GOVERNOR'S REASONS FOR VETO: The Governor objected to the bill's language authorizing municipalities to act "on behalf of the state as sovereign." He said the bill could be construed as authorizing municipalities to act as agents of the state in performing their regulatory responsibilities. As such, the bill represented "bad precedent and a dangerous delegation of authority," he said.

SPONSOR'S VIEW: Sen. Whitmire had no comment on the veto.

Insurance Board procedures in routine matters
(SB 1126 by Glasgow)

DIGEST: The Insurance Code allows the State Board of Insurance to establish notice procedures less stringent than those required by the Administrative Procedure Act for processing routine matters. At a minimum these alternative notice procedures require that actual notice be given to the parties involved and that notice be posted in a public area of the agency for not less than five days prior to the proposed action. SB 1126 would have eliminated the posting requirement and required notice to the parties involved not later than five days before the proposed action.

GOVERNOR'S REASONS FOR VETO: The Governor said that people have the right to participate in the decision-making process of the state even on proceedings the State Board of Insurance characterizes as routine. He said the bill could have restricted citizens' right of access to information.

SPONSOR'S VIEW: Sen. Glasgow was unavailable for comment.

Sunnyvale Municipal Utility District No. 1
(SB 1225 by Leedom)

DIGEST: SB 1225 would have created a conservation and reclamation district in Dallas County, the Sunnyvale Municipal Utility District No. 1, with full authority to issue bonds and levy taxes. The bill described the district boundaries and gave the district all rights, powers, privileges, authority, and functions conferred

on municipal utility districts by Chapter 54 of the Water Code. In addition, the bill would have permitted the district to divide into two or more new districts if it had no outstanding bond debt and was not levying a proptery tax. (Fresh-water supply districts are allowed to divide in this manner under Chapter 53 of the Water Code.) Interim directors were named pending a confirmation election.

GOVERNOR'S REASONS FOR VETO:

The Governor said the bill granted special and unusual powers to the Sunnyvale Municipal Utility District No. 1, separating it from other applicants, by authorizing the district to divide into two or more districts prior to issuing bonds and levying a property tax. He noted that a utility district can be created either by the Water Commission through a hearings process or by the Legislature through the legislative process. In either case, standard procedures are applied to all applicants, with no special advantage given to any applicant. He said these procedures were necessary "to insure a sound legal and financial policy for all parties concerned, including the state." He objected to SB 1225 because he said it would have granted the Sunnyvale MUD No. 1 a privilege not available to other utility districts.

SPONSOR'S VIEW:

Sen. Leedom said that the bill was not much different from others dealing with such districts. He said it was necessary to provide water to a growing area, would not have set any precedents, and would have promoted local control and local financing of development. Sen. Leedom said if the Governor's office had expressed reservations about the bill earlier, they could have been corrected in the course of the legislative process.

NOTES:

SB 1225 is the companion measure to HB 2377, which was also vetoed by the Governor.

Certification of electric utilities
(SB 1247 by Leedom)

DIGEST:

The bill would have permitted the Public Utility Commission (PUC) in certain instances to bypass sec. 55(d) of the Public Utility Regulatory Act, which requires the PUC to certify only one electric utility to serve specified areas within a city of more than