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NEW YORK POLITICS

There is talk of a Democratic “sweep” of all of the statewide offices up for grabs in New York this November (e.g., Governor, Lt. Governor, Attorney General, State Comptroller, and U.S. Senate). If this occurs, it will be the first time in over 50 years that one major Party has controlled all such offices.

Governor: As expected, Democrats overwhelmingly selected Attorney General **Eliot Spitzer** as their candidate for Governor in the Primary Election held on September 9, 2006. The “Sheriff of Wall Street” crushed his underdog challenger Nassau County Executive **Thomas Suozzi**. Suozzi got high marks for running a mostly clean campaign for Governor. Some political pundits opined that he has a bright future in Democratic politics, and said that he simply suffered from poor timing in this Governor’s race, since practically all of the traditional Democratic constituencies had already lined-up behind the Attorney General’s candidacy.

Spitzer will now face former Republican Assembly Minority Leader **John Faso** in the General Election for Governor. All political polls show Spitzer with a near insurmountable 50-point lead over Faso.

In a recent speech before members of New York’s business community, **Eliot Spitzer** said that if elected Governor, he would begin making reforms on “Day One.” Amongst other things, Spitzer pledged:

- no new taxes
- streamline state licensing/permitting system
- repeal state mandates (e.g., “Wicks Law” in public construction, etc.)
- improve state services & offset the costs by identifying & eliminating waste

- increase education funding
- provide broader health insurance coverage to the uninsured & underinsured
- restructure the health care delivery system
- reform Medicaid system & prosecute fraud
- reduce energy costs
- make targeted investments in transportation, energy & telecom infrastructure
- reform workers' comp system to reduce premiums & increase injured worker benefits
- lower real property & school taxes
- appoint judges, commissioners and aides based on merit, not political connections
- conduct state government operations in a more ethical and transparent manner

At the same business venue, **John Faso** said that if elected Governor he would:

- improve the state's business climate by reducing business taxes (e.g., eliminate corporate franchise tax on manufacturing, repeal mileage tax, permit cash expensing of capital investments, etc.)
- reduce local property taxes and cap school taxes
- cut personal income tax by 25% over 4 years
- eliminate capital gains tax and tax on dividends
- index income tax brackets to inflation allowing taxpayers to avoid "bracket creep"
- reform the workers' comp system and reduce absolute liability under the "scaffolding law"
- improve health care by eliminating Medicaid fraud & waste
- reduce energy costs
- provide mandate relief to localities
- "put the state budget on a diet" by reducing state spending
- propose term limits for statewide elected officials
- require term limits for legislative leaders & committee chairs (like U.S. Congress)

Lt. Governor: Spitzer's running mate for Lt. Governor is Senate Minority Leader **David Paterson**. Faso's running mate is Rockland County Executive **Scott Vanderhoef**.

Upon the recommendation of Governor **George Pataki**, Lt. Governor **Mary Donohue** has been nominated by the White House for a lifetime appointment to the federal bench of the U.S. District Court for the Northern District of New York. Her nomination is under consideration by the U.S. Senate Judiciary Committee.

Attorney General: Former H.U.D. Secretary **Andrew Cuomo** easily bested both former NYC Public Advocate **Mark Green** and former Clinton Administration attorney **Sean Patrick Maloney** in the Democratic Primary election for Attorney General.

Cuomo will now go head-to-head with former GOP Westchester County District Attorney **Jeanine Pirro**. Most polls have Cuomo handily leading Pirro, who is the

Republican's best hope at winning statewide office. Both candidates have about \$4 million available in their campaign funds.

Unfortunately for the GOP, Pirro's campaign may have recently imploded with the revelation of a federal probe into her attempts to illegally bug and tape her wayward husband **Albert Pirro**, whom she suspected of having an affair. Pirro asked former NYPD Commissioner **Bernard Kerik** to place a bug on the family boat to catch her husband "in the act." Kerik himself was then under a court-ordered, federal wiretap investigation. Pirro furiously lambasted Manhattan U.S. Attorney **Mike Garcia** for leaking sealed records of the investigation into her domestic affairs just prior to the election.

As a result of this federal investigation, Former NYC Mayor **Rudy Giuliani**, has cancelled a major political fundraiser on October 3rd, that he planned to host in Pirro's honor at New York's East Side Marriott Hotel.

State Comptroller: Incumbent Democratic Comptroller **Alan Hevesi** seemed to be on cruise control to win reelection. However, he has suffered major political set back with the embarrassing revelation that he has been using a state-paid bodyguard to chauffeur his ailing wife around town on personal business. Apparently this practice began while Hevesi was New York City Comptroller and continued, with the same bodyguard, during his tenure as State Comptroller. Hevesi has offered an official apology and has personally reimbursed both the City and State of New York some \$84,000 in compensation for the bodyguard's services during this time.

The loyal opposition, former GOP Saratoga County Treasurer **Chris Callaghan**, continues to hammer away at Hevesi. But Hevesi has almost \$6 million in his political war chest, and Callaghan virtually nothing.

