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PRESIDING OFFICER: (SENATOR WEAVER)

Fourth Special Session of the 91st General Assembly will please come to order. Will the Members please be at their seats, and will our guests please rise? Our prayer today will be given by Senator Burzynski.

SENATOR BURZYNSKI:

Would you bow with me please in a word of prayer?

(Prayer by Senator Bradley Burzynski)

PRESIDING OFFICER: (SENATOR WEAVER)

Pledge of Allegiance. Senator Sieben.

(Illinois Senate recites the Pledge of Allegiance)

PRESIDING OFFICER: (SENATOR WEAVER)

Reading of the Journal. Senator Jones.

SENATOR W. JONES:

Mr. President, I move that reading and approval of the Journal of Wednesday, June 28th, in the year 2000, be postponed, pending arrival of the printed Journal.

PRESIDING OFFICER: (SENATOR WEAVER)

Senator Jones moves to postpone the reading and approval of the Journal, pending arrival of the printed transcripts. There being no objection, it is so ordered. Might remind the Membership to be listening for the House action. The Senate will stand in recess until the call of the Chair. As soon as the -- the House has something for us to act on, we will reconvene. We estimate that time to be somewhere around 1 o'clock. So the Senate will stand in recess.

(SENATE STANDS IN RECESS/SENATE RECONVENES)

PRESIDENT PHILIP:

The Senate will please come to order. Will the Members please

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be at their seats, and will our guests please leave? And will the Sergeant of Arms please close the door? Messages from the House. SECRETARY HARRY:

Message from the House by Mr. Rossi, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to wit:

Senate Bill 1310, together with House Amendment No. 2. Passed the House, as amended, June 29th, 2000, by a three-fifths vote.

PRESIDENT PHILIP:

Now we -- if I can have your attention. We'll stand at ease for five or ten minutes for the Rules Committee to meet in the back of the auditorium on the left-hand side. If the Rules Committee would please meet and report back to us as soon as possible. So we'll remain at ease for five or ten minutes.

(SENATE STANDS AT EASE/SENATE RECONVENES)

PRESIDENT PHILIP:

Senate will come to order. Committee Reports.

SECRETARY HARRY:

Senator Weaver, Chair of the Committee on Rules, reports the following Legislative Measure has been assigned: Be Approved for Consideration - the Motion to Concur with House Amendment 2 to Senate Bill 1310.

PRESIDENT PHILIP:

Today's Calendar has been distributed to all Members. On today's Calendar, Secretary's Desk, Senate Bill 1310. Read the bill, Mr. Secretary.

SECRETARY HARRY:

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I move to concur with the House in the adoption of their Amendment No. 2 to Senate Bill 1310.

The motion filed by Senator Watson.

PRESIDENT PHILIP:

Senator Watson. I don't have the control up here, Senator Watson. I think it's on your -- on your microphone.

SENATOR WATSON:

There it is. Very good. We're -- we're ready There we go. Welcome back to Springfield. This is kind of to roll now. deja vu for us in the Senate. We've done this three different And once, April 2nd of 1998, we passed it 46 to 8; March times. 8th of this past spring, we passed it 50 to nothing; and April of this past spring, we -- and we passed it 55 to 2. And what brings us back here today, obviously, is the same reason that most of us were concerned about it then, and that's the high price of gasoline. Actually, we had little knowledge, at that time when we passed it, what gasoline was actually going to do. Little did we know that it was just going to skyrocket out of -- out of sight. So that leads us here to today. The difference is, what we did last spring and what we're doing here today, was last spring was permanent. And I think most of us would agree we'd rather be here debating the permanent aspect of -- of removing the sales tax on gasoline than the six month, but that's not the issue have before us. And I know that I can speak for our caucus, the Republican Senate Caucus, that that's what we wish We were -- wish we were talking doing. about making this permanent. But that's not what we're here to talk about now. are we doing this? Well, obviously, it's the right thing to do. One thing we have in Illinois and what we've tried to do is have a good tax policy, and the policy in regard to sales tax on gasoline is not good public policy. We are actually having a tax on tax. Our sales tax in Illinois is on tax. And that's not the right

