

1 AN ACT

2 relating to the nonsubstantive revision of certain local laws  
3 concerning special districts, including conforming amendments.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 ARTICLE 1. NONSUBSTANTIVE REVISION OF LOCAL LAWS

6 SECTION 1.01. Subtitle A, Title 2, Special District Local  
7 Laws Code, is amended by adding Chapter 21 to read as follows:

8 CHAPTER 21. UPPER SABINE VALLEY SOLID WASTE MANAGEMENT DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 21.001. DEFINITIONS

11 Sec. 21.002. NATURE OF DISTRICT

12 Sec. 21.003. PURPOSE

13 Sec. 21.004. FINDINGS AND DECLARATION OF POLICY

14 Sec. 21.005. STATE POLICY REGARDING WASTE DISPOSAL

15 [Sections 21.006-21.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT TERRITORY AND CHANGES TO

17 DISTRICT TERRITORY

18 Sec. 21.051. DISTRICT TERRITORY

19 Sec. 21.052. ANNEXATION OF COUNTY; PETITION

20 Sec. 21.053. ANNEXATION PETITION HEARING; NOTICE

21 Sec. 21.054. EXCLUSION OF COUNTY

22 Sec. 21.055. ELECTION ON ANNEXATION OR EXCLUSION OF

23 COUNTY

- 1 Sec. 21.056. CONTINUED BOND OBLIGATION FOR EXCLUDED  
2 COUNTY  
3 [Sections 21.057-21.100 reserved for expansion]  
4 SUBCHAPTER C. BOARD OF DIRECTORS  
5 Sec. 21.101. GOVERNING BODY; COMPOSITION  
6 Sec. 21.102. APPOINTMENT OF DIRECTORS FROM ANNEXED  
7 COUNTY  
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10 Sec. 21.105. VACANCY  
11 Sec. 21.106. DIRECTOR'S BOND  
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19 Sec. 21.151. PRINCIPAL OFFICE  
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21 Sec. 21.153. EMPLOYEE AND GENERAL MANAGER FIDELITY  
22 BONDS  
23 Sec. 21.154. ATTORNEY  
24 Sec. 21.155. RECORDS; LIMIT ON DISCLOSURE  
25 [Sections 21.156-21.200 reserved for expansion]

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2 Sec. 21.201. ADMINISTRATION, ENFORCEMENT, AND

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12 Sec. 21.208. GIFTS, GRANTS, AND LOANS

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17 Sec. 21.212. ROAD RIGHT-OF-WAY

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19 PROPERTY

20 Sec. 21.214. BIDS ON CONTRACTS FOR PURCHASE OF

21 VEHICLES, EQUIPMENT, AND SUPPLIES OVER

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23 [Sections 21.215-21.250 reserved for expansion]

24 SUBCHAPTER F. CONSTRUCTION, RENOVATION, AND REPAIR CONTRACTS

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- 19 SUBCHAPTER H. GENERAL FINANCIAL PROVISIONS
- 20 Sec. 21.351. ACCOUNTING
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2 [Sections 21.359-21.400 reserved for expansion]

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13 [Sections 21.410-21.450 reserved for expansion]

14 SUBCHAPTER J. TAXES

15 Sec. 21.451. AUTHORITY TO IMPOSE PROPERTY TAXES

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19 CHAPTER 21. UPPER SABINE VALLEY SOLID WASTE MANAGEMENT DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 21.001. DEFINITIONS. In this Act:

22 (1) "Board" means the district's board of directors.

23 (2) "Commission" means the Texas Commission on  
24 Environmental Quality.

25 (3) "Director" means a board member.

26 (4) "District" means the Upper Sabine Valley Solid  
27 Waste Management District.

1 (5) "Local government" means:

2 (A) a municipality;

3 (B) a county; or

4 (C) a water or other special district or  
5 authority acting under Sections 52(b)(1) and (2), Article III, or  
6 Section 59, Article XVI, Texas Constitution.

7 (6) "Solid waste" has the meaning assigned by Section  
8 361.003, Health and Safety Code.

9 (7) "Water" means groundwater, percolating or  
10 otherwise, lakes, bays, ponds, springs, rivers, streams, creeks,  
11 and all other bodies of surface water, natural or artificial, that  
12 are wholly or partly in the district.

13 (8) "Water pollution" means alteration of the  
14 physical, chemical, or biological quality of water or contamination  
15 of water that:

16 (A) renders the water harmful, detrimental, or  
17 injurious to:

18 (i) humans, animal life, vegetation, or  
19 property; or

20 (ii) public health, safety, or welfare; or

21 (B) impairs the usefulness or the public  
22 enjoyment of the water for any lawful or reasonable purpose.

23 (V.A.C.S. Art. 4477-7k, Secs. 1.03(1), (2), (4), (5), (7), (14),  
24 (16), (17).)

25 Sec. 21.002. NATURE OF DISTRICT. The district is a  
26 conservation and reclamation district created under Section 59,  
27 Article XVI, Texas Constitution. (V.A.C.S. Art. 4477-7k, Sec.

1 2.01.)

2           Sec. 21.003. PURPOSE. The purpose of this chapter is to  
3 establish an instrumentality to develop and carry out a regional  
4 water quality protection program through solid waste management and  
5 regulation of waste disposal for Rains, Upshur, and Wood Counties  
6 and for the portion of Smith County that is north of Interstate  
7 Highway 20. (V.A.C.S. Art. 4477-7k, Sec. 1.01.)

8           Sec. 21.004. FINDINGS AND DECLARATION OF POLICY. (a) The  
9 legislature finds that:

10           (1) the quality of water in East Texas is materially  
11 affected by the disposal of waste throughout the region;

12           (2) a regional effort to study water pollution, plan  
13 corrective and preventive measures, provide coordinated facilities  
14 for waste disposal, and regulate waste disposal is far more  
15 effective than efforts on a smaller scale;

16           (3) solid waste, as well as other waste, may impair  
17 water quality by seepage or drainage; and

18           (4) creation of the district would advance the  
19 established policy of this state to maintain the quality of the  
20 water in the state consistent with:

21                   (A) public health and enjoyment;

22                   (B) the propagation and protection of  
23 terrestrial and aquatic life;

24                   (C) the operation of existing industries; and

25                   (D) the economic development of the state.

26           (b) All area included in the district will benefit from the  
27 exercise of the power conferred by this chapter.

1 (c) The district is a public entity performing an essential  
2 public function. (V.A.C.S. Art. 4477-7k, Secs. 1.02(a), (c), 7.01  
3 (part).)

4 Sec. 21.005. STATE POLICY REGARDING WASTE DISPOSAL. The  
5 district's powers and duties are subject to the state policy of  
6 encouraging the development and use of integrated area-wide waste  
7 collection, treatment, and disposal systems to serve the waste  
8 disposal needs of this state's residents, if integrated systems can  
9 reasonably be provided for an area, so as to avoid the economic  
10 burden on residents and the impact on state water quality caused by  
11 the construction and operation of numerous small waste collection,  
12 treatment, and disposal facilities. (V.A.C.S. Art. 4477-7k, Sec.  
13 4.23.)

14 [Sections 21.006-21.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT TERRITORY AND CHANGES TO  
16 DISTRICT TERRITORY

17 Sec. 21.051. DISTRICT TERRITORY. Unless the district  
18 territory has been modified under this subchapter, Subchapter J,  
19 Chapter 49, Water Code, or other law, the district's territory  
20 consists of Rains, Upshur, and Wood Counties and the portion of  
21 Smith County north of Interstate Highway 20. (V.A.C.S. Art.  
22 4477-7k, Sec. 2.02.)

23 Sec. 21.052. ANNEXATION OF COUNTY; PETITION. (a) The board  
24 may annex an adjacent county in the manner provided by this section  
25 and Sections 21.053 and 21.055.

26 (b) To initiate annexation proceedings, the commissioners  
27 court of the adjacent county must petition the board requesting the



1 board to call an election for the annexation of the petitioner's  
2 county. The petition must be in writing and be endorsed by a  
3 majority of the members of the commissioners court. (V.A.C.S. Art.  
4 4477-7k, Secs. 8.01, 8.02.)

5 Sec. 21.053. ANNEXATION PETITION HEARING; NOTICE. (a) On  
6 receipt of a petition under Section 21.052, the board shall set a  
7 date, time, and place to hold a hearing on the petition. The date  
8 may not be later than the 20th day after the date on which the board  
9 receives the petition.

10 (b) In addition to the notice required under the open  
11 meetings law, Chapter 551, Government Code, the board shall publish  
12 notice of the date, time, place, and purpose of the hearing in one  
13 or more newspapers with general circulation in the district and in  
14 the county to be annexed.

15 (c) Any person may testify at the hearing for or against  
16 annexation of the county to the district.

17 (d) At the conclusion of the hearing, the board shall  
18 determine if an annexation election should be held in the county to  
19 be annexed. (V.A.C.S. Art. 4477-7k, Secs. 8.03(a), (b), (c), (d).)

20 Sec. 21.054. EXCLUSION OF COUNTY. (a) The commissioners  
21 court of a county in the district may petition the board to hold an  
22 election in the county to determine if a majority of voters of that  
23 county want to exclude the county from the district.

24 (b) If the district has not issued bonds or incurred other  
25 long-term debt before the commissioners court filed the petition,  
26 the board shall, on receipt of the petition, enter an order  
27 authorizing the commissioners court to call an election in that

1 county.

2 (c) If the district issued bonds or other long-term debt  
3 before the commissioners court filed the petition, the board must  
4 obtain adequate legal and financial assurances that, if the county  
5 withdraws from the district, the county will assume and pay to the  
6 district the county's proportionate share of the district's  
7 outstanding debt based on assessed valuation of taxable property in  
8 the county and district. After obtaining assurances the board  
9 considers adequate, the board shall enter an order authorizing the  
10 commissioners court of that county to call an election in that  
11 county to determine if the county should be excluded from the  
12 district. (V.A.C.S. Art. 4477-7k, Sec. 9.01.)

13 Sec. 21.055. ELECTION ON ANNEXATION OR EXCLUSION OF COUNTY.

14 (a) Annexation or exclusion of a county is final when approved by a  
15 majority of the voters at an election held in the county to be  
16 annexed or excluded. An election in the existing district  
17 accepting the addition of a county is not required.

18 (b) Section 41.001(a), Election Code, does not apply to an  
19 election held under this section.

20 (c) The election ballots shall be printed to provide for  
21 voting for or against the following, as applicable:

22 (1) "Adding (description of county to be added) to the  
23 Upper Sabine Valley Solid Waste Management District."

24 (2) "(Description of county to be added) assuming its  
25 proportionate share of the outstanding debts and taxes of the Upper  
26 Sabine Valley Solid Waste Management District, if it is added to the  
27 district."

1           (3) "The exclusion of \_\_\_\_\_ County  
2 from the Upper Sabine Valley Solid Waste Management District and  
3 assumption by the county of a duty to pay its proportionate share of  
4 the outstanding indebtedness of the district."

5           (d) If a district has outstanding debts or taxes, the voters  
6 in an election to approve the annexation must also determine if the  
7 annexed county will assume its proportion of the debts or taxes if  
8 added to the district.

9           (e) If the district has outstanding bonds or other long term  
10 obligations, the voters in the election to approve the exclusion  
11 must also determine if the excluded county will assume a duty to pay  
12 its proportion of the district's outstanding indebtedness.

13           (f) The board shall file a copy of the election results with  
14 the commission. (V.A.C.S. Art. 4477-7k, Secs. 8.03(e), (f), (g)  
15 (part), (h), 9.02(a), (b), (c) (part), (d).)

16           Sec. 21.056. CONTINUED BOND OBLIGATION FOR EXCLUDED COUNTY.  
17 The exclusion of a county under Section 21.054(c) does not relieve  
18 the district of its obligation to perform and observe the covenants  
19 and obligations or the conditions prescribed by the order or  
20 resolution authorizing the issuance of the district's bonds.  
21 (V.A.C.S. Art. 4477-7k, Sec. 9.03.)

22           [Sections 21.057-21.100 reserved for expansion]

23           SUBCHAPTER C. BOARD OF DIRECTORS

24           Sec. 21.101. GOVERNING BODY; COMPOSITION. (a) The  
25 district is governed by a board of directors composed of at least  
26 six directors.

27           (b) If the district is composed of only one county, the

1 commissioners court of that county shall appoint six persons to  
2 serve as directors.

3 (c) If the district is composed of two counties, the  
4 commissioners court of each county included in the district shall  
5 each appoint three persons to serve as directors.

6 (d) If the district is composed of three or more counties,  
7 the commissioners court of each county included in the district  
8 shall each appoint two persons to serve as directors.

9 (e) At least one of the directors appointed by each  
10 commissioners court shall represent the interests of  
11 municipalities and of unincorporated communities with a population  
12 of 1,000 or more that are located in that county. (V.A.C.S. Art.  
13 4477-7k, Sec. 3.01.)

14 Sec. 21.102. APPOINTMENT OF DIRECTORS FROM ANNEXED COUNTY.

15 (a) The commissioners court of an annexed county shall appoint two  
16 directors to serve on the board.

17 (b) The newly appointed directors shall draw lots to  
18 determine their initial terms of office. One new director shall  
19 serve an initial term that coincides with the terms of directors  
20 that expire before the expiration of two years and the other new  
21 director shall serve a term that expires after the expiration of  
22 two years but before the expiration of four years. (V.A.C.S. Art.  
23 4477-7k, Sec. 8.04.)

24 Sec. 21.103. TERM. Except as provided by Section  
25 21.102(b), a director serves a term of four years. (V.A.C.S. Art.  
26 4477-7k, Sec. 3.03.)

27 Sec. 21.104. ELIGIBILITY TO SERVE. To be eligible to be

1 appointed as or to serve as a director, a person must be:

2 (1) at least 18 years of age;

3 (2) a qualified voter; and

4 (3) a resident of the county governed by the  
5 appointing commissioners court. (V.A.C.S. Art. 4477-7k, Sec.  
6 3.02(a).)

7 Sec. 21.105. VACANCY. A vacancy on the board shall be  
8 filled in the same manner as the original appointment for the  
9 unexpired term. (V.A.C.S. Art. 4477-7k, Sec. 3.04.)

10 Sec. 21.106. DIRECTOR'S BOND. Each director must execute a  
11 \$5,000 bond with a corporate surety authorized to do business in  
12 this state and conditioned on the faithful performance of the  
13 director's duties. (V.A.C.S. Art. 4477-7k, Sec. 3.02(c) (part).)

14 Sec. 21.107. TERM OF OFFICERS. A person selected as an  
15 officer serves for a term of one year. (V.A.C.S. Art. 4477-7k, Sec.  
16 3.06(b).)

17 Sec. 21.108. BYLAWS. The board shall adopt bylaws. The  
18 bylaws must prescribe the powers and duties of, and procedures for  
19 removal from, a board office. (V.A.C.S. Art. 4477-7k, Sec. 3.06(d)  
20 (part).)

21 Sec. 21.109. BOARD MEETINGS. Except as otherwise provided  
22 by law, the board shall meet at least one time each quarter and may  
23 meet at any other time provided by its bylaws. (V.A.C.S. Art.  
24 4477-7k, Sec. 3.07(a).)

25 Sec. 21.110. COMPENSATION. (a) Unless the board by  
26 resolution increases the rate of reimbursement to an amount  
27 authorized by Section 49.060, Water Code, a director other than a

1 director described by Subsection (c) is entitled to receive \$50 a  
2 day and reimbursement for actual and necessary expenses incurred  
3 for each day the director:

4 (1) attends a board meeting; and

5 (2) attends to the business of the district that is  
6 authorized by board resolution or motion.

7 (b) A director is not entitled to receive a per diem  
8 allowance for more than 60 days in a calendar year.

9 (c) If a member of a commissioners court or a municipal  
10 government officer is appointed as a director, the member's or  
11 officer's service as a director is considered an additional duty of  
12 the member's or officer's existing office. The member or officer is  
13 not entitled to a per diem allowance under this section, but is  
14 entitled to reimbursement for actual and necessary expenses  
15 incurred in performing official duties as a director. (V.A.C.S.  
16 Art. 4477-7k, Secs. 3.02(b), 3.10.)

17 Sec. 21.111. CONFLICT OF INTEREST IN CONTRACT. A director  
18 who is financially interested in a contract to be executed by the  
19 district for the purchase of property or the construction of  
20 facilities shall disclose that fact to the other directors and may  
21 not vote on the acceptance of the contract. (V.A.C.S. Art. 4477-7k,  
22 Sec. 3.09.)

23 [Sections 21.112-21.150 reserved for expansion]

24 SUBCHAPTER D. ADMINISTRATIVE POWERS AND DUTIES

25 Sec. 21.151. PRINCIPAL OFFICE. The district shall maintain  
26 its principal office in the district. (V.A.C.S. Art. 4477-7k, Sec.  
27 3.13.)

1           Sec. 21.152. GENERAL MANAGER. (a) The board shall employ a  
2 general manager for a term and salary set by the board.

3           (b) The general manager is the chief executive officer of  
4 the district. Under policies established by the board, the general  
5 manager is responsible to the board for:

6                   (1) administering board directives;

7                   (2) keeping district records, including minutes of the  
8 board's meetings;

9                   (3) coordinating with state, federal, and local  
10 agencies;

11                   (4) developing plans and programs for the board's  
12 approval;

13                   (5) hiring, supervising, training, and discharging  
14 district employees;

15                   (6) contracting for or retaining technical,  
16 scientific, legal, fiscal, and other professional services; and

17                   (7) performing any other duty assigned to the general  
18 manager by the board.

19           (c) The board may discharge the general manager by a  
20 majority vote. (V.A.C.S. Art. 4477-7k, Sec. 3.11.)

21           Sec. 21.153. EMPLOYEE AND GENERAL MANAGER FIDELITY BONDS.

22 (a) The general manager and each district employee charged with the  
23 collection, custody, or payment of any district money shall execute  
24 a fidelity bond. The board shall approve the form, amount, and  
25 surety of the bond.

26           (b) The district shall pay the premiums on employee bonds  
27 under this section. (V.A.C.S. Art. 4477-7k, Sec. 3.12.)

1           Sec. 21.154. ATTORNEY.   (a)   The board may appoint an  
2 attorney for the district.

3           (b)   The person appointed under this section is entitled to  
4 the compensation provided by the district's budget. (V.A.C.S. Art.  
5 4477-7k, Secs. 3.08(a), (b).)

6           Sec. 21.155. RECORDS; LIMIT ON DISCLOSURE.   (a)   The  
7 district shall keep its accounts, contracts, documents, minutes,  
8 and other records at its principal office.

9           (b)   The board and its employees may not disclose a district  
10 record that relates to trade secrets or the economics of an  
11 industry's operations. (V.A.C.S. Art. 4477-7k, Secs. 3.14(c),  
12 (d).)

13                   [Sections 21.156-21.200 reserved for expansion]

14                   SUBCHAPTER E. GENERAL POWERS AND DUTIES

15           Sec. 21.201. ADMINISTRATION,                   ENFORCEMENT,                   AND  
16 ACCOMPLISHMENT OF CHAPTER. (a) The district shall:

- 17                   (1)   administer and enforce this chapter; and  
18                   (2)   use district facilities and powers to accomplish  
19 the purposes of this chapter.