U.S. Senate: Former Reagan Administration official **Kathleen Troia "KT" McFarland**, was handily defeated by former Mayor of Yonkers **John Spencer** in the Republican Primary Election for U.S. Senate. Spencer will also have the Conservative Party line in the General Election.

Spencer will face incumbent U.S. Senator **Hillary Clinton**, who easily bested anti-war activist **John Tasini** in the Democratic Primary Election. Clinton enjoys huge leads over Spencer in every major political poll, and has over \$40 million for her reelection campaign, while Spencer has about \$4 million.

With her Senate reelection all but certain, Clinton is purportedly focusing her political sights on the White House in 2008.

2006 LEGISLATIVE ELECTIONS

All 212 state legislative seats are up for election this year, with both State Senators and Assemblymembers serving 2-year terms. The current political makeup of the New York State Legislature:

Senate: 35 Republicans, 27 Democrats

Assembly: 105 Democrats, 45 Republicans

New York is a strong leadership state, with the party in control of the Majority in either House of the Legislature writing the Rules and controlling the Floor and Committee structure of that Chamber, thus determining the flow of legislation in that Chamber.

SENATE SPECIAL SESSION

The Senate came into Special or Extraordinary Session for one day on September 15, 2006. It passed only one bill, "Timothy's Law," which would mandate health insurance benefits coverage for biologically-based mental illnesses in the same manner as provided for physical ailments. <http://www.assembly.state.ny.us/leg/?bn=A12080&sh=t>
The measure must now be passed by the Assembly and signed by the Governor to become law.

The Senate also confirmed **Eugene Pigott**, the Presiding Justice of the Appellate Division, Fourth Department in Buffalo, as an Associate Judge of the New York Court of Appeals (the state's highest tribunal). The Senate also gave its approval to over 40 other gubernatorial appointments.

REAL PROPERTY TAX ABATEMENTS

One of the key political plums demanded by the Senate Republicans at the end of the Regular Legislative Session, was a \$700 million real property tax rebate. Designed as an enhancement to the existing School Tax Relief (STAR), rebate checks were mailed out to 3.4 million eligible homeowners after the Primary Election and before the General Election, with an explanatory note from Governor Pataki and the Legislature. The average homeowner will receive a check worth about \$200.00.

SENATE MINORITY LEADER

The A.P. has reported in the [Ithaca-Journal](http://www.ithaca-journal.com) that Senator **Malcolm Smith** (D-Queens), <http://www.nysenate14.com/biography.asp> has garnered enough votes in the Democratic Minority Caucus to replace outgoing Senate Minority Leader David Paterson

(D-Manhattan), who is running for Lt. Governor.

http://hosted.ap.org/dynamic/stories/N/NY_SENATE_MINORITY_LEADER_NYOL-?SITE=NYITH&SECTION=HOME&TEMPLATE=DEFAULT

Sen. Smith has apparently topped Deputy Minority Leader **Eric Schneiderman** (D-Manhattan) and Senate Finance Ranker **Neil Breslin** (D-Albany) for the top Minority Leadership post.

I would agree with Sen. **Michael Balboni's** (R-Nassau) assessment that Sen. Smith from the outer NYC Borough of Queens, is generally more moderate than Sen. Schneiderman, who represents a very liberal Westside Senate District in Manhattan.

ASSEMBLY MAJORITY LEADER

Current Assembly Majority Leader **Paul Tokasz** (D-Cheektowaga), has decided not to run for reelection. Tokasz cited spending more time with his family as the reason he's leaving the State Assembly. Some reports have said that he may be appointed Commissioner of Transportation in a Spitzer Administration, if the Attorney General is elected Governor.

Mentioned as possible successors to Tokasz as Assembly Majority Leader, which has traditionally gone to an upstater since the Speaker is from New York City, are Assemblymembers **Ron Canestrari** (D-Cohoes), **Joe Morelle** (D-Rochester) and **RoAnn DeStito** (D-Rome).

NEW YORK COURT OF APPEALS

Governor **George Pataki** has nominated the Honorable **Eugene Pigott** as an Associate Judge of the Court of Appeals, New York's highest tribunal. The Senate confirmed Judge Pigott's nomination at its Special Session on September 15, 2006.

Prior to his ascension to the Court of Appeals, Judge Pigott was the Presiding Justice of the Fourth Department of Appellate Division of the New York State Supreme Court, located in Buffalo. Judge Pigott will replace Associate Judge **George Bundy Smith**, whose term expired September 23, 2006. Former Governor Mario Cuomo appointed Judge Smith to the Court in 1992.

Governor Pataki has come under attack by some Court watchers, for being the only Governor to never appoint a judge from the opposition party. Pataki has now appointed 6 of the 7 Judges of the Court of Appeals. Bundy's departure leaves the Court bereft of any African-American members.

JUDICIAL SELECTION

The federal 2nd Circuit Court of Appeals has upheld a U.S. District Court ruling finding New York's archaic selection of State Supreme Court Justices unconstitutional. Justices are currently designated at political conventions based upon multi-county Judicial Districts. According to the decision, this has allowed political clubhouses and party leaders "to arrogate to themselves a choice that belongs to the people."

