times on the  
12 floor of the Senate, I've been a college  
13 professor for about 12 years. I've been always  
14 committed to higher education. One of the  
15 committees that I asked for specifically when I  
16 got to the Senate was to make sure that I was  
17 part of the conversation about making higher  
18 education more accessible and certainly more  
19 affordable.

20 My district has less than  
21 10 percent of its population that has a college  
22 degree. And most of the folks in my district are  
23 people of color, who are certainly having issues  
24 with affordability.

25 And which is why I have to say that

1 I am sincerely disappointed that we are having  
2 this conversation on the floor. Don't get me  
3 wrong, I am very happy whenever we are having a  
4 conversation of substance on the floor. But I'm  
5 sincerely disappointed because just thinking a  
6 couple of weeks ago at the conversation that we  
7 had in committee, at length, more than once about  
8 issues of cheating, where there was a bill to be  
9 considered to address the issues of cheating in  
10 the College Board Exam or higher education  
11 access, the SATs, et cetera.

12 And we had a very productive  
13 conversation, much like this -- except we didn't  
14 have the president where we had to ask whether  
15 they would yield or not -- nothing against you,  
16 Mr. President.

17 But in all seriousness, it seems  
18 something as serious as affordability, something  
19 as serious as providing higher education access  
20 to students all across the state, it seems -- I  
21 am disappointed that we are not having a longer  
22 discussion about this. I am disappointed that we  
23 are not having a public hearing.

24 It is obvious just from the brief  
25 conversation that Senator LaValle and Senator

1 Stavisky had here on the floor that there's many  
2 issues that still need to be resolved and looked  
3 at more closely. And I have never doubted  
4 Senator LaValle's commitment to higher education  
5 and to accessibility.

6 Which is again why I'm severely  
7 disappointed that we're having this conversation  
8 here and not in the Finance Committee. We should  
9 mention that there's \$269 million that this is  
10 going to cost. Now, as I've stated in the past,  
11 I believe that certain things are a good  
12 investment of state money, and certainly higher  
13 education is one of them.

14 But we should be talking about it  
15 in the Finance Committee, and we're not. We  
16 should be talking about the details of this in  
17 the Higher Education Committee, and we are not.  
18 I'm disappointed in that.

19 The bill as it is I believe is a  
20 good piece of legislation, although I do think it  
21 needs to be tweaked. I'll be voting in the  
22 affirmative, but disappointed that we didn't have  
23 a longer conversation in committee.

24 Thank you, Mr. President.

25 ACTING PRESIDENT GRIFFO: Thank

1 you, Senator Rivera.

2 Any other Senator wishing to be  
3 heard?

4 Senator Krueger.

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

7 I appreciate the lengthy  
8 back-and-forth between my colleagues  
9 Senator Stavisky and Senator LaValle.

10 I have a couple of issues with the  
11 bill, the biggest one being it's estimated to  
12 cost close to \$279 million annual when it's put  
13 into effect. And we're not doing it within the  
14 context of the budget. So I suppose for the  
15 remainder of this fiscal year, the cost of the  
16 financial plan is not significant. But to each  
17 and every year afterwards, I don't know,  
18 \$270 million is real money to me. I don't know  
19 about anyone else here.

20 And so I really do think it should  
21 be discussed in the context of the budget and  
22 what in the state we're going to choose not to  
23 pay for or how we're going to get additional  
24 revenue to pay for this.

25 Now, having said that, I'm a big

1 believer in quality college education. But I'm  
2 also concerned that this bill doesn't address  
3 what the Federal Reserve Bank of New York and  
4 U.S. Department of Education and any number of  
5 other national reports have shown, very recently,  
6 that people are owing more on student loans than  
7 anything else in this country, more even than on  
8 credit cards. And the rate at which cost of  
9 college is going up is completely disproportional  
10 to the wages that people completing college are  
11 actually able to earn in the workforce.

12               So I don't see this bill decreasing  
13 the cost of college. I don't see this bill  
14 decreasing the amount of money students will  
15 owe. It is a model for them to be able to get  
16 more student loans.

17               And I have to say I like very much  
18 the idea of being able to prepay for college.  
19 That section I think is very rational.

20               What I wish this bill had was just  
21 some more money going to TAP. Because TAP pays  
22 for money for low-income students to go to  
23 college in New York. It's a very targeted, very  
24 successful model.

25               And you know, most states in the



1 country pay for their public education, their  
2 state schools. We don't pay that much for our  
3 state schools, but we have TAP. But we've let it  
4 drop in value in relationship to the cost of  
5 going to college.

6               So we tell students, take out more  
7 student loans. We'll make it easier for them to  
8 take out student loans, we may even give tax  
9 deductions and credits to help them -- assuming  
10 their family actually earned enough money to be  
11 able to use tax deductions and credits, which  
12 means they're not very poor families. But we're  
13 not just helping to pay for college for the  
14 neediest New Yorkers and supporting our public  
15 universities.

16               So some problems; not enough for me  
17 to vote no. Hope to work with the sponsor and  
18 the other house and the Governor to see whether,  
19 when this becomes law, it can be a little more on  
20 the helping low-income students be able to afford  
21 go to college, a little less on the, oh, yeah,  
22 just take out more debt, just owe more later.  
23 Even if it's at a lower interest rate.