20           (b)   The district may advise, consult, contract, and  
21 cooperate with the federal government, the state, a local  
22 government, or a private entity to carry out any purpose or power  
23 under this chapter. (V.A.C.S. Art. 4477-7k, Secs. 4.01(a), 4.03.)

24           Sec. 21.202. CONSERVATION AND RECLAMATION DISTRICT POWERS.  
25 Except as expressly limited by this chapter, the district has all  
26 powers, rights, and privileges necessary and convenient for  
27 accomplishing the purposes of this chapter that are conferred by



1 general law on a conservation and reclamation district created  
2 under Section 59, Article XVI, Texas Constitution, including the  
3 powers, rights, and privileges conferred by Subtitle B, Title 5,  
4 Health and Safety Code, on a local or regional government.  
5 (V.A.C.S. Art. 4477-7k, Sec. 4.01(g).)

6 Sec. 21.203. RULES; HEARINGS. (a) The board, after notice  
7 and hearing, may adopt rules necessary to carry out this chapter.

8 (b) The board shall adopt rules establishing procedures for  
9 giving notice and holding a hearing. (V.A.C.S. Art. 4477-7k, Sec.  
10 4.01(b).)

11 Sec. 21.204. SCOPE OF DISTRICT'S REGULATORY POWER. The  
12 regulatory powers of the district under this chapter apply to each  
13 person in the district. (V.A.C.S. Art. 4477-7k, Sec. 4.01(f).)

14 Sec. 21.205. PLANS. The district may prepare and adopt  
15 plans for and may purchase, construct, acquire, own, operate,  
16 maintain, repair, improve, and extend inside and outside district  
17 boundaries any works, improvements, waste disposal, treatment, and  
18 other facilities, plants, pipelines, equipment, and appliances  
19 necessary to collect, transport, process, dispose of, and control  
20 domestic, industrial, and communal waterborne and solid waste in  
21 the district. (V.A.C.S. Art. 4477-7k, Sec. 4.01(c).)

22 Sec. 21.206. STUDIES AND RESEARCH. The district shall:

23 (1) study and research the control of water pollution  
24 and waste disposal in the district;

25 (2) cooperate with the commission in any study; and

26 (3) use the results of the studies. (V.A.C.S. Art.  
27 4477-7k, Sec. 4.01(e).)

1           Sec. 21.207. COOPERATIVE AGREEMENTS WITH OTHER POLITICAL  
2 SUBDIVISIONS. The district may enter into a cooperative agreement  
3 with a local government or other political subdivision to:

4           (1) jointly conduct solid waste management  
5 activities; and

6           (2) charge reasonable fees for solid waste management  
7 activities. (V.A.C.S. Art. 4477-7k, Sec. 4.01(i).)

8           Sec. 21.208. GIFTS, GRANTS, AND LOANS. The district may  
9 apply for, accept, receive, and administer gifts, grants, loans,  
10 and other money available from any source to carry out any purpose  
11 or power under this chapter. (V.A.C.S. Art. 4477-7k, Sec. 4.02.)

12           Sec. 21.209. ACQUISITION OF PROPERTY. The district may  
13 acquire by gift, grant, devise, purchase, lease, or the exercise of  
14 the power of eminent domain any land, easement, right-of-way, or  
15 other property interest necessary to carry out the powers and  
16 duties under this chapter. (V.A.C.S. Art. 4477-7k, Sec. 4.04.)

17           Sec. 21.210. EMINENT DOMAIN; COST OF RELOCATING PROPERTY.

18 (a) The district may exercise the power of eminent domain to  
19 acquire land for a purpose authorized by Section 21.205 if the board  
20 determines, after notice and hearing, that it is necessary.

21 (b) The district must exercise the power of eminent domain  
22 in the manner provided by Chapter 21, Property Code, but the  
23 district is not required to:

24           (1) deposit in the trial court money or a bond as  
25 provided by Section 21.021(a), Property Code;

26           (2) pay in advance or give bond or other security for  
27 costs in the trial court;

1           (3) give bond for the issuance of a temporary  
2 restraining order or a temporary injunction; or

3           (4) give bond for costs or supersedeas on an appeal or  
4 writ of error.

5           (c) If the district, in the exercise of the power of eminent  
6 domain, requires relocating, raising, lowering, rerouting,  
7 changing the grade of, or altering the construction of any  
8 railroad, highway, pipeline, or electric transmission and electric  
9 distribution, telegraph, or telephone lines, conduits, poles, or  
10 facilities, the district must bear the actual cost of relocating,  
11 raising, lowering, rerouting, changing the grade of, or altering  
12 the construction to provide comparable replacement without  
13 enhancement of facilities, after deducting the net salvage value  
14 derived from the old facility. (V.A.C.S. Art. 4477-7k, Sec. 4.05.)

15           Sec. 21.211. ENTRY ON LAND. (a) A district director,  
16 engineer, or employee may go on any land inside or outside the  
17 district to survey and examine the land with reference to the  
18 location of works, improvements, and waste disposal, treatment, and  
19 other facilities, plants, pipelines, equipment, and appliances,  
20 and to attend to district business.

21           (b) The director, engineer, or employee must give the  
22 landowner five days' written notice before entering on the land.

23           (c) If any district activity on the land causes damage to  
24 the land or property, the district shall restore the land or  
25 property as nearly as possible to its original state. The district  
26 shall pay the restoration's cost. (V.A.C.S. Art. 4477-7k, Sec.  
27 4.14.)

1           Sec. 21.212. ROAD RIGHT-OF-WAY. A governmental entity  
2 having jurisdiction over a right-of-way along and across a public  
3 state or county road or highway may:

4           (1) designate the placement of district facilities  
5 located on the right-of-way; and

6           (2) require the relocation of district facilities to  
7 accommodate widening or changing traffic lanes. (V.A.C.S. Art.  
8 4477-7k, Sec. 4.15(a) (part).)

9           Sec. 21.213. CONSENT FOR CHANGE OR DAMAGE TO STATE  
10 PROPERTY. The district must obtain the written consent of the  
11 governmental entity having control and jurisdiction over state  
12 property, including a facility, before the district may proceed  
13 with an action to change or damage the property. (V.A.C.S. Art.  
14 4477-7k, Sec. 4.15(b).)

15           Sec. 21.214. BIDS ON CONTRACTS FOR PURCHASE OF VEHICLES,  
16 EQUIPMENT, AND SUPPLIES OVER \$15,000; EXCEPTION. (a) If the  
17 estimated amount of a proposed contract to purchase vehicles,  
18 equipment, or supplies is more than \$15,000, the board shall ask for  
19 competitive bids as provided by Subchapter B, Chapter 271, Local  
20 Government Code.

21           (b) This section does not apply to:

22           (1) the purchase of property from a public agency; or

23           (2) a contract for personal or professional services.

24 (V.A.C.S. Art. 4477-7k, Sec. 4.13.)

25           [Sections 21.215-21.250 reserved for expansion]

26           SUBCHAPTER F. CONSTRUCTION, RENOVATION, AND REPAIR CONTRACTS

27           Sec. 21.251. AUTHORITY TO ENTER INTO CONSTRUCTION,

1 RENOVATION, AND REPAIR CONTRACTS. The district may contract with  
2 any person to construct, renovate, repair, or make improvements to  
3 any district works, improvements, waste disposal, treatment, or  
4 other facilities, plants, pipelines, equipment, and appliances.  
5 (V.A.C.S. Art. 4477-7k, Sec. 4.06.)

6 Sec. 21.252. BIDS ON CONTRACTS OVER \$15,000. The district  
7 may enter into a contract under Section 21.251 that requires an  
8 expenditure of more than \$15,000 only after competitive bidding as  
9 provided by Subchapter B, Chapter 271, Local Government Code.  
10 (V.A.C.S. Art. 4477-7k, Sec. 4.07.)

11 Sec. 21.253. CONTRACT SPECIFICATIONS, PLANS, AND DETAILS.  
12 A contract under Section 21.251 must contain, or have attached to  
13 it, the specifications, plans, and details for work included in the  
14 contract. The work shall be done according to the plans and  
15 specifications under the supervision of the district. (V.A.C.S.  
16 Art. 4477-7k, Sec. 4.08.)

17 Sec. 21.254. EXECUTION AND AVAILABILITY OF CONTRACTS. (a)  
18 A contract under Section 21.251 must be in writing and signed by:

- 19 (1) the contractor; and  
20 (2) a district representative designated by the board.

21 (b) The contract shall be kept in the district's office and  
22 must be available for public inspection. (V.A.C.S. Art. 4477-7k,  
23 Sec. 4.09.)

24 Sec. 21.255. CONTRACTOR'S BOND. (a) A contractor shall  
25 execute a bond:

- 26 (1) in an amount determined by the board, not to exceed  
27 the contract price;

1           (2) payable to the district and approved by the board;  
2 and

3           (3) conditioned on the faithful performance of the  
4 contract.

5           (b) The bond must provide that a contractor pay to the  
6 district all damages sustained as a result of the contractor's  
7 default on the contract.

8           (c) The bond shall be deposited in the district's  
9 depository. A copy of the bond shall be kept in the district's  
10 office. (V.A.C.S. Art. 4477-7k, Sec. 4.10.)

11           Sec. 21.256. BOARD CONTROL AND DETERMINATION. (a) The  
12 board has control of construction, renovation, or repairs being  
13 done for the district under a contract under Section 21.251.

14           (b) The board shall determine whether the contract is being  
15 fulfilled. (V.A.C.S. Art. 4477-7k, Sec. 4.11(a).)

16           Sec. 21.257. INSPECTION OF WORK. (a) The board shall have  
17 the work contracted for under Section 21.251 inspected by  
18 engineers, inspectors, and personnel of the district.

19           (b) During the progress of the contracted work, the  
20 engineers, inspectors, and personnel shall submit to the board  
21 written reports that show whether the contractor is complying with  
22 the contract.

23           (c) On completion of the contracted work, the engineers,  
24 inspectors, and personnel shall submit to the board a final  
25 detailed written report that includes information necessary to show  
26 whether the contractor has fully complied with the contract.  
27 (V.A.C.S. Art. 4477-7k, Secs. 4.11(b), (c), (d).)

1           Sec. 21.258. PAYMENTS FOR WORK. (a) The district shall pay  
2 the contract price of a construction, renovation, or repair  
3 contract in accordance with this section.

4           (b) The district shall make monthly progress payments under  
5 a contract as the work proceeds or at more frequent intervals as  
6 determined by the board.

7           (c) To provide a basis for determining progress payments,  
8 the contractor, on the request of the board, shall furnish, in the  
9 detail requested, an analysis of the total contract price showing  
10 the amount included for each principal category of the work.

11           (d) In making progress payments, the board shall retain 10  
12 percent of the estimated amounts until final completion and  
13 acceptance of the contract work. The board may authorize any of the  
14 remaining progress payments to be made in full if:

15                   (1) the board finds that satisfactory progress is  
16 being made; and

17                   (2) at least 50 percent of the work has been completed.

18           (e) If the work under a contract is substantially complete  
19 and the board finds the amount retained to be in excess of the  
20 amount adequate for the protection of the district, the board may  
21 release to the contractor all or part of the excess amount.

22           (f) On completion and acceptance of each separate project,  
23 work, or other division of the contract on which the price is stated  
24 separately in the contract, payment may be made without retention  
25 of a percentage.

26           (g) When work is completed according to the contract, the  
27 board shall draw a warrant on the depository to pay any balance due

1 on the contract. (V.A.C.S. Art. 4477-7k, Sec. 4.12.)

2 [Sections 21.259-21.300 reserved for expansion]

3 SUBCHAPTER G. WASTE DISPOSAL

4 Sec. 21.301. ACQUISITION OF EXISTING FACILITIES. If the  
5 district acquires existing works, improvements, and waste  
6 disposal, treatment, and other facilities, plants, pipelines,  
7 equipment, and appliances that are completed, partially completed,  
8 or under construction, the district may:

9 (1) assume the contracts and obligations of the  
10 previous owner; and

11 (2) perform the obligations of the previous owner in  
12 the same manner and to the same extent that any other purchaser or  
13 assignee would be bound. (V.A.C.S. Art. 4477-7k, Sec. 4.17.)

14 Sec. 21.302. SOLID WASTE RECOVERY FACILITY. The district  
15 may construct or acquire and operate a facility used to store,  
16 handle, sort, bail, recycle, process, and recover solid waste.  
17 (V.A.C.S. Art. 4477-7k, Secs. 1.03(11), 4.18.)

18 Sec. 21.303. STANDARDS FOR SOLID WASTE HANDLING. (a) The  
19 district shall establish minimum standards of operation for all  
20 aspects of solid waste handling, including:

- 21 (1) storage;
- 22 (2) collection;
- 23 (3) incineration;
- 24 (4) recycling;
- 25 (5) sanitary landfill; and
- 26 (6) composting.

27 (b) Before establishing the standards, the district must:



1           (1) hold public hearings after giving public notice in  
2 the time and manner prescribed by board rule;

3           (2) consult with the commission to ensure that the  
4 standards are not inconsistent with established criteria; and

5           (3) find that the standards are reasonably necessary  
6 to protect the public health or welfare from water pollution or  
7 other harm to the environment.

8           (c) To amend the standards, the district must follow the  
9 same procedures required for establishing standards.

10          (d) The board may adopt rules reasonably necessary to  
11 implement solid waste disposal standards. (V.A.C.S. Art. 4477-7k,  
12 Secs. 4.19(a), (b), (c), (d).)

13          Sec. 21.304. MANAGEMENT OF MUNICIPAL SOLID WASTE. (a) The  
14 district may assume the exclusive authority to exercise the powers  
15 granted to a county under Section 361.165, Health and Safety Code,  
16 including the power to issue licenses and exercise municipal solid  
17 waste management authority.

18          (b) If the district exercises the licensing authority  
19 granted under this section, the district must adopt and enforce  
20 rules for the management of municipal solid waste.

21          (c) A rule adopted under this section must be:

22           (1) compatible with and at least as stringent as those  
23 of the commission; and

24           (2) approved by the commission. (V.A.C.S. Art.  
25 4477-7k, Sec. 4.19(e).)

26          Sec. 21.305. ON-SITE SEWAGE DISPOSAL SYSTEMS. (a) The  
27 district may apply to the commission for designation as an

1 authorized agent to implement and enforce on-site sewage disposal  
2 rules under Chapter 366, Health and Safety Code.

3 (b) If the district finds that due to the nature of the soil  
4 or drainage in the area it is necessary to prevent water pollution  
5 that may injure the public health, the board by rule may:

6 (1) provide limits on the number and kind of septic  
7 tanks in an area defined by the rule;

8 (2) prohibit the use of septic tanks in the area; or

9 (3) prohibit the installation of new septic tanks in  
10 the area.

11 (c) The board shall consult with the commission before the  
12 adoption of a rule under Subsection (b).

13 (d) The board may not adopt a rule under Subsection (b)  
14 without first holding a public hearing in the area to be affected by  
15 the rule.

16 (e) The board by order may provide for a gradual and  
17 systematic reduction of the number or kind of septic tanks in the  
18 area and, by rule, may provide for a system to license and issue  
19 permits for the installation of new septic tanks in the area  
20 affected. If the board adopts a license and permit system, a person  
21 may not install a septic tank in the area without a license or  
22 permit from the board. (V.A.C.S. Art. 4477-7k, Sec. 4.20.)

23 Sec. 21.306. ACQUISITION, CONSTRUCTION, AND OPERATION OF  
24 DISPOSAL SYSTEMS. The district may:

25 (1) acquire and provide by purchase, gift, or lease a  
26 disposal system in the district or in a county adjacent to the  
27 district;

1           (2) construct and provide a disposal system in the  
2 district or in a county adjacent to the district;

3           (3) operate or sell a disposal system that it  
4 constructs or acquires;

5           (4) contract with a person to operate and maintain a  
6 disposal system belonging to the person; and

7           (5) contract with a person to train or supervise  
8 employees of a disposal system. (V.A.C.S. Art. 4477-7k, Secs.  
9 1.03(9), 4.21.)

10           Sec. 21.307. WASTE DISPOSAL CONTRACTS. (a) The district  
11 may contract to receive and to treat or dispose of waste from a  
12 person in the district.

13           (b) The district shall set fees in the contract after  
14 considering:

15           (1) the quality of the waste;

16           (2) the quantity of the waste;

17           (3) the difficulty encountered in treating or  
18 disposing of the waste;

19           (4) operation and maintenance expenses and debt  
20 retirement services; and

21           (5) any other reasonable consideration. (V.A.C.S.  
22 Art. 4477-7k, Sec. 4.22.)

23           [Sections 21.308-21.350 reserved for expansion]

24           SUBCHAPTER H. GENERAL FINANCIAL PROVISIONS

25           Sec. 21.351. ACCOUNTING. The district shall keep complete  
26 and accurate accounts of its business transactions in accordance  
27 with generally accepted methods of accounting. (V.A.C.S. Art.

1 4477-7k, Sec. 3.14(a).)

2           Sec. 21.352. ANNUAL BUDGET. (a) The district's annual  
3 budget must contain a complete financial statement, including a  
4 statement of:

5           (1) the outstanding district obligations;

6           (2) the amount of cash on hand to the credit of each  
7 district fund;

8           (3) the amount of money received by the district from  
9 all sources during the previous year;

10           (4) the amount of money available to the district from  
11 all sources during the ensuing year;

12           (5) the amount of the balances expected at the end of  
13 the year in which the budget is being prepared;

14           (6) the estimated amount of revenue and balances  
15 available to cover the proposed budget; and

16           (7) the estimated tax rate that will be required.

17           (b) The board may amend the budget after adoption.

18           (c) The district may not spend money for an expense not  
19 included in the annual budget or an amendment to it unless the board  
20 by order declares the expense to be necessary. (V.A.C.S. Art.  
21 4477-7k, Secs. 5.03(b), 5.04, 5.05.)

22           Sec. 21.353. SWORN STATEMENT REGARDING MONEY AND  
23 DISBURSEMENTS. As soon as practicable after the close of the fiscal  
24 year, the district treasurer shall prepare for the board a sworn  
25 statement of:

26           (1) the amount of money that belongs to the district;

27 and

1           (2) an account of the disbursement of that money.  
2 (V.A.C.S. Art. 4477-7k, Sec. 5.06.)

3           Sec. 21.354. DEPOSITORY. (a) The board shall name one or  
4 more banks to serve as depository for the district's money.

5           (b) District money, other than money transmitted to a bank  
6 for payment of bonds issued by the district, shall be deposited as  
7 received with the depository bank and shall remain on deposit.

8           (c) Before the district deposits money in a bank in an  
9 amount that exceeds the maximum amount secured by the Federal  
10 Deposit Insurance Corporation, the bank must execute a bond or  
11 provide other security in an amount sufficient to secure from loss  
12 the amount of the district's deposits that exceed the amount  
13 secured by the Federal Deposit Insurance Corporation.

14           (d) This section does not limit the board's power to invest  
15 the district's money as provided by Subchapter A, Chapter 2256,  
16 Government Code. (V.A.C.S. Art. 4477-7k, Sec. 5.07.)

17           Sec. 21.355. INVESTMENTS. (a) The board may place district  
18 money in a certificate of deposit of a state or national bank or a  
19 state or federal savings and loan association in this state if the  
20 money is secured in the manner required for the security of county  
21 funds.