The Court's ruling called for open Primary Elections for candidates to the Supreme Court and explicitly denied the State Legislature's request to extend a postponement on changes to the judicial selection process until the end of 2007, requiring lawmakers to change the judicial convention process this year.

Attorney General **Eliot Spitzer**, speaking as the Democrat's gubernatorial candidate, lauded the 2nd Circuit's decision and pledged to push for an amendment to the New York State Constitution to abolish judicial elections. Spitzer favors gubernatorial appointment of all Supreme Court Justices based upon merit selection, a process long sought by judicial reformers, but blocked in the state legislature.

OFFICE OF HOMELAND SECURITY

Governor Pataki has nominated Brigadier General **David Sheppard** as Director of the Office of Homeland Security (OHS) to replace outgoing Director **James McMahan**, who is retiring after 40 years of state service. As OHS Director, Sheppard's prime responsibility is to coordinate all state efforts to detect, identify, address, respond to and prevent terrorist acts from occurring within New York state. General Sheppard currently is Commander of the New York Army National Guard 53rd Troop Command in Valhalla, Westchester County.

WORKERS' COMPENSATION BOARD

Governor Pataki has elevated former Nassau County GOP Assemblymember **Donna Ferrarra**, to Chair of the New York State Workers' Compensation Board. While serving in the Assembly, Ferrarra was a member of the Assembly Insurance and Environmental Conservation Committees.

LEGISLATORS UNDER FIRE

Years of bizarre behavior, an investigation into personal misuse of member items funds, and conviction of a criminal violation in Albany City Court for assaulting a former aide by throwing coffee in her face and pulling her hair, have apparently finally caught up

with Queens County Democratic Senator **Ada Smith**. Despite Smith's being re-designated as its candidate for the 10th Senatorial District by the powerful Queens County Democratic Party, Senator Smith was defeated by Community Activist **Shirley Hunt** in the Democratic Primary Election.

Another Queens legislator is leaving the Legislature. Assemblymember **Brian McLaughlin**, under federal investigation for bid rigging & steering in connection with NYC streetlight contracts, will not seek reelection and has taken a six-month paid leave from his powerful post as Executive Director of the Central Labor Council of the AFL-CIO. Its Political Director Ed Ott will replace McLaughlin at the union.

Meanwhile, in the Bronx, Senator **Efrain Gonzalez** has been indicted in a federal corruption probe into allegations that taxpayer-funded groups were employing Gonzalez's family members and friends, including his girlfriend Lucia Sanchez.

Also in the Bronx, the father-son legislative team of Senator **Ruben Diaz** and Assemblymember **Ruben Diaz, Jr.** has also come under investigation into possible misuse of member item funding of community organizations over which they have personal control and which employ family members.

And in Brooklyn, Kings County D.A. **Charles Hynes** charged Assemblymember **Diane Gordon**, with shaking down a developer to build her an expensive home in exchange for development rights to a NYC-owned lot.

LEGISLATIVE PAY RAISES

Ongoing discussions to raise the base pay of State Legislators in a Special Session by the lame duck Legislature sometime after the General Election, have caught the attention of Attorney General **Eliot Spitzer**. Spitzer, the presumptive gubernatorial winner, has gone on record as opposing such a pay hike for legislators. This puts him directly at odds with another Democratic powerhouse, Assembly Speaker **Sheldon Silver**, who favors increasing the compensation for state lawmakers. Silver is joined by Senate Majority Leader **Joseph Bruno** in supporting such a pay raise.

The legislators base pay of \$79,500 was last set in 1998. 150 of the 212 state legislators also receive annual "lulus" up to \$41,500, for serving in leadership posts or as committee chairs or ranking minority members. All legislators receive a per diem stipend for food and lodging for while they are in Session, as well as reimbursement for travel to and from Albany.

State law prohibits a sitting Legislature from raising its own pay, so action must be taken prior to January 1, 2007, or the next opportunity for a pay raise would not be until January 2009.

CALENDAR OF EVENTS

October 3. Speaker's Invitational Golf Tournament. Hollow Brook Golf Club, Cortlandt Manor @ 10:00 a.m. \$2,500.00.

October 4. Democratic Assembly Campaign Committee, Hudson Valley Delegation Reception. Rye Town Hilton, Rye Brook @ 6:00 p.m.. \$150.00.

October 4. Senator Thomas Libous. Reception, The Penn Club, NYC @ 6:00 p.m. \$500.00.

October 6. Republican Assembly Campaign Committee. Adirondack Scenic Railroad, Utica @ 9:00 a.m. \$150.00.

October 10. Assemblymember Tom DiNapoli's 7th Annual Golf Tournament. Mill River Country Club, Brookville @ 10:00 a.m. \$600.00.

October 17. Senate Republican Campaign Committee's Fall Fest. Russo's Restaurant, NYC @ 5:30 p.m. \$500.00.

October 17. Republican Assembly Campaign Committee. Reception with Governor Pataki, The Water Club, NYC @ 5:30 p.m. \$500.00.

October 24. Reception honoring Assemblymember Robin Schimminger. Harry's Harbour Place Grille, Buffalo @ 5:30 p.m. \$50.00.

November 7. *New York General Election.*

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