HB 938 Craddick

DIGEST: This bill changed the sunset dates of the Department of Water Resources, Water Development Board, and Water Commission from 1985 to 1981. The 65th Legislature consolidated these water agencies into the Department of Water Resources. The bill also changed the sunset dates for eight other agencies from Sept. 1, 1981 to Sept. 1, 1983.

REASONS FOR VETO: Moving the termination dates for the agencies to future dates would undermine the effectiveness of the Texas Sunset Act.

REACTION: The sunset date for the Department of Water Resources was moved up to allow the Legislature to effectively examine the consolidation. The eight smaller agencies were changed from 1981 to 1983 not to subvert the sunset process but because it would be difficult to examine a department as large as the Department of Water Resources and also examine the many other agencies under sunset review.

HB 1082 Polumbo

DIGEST: This bill would allow local governments to self insure for any risk. The bill was amended in the Senate to say that funds established by local governments for self-insurance shall not be subject to the regulations of the State Board of Insurance.

REASONS FOR VETO: This bill does not require local governments to follow any guidelines or comply with any of the safeguards provided in the Texas Insurance Code. Because the bill does not provide a limitation on the amount of exposure, the potential for losses to exceed funding could result in an undue burden on the taxpayers.

REACTION: The veto will cost Texas taxpayers about $30 million a year in insurance premiums. This bill would have allowed cities, counties, and school districts to reduce the cost of insurance by as much as 25% to 40%.

The Governor gives lip service to tax relief, but when he had a chance to do something meaningful he showed that he is more concerned about the profits of out-of-state insurance companies than about tax relief. It is obvious that the insurance lobbyists got to him.

This bill would have been as successful as legislation passed in 1973 allowing self insurance for workers' compensation. That program has saved the taxpayers about $11 million a year.