22           (b) The board by resolution may provide that an authorized  
23 representative may invest and reinvest district money and provide  
24 for money to be withdrawn from the appropriate district accounts  
25 for investments on terms the board considers advisable. (V.A.C.S.  
26 Art. 4477-7k, Secs. 5.08(b), (c).)

27           Sec. 21.356. PAYMENT OF EXPENSES. (a) The board may pay:

1           (1) costs and expenses necessarily incurred in the  
2 district's operation;

3           (2) legal fees; and

4           (3) other incidental expenses.

5           (b) The board may reimburse a person for money advanced for  
6 a payment described by Subsection (a).

7           (c) A payment may be made from the proceeds of district  
8 bonds, taxes, or fees or from other district revenue. (V.A.C.S.  
9 Art. 4477-7k, Sec. 5.09.)

10          Sec. 21.357. BORROWING MONEY. The district may borrow  
11 money for any purpose authorized by this chapter. (V.A.C.S. Art.  
12 4477-7k, Sec. 5.10.)

13          Sec. 21.358. PAYMENT OF JUDGMENTS. A court of this state  
14 that renders a money judgment against the district may require the  
15 board to pay the judgment from money in the district depository that  
16 is not dedicated to the payment of any district debt. (V.A.C.S. Art.  
17 4477-7k, Sec. 3.17(c).)

18                   [Sections 21.359-21.400 reserved for expansion]

19                                   SUBCHAPTER I. BONDS

20          Sec. 21.401. AUTHORITY TO ISSUE BONDS. The board may issue  
21 and sell bonds in the district's name to acquire land and construct  
22 works, improvements, and waste disposal, treatment, and other  
23 facilities, plants, pipelines, equipment, and appliances as  
24 provided by this chapter. (V.A.C.S. Art. 4477-7k, Sec. 6.01.)

25          Sec. 21.402. BOND PAYMENT. The board may provide for the  
26 payment of the principal of and interest on the bonds:

27           (1) from the imposition of property taxes on all

1 taxable property in the district;

2 (2) by pledging all or part of the designated revenue  
3 from the ownership or operation of the district's works,  
4 improvements, and facilities; or

5 (3) from a combination of the sources listed by  
6 Subdivisions (1) and (2). (V.A.C.S. Art. 4477-7k, Sec. 6.02.)

7 Sec. 21.403. BOND ELECTION. (a) The district may not issue  
8 bonds until the issuance is approved by a majority of voters voting  
9 in the district at an election held for that purpose.

10 (b) The board may order a bond election. The order calling  
11 the election must state:

12 (1) the hours during which the polls will be open;

13 (2) the location of the polling places;

14 (3) the amount of bonds to be authorized; and

15 (4) the maximum maturity of the bonds.

16 (c) At an election to authorize bonds, the ballot must be  
17 printed to provide for voting for or against the issuance of bonds  
18 and the imposition of property taxes for payment of the bonds.

19 (d) If a majority of the votes cast at the election favor the  
20 issuance of the bonds, the bonds may be issued by the board. If a  
21 majority of the votes cast at the election do not favor issuance of  
22 the bonds, the bonds may not be issued. (V.A.C.S. Art. 4477-7k,  
23 Secs. 6.03(a), (b), (d), (e) (part).)

24 Sec. 21.404. MATURITY OF BONDS. District bonds may mature  
25 not more than 50 years after the date of issuance. (V.A.C.S. Art.  
26 4477-7k, Sec. 6.04(b) (part).)

27 Sec. 21.405. SIGNATURE. District bonds must be signed and

1 executed as provided by the board in the resolution or order  
2 authorizing the bonds. (V.A.C.S. Art. 4477-7k, Sec. 6.04(d)  
3 (part).)

4 Sec. 21.406. BOND PROVISIONS. (a) In an order or  
5 resolution authorizing the issuance of bonds, including refunding  
6 bonds, the board may:

7 (1) provide for the flow of money;

8 (2) provide for the establishment and maintenance of  
9 an interest and sinking fund, a reserve fund, and other funds; and

10 (3) prohibit the further issuance of bonds or other  
11 obligations payable from the pledged fees or reserve the right to  
12 issue additional bonds to be secured by a pledge of and payable from  
13 the pledged fees on a parity with or subordinate to the pledge in  
14 support of the bonds being issued; and

15 (4) provide for other provisions as the board  
16 determines.

17 (b) The board may adopt and have executed any other  
18 proceeding or instrument necessary and convenient in the issuance  
19 of bonds. (V.A.C.S. Art. 4477-7k, Sec. 6.05.)

20 Sec. 21.407. MANDAMUS BY BONDHOLDERS. A holder of a  
21 district bond is entitled, in addition to any other right or remedy  
22 provided by law, to a writ of mandamus requiring the district and  
23 its officials to observe and perform any covenant, condition, or  
24 obligation provided by the order or resolution authorizing issuance  
25 of the bond that the district fails to observe or perform,  
26 including:

27 (1) a default in the payment of principal, interest,



1 or redemption price on the bond when due; and

2 (2) a failure to make payment into any fund created in  
3 the order or resolution. (V.A.C.S. Art. 4477-7k, Sec. 6.09.)

4 Sec. 21.408. REFUNDING BONDS. (a) The board may issue  
5 refunding bonds to refund outstanding indebtedness issued or  
6 assumed by the district.

7 (b) A refunding bond may be:

8 (1) sold, with the proceeds of the refunding bond  
9 applied to the payment of the bonds to be refunded; or

10 (2) exchanged wholly or partly for not less than a  
11 similar principal amount of outstanding indebtedness. (V.A.C.S.  
12 Art. 4477-7k, Secs. 6.07(a), (c) (part).)

13 Sec. 21.409. TAX EXEMPTION. District bonds, transactions  
14 relating to the bonds, and profits made in the sale of the bonds are  
15 exempt from state taxation or taxation by a municipality, county,  
16 special district, or other political subdivision of the state.  
17 (V.A.C.S. Art. 4477-7k, Sec. 7.01 (part).)

18 [Sections 21.410-21.450 reserved for expansion]

19 SUBCHAPTER J. TAXES

20 Sec. 21.451. AUTHORITY TO IMPOSE PROPERTY TAXES. The board  
21 annually may impose a tax on all property in the district subject to  
22 district taxation. (V.A.C.S. Art. 4477-7k, Secs. 7.02(a) (part),  
23 7.03(b).)

24 Sec. 21.452. AMOUNT OF TAX. (a) The amount of tax imposed  
25 by the board must be in an amount necessary to pay:

26 (1) the principal of and interest on district bonds;

27 and

1           (2) the expense of assessing and collecting taxes.

2           (b) The district may impose a maintenance and operating tax  
3 in an amount not to exceed three cents on each \$100 of assessed  
4 valuation of property in the district to pay the district's  
5 maintenance and operating expenses. (V.A.C.S. Art. 4477-7k, Sec.  
6 7.02 (part).)

7           Sec. 21.453. TAX RATE. In setting the tax rate, the board  
8 shall take into consideration the income of the district from  
9 sources other than taxation. (V.A.C.S. Art. 4477-7k, Sec. 7.04  
10 (part).)

11          Sec. 21.454. TAX COLLECTOR. The board may:

12           (1) provide for the appointment of a tax collector for  
13 the district; or

14           (2) contract for the collection of taxes as provided  
15 by the Tax Code. (V.A.C.S. Art. 4477-7k, Sec. 7.05(b).)

16          SECTION 1.02. Subtitle A, Title 3, Special District Local  
17 Laws Code, is amended by adding Chapters 1007, 1010, 1012, 1013,  
18 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024,  
19 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1036, 1037,  
20 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048,  
21 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1057, 1059, 1060, 1062,  
22 1065, 1066, 1068, 1070, and 1071 to read as follows:

23           CHAPTER 1007. BIG BEND REGIONAL HOSPITAL DISTRICT

24                   SUBCHAPTER A. GENERAL PROVISIONS

25          Sec. 1007.001. DEFINITIONS

26          Sec. 1007.002. AUTHORITY FOR CREATION

27          Sec. 1007.003. DISTRICT TERRITORY

- 1 Sec. 1007.004. DISTRICT SUPPORT AND MAINTENANCE NOT  
2 STATE OBLIGATION
- 3 Sec. 1007.005. RESTRICTION ON STATE FINANCIAL  
4 ASSISTANCE
- 5 [Sections 1007.006-1007.050 reserved for expansion]
- 6 SUBCHAPTER B. DISTRICT ADMINISTRATION
- 7 Sec. 1007.051. BOARD ELECTION; TERM
- 8 Sec. 1007.052. NOTICE OF ELECTION
- 9 Sec. 1007.053. QUALIFICATIONS FOR OFFICE
- 10 Sec. 1007.054. BOND; RECORD OF BOND AND OATH OR  
11 AFFIRMATION OF OFFICE
- 12 Sec. 1007.055. OFFICERS
- 13 Sec. 1007.056. COMPENSATION; EXPENSES
- 14 Sec. 1007.057. DISTRICT ADMINISTRATOR
- 15 Sec. 1007.058. EMPLOYEES
- 16 Sec. 1007.059. RETIREMENT BENEFITS
- 17 Sec. 1007.060. MAINTENANCE OF RECORDS; PUBLIC  
18 INSPECTION
- 19 [Sections 1007.061-1007.100 reserved for expansion]
- 20 SUBCHAPTER C. POWERS AND DUTIES
- 21 Sec. 1007.101. DISTRICT RESPONSIBILITY
- 22 Sec. 1007.102. RESTRICTION ON POLITICAL SUBDIVISION  
23 TAXATION AND DEBT
- 24 Sec. 1007.103. MEDICAL SERVICES FOR PRESIDIO COUNTY
- 25 Sec. 1007.104. MANAGEMENT AND CONTROL OF DISTRICT
- 26 Sec. 1007.105. HOSPITAL SYSTEM
- 27 Sec. 1007.106. RULES

- 1 Sec. 1007.107. PURCHASING AND ACCOUNTING PROCEDURES  
2 Sec. 1007.108. DISTRICT PROPERTY, FACILITIES, AND  
3 EQUIPMENT  
4 Sec. 1007.109. SURPLUS PROPERTY  
5 Sec. 1007.110. EMINENT DOMAIN  
6 Sec. 1007.111. GIFTS AND ENDOWMENTS  
7 Sec. 1007.112. CONTRACTS WITH POLITICAL SUBDIVISIONS  
8 FOR HOSPITAL AND MEDICAL CARE  
9 Sec. 1007.113. PAYMENT FOR TREATMENT; PROCEDURE  
10 [Sections 1007.114-1007.150 reserved for expansion]  
11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
12 Sec. 1007.151. BUDGET  
13 Sec. 1007.152. PROPOSED BUDGET: NOTICE AND HEARING  
14 Sec. 1007.153. FISCAL YEAR  
15 Sec. 1007.154. ANNUAL AUDIT  
16 Sec. 1007.155. DEPOSITORY  
17 [Sections 1007.156-1007.200 reserved for expansion]  
18 SUBCHAPTER E. BONDS  
19 Sec. 1007.201. BONDS  
20 Sec. 1007.202. TAX TO PAY BONDS  
21 Sec. 1007.203. BOND ELECTION  
22 Sec. 1007.204. MATURITY OF BONDS  
23 Sec. 1007.205. EXECUTION OF BONDS  
24 [Sections 1007.206-1007.250 reserved for expansion]  
25 SUBCHAPTER F. TAXES  
26 Sec. 1007.251. IMPOSITION OF AD VALOREM TAX  
27 Sec. 1007.252. TAX RATE

1 Sec. 1007.253. TAX ASSESSOR-COLLECTOR

2 CHAPTER 1007. BIG BEND REGIONAL HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1007.001. DEFINITIONS. In this chapter:

5 (1) "Board" means the board of directors of the  
6 district.

7 (2) "Director" means a member of the board.

8 (3) "District" means the Big Bend Regional Hospital  
9 District. (New.)

10 Sec. 1007.002. AUTHORITY FOR CREATION. The district is  
11 created under Section 9, Article IX, Texas Constitution. (Acts  
12 59th Leg., R.S., Ch. 643, Sec. 1.)

13 Sec. 1007.003. DISTRICT TERRITORY. The boundaries of the  
14 district are coextensive with the boundaries of:

15 (1) Presidio County, including all "cut over" or  
16 "banco" land on the north side of the Rio Grande; and

17 (2) Brewster County. (Acts 59th Leg., R.S., Ch. 643,  
18 Secs. 2(a), 2A(h) (part).)

19 Sec. 1007.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
20 OBLIGATION. The support and maintenance of the district's hospital  
21 system and any indebtedness incurred by the district under this  
22 chapter may not become a charge against or obligation of this state.  
23 (Acts 59th Leg., R.S., Ch. 643, Sec. 18 (part).)

24 Sec. 1007.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
25 The legislature may not make a direct appropriation for the  
26 construction, maintenance, or improvement of a district facility.  
27 (Acts 59th Leg., R.S., Ch. 643, Sec. 18 (part).)

1 [Sections 1007.006-1007.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1007.051. BOARD ELECTION; TERM. (a) The board  
4 consists of five directors elected from single-member voting  
5 subdistricts established by the board.

6 (b) The board shall revise each single-member subdistrict  
7 after each federal decennial census to reflect population changes.  
8 At the first election after the subdistricts are revised, a new  
9 director shall be elected from each subdistrict. The directors  
10 shall draw lots to determine which two directors shall serve  
11 two-year terms and which three directors shall serve four-year  
12 terms.

13 (c) Directors serve staggered four-year terms.

14 (d) An election shall be held on the uniform election date  
15 in May of each even-numbered year to elect the appropriate number of  
16 directors. (Acts 59th Leg., R.S., Ch. 643, Secs. 2B(c) (part),  
17 2C(c), (g), 7(b) (part).)

18 Sec. 1007.052. NOTICE OF ELECTION. At least 35 days before  
19 the date of an election of directors, notice of the election must be  
20 published one time in a newspaper with general circulation in the  
21 district. (Acts 59th Leg., R.S., Ch. 643, Sec. 7(c), as added by  
22 Acts 72nd Leg., R.S., Ch. 89.)

23 Sec. 1007.053. QUALIFICATIONS FOR OFFICE. (a) A person may  
24 not be a candidate for or serve as a director unless the person is:

- 25 (1) a district resident; and  
26 (2) a qualified voter.

27 (b) A person is not eligible to serve as a director if the

1 person is:

- 2 (1) a district employee;
- 3 (2) a party to a contract with the district to perform  
4 services for compensation; or
- 5 (3) a physician who has staff privileges at a district  
6 facility.

7 (c) A person who is elected from a single-member subdistrict  
8 or who is appointed to fill a vacancy for a single-member  
9 subdistrict must reside in that subdistrict. (Acts 59th Leg.,  
10 R.S., Ch. 643, Secs. 2C(h) (part), 7B(a), (c).)

11 Sec. 1007.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
12 OF OFFICE. (a) Each director shall qualify for office by executing  
13 a good and sufficient commercial bond for \$1,000 that is:

- 14 (1) payable to the district; and
- 15 (2) conditioned on the faithful performance of the  
16 director's duties.

17 (b) The district shall pay for the directors' bonds.

18 (c) Each director's bond and constitutional oath or  
19 affirmation of office shall be deposited in the district depository  
20 for safekeeping. (Acts 59th Leg., R.S., Ch. 643, Sec. 8(a).)

21 Sec. 1007.055. OFFICERS. The board shall elect from among  
22 its members a president, secretary, and treasurer at the first  
23 meeting of the board after each directors' election. (Acts 59th  
24 Leg., R.S., Ch. 643, Sec. 8(b).)

25 Sec. 1007.056. COMPENSATION; EXPENSES. A director serves  
26 without compensation but is entitled to reimbursement for necessary  
27 expenses incurred in the performance of official duties. (Acts 59th

1 Leg., R.S., Ch. 643, Sec. 8(c).)

2       Sec. 1007.057. DISTRICT ADMINISTRATOR. (a) The board may  
3 employ a district administrator to manage the operations of the  
4 hospital system.

5       (b) The district administrator may employ necessary  
6 personnel to perform the services provided by the system. (Acts  
7 59th Leg., R.S., Ch. 643, Sec. 12(e) (part).)

8       Sec. 1007.058. EMPLOYEES. The board may employ an attorney,  
9 general manager, bookkeeper, architect, and other employees  
10 necessary for the efficient operation of the district. (Acts 59th  
11 Leg., R.S., Ch. 643, Sec. 12(e) (part).)

12       Sec. 1007.059. RETIREMENT BENEFITS. The board may enter  
13 into any contract or agreement with this state or the federal  
14 government that is required to establish or continue a retirement  
15 program for the benefit of the district's employees. (Acts 59th  
16 Leg., R.S., Ch. 643, Sec. 12(h).)

17       Sec. 1007.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
18 The board shall:

19           (1) maintain all district records, including books,  
20 accounts, notices, minutes, and other matters of the district and  
21 its operation, at the district office; and

22           (2) make those records available for public inspection  
23 at reasonable times. (Acts 59th Leg., R.S., Ch. 643, Sec. 12(b).)

24       [Sections 1007.061-1007.100 reserved for expansion]

25                           SUBCHAPTER C. POWERS AND DUTIES

26       Sec. 1007.101. DISTRICT RESPONSIBILITY. The district shall  
27 provide all necessary hospital and medical care for the district's



1 needy inhabitants. (Acts 59th Leg., R.S., Ch. 643, Sec. 3 (part).)

2       Sec. 1007.102. RESTRICTION ON POLITICAL SUBDIVISION  
3 TAXATION AND DEBT. A political subdivision of this state, other  
4 than the district, may not impose a tax or issue bonds or other  
5 obligations to provide hospital service or medical care in the  
6 district. (Acts 59th Leg., R.S., Ch. 643, Sec. 3 (part).)

7       Sec. 1007.103. MEDICAL SERVICES FOR PRESIDIO COUNTY. (a)  
8 The board shall periodically review the feasibility and  
9 desirability of operating a hospital in Presidio County.

10       (b) The district shall operate a facility that provides  
11 medical services in Presidio County. At a minimum, the facility  
12 must provide outpatient medical services to the district's  
13 residents.

14       (c) The board may contract or otherwise cooperate with  
15 another entity to provide the services required by Subsection (b).  
16 (Acts 59th Leg., R.S., Ch. 643, Secs. 2E(b) (part), 2F(a) (part),  
17 (b).)

18       Sec. 1007.104. MANAGEMENT AND CONTROL OF DISTRICT. The  
19 management and control of the district is vested in the board, and  
20 the board has full power to manage and control the district. (Acts  
21 59th Leg., R.S., Ch. 643, Secs. 2E(a) (part), 12(a) (part).)

22       Sec. 1007.105. HOSPITAL SYSTEM. The district has the  
23 responsibility to establish a hospital or hospital system within  
24 its boundaries to provide hospital and medical care to the  
25 district's residents. (Acts 59th Leg., R.S., Ch. 643, Sec. 3  
26 (part).)

27       Sec. 1007.106. RULES. (a) The board shall adopt rules for

1 the efficient operation of the district, including district  
2 facilities.

3 (b) The board shall:

4 (1) publish the rules in book form; and

5 (2) provide copies to interested persons on request at  
6 district expense. (Acts 59th Leg., R.S., Ch. 643, Sec. 12(c).)

7 Sec. 1007.107. PURCHASING AND ACCOUNTING PROCEDURES. The  
8 board may prescribe the method of making purchases and expenditures  
9 and the manner of accounting and control used by the district.  
10 (Acts 59th Leg., R.S., Ch. 643, Sec. 12(e) (part).)