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thing to do. We are one of the few states. Eight states have a sales tax on gasoline and there are only two in the Midwest. a regressive tax. And we all know what that means, is obviously people at the lower end of the spectrum - the senior citizens and those people on fixed incomes, the working poor - pay a better --And that's a concern we all should have. a bigger percentage. It's a quality-of-life issue. And I think that's -- that's something that most of us would agree that many decisions are being made now on what you're going to do this This summer. this particular summer vacation, whatever it might be, some people are making a determination now whether they're going to go or not because of the price of gasoline. So what does House Amendment 1310 do? eliminates the State sales tax for a Ιt 2 to No. six-month period, beginning -- July 1st - excuse me - beginning July 1st - in just a few days - and ending December 31st. Now, it's only the State sales tax. I want to make that perfectly This does not impact the 1.25 percent that remains for clear. local taxes. This does not impact it. That remains. It's only the State. And I've heard some -- and some people who should know This sales tax goes into the General Revenue Fund. This better. does not impact the Road Fund. But it does impact the General And some say that the cost of this - I know this Revenue Fund. will be asked - and it's -- they're estimating around a hundred eighty million dollars. Well, some of us feel that actually the long-term benefit of removing the sales tax, we will actually see a gain. That's to be debated and we'll -- hopefully, will be determined over this next six months. Also, in this legislation, retailer is going to be required to post a notice on each pump, and that notice will state that "As of July 1st of 2000, the State of Illinois has eliminated the State's share of sales tax on motor fuel and gasohol through December 31st, 2000. The price on this pump should reflect the elimination of that tax." Those are

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the provisions of the legislation and amendment, Mr. President.

And I'd be glad to -- to answer any questions.

PRESIDENT PHILIP:

Is there any discussion? Senator Hendon. Doesn't make any difference. Either microphone.

SENATOR HENDON:

Will the sponsor yield for a question?

PRESIDENT PHILIP:

Indicates he will. Senator Hendon.

SENATOR HENDON:

Senator Watson, when we discussed this issue previously, and prior to that when I introduced this originally, we tried to have a clause in the legislation that would make sure that the savings would get to the consumer. Are there any provisions in this legislation that will guarantee that this savings will get to the consumer?

PRESIDENT PHILIP:

Senator Watson.

SENATOR WATSON:

Well, that's hard to do. I think you're referring to the language that we had in that by the year 2004 - January 1st, 2004 - the number of gallons or the volume of gallons pumped in this State had to increase by fifteen percent or the sales tax was -- was put back on. And the reason for that was to make sure that the retailer out there passed this gas savings on to the public. That was one of the reasons for it. There's not really anything in here that would enforce. We're not establishing pump police that go out and check to make sure things are happening out in the retail industry, but I think public awareness is a -- is -- is an issue here. And what we are doing is making the public aware of what we've done, and this -- and this sticker or sign on the pump will do that, and they hopefully can police this themselves. And

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I think also, certainly, competition. There's nothing more competitive in this State than the sale of gasoline. I mean, you can actually shop for gasoline from the windshield of your car. Very few purchases you can make can you do that. And it's a very competitive industry, and I think that will drive the price down and make sure that this gets passed on.

PRESIDENT PHILIP:

Senator Hendon.

SENATOR HENDON:

Well, Senator, I don't trust the oil companies, I guess, as -much as you do. Senator Jones raised this issue repeatedly while we were here, before we went on vacation. And I think if we're going to be here doing this, we should at least make sure that the savings go to the people that you referred to, those who cannot afford to pay what we're paying right now. A lot of talk has been mentioned about this sticker, and it provides political I believe, but you can't put that sticker in your gas pump or leave that sticker in your wallet or in -- or in your purse. the sticker really just gives us political cover that we did something. I -- I still have to ask: Is it not too late to put a guarantee of some kind, that Members can live with, to make sure the consumers get the savings and that the oil companies won't just end up with more profit because they won't pass iţ They can put the sticker on there, but the price can continue to go up. Is -- is that not true?