24               But with that, Mr. President, I  
25 will vote yes, with concerns.

1 Thank you.

2 ACTING PRESIDENT GRIFFO: Senator  
3 Espaillat.

4 SENATOR ESPAILLAT: Thank you,  
5 Mr. President. I want to explain my vote.

6 As my colleague just explained,  
7 student loan debt has now surpassed credit card  
8 debt. It has become a national crisis. In fact,  
9 many feel that this is our next foreclosure  
10 crisis.

11 Students, when they leave  
12 undergraduate school, average a debt of \$26,000.  
13 And if they go to graduate school, that debt will  
14 be a lot higher. Many of them will take 10 years  
15 to pay that, even longer. By the time they  
16 finish paying their college debt, very often they  
17 have to kick in for their kids' debt. And they  
18 could be perpetually in debt.

19 So I commend the sponsor on this  
20 bill. It's a move in the right direction. I  
21 think that we have to take action to address this  
22 crisis. In fact, paying a low interest rate on  
23 your student loan is very helpful to struggling  
24 families. Perhaps having a tremendous prepaid  
25 program will help them in the future. And

1 certainly the tax credit initiative is one  
2 that will help assist working families in the  
3 middle of this crisis.

4               We have to do something. This is  
5 an emergency. This is a crisis. And I think  
6 this is a smart first step in it, and I will  
7 be voting yes on this bill.

8               ACTING PRESIDENT GRIFFO:  
9 Senator Diaz.

10              SENATOR DIAZ: I just want to  
11 join my colleague Senator Espaillat in  
12 congratulating Senator LaValle for this bill.

13              I always say that I don't care  
14 who is the sponsor of the bill, if it's a  
15 Democrat, if it's a Republican. As long as  
16 that bill is good for people in my community,  
17 parents in my community, students in my  
18 community, I'm for it.

19              And, Senator LaValle, I will not  
20 take into consideration that you are a  
21 Republican, but I do appreciate that you are  
22 putting this bill forward and that you are  
23 looking out for people in my community and in  
24 every other minority community, to help them,  
25 with this bill.

1                   So congratulations. Thank you  
2 very much. And I'm pretty sure, I am pretty  
3 sure that Doña Juana and Don Pepe in my barrio  
4 will join me in congratulating you.

5                   Thank you.

6                   ACTING PRESIDENT GRIFFO: Seeing  
7 and hearing no other Senator wishing to be  
8 heard, debate is closed.

9                   The Secretary will ring the  
10 bell.

11                  Read the last section.

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

14                  ACTING PRESIDENT GRIFFO: Call  
15 the roll.

16                  (The Secretary called the roll.)

17                  ACTING PRESIDENT GRIFFO: the  
18 Secretary will announce the results.

19                  THE SECRETARY: Ayes, 56.

20                  Absent from voting: Senator  
21 Huntley.

22                  ACTING PRESIDENT GRIFFO: The  
23 bill is passed.

24                  Senator LaValle, that completes  
25 the controversial reading of the calendar.

1                   There is some business before the  
2 desk.

3                   SENATOR LaVALLE:    Yes.   If we  
4 can go back to motions and resolutions.

5                   ACTING PRESIDENT GRIFFO:   On  
6 motions and resolutions.

7                   SENATOR LaVALLE:    Mr. President,  
8 on behalf of Senator Seward, on page number 39  
9 I offer the following amendments to Calendar  
10 Number 827, Senate Print Number 6578, and ask  
11 that said bill retain its place on the Third  
12 Reading Calendar.

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

16                   SENATOR LaVALLE:    Mr. President,  
17 I wish to call up Calendar Number 238,  
18 Assembly Print Number 8414A.

19                   ACTING PRESIDENT GRIFFO:   The  
20 Secretary will read.

21                   THE SECRETARY:    Calendar Number  
22 238, by Member of the Assembly Paulin,  
23 Assembly Print 8414A, an act to amend the  
24 Public Health Law.

25                   SENATOR LaVALLE:    I now move to

1 reconsider the vote by which this Assembly  
2 bill was substituted for Senator Gallivan's  
3 bill, Senate Print Number 6069A, on April the  
4 25th.

5                   ACTING PRESIDENT GRIFFO:    Call  
6 the roll on reconsideration.

7                   (The Secretary called the roll.)

8                   THE SECRETARY:    Ayes, 57.

9                   SENATOR LaVALLE:    I now move  
10 that Assembly Bill Number 8414A be recommitted  
11 to the Committee on Health and that  
12 Senator Gallivan's Senate bill be restored to  
13 the order of the Third Reading Calendar.

14                   ACTING PRESIDENT GRIFFO:    So  
15 ordered.

16                   SENATOR LaVALLE:    Mr. President,  
17 is there any other business at the desk?

18                   ACTING PRESIDENT GRIFFO:    There  
19 is no further business.

20                   SENATOR LaVALLE:    There being no  
21 further business before the Senate, I move  
22 that we adjourn until Tuesday, June the 5th,  
23 at 3:00 p.m.

24                   ACTING PRESIDENT GRIFFO:    On  
25 motion, the Senate stands adjourned until

1 Tuesday, June 5th, at 3:00 p.m.

2 Senate adjourned.

3 (Whereupon, at 5:30 p.m., the

4 Senate adjourned.)

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