11 Sec. 1007.108. DISTRICT PROPERTY, FACILITIES, AND  
12 EQUIPMENT. The board may sell, lease, or otherwise dispose of  
13 property, including facilities or equipment, for the district. The  
14 sale or other disposal must be at a public sale and at a price and on  
15 terms the board determines are most advantageous to the district.  
16 (Acts 59th Leg., R.S., Ch. 643, Sec. 12(i).)

17 Sec. 1007.109. SURPLUS PROPERTY. The board may donate to  
18 another governmental entity or to a charitable organization any  
19 surplus personal property or equipment if the donation serves a  
20 public purpose and is accompanied by adequate consideration. (Acts  
21 59th Leg., R.S., Ch. 643, Sec. 12(j).)

22 Sec. 1007.110. EMINENT DOMAIN. (a) The district may  
23 exercise the power of eminent domain to acquire a fee simple or  
24 other interest in any real, personal, or mixed property located in  
25 district territory if the interest is necessary or convenient for  
26 the district to exercise a power or duty conferred on the district  
27 by this chapter.

1           (b) The district must exercise the power of eminent domain  
2 in the manner provided by Chapter 21, Property Code, except the  
3 district is not required to deposit in the trial court money or a  
4 bond as provided by Section 21.021(a), Property Code.

5           (c) In a condemnation proceeding, the district is not  
6 required to:

7                 (1) pay in advance or provide a bond or other security  
8 for costs in the trial court; or

9                 (2) provide a bond for costs or a supersedeas bond on  
10 an appeal or writ of error. (Acts 59th Leg., R.S., Ch. 643, Sec.  
11 15.)

12           Sec. 1007.111. GIFTS AND ENDOWMENTS. The board may accept  
13 for the district a gift or endowment to be held in trust and  
14 administered by the board under the directions, limitations, or  
15 other provisions prescribed in writing by the donor that are not  
16 inconsistent with the proper management of the district. (Acts  
17 59th Leg., R.S., Ch. 643, Sec. 12(f).)

18           Sec. 1007.112. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR  
19 HOSPITAL AND MEDICAL CARE. The board may contract with another  
20 political subdivision to provide hospital and medical care for  
21 needy persons who reside outside the district. (Acts 59th Leg.,  
22 R.S., Ch. 643, Sec. 12(g).)

23           Sec. 1007.113. PAYMENT FOR TREATMENT; PROCEDURE. (a) A  
24 person who resides in the district is entitled to receive necessary  
25 medical and hospital care regardless of whether the person has the  
26 ability to pay for the care.

27           (b) The board by rule shall adopt a procedure for

1 determining:

2 (1) the ability of a patient to pay for the patient's  
3 medical and hospital care; and

4 (2) the amount each patient is required to pay. (Acts  
5 59th Leg., R.S., Ch. 643, Sec. 14.)

6 [Sections 1007.114-1007.150 reserved for expansion]

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 1007.151. BUDGET. The board shall prepare a budget  
9 that includes:

10 (1) proposed expenditures and disbursements;

11 (2) estimated receipts and collections for the next  
12 fiscal year; and

13 (3) the amount of taxes required to be imposed to meet  
14 the proposed budget. (Acts 59th Leg., R.S., Ch. 643, Sec. 13(b).)

15 Sec. 1007.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
16 The board shall hold a public hearing on the proposed budget.

17 (b) Notice of the hearing must be published at least once in  
18 a newspaper of general circulation in the district not later than  
19 the 10th day before the date of the hearing.

20 (c) Any person who owns taxable property in the district and  
21 has rendered that property for taxation is entitled to:

22 (1) appear at the hearing; and

23 (2) be heard regarding any item in the proposed  
24 budget. (Acts 59th Leg., R.S., Ch. 643, Secs. 13(c), (d).)

25 Sec. 1007.153. FISCAL YEAR. The district's fiscal year is  
26 from October 1 to September 30. (Acts 59th Leg., R.S., Ch. 643,  
27 Sec. 13(a).)

1           Sec. 1007.154. ANNUAL AUDIT. (a) The board annually shall  
2 require an independent audit of the district's books and records.

3           (b) Not later than December 1 each year, the board shall  
4 file a copy of the audit with:

5                 (1) the comptroller; and

6                 (2) the district. (Acts 59th Leg., R.S., Ch. 643, Sec.  
7 12(d).)

8           Sec. 1007.155. DEPOSITORY. (a) The board by resolution  
9 shall designate a bank in Brewster or Presidio County as the  
10 district's depository. The designated bank serves for two years  
11 and until a successor is designated.

12           (b) All district money shall be deposited in the depository  
13 and secured in the manner provided for securing county funds. (Acts  
14 59th Leg., R.S., Ch. 643, Sec. 16.)

15           [Sections 1007.156-1007.200 reserved for expansion]

16                                   SUBCHAPTER E. BONDS

17           Sec. 1007.201. BONDS. The district may issue bonds to:

18                 (1) purchase, construct, acquire, repair, or renovate  
19 buildings or improvements; and

20                 (2) equip buildings for hospital purposes. (Acts 59th  
21 Leg., R.S., Ch. 643, Secs. 10(a) (part), 11(a) (part).)

22           Sec. 1007.202. TAX TO PAY BONDS. The board may issue bonds  
23 under Section 1007.201 only if the board imposes an ad valorem tax  
24 at a rate sufficient to create an interest and sinking fund to pay  
25 the principal of and interest on the bonds as the bonds mature.  
26 (Acts 59th Leg., R.S., Ch. 643, Sec. 11(c).)

27           Sec. 1007.203. BOND ELECTION. (a) The board may issue

1 bonds under Section 1007.201 only if the bonds are authorized by a  
2 majority of the district voters voting in an election held for that  
3 purpose. The total face value of the bonds may not exceed the  
4 amount specified in the election order.

5 (b) The board may order a bond election at any time.

6 (c) The order calling an election must include:

7 (1) the time of the election;

8 (2) the location of the polling places;

9 (3) the form of the ballots;

10 (4) the presiding judge for each polling place;

11 (5) the purpose of the bond issuance;

12 (6) the amount of the proposed bond issuance;

13 (7) the maximum interest rate of the bonds; and

14 (8) the maximum maturity of the bonds.

15 (d) A substantial copy of the election order shall be  
16 published in a newspaper of general circulation in the district  
17 once a week for two consecutive weeks before the date of the  
18 election. The first notice must be published not later than the  
19 14th day immediately preceding the day of the election.

20 (e) A copy of the election results must be filed with the  
21 county clerk and become a public record. (Acts 59th Leg., R.S., Ch.  
22 643, Secs. 4(c), (d), (e) (part), 10(a) (part), (b), (d), 11(a)  
23 (part).)

24 Sec. 1007.204. MATURITY OF BONDS. District bonds must  
25 mature not later than 40 years after the date of issuance. (Acts  
26 59th Leg., R.S., Ch. 643, Sec. 10(c) (part).)

27 Sec. 1007.205. EXECUTION OF BONDS. (a) The board president

1 shall execute the bonds in the district's name.

2 (b) The board secretary shall countersign the bonds. (Acts  
3 59th Leg., R.S., Ch. 643, Sec. 11(b) (part).)

4 [Sections 1007.206-1007.250 reserved for expansion]

5 SUBCHAPTER F. TAXES

6 Sec. 1007.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
7 shall impose a tax on all property in the district subject to  
8 district taxation.

9 (b) The tax may be used only to:

10 (1) pay the interest on and create a sinking fund for  
11 bonds issued under this chapter;

12 (2) provide for the operation and maintenance of the  
13 district and hospital system;

14 (3) make improvements and additions to the hospital  
15 system; and

16 (4) acquire sites for additions to the hospital  
17 system. (Acts 59th Leg., R.S., Ch. 643, Secs. 9(a) (part), (c).)

18 Sec. 1007.252. TAX RATE. The board may impose the tax at a  
19 rate not to exceed 75 cents on each \$100 valuation of all taxable  
20 property in the district. (Acts 59th Leg., R.S., Ch. 643, Sec. 9(a)  
21 (part).)

22 Sec. 1007.253. TAX ASSESSOR-COLLECTOR. The tax  
23 assessor-collector for Brewster or Presidio County shall collect  
24 taxes for the district. (Acts 59th Leg., R.S., Ch. 643, Sec. 9(d)  
25 (part).)

1                   CHAPTER 1010. BURLESON COUNTY HOSPITAL DISTRICT

2                                 SUBCHAPTER A. GENERAL PROVISIONS

3   Sec. 1010.001.   DEFINITIONS

4   Sec. 1010.002.   AUTHORITY FOR OPERATION

5   Sec. 1010.003.   ESSENTIAL PUBLIC FUNCTION

6   Sec. 1010.004.   DISTRICT TERRITORY

7   Sec. 1010.005.   CORRECTION OF INVALID PROCEDURES

8                   [Sections 1010.006-1010.050 reserved for expansion]

9                                 SUBCHAPTER B. DISTRICT ADMINISTRATION

10   Sec. 1010.051.   BOARD ELECTION; TERM

11   Sec. 1010.052.   QUALIFICATIONS FOR OFFICE

12   Sec. 1010.053.   BOND; RECORD OF BOND AND OATH OR

13                                 AFFIRMATION OF OFFICE

14   Sec. 1010.054.   BOARD VACANCY

15   Sec. 1010.055.   OFFICERS

16   Sec. 1010.056.   COMPENSATION; EXPENSES

17   Sec. 1010.057.   VOTING REQUIREMENT

18   Sec. 1010.058.   MEETINGS

19   Sec. 1010.059.   PERSONNEL

20   Sec. 1010.060.   DUTIES OF MANAGER

21   Sec. 1010.061.   RETIREMENT, DISABILITY, AND DEATH

22                                 COMPENSATION FUND

23   Sec. 1010.062.   MAINTENANCE OF RECORDS; PUBLIC

24                                 INSPECTION

25   Sec. 1010.063.   SEAL

26                   [Sections 1010.064-1010.100 reserved for expansion]



1                               SUBCHAPTER C. POWERS AND DUTIES

2   Sec. 1010.101.   DISTRICT RESPONSIBILITY

3   Sec. 1010.102.   RESTRICTION ON POLITICAL SUBDIVISION

4                               TAXATION AND DEBT

5   Sec. 1010.103.   MANAGEMENT AND CONTROL

6   Sec. 1010.104.   HOSPITAL SYSTEM

7   Sec. 1010.105.   DISTRICT ELECTIONS

8   Sec. 1010.106.   BYLAWS

9   Sec. 1010.107.   EMINENT DOMAIN

10   Sec. 1010.108.   COST OF RELOCATING OR ALTERING PROPERTY

11   Sec. 1010.109.   GIFTS AND ENDOWMENTS

12   Sec. 1010.110.   OPERATING AND MANAGEMENT CONTRACTS

13   Sec. 1010.111.   CONTRACT IN NAME OF DISTRICT

14   Sec. 1010.112.   CONTRACTS FOR CARE AND TRAINING

15   Sec. 1010.113.   CONTRACTS WITH GOVERNMENTAL ENTITIES

16                               FOR INVESTIGATORY OR OTHER SERVICES

17   Sec. 1010.114.   MISCELLANEOUS CONTRACT REQUIREMENTS

18   Sec. 1010.115.   LEASES

19   Sec. 1010.116.   PURCHASING

20   Sec. 1010.117.   DISPOSITION OF PROPERTY

21   Sec. 1010.118.   PAYMENT FOR TREATMENT; PROCEDURES

22   Sec. 1010.119.   REIMBURSEMENT FOR SERVICES TO

23                               NONRESIDENTS

24   Sec. 1010.120.   AUTHORITY TO SUE AND BE SUED; SERVICE

25                               OF PROCESS

26                               [Sections 1010.121-1010.150 reserved for expansion]

1                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2   Sec. 1010.151.   BUDGET

3   Sec. 1010.152.   AMENDMENTS TO BUDGET

4   Sec. 1010.153.   FISCAL YEAR

5   Sec. 1010.154.   ANNUAL AUDIT

6   Sec. 1010.155.   DEPOSITORY

7   Sec. 1010.156.   INVESTMENT OF DISTRICT MONEY

8                   [Sections 1010.157-1010.200 reserved for expansion]

9                   SUBCHAPTER E. BONDS

10   Sec. 1010.201.   GENERAL OBLIGATION BONDS

11   Sec. 1010.202.   TAX TO PAY GENERAL OBLIGATION BONDS

12   Sec. 1010.203.   REVENUE AND SPECIAL OBLIGATION BONDS

13   Sec. 1010.204.   BOND ELECTION

14   Sec. 1010.205.   MATURITY OF BONDS

15   Sec. 1010.206.   EXECUTION OF BONDS

16   Sec. 1010.207.   BONDS EXEMPT FROM TAXATION

17   Sec. 1010.208.   REFUNDING OR FUNDING AND RETIRING

18                   CERTAIN OLDER BONDS

19                   [Sections 1010.209-1010.250 reserved for expansion]

20                   SUBCHAPTER F. TAXES

21   Sec. 1010.251.   TAX ELECTION

22   Sec. 1010.252.   IMPOSITION OF AD VALOREM TAX

23   Sec. 1010.253.   TAX RATE

24   Sec. 1010.254.   ASSESSMENT AND COLLECTION BY COUNTY TAX

25                   ASSESSOR-COLLECTOR

26   Sec. 1010.255.   ASSESSMENT AND COLLECTION BY DISTRICT

27                   TAX ASSESSOR-COLLECTOR

1 Sec. 1010.256. ASSESSMENT AND COLLECTION BY TAX  
2 ASSESSOR-COLLECTOR OF ANOTHER  
3 POLITICAL SUBDIVISION

4 CHAPTER 1010. BURLESON COUNTY HOSPITAL DISTRICT  
5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 1010.001. DEFINITIONS. In this chapter:

7 (1) "Board" means the board of directors of the  
8 district.

9 (2) "Director" means a member of the board.

10 (3) "District" means the Burleson County Hospital  
11 District. (Acts 65th Leg., R.S., Ch. 726, Secs. 1 (part), 5(a)  
12 (part); New.)

13 Sec. 1010.002. AUTHORITY FOR OPERATION. The district  
14 operates under and has the rights, powers, and duties provided by  
15 Section 9, Article IX, Texas Constitution, and this chapter. (Acts  
16 65th Leg., R.S., Ch. 726, Secs. 1 (part), 3.)

17 Sec. 1010.003. ESSENTIAL PUBLIC FUNCTION. The district is  
18 a governmental agency performing an essential public function in  
19 carrying out the purposes of this chapter. (Acts 65th Leg., R.S.,  
20 Ch. 726, Secs. 13 (part), 30 (part).)

21 Sec. 1010.004. DISTRICT TERRITORY. The boundaries of the  
22 district are coextensive with the boundaries of Burleson County.  
23 (Acts 65th Leg., R.S., Ch. 726, Sec. 2.)

24 Sec. 1010.005. CORRECTION OF INVALID PROCEDURES. If a  
25 court holds that any procedure under this chapter violates the  
26 constitution of this state or of the United States, the board by  
27 resolution or order may provide an alternative procedure that

1 conforms with the constitution. (Acts 65th Leg., R.S., Ch. 726,  
2 Sec. 31 (part).)

3 [Sections 1010.006-1010.050 reserved for expansion]

4 SUBCHAPTER B. DISTRICT ADMINISTRATION

5 Sec. 1010.051. BOARD ELECTION; TERM. (a) The district is  
6 governed by a board of 11 elected directors.

7 (b) Unless four-year terms are established under Section  
8 285.081, Health and Safety Code:

9 (1) directors serve two-year terms; and

10 (2) the terms of the five directors elected to  
11 even-numbered places expire in even-numbered years and the terms of  
12 the six directors elected to odd-numbered places expire in  
13 odd-numbered years. (Acts 65th Leg., R.S., Ch. 726, Sec. 8 (part).)

14 Sec. 1010.052. QUALIFICATIONS FOR OFFICE. To serve as a  
15 director, a person must be:

16 (1) at least 21 years of age; and

17 (2) a qualified voter of the district. (Acts 65th  
18 Leg., R.S., Ch. 726, Sec. 8 (part).)

19 Sec. 1010.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
20 OF OFFICE. (a) As soon as practicable after a director is elected  
21 or appointed, the director shall execute a bond for \$5,000 that is:

22 (1) approved by the board;

23 (2) payable to the district; and

24 (3) conditioned on the faithful performance of the  
25 director's duties.

26 (b) Each director's bond and constitutional oath or  
27 affirmation of office shall be filed with the district and retained

1 in the district's records. (Acts 65th Leg., R.S., Ch. 726, Secs.  
2 12(h), (i), (k).)

3 Sec. 1010.054. BOARD VACANCY. If a vacancy occurs in the  
4 office of director, the board shall promptly appoint a director for  
5 the unexpired term. (Acts 65th Leg., R.S., Ch. 726, Sec. 8 (part).)

6 Sec. 1010.055. OFFICERS. (a) The board shall elect from  
7 its membership a president, a vice president, a secretary, a  
8 treasurer, and any other officers the board considers necessary.  
9 The district's depository bank may be designated as district  
10 treasurer.

11 (b) The president is the district's chief executive officer  
12 and shall preside at all board meetings. The vice president shall  
13 act as president if the president is absent or disabled.

14 (c) The secretary shall:

15 (1) act as president if both the president and vice  
16 president are absent or disabled;

17 (2) act as secretary of the board; and

18 (3) see that all district records and books are  
19 properly kept.

20 (d) The board may appoint an assistant or deputy secretary  
21 to assist the secretary. The assistant or deputy secretary may  
22 certify the authenticity of any district record, including any  
23 proceeding related to district contracts or bonds or other  
24 indebtedness.

25 (e) The board may require an officer to execute a bond that  
26 is:

27 (1) payable to the district; and

1           (2) conditioned on the faithful performance of the  
2 officer's duties.

3           (f) If a vacancy occurs in an office, the board shall  
4 appoint a replacement for the unexpired term. (Acts 65th Leg.,  
5 R.S., Ch. 726, Secs. 5(b), 8 (part), 9(b), (c), (d), 12(d) (part).)

6           Sec. 1010.056. COMPENSATION; EXPENSES. A director serves  
7 without compensation but may be reimbursed for travel or other  
8 expenses incurred on the district's behalf if:

9           (1) the director presents a verified statement; and

10           (2) the board approves the expenses. (Acts 65th Leg.,  
11 R.S., Ch. 726, Sec. 12(g).)

12           Sec. 1010.057. VOTING REQUIREMENT. A concurrence of six  
13 directors is sufficient in any matter relating to district  
14 business. (Acts 65th Leg., R.S., Ch. 726, Sec. 9(a) (part).)

15           Sec. 1010.058. MEETINGS. (a) The board:

16           (1) shall hold the board's meetings at the board's  
17 designated meeting place;

18           (2) may establish a schedule of regular meetings to  
19 conduct district business; and

20           (3) may hold special meetings at other times as  
21 district business requires.

22           (b) Except as provided by this section, Chapter 551,  
23 Government Code, applies to board meetings.

24           (c) If there is an emergency or urgent public necessity,  
25 posting of notice of a board meeting is not required.

26           (d) Failure to post notice does not affect the validity of  
27 an action taken at a regular board meeting. Failure to post notice

1 may affect the validity of an action taken at a special meeting  
2 unless the board declares, by an action taken at the special  
3 meeting, that an emergency exists.