PRESIDENT PHILIP:

Senator Watson.

SENATOR WATSON:

That's always a possibility, yes.

SENATOR HENDON:

Well, while I'll -- I'll be voting for this, of course, since I thought it was a great idea when I introduced it, before I got

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"bill-jacked". But I still wish that the Body would consider what Senator Jones and I had in there originally, to make sure that the savings went to the people, and at least put the consumption clause in there so six months from now, five months from now, if the price continues to go up, then we won't look like we just did something for the sake of the election that's upcoming.

PRESIDENT PHILIP:

Further discussion? Senator Clayborne.

SENATOR CLAYBORNE:

Thank you, Mr. President. I have a conflict of interest and will be abstaining from this vote.

PRESIDENT PHILIP:

The record will so indicate. Any further discussion? Senator Demuzio.

SENATOR DEMUZIO:

Thank you. I don't have any conflicts, no. I'm going to be very brief, and -- and I want to go back to some things that Senator Watson had alluded to. You know, back when the Senate passed this proposal, back in April, for the third time, it was a reasonable proposition that afforded us the opportunity to look at the sale of gasoline for a three-year period based upon the gallonage, as I recall correctly, and if it didn't meet the expectations with respect to competition, then the tax would reimposed automatically. We, at the Legislature, wouldn't have to do anything about it. I guess the fact of the matter is, is that back during that period of time when we were talking about the elimination of the gas tax in Illinois, according to the information that I have here from -- the retail gas prices from Media, back during that period of time, we were talking about a dollar and nineteen cents a gallon when we debated It is not the price of gasoline that proposition last time. drives this issue. It is, in fact, the policy issue of the State

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of Illinois that you've mentioned, that we are noncompetitive when look at our surrounding states and states that are adjacent to Illinois. We were of the notion that if we took off this gas tax, in April, when we passed this proposition, that that would drive the truckers and everybody else back to Illinois, when, in fact, now they have been driven out prior to this increase. So in fact, make us competitive, at least for six months, in some -- some respects, maybe at a slight disadvantage because of least it helps us to get some of the Indiana did, but at business back. But it's the policy issue that's driving this issue today; it is not the price of gasoline. Economic and Fiscal says that the windfall to the State of Illinois as a result of the in the prices from a dollar nineteen to a dollar increase ninety-eight, thereabouts, on the particular day that this chart was made, our windfall was about twenty-six million dollars. when you talk about the fact that it's going to cost us a hundred and eighty million, no one has taken into consideration that we've already had twenty-five million that we weren't going to get the first place. So, as a result, that reduces the overall cost of what this proposition is going to -- to cost. And, if the prices do level out, do stabilize, we'll get the business back anyway. The competitiveness, I think, is thing that drives this issue, again, and not the price of gasoline is today with the -- as the result of whatever the oil companies have been doing. So I rise today to support, not simply because of the fact that people think that this is a political thing that we are doing here, but the Senate did the right thing on three occasions, including April of last year, saying that this was an unfair tax, it was anticompetitive in terms of where we were with other states, we're putting competition back into the marketplace. And that's why we're here today, is to develop the public policy for Illinois. I, too, am -- sort of chagrined to

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the fact that it's only for a six-month period. I would have liked to have seen a proposal that said something similar to what we did when -- when we passed the original proposal, a three-year period, two-year period, based upon gallonage going up in -- in the State of Illinois and our -- and our revenue increasing. today this is the only thing in front of us. But I won't think anybody should walk out the door, even if, in fact, the gas prices go up, to hang your hat on the fact that they're going to go down. The fact is, is that we did the responsible thing. It's a public policy issue for the State of Illinois. It's what we should have should have followed done all along. The House that recommendation in April. They didn't do it, and I think it's -it seems to me that it goes beyond and transcends the political stuff that's being -- out there in the newspapers and the editorials. So I rise to say that this is the responsible thing for us to do and I support it.

PRESIDENT PHILIP:

Senator Jones.

