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Words, not action, at Capitol

Splits over license plates, school aid stymie Senate

By **RICK KARLIN**, Capitol bureau

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ALBANY -- If the amount of political theater is any gauge of how slowly the state's budget negotiations are going, lawmakers and Gov. David Paterson remain a long way from closing the \$3.2 billion budget deficit.

Even by the often circus-like standards of the Capitol, Monday was notable for the heated rhetoric echoing through the halls.

The day started with a clutch of county clerks, surrounded by mostly Republican senators, delivering petitions to Paterson urging him to drop his plan to force New Yorkers to buy new \$25 license plates starting next April. The trouble was, Paterson had already said he would do just that -- provided the Legislature worked with him to close the nearly \$130 million budget hole that would be created.

Next came Senate Finance Committee Chairman Carl Kruger, D-Brooklyn, who marched from a hearing room to the governor's chambers bearing a letter demanding that Paterson start collecting taxes on cigarettes sold on Indian lands, which Kruger contends could bring in \$1.6 billion a year.

The governor's office called Kruger's numbers "preposterous."

Citing earlier disruptions, Paterson fears a tax effort could spark violence, especially in the Seneca Nation of western New York where many of the disputed cigarettes are sold. "A police problem could quickly elevate to a military one," said Peter Kiernan, the governor's counsel, of the idea at a hearing last month. In 1997, the last time the government tried to collect such taxes, American Indian protesters shut down the Thruway and clashed with State Police.

But Kruger compared backing down on tax collections to saying the government wouldn't enforce property tax collections for fear angry homeowners might blockade the Long Island Expressway.

Kruger was part of the "Gang of Four" who threw the Senate into early pre-coup chaos almost a year ago when he threatened to join Republicans. To keep him in the Democratic camp, he was given the high-profile position of finance chairman.

Some have suggested he's acting as the hard-nosed "bad cop" in negotiations with the governor, while others think he's simply become one of several free agents who have emerged in the factionalized Democratic Senate conference.

Similarly, seven mostly upstate and suburban Democrats last week said they would oppose any school aid cuts, meaning there wouldn't be the 32 votes needed to enact such a measure. The Senate's 30 Republicans have vowed to join together to oppose such cuts.

Without trims to school aid and health care, Paterson maintains the budget simply can't be balanced.

When the Senate finally got down to business around 5 p.m., a skirmish broke out over whether the report of the Rules Committee should be accepted, with Republicans arguing it would be better to do nothing on any measure until the budget deficit is resolved.

The bills under consideration "all pale by comparison with the need to deal with the deficit," said Sen. Stephen Saland, R-Poughkeepsie.

Democrat Sen. Ruben Diaz Sr. of the Bronx, another "Gang of Four" member, seemed to agree, calling Monday's session a "farce" and saying he would not show up for today's planned extraordinary session unless a budget deal is in place -- a move that would deny the Democrats the 32 votes needed to pass anything, budget-related or otherwise.

After that debate, the Senate managed to pass several bills, including measures to extend COBRA health benefits, adjust foreclosure rules and allow municipalities to make energy-efficiency loans. Another piece of legislation, introduced by Delmar Democrat Neil Breslin, will bring greater regulation to a growing industry of "life settlements," in which brokers buy the rights to life insurance policies in exchange for a discounted cash payment.

The Assembly, where Democrats enjoy a much wider margin, was expected to pass the same measures.

Considering the budget impasse, some legislators wonder if the deficit might not be balanced for weeks or even months.

"I think it can go into the first of the year," said Assemblyman Jim Tedisco, R-Schenectady, who noted the high cost of bringing the Legislature back day after day.

Waiting might not be the worst thing in the world, said Assemblyman Jack McEneny, D-Albany. "Better a good budget late," he said, "than a bad budget on time."