4 (e) Any interested person may attend a board meeting. (Acts  
5 65th Leg., R.S., Ch. 726, Sec. 11 (part).)

6 Sec. 1010.059. PERSONNEL. (a) The board shall employ or  
7 contract with all persons the board considers necessary or  
8 advisable to conduct district affairs, including doctors, nurses,  
9 medical technicians, engineers, architects, attorneys, financial  
10 advisors, a hospital administrator, bookkeepers, auditors, and  
11 secretaries.

12 (b) The board shall determine the powers, duties, terms of  
13 office, and compensation of all employees and consultants by  
14 contract or by resolution or order of the board. The board may  
15 delegate to any district employee any power that the board  
16 considers advisable.

17 (c) The board may remove any employee.

18 (d) The board may require an employee to execute a bond  
19 payable to the district and conditioned on the faithful performance  
20 of the employee's duties. (Acts 65th Leg., R.S., Ch. 726, Secs.  
21 12(a) (part), (b), (c), (d) (part).)

22 Sec. 1010.060. DUTIES OF MANAGER. The district may  
23 delegate to the manager the power to:

24 (1) manage and operate the district hospital or  
25 hospital system or a portion of the district hospital or hospital  
26 system; and

27 (2) employ and discharge employees or appoint and

1 remove doctors from the staff. (Acts 65th Leg., R.S., Ch. 726, Sec.  
2 15(b) (part).)

3 Sec. 1010.061. RETIREMENT, DISABILITY, AND DEATH  
4 COMPENSATION FUND. (a) The board may:

5 (1) provide for and administer a retirement,  
6 disability, and death compensation fund for district officers and  
7 employees; and

8 (2) adopt a plan to effectuate the purpose of this  
9 section, including the forms of insurance and annuities that the  
10 board considers advisable.

11 (b) The board may change a plan or rule after notice to the  
12 employees and a hearing.

13 (c) As the board considers advisable, the board may invest  
14 money provided:

15 (1) from the compensation of officers and employees  
16 participating in the fund and plan authorized by this section; and

17 (2) by the district for the retirement, disability,  
18 and death compensation fund after the money has been received by the  
19 district.

20 (d) The board may invest the money in:

21 (1) bonds of the United States, this state, or any  
22 political subdivision of this state;

23 (2) bonds issued by any agency of the United States if  
24 the payment of the principal and interest is guaranteed by the  
25 United States; and

26 (3) life insurance policies, endowment or annuity  
27 contracts, or interest-bearing certificates of legal reserve life



1 insurance companies authorized to write the contracts in this  
2 state.

3 (e) A sufficient amount of money shall be kept on hand to  
4 meet the immediate payment of amounts likely to become due each year  
5 out of the fund as determined by the board.

6 (f) The recipients or beneficiaries of the fund are not  
7 eligible for any other pension, retirement fund, or direct aid from  
8 this state unless the fund created under this chapter is released to  
9 the state as a condition precedent to receiving the other pension or  
10 aid or the joining of any other system.

11 (g) The board may:

12 (1) include hospitalization and medical benefits to  
13 district officers and employees as part of the compensation  
14 currently paid to the officers and employees;

15 (2) adopt a plan or rule in connection with the  
16 benefits provided under Subdivision (1); or

17 (3) amend or change a plan or rule adopted under  
18 Subdivision (2) as the board determines.

19 (h) The board may contract with the state and federal  
20 governments as necessary to establish and continue a retirement  
21 program for the benefit of the district's employees. (Acts 65th  
22 Leg., R.S., Ch. 726, Secs. 16(a), (b), (c), (d), (e), (g).)

23 Sec. 1010.062. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

24 (a) The district shall maintain records and accounts in which full  
25 and proper entries are made of:

26 (1) all dealings, transactions, and business matters  
27 that in any way affect or relate to the district; and

1           (2) the allocation and application of all revenue  
2 relating to the dealings, transactions, and business matters.

3           (b) The district records, including the audit report, shall  
4 be available for public inspection at reasonable hours and under  
5 reasonable circumstances. (Acts 65th Leg., R.S., Ch. 726, Sec. 17  
6 (part).)

7           Sec. 1010.063. SEAL. The board shall adopt a seal for the  
8 district. (Acts 65th Leg., R.S., Ch. 726, Sec. 12(f).)

9           [Sections 1010.064-1010.100 reserved for expansion]

10                           SUBCHAPTER C. POWERS AND DUTIES

11           Sec. 1010.101. DISTRICT RESPONSIBILITY. The district has  
12 full responsibility for providing medical and hospital care for the  
13 district's needy inhabitants. (Acts 65th Leg., R.S., Ch. 726, Sec.  
14 4 (part).)

15           Sec. 1010.102. RESTRICTION ON POLITICAL SUBDIVISION  
16 TAXATION AND DEBT. A political subdivision other than the district  
17 may not impose a tax or issue bonds or other obligations for  
18 hospital purposes or to provide medical care in the district. (Acts  
19 65th Leg., R.S., Ch. 726, Sec. 4 (part).)

20           Sec. 1010.103. MANAGEMENT AND CONTROL. The board shall  
21 manage and control all district affairs. (Acts 65th Leg., R.S., Ch.  
22 726, Sec. 12(a) (part).)

23           Sec. 1010.104. HOSPITAL SYSTEM. (a) The district shall  
24 provide for the establishment of a hospital or hospital system in  
25 the district by:

26                   (1) purchasing, constructing, acquiring, repairing,  
27 or renovating buildings and improvements for hospital and medical

1 care purposes; and

2 (2) equipping the buildings and improvements for those  
3 purposes.

4 (b) The district shall provide for the administration,  
5 maintenance, and operation of the hospital or hospital system to  
6 furnish hospital and medical care in the district.

7 (c) The board shall determine the type, number, and location  
8 of buildings required to maintain an adequate hospital system.

9 (d) The hospital system may include:

- 10 (1) domiciliary hospital care of the sick or injured;
- 11 (2) outpatient clinics;
- 12 (3) dispensaries;
- 13 (4) geriatric domiciliary care;
- 14 (5) convalescent home facilities;
- 15 (6) necessary nurses;
- 16 (7) domiciliaries and training centers;
- 17 (8) blood banks;
- 18 (9) community health centers;
- 19 (10) research centers or laboratories; and
- 20 (11) any other facilities that the board considers

21 necessary for hospital care. (Acts 65th Leg., R.S., Ch. 726, Secs.  
22 4 (part), 15 (part).)

23 Sec. 1010.105. DISTRICT ELECTIONS. (a) Each district  
24 election shall be called by resolution or order of the board. The  
25 order or resolution must specify:

- 26 (1) the date of the election;
- 27 (2) the proposition to be submitted and voted on;

1           (3) the polling place; and  
2           (4) any other matter considered necessary or advisable  
3 by the board.

4           (b) Notice of each district election shall be given by  
5 publishing one time a substantial copy of the election resolution  
6 or order in a newspaper of general circulation in the district at  
7 least 20 days before the date set for the election.

8           (c) The board shall declare the results of a district  
9 election. (Acts 65th Leg., R.S., Ch. 726, Sec. 6 (part).)

10          Sec. 1010.106. BYLAWS. The board may adopt bylaws to  
11 govern:

12           (1) the time, place, and manner of conducting board  
13 meetings;

14           (2) the powers, duties, and responsibilities of the  
15 board's officers and employees;

16           (3) the disbursement of money by check, draft, or  
17 warrant;

18           (4) the appointment and authority of board committees;

19           (5) the keeping of records and accounts; and

20           (6) other matters the board considers appropriate.

21 (Acts 65th Leg., R.S., Ch. 726, Sec. 10.)

22          Sec. 1010.107. EMINENT DOMAIN. (a) The district may  
23 exercise the power of eminent domain to acquire a fee simple or  
24 other interest in any type of property located in district  
25 territory if the interest is necessary or convenient for the  
26 district to exercise a right, power, or privilege conferred by this  
27 chapter.

1           (b) The district must exercise the power of eminent domain  
2 in the manner provided by Chapter 21, Property Code, except the  
3 district is not required to deposit in the trial court money or a  
4 bond as provided by Section 21.021(a), Property Code.

5           (c) In a condemnation proceeding brought by the district,  
6 the district is not required to:

7                 (1) pay in advance or provide bond or other security  
8 for costs in the trial court;

9                 (2) provide bond for the issuance of a temporary  
10 restraining order or a temporary injunction; or

11                (3) provide a bond for costs or a supersedeas bond on  
12 an appeal or writ of error. (Acts 65th Leg., R.S., Ch. 726, Sec.  
13 26(a).)

14           Sec. 1010.108. COST OF RELOCATING OR ALTERING PROPERTY. In  
15 exercising the power of eminent domain, if the board requires  
16 relocating, raising, lowering, rerouting, changing the grade of, or  
17 altering the construction of any railroad, electric transmission,  
18 telegraph or telephone lines, conduits, poles, or facilities, or  
19 pipeline, the district must bear the actual cost of relocating,  
20 raising, lowering, rerouting, changing the grade, or altering the  
21 construction to provide comparable replacement without enhancement  
22 of facilities, after deducting the net salvage value derived from  
23 the old facility. (Acts 65th Leg., R.S., Ch. 726, Sec. 26(b).)

24           Sec. 1010.109. GIFTS AND ENDOWMENTS. The board may accept  
25 for the district a gift or endowment to be held in trust and  
26 administered by the board for the purposes and under the  
27 directions, limitations, or other provisions prescribed in writing

1 by the donor that are not inconsistent, in the board's opinion, with  
2 the proper management and objectives of the district. (Acts 65th  
3 Leg., R.S., Ch. 726, Sec. 29.)

4 Sec. 1010.110. OPERATING AND MANAGEMENT CONTRACTS. The  
5 district may enter into an operating or management contract with  
6 any person regarding any district hospital or any part of the  
7 district hospital system. (Acts 65th Leg., R.S., Ch. 726, Sec.  
8 15(b) (part).)

9 Sec. 1010.111. CONTRACT IN NAME OF DISTRICT. The district  
10 shall contract in the name of the district. (Acts 65th Leg., R.S.,  
11 Ch. 726, Sec. 13 (part).)

12 Sec. 1010.112. CONTRACTS FOR CARE AND TRAINING. (a) The  
13 district may contract with this state, including agencies of this  
14 state, or the United States for:

- 15 (1) the rendition of hospital or medical care; and  
16 (2) the training of doctors, nurses, and other health  
17 care disciplines.

18 (b) The board may contract with any lessee of the district's  
19 hospitals or any other person to provide hospital care to needy  
20 district inhabitants for payments and terms and under conditions  
21 that the board considers to be in the district's best interests.  
22 (Acts 65th Leg., R.S., Ch. 726, Sec. 14 (part).)

23 Sec. 1010.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
24 INVESTIGATORY OR OTHER SERVICES. The board may contract with any  
25 political subdivision or governmental agency for investigatory or  
26 other services as to:

- 27 (1) the hospital or medical needs of district

1 inhabitants; or

2 (2) the hospital or medical care of the inhabitants of  
3 the other political subdivision or governmental agency. (Acts 65th  
4 Leg., R.S., Ch. 726, Sec. 14 (part).)

5 Sec. 1010.114. MISCELLANEOUS CONTRACT REQUIREMENTS. (a)  
6 The board may not enter into a contract calling for or requiring the  
7 expenditure, payment, or creation or imposition of an obligation or  
8 liability of any nature on the district in excess of \$5,000, unless  
9 the proposed contract is first submitted to competitive bids.

10 (b) Notice of the time and place the contract will be  
11 awarded must be published once a week for two consecutive weeks in a  
12 newspaper of general circulation in the district. The first notice  
13 must be published not later than the 14th day before the date set  
14 for the receipt of bids. The notice must specify that the plans and  
15 specifications for the proposed project, or the specifications for  
16 the machinery, supplies, equipment, or materials to be purchased,  
17 are on file with a designated district representative for  
18 examination without charge.

19 (c) A contract for construction or the purchase of  
20 materials, equipment, supplies, or machinery awarded under this  
21 chapter shall be awarded to the lowest responsible bidder and may be  
22 awarded on a lump-sum basis or on a unit price basis, as the board  
23 shall determine.

24 (d) After performance of a construction contract has  
25 started, the board may approve change orders necessary to:

26 (1) change the plans or specifications; or

27 (2) decrease or increase:

1 (A) the quantity of work to be performed; or  
2 (B) the materials, equipment, or supplies to be  
3 furnished.

4 (e) The board may not increase the total contract price by a  
5 change order under Subsection (d) unless the board provides for the  
6 payment of the added cost by appropriating current or bond funds for  
7 that purpose, but the original contract price may not be increased  
8 by more than 25 percent.

9 (f) The original contract price may not be decreased by more  
10 than 25 percent without the consent of the contractor.

11 (g) The board may reject any bid. If a contract is for the  
12 construction of public works and requires the expenditure of \$5,000  
13 or more, a successful bidder is required to give a good and  
14 sufficient payment bond and performance bond. Each bond must:

- 15 (1) be in the full amount of the contract price; and  
16 (2) be executed by a surety company authorized to do  
17 business in this state under Chapter 2253, Government Code.

18 (h) This section does not apply to:

19 (1) Section 1010.104(b), 1010.110, 1010.115, or  
20 1010.117;

21 (2) a contract for personal or professional services;  
22 or

23 (3) the purchase of land, buildings, or rights-of-way.  
24 (Acts 65th Leg., R.S., Ch. 726, Sec. 22.)

25 Sec. 1010.115. LEASES. (a) The district through the board  
26 may lease all or part of the buildings and facilities comprising the  
27 hospital system to any person on terms the board considers to be in



1 the district's best interest. The term of a lease may not exceed 40  
2 years.

3 (b) When leasing a building or other facility, the board may  
4 delegate as it considers appropriate the board's power to manage,  
5 control, and administer the leased buildings and facilities to  
6 furnish hospital care.

7 (c) For each leased building or other facility, the board  
8 shall provide that the lessee charges sufficient rates for services  
9 rendered or goods provided at the leased premise that together with  
10 other sources of the lessee's revenue produce an amount sufficient  
11 to enable the lessee to pay the expenses of operating and  
12 maintaining the leased premise as the lessee is required to pay  
13 under the lease. The rates also must enable the lessee to pay lease  
14 rentals to the district that will be sufficient, when taken with any  
15 other source of the district's estimated revenue that are pledged  
16 for the same purpose, to:

17 (1) pay the interest on any revenue or special  
18 obligation bonds that are payable wholly or partly from the lease  
19 rentals;

20 (2) create and maintain a sinking fund to pay the  
21 principal of and premium, if any, on the bonds as they become due;

22 (3) create and maintain a bond reserve fund and other  
23 fund as required by the bond resolution or trust indenture  
24 authorizing the issuance of the bonds; and

25 (4) pay all other charges, fees, costs, and expenses  
26 that the lessee is required to pay under the resolution or  
27 indenture.

1           (d) The lease, management agreement, bond resolution, or  
2 trust indenture may prescribe systems, methods, routines,  
3 procedures, and policies for the operation of the buildings and  
4 other facilities owned by the district. If all or part of the  
5 district's buildings or other facilities are leased, the district  
6 may delegate to the lessee the duty to establish the systems,  
7 methods, routines, procedures, and policies needed for the  
8 operation of the leased premise. (Acts 65th Leg., R.S., Ch. 726,  
9 Sec. 15(c) (part).)

10           Sec. 1010.116. PURCHASING. The board may purchase any  
11 material, supply, equipment, or vehicle needed by the district.  
12 (Acts 65th Leg., R.S., Ch. 726, Sec. 12(e).)

13           Sec. 1010.117. DISPOSITION OF PROPERTY. The district may  
14 sell or otherwise dispose of any type of property, including  
15 equipment, on terms the board finds are in the best interest of the  
16 district. (Acts 65th Leg., R.S., Ch. 726, Sec. 15(d).)

17           Sec. 1010.118. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
18 When a patient who resides in the district is admitted to a district  
19 facility, the board or a board representative may have an inquiry  
20 made into the financial circumstances of:

- 21                   (1) the patient; and  
22                   (2) the patient's relatives who are legally liable for  
23 the patient's support.

24           (b) If the board or the board's authorized representative  
25 determines that the patient or those relatives cannot pay all or  
26 part of the costs of the patient's care and treatment, the amount of  
27 the costs that cannot be paid becomes a charge against the district.

1           (c) If the inquiry under Subsection (a) discloses that the  
2 patient or those relatives can pay for all or part of the costs of  
3 the patient's care and treatment, the board shall order the patient  
4 or those relatives to pay the district a specified amount each week  
5 for the patient's care and support. The amount ordered must be  
6 proportionate to the person's financial ability.

7           (d) The district may collect the amount from the patient's  
8 estate, or from any relative who is legally liable for the patient's  
9 support, in the manner provided by law for the collection of  
10 expenses of the last illness of a deceased person.

11           (e) If there is a dispute as to the ability to pay, the board  
12 shall hear and determine the issue, after calling witnesses.

13           (f) The final order of the board may be appealed to the  
14 district court. The substantial evidence rule applies to the  
15 appeal. (Acts 65th Leg., R.S., Ch. 726, Sec. 28 (part).)

16           Sec. 1010.119. REIMBURSEMENT FOR SERVICES TO NONRESIDENTS.  
17 If a welfare patient, who is not a district resident, is admitted to  
18 a district facility, the district may:

19                 (1) seek reimbursement from the patient's county of  
20 residence; and

21                 (2) sue for reimbursement. (Acts 65th Leg., R.S., Ch.  
22 726, Sec. 28 (part).)

23           Sec. 1010.120. AUTHORITY TO SUE AND BE SUED; SERVICE OF  
24 PROCESS. (a) The district, through its directors, may sue and be  
25 sued in the district's own name in any court of this state.

26           (b) Service of process in any suit may be made by serving any  
27 two directors. (Acts of the 65th Leg., R.S., Ch. 726, Sec. 13

1 (part).)

2 [Sections 1010.121-1010.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 1010.151. BUDGET. An annual budget for each fiscal  
5 year shall be prepared as directed by, and for approval of, the  
6 board. (Acts 65th Leg., R.S., Ch. 726, Sec. 17 (part).)

7 Sec. 1010.152. AMENDMENTS TO BUDGET. The board may amend  
8 the budget as the board considers necessary. (Acts 65th Leg., R.S.,  
9 Ch. 726, Sec. 17 (part).)

10 Sec. 1010.153. FISCAL YEAR. The district's fiscal year  
11 ends on the last day of April. The board may change the fiscal year.  
12 (Acts 65th Leg., R.S., Ch. 726, Sec. 17 (part).)

13 Sec. 1010.154. ANNUAL AUDIT. (a) The board shall have an  
14 independent certified public accountant audit all transactions  
15 relating to the district for each fiscal year.

16 (b) The accountant's audit report shall be submitted to the  
17 board not later than the 90th day after the date the fiscal year  
18 ends. (Acts 65th Leg., R.S., Ch. 726, Sec. 17 (part).)

19 Sec. 1010.155. DEPOSITORY. (a) The board shall select one  
20 or more banks to serve as the district's depository.

21 (b) District money shall be deposited as received with the  
22 district's depository bank.