SENATOR E. JONES:

Yeah. Thank you, Mr. President. Will the sponsor yield? PRESIDENT PHILIP:

Indicates he will. Senator Jones.

SENATOR E. JONES:

Senator Watson, I listened to your opening remarks and I'm getting a little bit confused. When is the last time the State of Illinois had a gasoline tax increase?

PRESIDENT PHILIP:

Senator Watson.

SENATOR WATSON:

...told 1989.

SENATOR E. JONES:

Oh. Nearly eleven years ago. And you -- when you indicated

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that we are here because of the rising price in gasoline, was the tax increased this spring or last year that caused gas to go up, in some areas two dollars and fifty cents a gallon?

PRESIDENT PHILIP:

Senator Watson.

SENATOR WATSON:

Well, I don't think that's a question you need to have answered; you know it anyway. No, absolutely not.

SENATOR E. JONES:

Oh, so the taxes had...

PRESIDENT PHILIP:

Senator Jones.

SENATOR E. JONES:

The taxes had nothing to do with the escalating cost of gasoline in Illinois, Wisconsin, Indiana, which caused both of our U.S. Senators, people in Washington to see why they went -- gas went up so high. So when you made the statement that we're here, taking this tax off doesn't -- doesn't have anything to do with the escalating cost of gasoline. Am I correct?

PRESIDENT PHILIP:

Senator Watson.

SENATOR WATSON:

Well, one thing that you may not understand is that it was a five-percent gasoline. It's a sales tax. So that is a percentage of the cost of the gasoline. So as the cost of gasoline goes up, so does the tax. So, yes, in fact, this tax policy that we've had in this State, which is unfair, has led to some of the higher prices. Now, to respond to your other part of the question, there's little that we can do as a State. I mean, this is something that the federal government needs to be -- and I think they're responding. We can do all we -- we can do all the pontificating you want to do and then set off all the committees

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you want and talk about all the bureaucrats that you want, but actually the only thing that we can do in the State of Illinois is do what we're doing here today, and that's respond and -- and eliminate some of the tax. And that's what we're doing, is eliminating roughly about eight to ten cents, depending on where you are in the State and whatever your price of gasoline might be. We're -- we're going to lower the price of gasoline come July 1st by that amount.

SENATOR E. JONES:

Well...

PRESIDENT PHILIP:

Senator Jones.

SENATOR E. JONES:

Well, I heard what you had to say, but it's very -- it seems very strange to me, it seems strange to many legislators, seems strange to the public, as soon as there was talk about a conspiracy and have the FTC investigate as to why in the Midwest gasoline soared so high, now all of a sudden, in the past two weeks, it's dropping, dropping, and the gas tax still been on. So the gas tax has nothing to do with the rising cost of gasoline. Now, I -- because I hate to leave out of the assumption that this gas tax that we're going to temporarily put on hold was the cause of gasoline going up. not -- that is not the case, 'cause it has not been increased. Furthermore, in our leader's meeting, in our Democratic Caucus meeting, when the media reports that if we remove this, the gasoline at the pump will automatically be reduced, that is not Even though I support the concept of trying to force the Petroleum Marketers to do something about the price and pass it on the consumer, I recommended for our caucus, with the computer technology that we have today, they could easily give a motorist a receipt showing them the reduction in the gas price at the pump,

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with the amount, as far as the sales tax is concerned. It can be done very simple. That was rejected. Petroleum Marketers say "We cannot do that." They can do it. This way, when the consuming public goes out to purchase gas, if you ask for a receipt showing how much the gas went down according to this -- this cut in taxes, then they will know that it's been passed on to them. "Let competition set the market." I understand how it is on the western border, the southern border of Missouri, or the Indiana border, but those in Central Illinois, those who are in the -- in the inner cities of Chicago and so forth, they're not going to drive twenty-five miles to save a dollar and a half. So you say, "Let competition set the market." Why, it's very difficult for me to trust the same individuals who have caused the gasoline prices to soar in this State, and we say we place in their hands and let them -- make the decision as to whether or not they're going to give us a tax break. I don't want to mislead you. I don't want you to mislead the public. We should tell the people the truth. Yes, they should take this off and give it to the consumers. But you're saying trust the very individuals who have -- who have -who have raised the price of gasoline to the extent that it has become a national debate here in the Midwest. Trust them. You take it off, they're going to give it to you. That's a lot of faith. And you may have more faith than I do. But that's a faith, to give them the responsibility of passing this through to the average motorist. I like -- I like the -- the sign that we have on here, telling them if you do not do something, but don't have to do it. You know it and I know it. And let's tell the people the truth. But if they were given this receipt, when they purchase the gas, and it says your gas has been reduced by the five-percent sales tax reduction, then the consuming public knows that they got a break. How are we to know? How are the people going to know whether or not, when we put the sign on -- on

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the pump and saying your gas price has been reduced, know that that reduction is not caused by the reductions that we are currently getting, we have seen for the last two weeks? We have no way of knowing. So I don't want to leave out of here, voting on this issue this way and misleading the public. believe we should tell the public the truth. We hope like hell they do the job they're supposed to do. Give it to the consumers. But let us not pretend, saying this automatically is going to looked at the headlines of the paper: Motorists will I have their gas reduced ten cents at the pump. That is misleading. We're here to vote this tax -- temporary tax down for only, and hope like heck that it may get passed on. But if you -they had agreed to what I wanted to put on there, you would have the guarantee.

PRESIDENT PHILIP:

You've got to have faith. Senator Welch, for what purpose do you rise?

SENATOR WELCH:

I'm not -- I'm not going to follow that song. I
just...

PRESIDENT PHILIP:

A little order, please. Senator Welch.

SENATOR WELCH:

I just wanted to make a brief statement about this bill, Mr. President, and that is — that is that we passed this tax back in about 1983, when Governor Thompson came in, and I think Frank Watson was there at the time. And when we did that, we had the Build Illinois program. The tax was there for a specific purpose. The purpose has been fulfilled, but the tax stayed on and lives on till today. We should be here not with a six-month moratorium; we should be here eliminating that tax. What we've seen in the State — what we have here is a price war, a gasoline price war. Many

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of us have seen these in the past, where prices go down. this time, we've got the exact reverse. We've got the refiners and the locals having a tax fight to raise the taxes, to raise your gasoline price. It's another gas war, unlike we've ever seen before. And with all this focus this week from the press and this bill on the federal level, we're finally seeing, I believe, taxes and prices of gasoline go down. This bill itself may not do much, but certainly the focus on this issue is going to do a lot. what we're seeing, I think, is finally a return to sanity at gasoline pump. Hopefully, that'll happen sooner than later. I think that the Governor's statement blaming the EPA is the wrong thing to do. It's kind of like that song in South Park, "Blame Canada". It seems whenever something goes wrong, blame the EPA. It's the same theory and it makes about as much sense. But I think we should vote for this bill, put it on for six months, and when we get back here the next Session, let's take it off completely. Thank you.

PRESIDENT PHILIP:

Any further discussion? Senator -- Senator Ronen. SENATOR RONEN:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. There is a crisis in gas prices. We all know that. Gases are too high and people are suffering. Unfortunately, this bill is not the answer. What we're doing today is just a knee-jerk political response to what is really a serious public policy question. Gas prices are skyrocketing while the petroleum industry profits have — have zoomed over five hundred percent in the last quarter. Why is that? Now, our responsibility to our constituents is that we investigate these things, that we look into that, not that we make the knee-jerk political response, something that is politically popular but is really going to be ineffective. Consider what happened when the FTC started their investigations: Wholesale

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prices have plummeted over thirty cents a gallon. Why is that? Because we're looking into it, because there's investigation. Because it's the practices of the big oil companies, that's who's And we, as responsible responsible for -- for these prices. legislators, should be making that point and not fooling people thinking that this tax, which probably won't even be passed on to consumers, is going to make a difference. The only thing we can sure of today is that we're going to have a huge hole in our budget after we act. A hundred and fifty million, a hundred and eighty million - that money's going to come from somewhere. And we have a responsibility. We passed a budget that -- that didn't have any extra funds in it. Where's the money going to come from? Let's act responsibly. Let's not take the quick-fix political approach. Let's vote No.