23 (c) All deposits shall be secured in the manner provided for  
24 securing county funds. Deposits may be placed on time deposit or  
25 used to purchase certificates of deposit. (Acts 65th Leg., R.S.,  
26 Ch. 726, Sec. 23 (part).)

27 Sec. 1010.156. INVESTMENT OF DISTRICT MONEY. The board may

1 invest district money in:

2 (1) bonds of the United States, this state, or any  
3 political subdivision of this state; or

4 (2) bonds issued by any agency of the United States if  
5 the payment of the principal and interest is guaranteed by the  
6 United States. (Acts 65th Leg., R.S., Ch. 726, Sec. 23 (part).)

7 [Sections 1010.157-1010.200 reserved for expansion]

8 SUBCHAPTER E. BONDS

9 Sec. 1010.201. GENERAL OBLIGATION BONDS. The board may  
10 issue and sell general obligation bonds in the name and on the faith  
11 and credit of the district for any purpose relating to:

12 (1) the purchase, construction, acquisition, repair,  
13 or renovation of buildings and improvements for hospital purposes;  
14 and

15 (2) equipping buildings or improvements for those  
16 purposes. (Acts 65th Leg., R.S., Ch. 726, Sec. 18 (part).)

17 Sec. 1010.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
18 the time general obligation bonds are issued under Section  
19 1010.201, the board shall impose an ad valorem tax on all property  
20 in the district subject to district taxation at a rate sufficient  
21 to:

22 (1) pay the interest on the bonds as the interest comes  
23 due; and

24 (2) provide and maintain a sinking fund adequate to  
25 pay the principal on the bonds as the principal matures.

26 (b) The tax required by this section together with any other  
27 ad valorem tax the district imposes may not in any year exceed 75

1 cents on each \$100 valuation of taxable property in the district.  
2 (Acts 65th Leg., R.S., Ch. 726, Sec. 18 (part).)

3 Sec. 1010.203. REVENUE AND SPECIAL OBLIGATION BONDS. (a)  
4 The district may issue revenue or special obligation bonds as  
5 authorized by the laws of this state relating to the issuance of  
6 revenue or special obligation bonds, including Sections  
7 264.042-264.049 and 284.031, Health and Safety Code.

8 (b) Bonds issued under this section may be payable from and  
9 secured by revenue, encumbrances, and mortgages as authorized by  
10 law. Any maintenance and operating expense of the system that is  
11 charged against the revenue of the system may include only items set  
12 forth and defined in the proceedings authorizing the bond issuance.  
13 (Acts 65th Leg., R.S., Ch. 726, Sec. 19.)

14 Sec. 1010.204. BOND ELECTION. (a) The district may not  
15 issue bonds unless the bonds are authorized by a majority of the  
16 district voters voting at an election held for that purpose.

17 (b) A proposition to authorize the issuance of district  
18 bonds may be submitted at any district election. (Acts 65th Leg.,  
19 R.S., Ch. 726, Secs. 6 (part), 7 (part), 18 (part).)

20 Sec. 1010.205. MATURITY OF BONDS. District bonds,  
21 including revenue bonds, must mature not later than 40 years after  
22 the date of issuance. (Acts 65th Leg., R.S., Ch. 726, Sec. 20  
23 (part).)

24 Sec. 1010.206. EXECUTION OF BONDS. Bonds shall be signed  
25 and executed as provided by the board in the resolution or order  
26 authorizing the issuance of bonds. (Acts 65th Leg., R.S., Ch. 726,  
27 Sec. 20 (part).)

1 Sec. 1010.207. BONDS EXEMPT FROM TAXATION. The following  
2 are exempt from taxation by this state or a political subdivision of  
3 this state:

- 4 (1) bonds issued or assumed by the district;  
5 (2) the transfer and issuance of the bonds; and  
6 (3) profits made in the sale of the bonds. (Acts 65th  
7 Leg., R.S., Ch. 726, Sec. 30 (part).)

8 Sec. 1010.208. REFUNDING OR FUNDING AND RETIRING CERTAIN  
9 OLDER BONDS. (a) This section applies only to bonds approved in an  
10 election held before May 31, 1991.

11 (b) Except as provided by Subsection (c) and  
12 notwithstanding any legal defect in the incurrence, issuance, or  
13 assumption of the obligation or indebtedness, the board may issue  
14 and sell bonds in the name and on the faith and credit of the  
15 district to refund or fund and retire any outstanding obligation or  
16 other indebtedness the district has incurred, issued, or assumed.

17 (c) The board may not use the power granted by this section  
18 to convert Farmers Home Administration bonds to tax bonds. (Acts  
19 65th Leg., R.S., Ch. 726, Sec. 18A.)

20 [Sections 1010.209-1010.250 reserved for expansion]

21 SUBCHAPTER F. TAXES

22 Sec. 1010.251. TAX ELECTION. The district may impose a tax  
23 only if authorized by a majority of the district voters voting in an  
24 election held for that purpose. (Acts 65th Leg., R.S., Ch. 726,  
25 Sec. 6 (part).)

26 Sec. 1010.252. IMPOSITION OF AD VALOREM TAX. (a) The board  
27 shall impose a tax on all property in the district subject to

1 district taxation.

2 (b) The tax shall be imposed for and may be pledged to:

3 (1) meet the requirements of district bonds;

4 (2) provide for the district's maintenance and  
5 operating expenses, including the cost of contract payments for  
6 hospital care for needy district inhabitants;

7 (3) make improvements and additions to the district's  
8 hospitals or hospital system; and

9 (4) acquire necessary sites for hospitals or the  
10 hospital system by gift, purchase, lease, or condemnation. (Acts  
11 65th Leg., R.S., Ch. 726, Secs. 7 (part), 24(a) (part).)

12 Sec. 1010.253. TAX RATE. (a) The board may impose the tax  
13 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
14 property in the district.

15 (b) In setting the tax rate, the board shall consider all  
16 district income, including income from sources other than taxation  
17 that are available for the purposes described by Section  
18 1010.252(b). (Acts 65th Leg., R.S., Ch. 726, Secs. 7 (part), 24(a)  
19 (part), (b) (part).)

20 Sec. 1010.254. ASSESSMENT AND COLLECTION BY COUNTY TAX  
21 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
22 elects to have taxes assessed and collected under Section 1010.255  
23 or 1010.256.

24 (b) The tax assessor-collector of Burleson County shall  
25 assess and collect taxes imposed by the district. (Acts 65th Leg.,  
26 R.S., Ch. 726, Secs. 27(a) (part), (b) (part).)

27 Sec. 1010.255. ASSESSMENT AND COLLECTION BY DISTRICT TAX



1 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes  
2 assessed and collected by a tax assessor-collector appointed by the  
3 board. An election under this subsection must be made by December 1  
4 and governs the manner in which taxes are assessed and collected,  
5 until changed by the board.

6 (b) The district tax assessor-collector must:

7 (1) reside in the district; and

8 (2) own real property subject to district taxation.

9 (c) The board shall set for the district tax  
10 assessor-collector:

11 (1) the terms of employment; and

12 (2) compensation. (Acts 65th Leg., R.S., Ch. 726,  
13 Secs. 27(a) (part), (c) (part).)

14 Sec. 1010.256. ASSESSMENT AND COLLECTION BY TAX  
15 ASSESSOR-COLLECTOR OF ANOTHER POLITICAL SUBDIVISION. (a) The  
16 board may elect to have all or part of the district's taxes assessed  
17 and collected by a political subdivision in which any part of the  
18 district is located. An election under this subsection must be made  
19 by December 1 and governs the manner in which taxes are assessed and  
20 collected, until changed by the board.

21 (b) The tax assessor or collector of the political  
22 subdivision shall assess or collect the appropriate district taxes  
23 in accordance with the board's election under Subsection (a) and  
24 for the compensation agreed on by the board and the governing body  
25 of the political subdivision. (Acts 65th Leg., R.S., Ch. 726, Secs.  
26 27(a) (part), (d) (part).)

1 CHAPTER 1012. CHILDRESS COUNTY HOSPITAL DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1012.001. DEFINITIONS

4 Sec. 1012.002. AUTHORITY FOR CREATION

5 Sec. 1012.003. ESSENTIAL PUBLIC FUNCTION

6 Sec. 1012.004. DISTRICT TERRITORY

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8 STATE OBLIGATION

9 Sec. 1012.006. RESTRICTION ON STATE FINANCIAL

10 ASSISTANCE

11 [Sections 1012.007-1012.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1012.051. BOARD ELECTION; TERM

14 Sec. 1012.052. QUALIFICATIONS FOR OFFICE

15 Sec. 1012.053. BOARD VACANCY

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17 Sec. 1012.055. COMPENSATION; EXPENSES

18 Sec. 1012.056. VOTING REQUIREMENT

19 Sec. 1012.057. MAINTENANCE OF RECORDS; PUBLIC

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21 Sec. 1012.058. INDIVIDUAL LIABILITY OF DIRECTORS

22 Sec. 1012.059. CHIEF EXECUTIVE OFFICER; ASSISTANT

23 CHIEF EXECUTIVE OFFICER

24 Sec. 1012.060. GENERAL DUTIES OF CHIEF EXECUTIVE

25 OFFICER

26 Sec. 1012.061. EMPLOYEES

- 1 Sec. 1012.062. LEGAL COUNSEL; OTHER PROFESSIONAL  
2 SERVICES
- 3 Sec. 1012.063. RECRUITMENT OF MEDICAL PERSONNEL
- 4 Sec. 1012.064. PERSONNEL CONTRACTS
- 5 Sec. 1012.065. EDUCATIONAL PROGRAMS; COURSES
- 6 Sec. 1012.066. RETIREMENT BENEFITS
- 7 [Sections 1012.067-1012.100 reserved for expansion]
- 8 SUBCHAPTER C. POWERS AND DUTIES
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- 16 Sec. 1012.107. DISTRICT PROPERTY, FACILITIES, AND
- 17 EQUIPMENT
- 18 Sec. 1012.108. EMINENT DOMAIN
- 19 Sec. 1012.109. GIFTS AND ENDOWMENTS
- 20 Sec. 1012.110. CONSTRUCTION CONTRACTS
- 21 Sec. 1012.111. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 22 FOR CARE AND TREATMENT
- 23 Sec. 1012.112. PAYMENT FOR TREATMENT; PROCEDURES
- 24 Sec. 1012.113. AUTHORITY TO SUE AND BE SUED
- 25 [Sections 1012.114-1012.150 reserved for expansion]
- 26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 27 Sec. 1012.151. BUDGET

- 1 Sec. 1012.152. NOTICE; HEARING; ADOPTION OF BUDGET
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- 6 Sec. 1012.157. FINANCIAL REPORT
- 7 Sec. 1012.158. DEPOSITORY
- 8 Sec. 1012.159. GENERAL AUTHORITY TO BORROW MONEY;
- 9 SECURITY
- 10 Sec. 1012.160. AUTHORITY TO BORROW MONEY IN EMERGENCY;
- 11 SECURITY
- 12 [Sections 1012.161-1012.200 reserved for expansion]
- 13 SUBCHAPTER E. BONDS
- 14 Sec. 1012.201. GENERAL OBLIGATION BONDS
- 15 Sec. 1012.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 16 Sec. 1012.203. GENERAL OBLIGATION BOND ELECTION
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- 18 Sec. 1012.205. REVENUE BONDS
- 19 Sec. 1012.206. MATURITY OF BONDS
- 20 Sec. 1012.207. BONDS EXEMPT FROM TAXATION
- 21 [Sections 1012.208-1012.250 reserved for expansion]
- 22 SUBCHAPTER F. TAXES
- 23 Sec. 1012.251. IMPOSITION OF AD VALOREM TAXES
- 24 Sec. 1012.252. TAX RATE
- 25 Sec. 1012.253. TAX ASSESSOR-COLLECTOR
- 26 [Sections 1012.254-1012.300 reserved for expansion]

1 SUBCHAPTER G. DISSOLUTION

2 Sec. 1012.301. DISSOLUTION; ELECTION

3 Sec. 1012.302. NOTICE OF ELECTION

4 Sec. 1012.303. BALLOT

5 Sec. 1012.304. ELECTION RESULTS

6 Sec. 1012.305. TRANSFER, SALE, OR ADMINISTRATION OF

7 ASSETS

8 Sec. 1012.306. SALE OR TRANSFER OF ASSETS AND

9 LIABILITIES

10 Sec. 1012.307. IMPOSITION OF TAX AND RETURN OF SURPLUS

11 TAXES

12 Sec. 1012.308. REPORT; DISSOLUTION ORDER

13 CHAPTER 1012. CHILDRESS COUNTY HOSPITAL DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 1012.001. DEFINITIONS. In this chapter:

16 (1) "Board" means the board of directors of the  
17 district.

18 (2) "Director" means a member of the board.

19 (3) "District" means the Childress County Hospital  
20 District. (New.)

21 Sec. 1012.002. AUTHORITY FOR CREATION. The district is  
22 created under the authority of Section 9, Article IX, Texas  
23 Constitution, and has the rights, powers, and duties prescribed by  
24 this chapter. (Acts 59th Leg., R.S., Ch. 647, Sec. 1 (part).)

25 Sec. 1012.003. ESSENTIAL PUBLIC FUNCTION. The district  
26 performs an essential public function in carrying out the purposes  
27 of this chapter. (Acts 59th Leg., R.S., Ch. 647, Sec. 10 (part).)

1           Sec. 1012.004. DISTRICT TERRITORY. The boundaries of the  
2 district are coextensive with the boundaries of Childress County,  
3 Texas. (Acts 59th Leg., R.S., Ch. 647, Sec. 1 (part).)

4           Sec. 1012.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
5 OBLIGATION. The support and maintenance of the district may not  
6 become a charge against or obligation of this state. (Acts 59th  
7 Leg., R.S., Ch. 647, Sec. 21 (part).)

8           Sec. 1012.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
9 The legislature may not make a direct appropriation for the  
10 construction, maintenance, or improvement of a district facility.  
11 (Acts 59th Leg., R.S., Ch. 647, Sec. 21 (part).)

12           [Sections 1012.007-1012.050 reserved for expansion]

13                           SUBCHAPTER B. DISTRICT ADMINISTRATION

14           Sec. 1012.051. BOARD ELECTION; TERM. (a) The district is  
15 governed by a board of seven directors elected from the district at  
16 large.

17           (b) Unless four-year terms are established under Section  
18 285.081, Health and Safety Code:

19                           (1) directors serve staggered two-year terms, with  
20 three directors elected in even-numbered years and four directors  
21 elected in odd-numbered years; and

22                           (2) a director's election shall be held each year on  
23 the May uniform election date prescribed by Section 41.001,  
24 Election Code. (Acts 59th Leg., R.S., Ch. 647, Secs. 4(a), (b)  
25 (part).)

26           Sec. 1012.052. QUALIFICATIONS FOR OFFICE. (a) To be  
27 eligible to hold office as a director, a person must be:

1 (1) a district resident; and

2 (2) a qualified voter.

3 (b) An employee of the district may not serve as a director.

4 (Acts 59th Leg., R.S., Ch. 647, Sec. 4(d).)

5 Sec. 1012.053. BOARD VACANCY. If a vacancy occurs in the  
6 office of director, the remaining directors by majority vote shall  
7 appoint a director for the unexpired term. (Acts 59th Leg., R.S.,  
8 Ch. 647, Sec. 4(b) (part).)

9 Sec. 1012.054. OFFICERS. (a) The board shall elect a  
10 president and vice president from among its members.

11 (b) The board shall appoint a secretary, who need not be a  
12 director.

13 (c) The president has the same right to vote as any other  
14 director.

15 (d) If the president is absent or fails and declines to act,  
16 the vice president shall perform the president's duties and  
17 exercise the president's powers under this chapter. (Acts 59th  
18 Leg., R.S., Ch. 647, Sec. 4(e).)

19 Sec. 1012.055. COMPENSATION; EXPENSES. A director serves  
20 without compensation but may be reimbursed for actual expenses  
21 incurred in attending to district business. The expenses must be:

22 (1) reported in the district's records; and

23 (2) approved by the remainder of the board. (Acts 59th  
24 Leg., R.S., Ch. 647, Sec. 4(c).)

25 Sec. 1012.056. VOTING REQUIREMENT. A concurrence of four  
26 directors is sufficient in any matter relating to district  
27 business. (Acts 59th Leg., R.S., Ch. 647, Sec. 4(f) (part).)

1           Sec. 1012.057. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

2       (a) The board shall:

3               (1) keep an account of all board meetings and  
4 proceedings; and

5               (2) maintain at the district's principal office all  
6 district records and accounts, including all contracts, notices,  
7 duplicate vouchers, and duplicate receipts.

8       (b) The information described by Subsection (a) shall be  
9 open to public inspection at the district's principal office at all  
10 reasonable times. (Acts 59th Leg., R.S., Ch. 647, Sec. 4(f)  
11 (part).)

12           Sec. 1012.058. INDIVIDUAL LIABILITY OF DIRECTORS. A  
13 director is individually liable only for the director's individual  
14 misapplication of public money. (Acts 59th Leg., R.S., Ch. 647,  
15 Sec. 5(a) (part).)

16           Sec. 1012.059. CHIEF EXECUTIVE OFFICER; ASSISTANT CHIEF  
17 EXECUTIVE OFFICER. (a) The board shall appoint a qualified person  
18 to be known as the chief executive officer of the district.

19               (b) The chief executive officer may appoint an assistant to  
20 the chief executive officer.

21               (c) The chief executive officer is entitled to the  
22 compensation determined by the board.

23               (d) The board may execute an employment contract with the  
24 chief executive officer for a term of not more than three years.  
25 The employment contract may be renewed or extended annually. (Acts  
26 59th Leg., R.S., Ch. 647, Sec. 5(b).)

27           Sec. 1012.060. GENERAL DUTIES OF CHIEF EXECUTIVE OFFICER.



1 The chief executive officer shall:

2 (1) stay informed on the latest methods of hospital  
3 administration and the care of hospital patients; and

4 (2) subject to the limitations prescribed by the  
5 board:

6 (A) supervise the work and activities of the  
7 district; and

8 (B) direct the affairs of the district. (Acts  
9 59th Leg., R.S., Ch. 647, Sec. 5(c) (part).)

10 Sec. 1012.061. EMPLOYEES. The board shall authorize the  
11 chief executive officer to employ nurses, technicians, and other  
12 employees for the efficient operation of the district. (Acts 59th  
13 Leg., R.S., Ch. 647, Sec. 5(d).)

14 Sec. 1012.062. LEGAL COUNSEL; OTHER PROFESSIONAL SERVICES.  
15 The board may employ legal counsel or contract for other  
16 professional services as the board considers advisable. (Acts 59th  
17 Leg., R.S., Ch. 647, Sec. 17.)

18 Sec. 1012.063. RECRUITMENT OF MEDICAL PERSONNEL. (a) The  
19 board may spend district money to recruit physicians, nurses, and  
20 other trained medical personnel.

21 (b) The board may pay the tuition or other expenses of a  
22 full-time medical student or other student in a health occupation  
23 who:

24 (1) is enrolled in and is in good standing at an  
25 accredited medical school, college, or university; and

26 (2) contractually agrees to become a district employee  
27 or independent contractor in return for that assistance. (Acts

1 59th Leg., R.S., Ch. 647, Sec. 5(h).)

2 Sec. 1012.064. PERSONNEL CONTRACTS. (a) The board may  
3 contract to provide administrative and other personnel for the  
4 operation of the hospital facilities.