PRESIDENT PHILIP:

Further discussion? Further discussion? If not, Senator Watson, to close.

SENATOR WATSON:

Well, thank you very much, Mr. President. I don't look at this as a quick fix. We've been talking about this for years We've passed it three times. We've made an attempt to try to do what we're doing here today. Make it permanent, that's what we ought to do. But this is certainly not a quick fix. My intention is to come back in the Veto Session and introduce legislation that will make it permanent, and if that doesn't happen, we'll start next year. But I want tell them -- I want to tell them -- the retailers out there, and I know that there's some concern about this and I -- I share that concern, this has got to be passed on to the public. And we're going to demand that it is. And if you want to see this permanent, then you better respond at the pump. We better see that tax passed on to the people of this State and give them the

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benefit and not go into your pockets. And that's a message to the retailers, the oil industry, and I don't care who's out there listening. I want that to be understood. This is the right thing to do and the time is now, Mr. President. I would appreciate the support of the Body.

PRESIDENT PHILIP:

I -- I will -- remind the Membership, this is final action. The question is, shall the Senate concur in House Amendment No. 2 to Senate Bill 1310. Those in favor will vote Aye. Those opposed, Nay. Mr. Secretary, will you please call the roll of the Senators present?

SECRETARY HARRY:

Bomke. Bowles. Burzynski. Clayborne. Cronin. Cullerton. Demuzio. DeLeo. del Valle. Dillard. Donahue. Geo-Karis. Halvorson. Hawkinson. Hendon. Jacobs. Emil Jones. Wendell Jones. Klemm. Lauzen. Lightford. Karpiel. Luechtefeld. Lisa Madigan. Robert Madigan. Mahar. Maitland. Noland. Obama. O'Daniel. Mitchell. Molaro. Munoz. Myers. O'Malley. Parker. Peterson. Petka. Radogno. Rauschenberger. Shaw. Sieben. Silverstein. Smith. Shadid. Ronen. Roskam. Syverson. Trotter. Viverito. Larry Walsh. Tom Walsh. Watson. Weaver. Welch. And Mr. President.

Aye.

SENATOR DEMUZIO:

PRESIDENT PHILIP:

Pate.

PRESIDENT PHILIP:

Senator Demuzio, for what purpose do you rise?
SENATOR DEMUZIO:

Well, while you're tabulating the votes, we should also put in there that Bob Molaro's fifty years of age today, too. Happy

birthday.

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PRESIDENT PHILIP:

Hey. Happy birthday. Can we please come to order? Senator Weaver, for what purpose do you rise?

SENATOR WEAVER:

Mr. President, may the record reflect the absence of Senator Klemm because of hospitalization today?

PRESIDENT PHILIP:

The record will so indicate. Now, on the question, there are 65 -- 55 Ayes, 1 Nay, none voting Present. The Senate does concur in House Amendment No. 2 to Senate Bill 1310. And the bill, having received the required three-fifths majority, is declared passed. May I have some peace and quiet just for one minute? And I just want to thank, on behalf of my fellow Senators, all the staff, the Secretary of State's Office, and everybody that worked so hard in a very short period of time to make this facility -- being able to operate. So we ought to thank all the staff for the hard work and their effort. Now, if there's no further business to come before the Senate, Senator Weaver moves the Fourth Special Session stands adjourned sine die.

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STATE OF ILLINOIS 91ST GENERAL ASSEMBLY

00/07/11 10:42:13

SENATE

DAILY TRANSCRIPTION OF DEBATE INDEX SPECIAL SESSION # 4

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SUBJECT MATTER		
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PRAYER-SENATOR BURZYNSKI PLEDGE OF ALLEGIANCE JOURNAL-POSTPONED SENATE STANDS IN RECESS/RECONVENES MESSAGE FROM THE HOUSE SENATE STANDS AT EASE/RECONVENES	PAGE PAGE	1 1 1 1 2 2 2 7