5 (b) The term of the contract may not exceed 25 years. (Acts  
6 59th Leg., R.S., Ch. 647, Sec. 5(g) (part).)

7 Sec. 1012.065. EDUCATIONAL PROGRAMS; COURSES. The board may  
8 provide or contract for the provision of educational programs or  
9 courses for district employees and medical staff. (Acts 59th Leg.,  
10 R.S., Ch. 647, Sec. 5(j).)

11 Sec. 1012.066. RETIREMENT BENEFITS. The board may provide  
12 retirement benefits for district employees by:

13 (1) establishing or administering a retirement  
14 program; or

15 (2) electing to participate in:

16 (A) the Texas County and District Retirement  
17 System; or

18 (B) another statewide retirement system in which  
19 the district is eligible to participate. (Acts 59th Leg., R.S., Ch.  
20 647, Sec. 5(1).)

21 [Sections 1012.067-1012.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 1012.101. DISTRICT RESPONSIBILITY. The district has  
24 full responsibility for:

25 (1) operating all hospital facilities for providing  
26 medical and hospital care to indigent persons in the district; and

27 (2) providing medical and hospital care for the

1 district's needy inhabitants. (Acts 59th Leg., R.S., Ch. 647,  
2 Secs. 2 (part), 20 (part).)

3 Sec. 1012.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
4 TAXATION AND DEBT. Childress County or a municipality in Childress  
5 County may not impose a tax or issue bonds or other obligations for  
6 hospital purposes or for medical treatment of indigent persons in  
7 the district. (Acts 59th Leg., R.S., Ch. 647, Sec. 20 (part).)

8 Sec. 1012.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
9 (a) The board shall manage, control, and administer the district's  
10 hospitals and hospital system.

11 (b) The board may delegate to the chief executive officer  
12 the authority to manage, control, and administer the hospital, the  
13 hospital system, and the district's business, money, and resources  
14 under the board's oversight. (Acts 59th Leg., R.S., Ch. 647, Secs.  
15 5(a) (part), (c) (part).)

16 Sec. 1012.104. HOSPITAL SYSTEM. The district shall provide  
17 for the establishment of a hospital system by:

18 (1) purchasing, constructing, acquiring, repairing,  
19 or renovating buildings and equipment;

20 (2) equipping the buildings; and

21 (3) administering the buildings and equipment for  
22 hospital purposes. (Acts 59th Leg., R.S., Ch. 647, Sec. 2 (part).)

23 Sec. 1012.105. RULES. The board may adopt rules for the  
24 operation of the district and as required to administer this  
25 chapter. (Acts 59th Leg., R.S., Ch. 647, Secs. 5(a) (part), 11  
26 (part).)

27 Sec. 1012.106. PURCHASING AND ACCOUNTING PROCEDURES. The

1 board may prescribe:

2 (1) the method and manner of the making of purchases  
3 and expenditures by and for the district; and

4 (2) all accounting and control procedures. (Acts 59th  
5 Leg., R.S., Ch. 647, Sec. 11 (part).)

6 Sec. 1012.107. DISTRICT PROPERTY, FACILITIES, AND  
7 EQUIPMENT. (a) The board shall determine the type, number, and  
8 location of buildings required to maintain an adequate hospital  
9 system.

10 (b) The board may:

11 (1) purchase or lease property, including facilities  
12 or equipment, for the district to use in the hospital system; and

13 (2) mortgage or pledge the property as security for  
14 the payment of the purchase price.

15 (c) The board may lease district hospital facilities to  
16 individuals, corporations, or other legal entities.

17 (d) The board may sell or otherwise dispose of the  
18 district's property, including facilities or equipment. (Acts 59th  
19 Leg., R.S., Ch. 647, Secs. 5(f), (g) (part), 9.)

20 Sec. 1012.108. EMINENT DOMAIN. (a) The district may  
21 exercise the power of eminent domain to acquire a fee simple or  
22 other interest in any type of property located in district  
23 territory if the interest is necessary or convenient for the  
24 district to exercise a power, right, or privilege conferred by this  
25 chapter.

26 (b) The district must exercise the power of eminent domain  
27 in the manner provided by Chapter 21, Property Code. (Acts 59th

1 Leg., R.S., Ch. 647, Sec. 15.)

2           Sec. 1012.109. GIFTS AND ENDOWMENTS. The board may accept  
3 for the district a gift or endowment to be held in trust and  
4 administered by the board for the purposes and under the  
5 directions, limitations, or other provisions prescribed in writing  
6 by the donor that are not inconsistent with the proper management  
7 and objectives of the district. (Acts 59th Leg., R.S., Ch. 647,  
8 Sec. 19.)

9           Sec. 1012.110. CONSTRUCTION CONTRACTS. A construction  
10 contract that requires the expenditure of more than the amount  
11 provided by Section 271.024, Local Government Code, may be made  
12 only after competitive bidding as provided by Subchapter B, Chapter  
13 271, Local Government Code. (Acts 59th Leg., R.S., Ch. 647, Sec. 11  
14 (part).)

15           Sec. 1012.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
16 CARE AND TREATMENT. (a) The board may contract with a county or  
17 municipality located outside the district's boundaries for the care  
18 and treatment of a sick or injured person of that county or  
19 municipality.

20           (b) The board may contract with this state or a federal  
21 agency for the treatment of a sick or injured person for whom this  
22 state or the agency is responsible. (Acts 59th Leg., R.S., Ch. 647,  
23 Sec. 5(e).)

24           Sec. 1012.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
25 When a patient who resides in the district is admitted to a district  
26 facility, the chief executive officer shall have an inquiry made  
27 into the circumstances of:

1           (1) the patient; and

2           (2) the patient's relatives who are legally liable for  
3 the patient's support.

4           (b) If the chief executive officer determines that the  
5 patient or those relatives cannot pay all or part of the costs of  
6 the care and treatment in the hospital, the amount of the costs that  
7 cannot be paid becomes a charge against the district.

8           (c) If the chief executive officer determines that the  
9 patient or those relatives can pay for all or part of the costs of  
10 the patient's care and treatment, the chief executive officer shall  
11 issue an order directing the patient or those relatives to pay the  
12 district a specified amount each week for the patient's support.  
13 The amount ordered must be proportionate to the person's financial  
14 ability and may not exceed the actual per capita cost of  
15 maintenance.

16           (d) The chief executive officer may collect the amount from  
17 the patient's estate, or from a relative who is legally liable for  
18 the patient's support, in the manner provided by law for the  
19 collection of expenses of the last illness of a deceased person.

20           (e) The board may institute a suit to collect an amount owed  
21 to the district by a patient who has not been determined under this  
22 section to be unable to pay.

23           (f) If there is a dispute as to the ability to pay, or doubt  
24 in the mind of the chief executive officer, the board shall hold a  
25 hearing and, after calling witnesses, shall:

26           (1) resolve the dispute or doubt; and

27           (2) issue any appropriate orders.

1 (g) A final order of the board may be appealed to the  
2 district court. The substantial evidence rule applies to the  
3 appeal. (Acts 59th Leg., R.S., Ch. 647, Secs. 5(k), 18.)

4 Sec. 1012.113. AUTHORITY TO SUE AND BE SUED. The district,  
5 through the board, may sue and be sued. (Acts 59th Leg., R.S., Ch.  
6 647, Sec. 5(a) (part).)

7 [Sections 1012.114-1012.150 reserved for expansion]

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Sec. 1012.151. BUDGET. The chief executive officer shall  
10 prepare an annual budget for approval by the board. (Acts 59th  
11 Leg., R.S., Ch. 647, Sec. 6 (part).)

12 Sec. 1012.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
13 The board shall hold a public hearing on the proposed annual budget.

14 (b) The board shall publish notice of the hearing in  
15 accordance with Chapter 551, Government Code.

16 (c) The board must approve the budget. (Acts 59th Leg.,  
17 R.S., Ch. 647, Sec. 6 (part).)

18 Sec. 1012.153. AMENDMENT OF BUDGET. The budget may be  
19 amended as required by circumstances. The board must approve all  
20 amendments. (Acts 59th Leg., R.S., Ch. 647, Sec. 6 (part).)

21 Sec. 1012.154. RESTRICTION ON EXPENDITURES. Money may be  
22 spent only for an expense included in the budget or an amendment to  
23 the budget. (Acts 59th Leg., R.S., Ch. 647, Sec. 6 (part).)

24 Sec. 1012.155. FISCAL YEAR. (a) The district operates on a  
25 fiscal year established by the board.

26 (b) The fiscal year may not be changed:

27 (1) during a period that revenue bonds of the district

1 are outstanding; or

2 (2) more than once in a 24-month period. (Acts 59th  
3 Leg., R.S., Ch. 647, Sec. 6 (part).)

4 Sec. 1012.156. ANNUAL AUDIT. (a) The board annually shall  
5 have an audit made of the district's financial condition.

6 (b) The audit shall be open to inspection at all times at the  
7 district's principal office. (Acts 59th Leg., R.S., Ch. 647, Sec. 6  
8 (part).)

9 Sec. 1012.157. FINANCIAL REPORT. As soon as practicable  
10 after the close of each fiscal year, the chief executive officer  
11 shall prepare for the board:

12 (1) a complete sworn statement of all district money;  
13 and

14 (2) a complete account of the disbursement of that  
15 money. (Acts 59th Leg., R.S., Ch. 647, Sec. 6 (part).)

16 Sec. 1012.158. DEPOSITORY. (a) The board shall select one  
17 or more banks to serve as a depository for district money.

18 (b) District money shall be immediately deposited on  
19 receipt with a depository bank, except that sufficient money must  
20 be remitted to the appropriate bank to pay the principal of and  
21 interest on the district's outstanding bonds or other obligations  
22 on or before the maturity date of the principal and interest.

23 (c) To the extent that money in a depository bank is not  
24 insured by the Federal Deposit Insurance Corporation, the money  
25 must be secured in the manner provided by law for the security of  
26 county funds.

27 (d) Membership on the district's board of an officer or



1 director of a bank disqualifies the bank from being selected as a  
2 depository bank. (Acts 59th Leg., R.S., Ch. 647, Sec. 12.)

3 Sec. 1012.159. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

4 (a) The board may borrow money at a rate not to exceed the maximum  
5 annual percentage rate allowed by law for district obligations at  
6 the time the loan is made.

7 (b) To secure a loan, the board may pledge:

8 (1) district revenue that is not pledged to pay the  
9 district's bonded indebtedness;

10 (2) a district tax to be imposed by the district in the  
11 next 12-month period that is not pledged to pay the principal of or  
12 interest on district bonds; or

13 (3) district bonds that have been authorized but not  
14 sold.

15 (c) A loan for which taxes or bonds are pledged must mature  
16 not later than the first anniversary of the date the loan is made. A  
17 loan for which district revenue is pledged must mature not later  
18 than the fifth anniversary of the date the loan is made. (Acts 59th  
19 Leg., R.S., Ch. 647, Sec 20B.)

20 Sec. 1012.160. AUTHORITY TO BORROW MONEY IN EMERGENCY;

21 SECURITY. (a) The board may borrow money at a rate not to exceed  
22 the maximum annual percentage rate allowed by law for district  
23 obligations at the time the loan is made if the board declares that:

24 (1) money is not available to meet authorized  
25 obligations of the district; and

26 (2) an emergency exists.

27 (b) To secure a loan, the board may pledge:

1 (1) district revenue that is not pledged to pay the  
2 district's bonded indebtedness;

3 (2) a district tax to be imposed by the district in the  
4 next 12-month period that is not pledged to pay the principal of or  
5 interest on district bonds; or

6 (3) district bonds that have been authorized but not  
7 sold.

8 (c) A loan for which taxes or bonds are pledged must mature  
9 not later than the first anniversary of the date the loan is made. A  
10 loan for which district revenue is pledged must mature not later  
11 than the fifth anniversary of the date the loan is made.

12 (d) The board may not spend money obtained from a loan under  
13 this section for any purpose other than:

14 (1) the purpose for which the board declared an  
15 emergency; and

16 (2) if district taxes or bonds are pledged to pay the  
17 loan, the purpose for which the pledged taxes were imposed or the  
18 pledged bonds were authorized. (Acts 59th Leg., R.S., Ch. 647, Sec.  
19 20A.)

20 [Sections 1012.161-1012.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Sec. 1012.201. GENERAL OBLIGATION BONDS. The board may  
23 issue and sell general obligation bonds in the name and on the faith  
24 and credit of the district, for hospital or hospital system  
25 purposes, to:

26 (1) purchase, construct, acquire, repair, or renovate  
27 buildings or improvements;

1           (2) equip buildings or improvements; or  
2           (3) acquire and operate a mobile emergency medical or  
3 air ambulance service. (Acts 59th Leg., R.S., Ch. 647, Sec. 7(a)  
4 (part).)

5           Sec. 1012.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
6 the time general obligation bonds are issued under Section  
7 1012.201, the board shall impose an ad valorem tax at a rate  
8 sufficient to create an interest and sinking fund and to pay the  
9 principal of and interest on the bonds as the bonds mature.

10           (b) The tax required by this section together with any other  
11 ad valorem tax the district imposes may not exceed the limit  
12 approved by the voters at the election authorizing the imposition  
13 of the tax. (Acts 59th Leg., R.S., Ch. 647, Sec. 7(b) (part).)

14           Sec. 1012.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
15 district may issue general obligation bonds only if the bonds are  
16 authorized by a majority of the district voters voting at an  
17 election held for that purpose.

18           (b) Section 41.001(a), Election Code, does not apply to a  
19 bond election ordered by the board.

20           (c) Except as otherwise provided by this chapter, the  
21 election shall be conducted in accordance with Chapter 1251,  
22 Government Code. (Acts 59th Leg., R.S., Ch. 647, Secs. 7(a)  
23 (part), (b) (part).)

24           Sec. 1012.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
25 The board president shall execute the general obligation bonds in  
26 the district's name.

27           (b) The board secretary shall attest the bonds as provided

1 by Chapter 618, Government Code. (Acts 59th Leg., R.S., Ch. 647,  
2 Sec. 7(c) (part).)

3 Sec. 1012.205. REVENUE BONDS. (a) The board may issue and  
4 sell revenue bonds in the name and on the faith and credit of the  
5 district to:

6 (1) purchase, construct, acquire, repair, renovate,  
7 or equip buildings or improvements for hospitals and the hospital  
8 system; or

9 (2) acquire sites to be used for hospital purposes.

10 (b) The bonds must be payable from and secured by a pledge of  
11 all or part of the revenue derived from the operation of the  
12 district's hospital system.

13 (c) The bonds may be additionally secured by a mortgage or  
14 deed of trust on all or part of the district's property.

15 (d) The bonds must be issued in the manner provided by  
16 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
17 Code, for issuance of revenue bonds by a county hospital authority.  
18 (Acts 59th Leg., R.S., Ch. 647, Sec. 7(f).)

19 Sec. 1012.206. MATURITY OF BONDS. District bonds must  
20 mature not later than 40 years after the date of issuance. (Acts  
21 59th Leg., R.S., Ch. 647, Sec. 7(d) (part).)

22 Sec. 1012.207. BONDS EXEMPT FROM TAXATION. The following  
23 are exempt from taxation by this state or a political subdivision of  
24 this state:

25 (1) bonds issued by the district;

26 (2) the transfer and issuance of the bonds; and

27 (3) profits made in the sale of the bonds. (Acts 59th

1 Leg., R.S., Ch. 647, Sec. 10 (part).)

2 [Sections 1012.208-1012.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1012.251. IMPOSITION OF AD VALOREM TAXES. (a) The  
5 board may impose a tax on property in the district subject to  
6 district taxation.

7 (b) The tax may be used to pay:

8 (1) indebtedness issued or assumed by the district;

9 and

10 (2) the maintenance and operating expenses of the  
11 district.

12 (c) The district may not impose a tax to pay the principal of  
13 or interest on revenue bonds. (Acts 59th Leg., R.S., Ch. 647, Secs.  
14 3 (part), 13 (part), 16(a) (part).)

15 Sec. 1012.252. TAX RATE. (a) The board may impose the tax  
16 at a rate not to exceed the limit approved by the voters at the  
17 election authorizing the imposition of the tax.

18 (b) The tax rate for all purposes may not exceed 75 cents on  
19 each \$100 valuation of taxable property in the district.

20 (c) In setting the tax rate, the board shall consider the  
21 income of the district from sources other than taxation. (Acts 59th  
22 Leg., R.S., Ch. 647, Secs. 13 (part), 16(a) (part).)

23 Sec. 1012.253. TAX ASSESSOR-COLLECTOR. The board may  
24 provide for the appointment of a tax assessor-collector for the  
25 district or may contract for the assessment and collection of taxes  
26 as provided by the Tax Code. (Acts 59th Leg., R.S., Ch. 647, Sec.  
27 16(b) (part).)

1 [Sections 1012.254-1012.300 reserved for expansion]

2 SUBCHAPTER G. DISSOLUTION

3 Sec. 1012.301. DISSOLUTION; ELECTION. (a) The district  
4 may be dissolved only on approval of a majority of the district  
5 voters voting in an election held for that purpose.

6 (b) The board may order an election on the question of  
7 dissolving the district and disposing of the district's assets and  
8 obligations.

9 (c) The board shall order an election if the board receives  
10 a petition requesting an election that is signed by a number of  
11 residents of the district equal to at least 15 percent of the  
12 registered voters in the district.

13 (d) The order calling the election must state:

14 (1) the nature of the election, including the  
15 proposition to appear on the ballot;

16 (2) the date of the election;

17 (3) the hours during which the polls will be open; and

18 (4) the location of the polling places.

19 (e) Section 41.001(a), Election Code, does not apply to an  
20 election ordered under this section. (Acts 59th Leg., R.S., Ch.  
21 647, Secs. 21A(a), (b), (c) (part).)

22 Sec. 1012.302. NOTICE OF ELECTION. (a) The board shall  
23 give notice of an election under this subchapter by publishing once  
24 a week for two consecutive weeks a substantial copy of the election  
25 order in a newspaper with general circulation in the district.

26 (b) The first publication of the notice must appear not  
27 later than the 35th day before the date set for the election. (Acts

1 59th Leg., R.S., Ch. 647, Sec. 21A(d) (part).)

2       Sec. 1012.303. BALLOT. The ballot for an election under  
3 this subchapter must be printed to permit voting for or against the  
4 proposition: "The dissolution of the Childress County Hospital  
5 District." (Acts 59th Leg., R.S., Ch. 647, Sec. 21A(d) (part).)

6       Sec. 1012.304. ELECTION RESULTS. (a) If a majority of the  
7 votes in an election under this subchapter favor dissolution, the  
8 board shall find that the district is dissolved.

9       (b) If a majority of the votes in the election do not favor  
10 dissolution, the board shall continue to administer the district  
11 and another election on the question of dissolution may not be held  
12 before the first anniversary of the date of the most recent election  
13 to dissolve the district. (Acts 59th Leg., R.S., Ch. 647, Sec.  
14 21A(e).)

15       Sec. 1012.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

16 (a) If a majority of the votes in the election under this  
17 subchapter favor dissolution, the board shall:

18               (1) transfer the land, buildings, improvements,  
19 equipment, and other assets that belong to the district to  
20 Childress County or another governmental entity in Childress  
21 County;

22               (2) sell the assets and liabilities to another person;

23 or

24               (3) administer the property, assets, and debts until  
25 all money has been disposed of and all district debts have been paid  
26 or settled.

27       (b) If the board makes the transfer under Subsection (a)(1),

1 the county or entity assumes all debts and obligations of the  
2 district at the time of the transfer, and the district is dissolved.

3 (c) If Subsections (a)(1) and (2) do not apply and the board  
4 administers the property, assets, and debts under Subsection  
5 (a)(3), the district is dissolved when all money is disposed of and  
6 all district debts have been paid or settled. (Acts 59th Leg.,  
7 R.S., Ch. 647, Secs. 21A(f), (g), (m) (part).)

8 Sec. 1012.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

9 (a) The dissolution of the district and the sale or transfer of the  
10 district's assets or liabilities to another person may not  
11 contravene a trust indenture or bond resolution relating to the  
12 district's outstanding bonds. The dissolution and sale or transfer  
13 does not diminish or impair the rights of a holder of an outstanding  
14 bond, warrant, or other obligation of the district.

15 (b) The sale or transfer of the district's assets and  
16 liabilities must satisfy the debt and bond obligations of the  
17 district in a manner that protects the interests of the residents of  
18 the district, including the residents' collective property rights  
19 in the district's assets.

20 (c) The district may not transfer or dispose of the  
21 district's assets except for due compensation unless:

22 (1) the transfer is made to another governmental  
23 entity that serves the district; and

24 (2) the transferred assets are to be used for the  
25 benefit of the district's residents.

26 (d) A grant from federal funds is an obligation to be repaid  
27 in satisfaction. (Acts 59th Leg., R.S., Ch. 647, Secs. 21A(m))



1 (part), (n).)

2           Sec. 1012.307. IMPOSITION OF TAX AND RETURN OF SURPLUS  
3 TAXES. (a) After the board finds that the district is dissolved,  
4 the board shall:

5                   (1) determine the debt owed by the district; and

6                   (2) impose on the property included in the district's  
7 tax rolls a tax that is in proportion of the debt to the property  
8 value.

9           (b) On the payment of all outstanding debts and obligations  
10 of the district, the board shall order the secretary to return to  
11 each district taxpayer the taxpayer's pro rata share of all unused  
12 tax money.

13           (c) A taxpayer may request that the taxpayer's share of  
14 surplus tax money be credited to the taxpayer's county taxes. If a  
15 taxpayer requests the credit, the board shall direct the secretary  
16 to transmit the money to the county tax assessor-collector. (Acts  
17 59th Leg., R.S., Ch. 647, Secs. 21A(h), (i), (j).)

18           Sec. 1012.308. REPORT; DISSOLUTION ORDER. (a) After the  
19 district has paid all district debts and has disposed of all  
20 district money and other assets as prescribed by this subchapter,  
21 the board shall file a written report with the Commissioners Court  
22 of Childress County summarizing the board's actions in dissolving  
23 the district.

24           (b) Not later than the 10th day after the date the  
25 Commissioners Court of Childress County receives the report and  
26 determines that the requirements of this subchapter have been  
27 fulfilled, the commissioners court shall enter an order dissolving

1 the district and releasing the board from any further duty or  
2 obligation. (Acts 59th Leg., R.S., Ch. 647, Secs. 21A(k), (l).)

3 CHAPTER 1013. CASTRO COUNTY HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1013.001. DEFINITIONS

6 Sec. 1013.002. AUTHORITY FOR OPERATION

7 Sec. 1013.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL

8 SUBDIVISION

9 Sec. 1013.004. DISTRICT TERRITORY

10 Sec. 1013.005. CORRECTION OF INVALID PROCEDURES

11 [Sections 1013.006-1013.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1013.051. BOARD ELECTION; TERM

14 Sec. 1013.052. NOTICE OF ELECTION

15 Sec. 1013.053. QUALIFICATIONS FOR OFFICE

16 Sec. 1013.054. BOND; RECORD OF BOND AND OATH OR

17 AFFIRMATION OF OFFICE

18 Sec. 1013.055. BOARD VACANCY

19 Sec. 1013.056. OFFICERS

20 Sec. 1013.057. COMPENSATION; EXPENSES

21 Sec. 1013.058. VOTING REQUIREMENT

22 Sec. 1013.059. DISTRICT ADMINISTRATOR

23 Sec. 1013.060. GENERAL DUTIES OF DISTRICT

24 ADMINISTRATOR

25 Sec. 1013.061. EMPLOYEES

26 Sec. 1013.062. RECRUITMENT OF MEDICAL STAFF AND

27 EMPLOYEES

- 1 Sec. 1013.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF  
2 Sec. 1013.064. HEALTH CARE EDUCATIONAL PROGRAMS  
3 Sec. 1013.065. RETIREMENT BENEFITS  
4 Sec. 1013.066. LIABILITY INSURANCE; INDEMNIFICATION  
5 Sec. 1013.067. MAINTENANCE OF RECORDS; PUBLIC  
6 INSPECTION  
7 Sec. 1013.068. SEAL  
8 [Sections 1013.069-1013.100 reserved for expansion]  
9 SUBCHAPTER C. POWERS AND DUTIES  
10 Sec. 1013.101. DISTRICT RESPONSIBILITY  
11 Sec. 1013.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
12 TAXATION  
13 Sec. 1013.103. MANAGEMENT AND CONTROL  
14 Sec. 1013.104. HOSPITAL SYSTEM  
15 Sec. 1013.105. RULES  
16 Sec. 1013.106. PURCHASING AND ACCOUNTING PROCEDURES  
17 Sec. 1013.107. MOBILE EMERGENCY MEDICAL SERVICE  
18 Sec. 1013.108. DISTRICT PROPERTY, FACILITIES, AND  
19 EQUIPMENT  
20 Sec. 1013.109. EMINENT DOMAIN  
21 Sec. 1013.110. GIFTS AND ENDOWMENTS  
22 Sec. 1013.111. CONTRACTS FOR CARE AND TREATMENT  
23 Sec. 1013.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
24 FOR INVESTIGATORY OR OTHER SERVICES  
25 Sec. 1013.113. PROVISION OF SERVICES OUTSIDE DISTRICT  
26 Sec. 1013.114. JOINT ADMINISTRATION OR DELIVERY OF  
27 HEALTH CARE SERVICES

- 1 Sec. 1013.115. PAYMENT FOR TREATMENT; PROCEDURES  
2 Sec. 1013.116. REIMBURSEMENT FOR SERVICES  
3 Sec. 1013.117. NONPROFIT CORPORATION  
4 Sec. 1013.118. AUTHORITY TO SUE AND BE SUED  
5 [Sections 1013.119-1013.150 reserved for expansion]  
6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
7 Sec. 1013.151. BUDGET  
8 Sec. 1013.152. PROPOSED BUDGET: NOTICE AND HEARING  
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10 Sec. 1013.154. ANNUAL AUDIT  
11 Sec. 1013.155. DEPOSITORY OR TREASURER  
12 Sec. 1013.156. AUTHORITY TO BORROW MONEY; SECURITY  
13 [Sections 1013.157-1013.200 reserved for expansion]  
14 SUBCHAPTER E. BONDS  
15 Sec. 1013.201. GENERAL OBLIGATION BONDS  
16 Sec. 1013.202. TAX TO PAY GENERAL OBLIGATION BONDS  
17 Sec. 1013.203. GENERAL OBLIGATION BOND ELECTION  
18 Sec. 1013.204. MATURITY OF GENERAL OBLIGATION BONDS  
19 Sec. 1013.205. EXECUTION OF GENERAL OBLIGATION BONDS  
20 Sec. 1013.206. REVENUE BONDS  
21 Sec. 1013.207. REFUNDING BONDS  
22 Sec. 1013.208. BONDS EXEMPT FROM TAXATION  
23 [Sections 1013.209-1013.250 reserved for expansion]  
24 SUBCHAPTER F. TAXES  
25 Sec. 1013.251. IMPOSITION OF AD VALOREM TAX  
26 Sec. 1013.252. TAX RATE  
27 Sec. 1013.253. TAX ASSESSOR-COLLECTOR

[Sections 1013.254-1013.300 reserved for expansion]

SUBCHAPTER G. DISSOLUTION

Sec. 1013.301. DISSOLUTION; ELECTION

Sec. 1013.302. NOTICE OF ELECTION

Sec. 1013.303. BALLOT

Sec. 1013.304. ELECTION RESULTS

Sec. 1013.305. TRANSFER OR ADMINISTRATION OF ASSETS

Sec. 1013.306. SALE OR TRANSFER OF ASSETS AND

LIABILITIES

Sec. 1013.307. IMPOSITION OF TAX AND RETURN OF SURPLUS

TAXES

Sec. 1013.308. REPORT; DISSOLUTION ORDER

CHAPTER 1013. CASTRO COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1013.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Castro County Hospital District. (New.)

Sec. 1013.002. AUTHORITY FOR OPERATION. The district operates under the authority of and has the powers and responsibilities provided by Section 11, Article IX, Texas Constitution. (Acts 57th Leg., R.S., Ch. 103, Sec. 1 (part).)

Sec. 1013.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL SUBDIVISION. The district is:

(1) a public entity performing an essential public

1 function; and

2 (2) a political subdivision of this state. (Acts 57th  
3 Leg., R.S., Ch. 103, Secs. 6A(c) (part), 18 (part).)

4 Sec. 1013.004. DISTRICT TERRITORY. The boundaries of the  
5 district are coextensive with the boundaries of Castro County.  
6 (Acts 57th Leg., R.S., Ch. 103, Sec. 1 (part).)

7 Sec. 1013.005. CORRECTION OF INVALID PROCEDURES. If a  
8 court holds that any procedure under this chapter violates the  
9 constitution of this state or of the United States, the district by  
10 resolution may provide an alternative procedure that conforms with  
11 the constitution. (Acts 57th Leg., R.S., Ch. 103, Sec. 19 (part).)

12 [Sections 1013.006-1013.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1013.051. BOARD ELECTION; TERM. (a) The board  
15 consists of five directors elected from the district at large.

16 (b) Directors serve staggered three-year terms.

17 (c) An election shall be held on the uniform election date  
18 in May of each year to elect the appropriate number of directors.  
19 (Acts 57th Leg., R.S., Ch. 103, Secs. 3(a) (part), (e) (part).)

20 Sec. 1013.052. NOTICE OF ELECTION. Not earlier than the  
21 30th day or later than the 10th day before the date of an election of  
22 directors, notice of the election shall be published one time in a  
23 newspaper of general circulation in Castro County. (Acts 57th  
24 Leg., R.S., Ch. 103, Sec. 3(e) (part).)

25 Sec. 1013.053. QUALIFICATIONS FOR OFFICE. (a) A person may  
26 not be elected or appointed as a director unless the person is:

27 (1) a district resident; and

1           (2) at least 21 years of age.

2           (b) An employee or medical staff member of the district may  
3 not serve as a director. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(b)  
4 (part).)

5           Sec. 1013.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
6 OF OFFICE. (a) Each director shall execute a good and sufficient  
7 bond for \$1,000 that is:

8           (1) payable to the district; and

9           (2) conditioned on the faithful performance of the  
10 director's duties.

11          (b) The district may pay for the directors' bonds with  
12 district money.

13          (c) Each director's bond and constitutional oath or  
14 affirmation of office shall be deposited with the district's  
15 depository bank for safekeeping. (Acts 57th Leg., R.S., Ch. 103,  
16 Sec. 3(c) (part).)

17          Sec. 1013.055. BOARD VACANCY. (a) If a vacancy occurs in  
18 the office of director, the remaining directors shall appoint a  
19 director for the unexpired term.

20          (b) If the number of directors is reduced to fewer than  
21 three for any reason, the remaining directors shall immediately  
22 call a special election to fill the vacancies. If the remaining  
23 directors do not call the election, a district court, on  
24 application of a district voter or taxpayer, may order the  
25 directors to hold the election. (Acts 57th Leg., R.S., Ch. 103,  
26 Sec. 3(d) (part).)

27          Sec. 1013.056. OFFICERS. The board shall elect from among

1 its members a president, vice president, and secretary. (Acts 57th  
2 Leg., R.S., Ch. 103, Sec. 3(d) (part).)

3 Sec. 1013.057. COMPENSATION; EXPENSES. A director serves  
4 without compensation but may be reimbursed for actual expenses  
5 incurred in the performance of official duties on approval of the  
6 expenses by the entire board. (Acts 57th Leg., R.S., Ch. 103, Sec.  
7 4 (part).)

8 Sec. 1013.058. VOTING REQUIREMENT. A concurrence of three  
9 directors is sufficient in any matter relating to district  
10 business. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(d) (part).)

11 Sec. 1013.059. DISTRICT ADMINISTRATOR. (a) The board may  
12 appoint a qualified person as district administrator.

13 (b) The district administrator serves at the will of the  
14 board and receives the compensation determined by the board. (Acts  
15 57th Leg., R.S., Ch. 103, Sec. 8(b) (part).)

16 Sec. 1013.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
17 Subject to the limitations prescribed by the board, the district  
18 administrator shall:

19 (1) supervise the work and activities of the district;  
20 and

21 (2) direct the general affairs of the district. (Acts  
22 57th Leg., R.S., Ch. 103, Sec. 8(b) (part).)

23 Sec. 1013.061. EMPLOYEES. (a) The board may employ a  
24 general manager, attorney, bookkeeper, and architect.

25 (b) The board may employ technicians, nurses, fiscal  
26 agents, accountants, and other necessary employees.

27 (c) The board may delegate to the district administrator the



1 authority to hire employees under Subsection (b). (Acts 57th Leg.,  
2 R.S., Ch. 103, Secs. 8(a) (part), (c) (part).)

3 Sec. 1013.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

4 The board may spend district money, enter into agreements, and take  
5 other necessary action to recruit physicians and other persons to  
6 serve as medical staff members or district employees, including:

7 (1) advertising and marketing;

8 (2) paying travel, recruitment, and relocation  
9 expenses;

10 (3) providing a loan or scholarship to a physician or a  
11 person who:

12 (A) is currently enrolled in health care  
13 education courses at an institution of higher education; and

14 (B) contractually agrees to become a district  
15 employee or medical staff member; and

16 (4) providing on a rent-free basis or subsidizing the  
17 cost of office space or other facilities for a health care  
18 professional, including a physician. (Acts 57th Leg., R.S., Ch.  
19 103, Sec. 8A(j).)

20 Sec. 1013.063. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

21 (a) The board may appoint to or remove from the medical staff any  
22 doctors as necessary for the efficient operation of the district  
23 and may make temporary appointments as necessary.

24 (b) The board may adopt policies relating to the appointment  
25 and removal of medical staff members. (Acts 57th Leg., R.S., Ch.  
26 103, Sec. 8(d) (part).)

27 Sec. 1013.064. HEALTH CARE EDUCATIONAL PROGRAMS. The

1 board may spend district money, enter into an agreement, or take  
2 other necessary action to conduct, participate in, or assist in  
3 providing health care educational programs for current or  
4 prospective medical staff members or employees of the district.  
5 (Acts 57th Leg., R.S., Ch. 103, Sec. 8A(k).)

6 Sec. 1013.065. RETIREMENT BENEFITS. The board may provide  
7 retirement benefits for district employees by:

8 (1) establishing or administering a retirement  
9 program; or

10 (2) participating in:

11 (A) the Texas County and District Retirement  
12 System; or

13 (B) another statewide retirement system in which  
14 the district is eligible to participate. (Acts 57th Leg., R.S., Ch.  
15 103, Sec. 8A(1).)

16 Sec. 1013.066. LIABILITY INSURANCE; INDEMNIFICATION. (a)  
17 The board may defend or indemnify an officer, director, board  
18 appointee, medical staff member, or district employee against or  
19 from a claim, expense, or liability arising from duties performed  
20 in that capacity.

21 (b) The board may purchase liability insurance coverage or  
22 establish a self-insurance program to fund an indemnity obligation  
23 under this section. (Acts 57th Leg., R.S., Ch. 103, Sec. 4 (part).)

24 Sec. 1013.067. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
25 Except as provided by Section 1013.054, all district records,  
26 including books, accounts, notices, minutes, and all other matters  
27 of the district and the operation of its facilities, shall be:

1           (1) maintained at the district office; and  
2           (2) open to public inspection at the district office  
3 at all reasonable hours. (Acts 57th Leg., R.S., Ch. 103, Sec.  
4 8(e).)

5           Sec. 1013.068. SEAL. The board may adopt a seal for the  
6 district. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(a) (part).)

7           [Sections 1013.069-1013.100 reserved for expansion]

8                           SUBCHAPTER C. POWERS AND DUTIES

9           Sec. 1013.101. DISTRICT RESPONSIBILITY. The district has  
10 full responsibility for providing medical and hospital care for the  
11 district's needy and indigent residents. (Acts 57th Leg., R.S.,  
12 Ch. 103, Sec. 13 (part).)

13           Sec. 1013.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
14 TAXATION. Castro County or a municipality in Castro County may not  
15 impose a tax for hospital purposes. (Acts 57th Leg., R.S., Ch. 103,  
16 Sec. 13 (part).)

17           Sec. 1013.103. MANAGEMENT AND CONTROL. The management and  
18 control of the district is vested in the board. (Acts 57th Leg.,  
19 R.S., Ch. 103, Sec. 4 (part).)

20           Sec. 1013.104. HOSPITAL SYSTEM. (a) The district may  
21 provide for the establishment of a hospital or hospital system to  
22 provide medical and hospital care to the district's needy  
23 residents.

24           (b) The hospital system may include:

25                   (1) facilities and equipment for domiciliary care and  
26 treatment of sick, injured, or geriatric patients;

27                   (2) outpatient clinics;

1           (3) convalescent home facilities;  
2           (4) physicians' offices; and  
3           (5) any other facilities or equipment the board  
4 considers necessary for hospital purposes. (Acts 57th Leg., R.S.,  
5 Ch. 103, Secs. 2 (part), 8A(a) (part).)

6           Sec. 1013.105. RULES. (a) The board may adopt rules  
7 governing the operation of the district, including district  
8 facilities.

9           (b) On approval by the board, the rules may be published in  
10 booklet form at district expense and made available to any taxpayer  
11 on request. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(f).)

12           Sec. 1013.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
13 The board may prescribe the method and manner of making purchases  
14 and expenditures by and for the district.

15           (b) The board shall prescribe:

16           (1) all accounting and control procedures; and  
17           (2) the method of purchasing necessary supplies,  
18 materials, and equipment. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(a)  
19 (part).)

20           Sec. 1013.107. MOBILE EMERGENCY MEDICAL SERVICE. The  
21 district may operate or provide for the operation of a mobile  
22 emergency medical service as part of the hospital system. (Acts  
23 57th Leg., R.S., Ch. 103, Sec. 8A(a) (part).)

24           Sec. 1013.108. DISTRICT PROPERTY, FACILITIES, AND  
25 EQUIPMENT. (a) The board shall determine:

26           (1) the type, number, and location of facilities  
27 required to maintain an adequate hospital system; and

1           (2) the type of equipment necessary for hospital care.

2           (b) The board may:

3           (1) acquire, construct, repair, or renovate property,  
4 including facilities or equipment, for the district for use in the  
5 hospital system; and

6           (2) mortgage or pledge the property as security for  
7 the payment of the purchase price.

8           (c) The board may lease hospital facilities for the  
9 district.

10          (d) The board may sell or otherwise dispose of property,  
11 including facilities or equipment, for the district.

12          (e) The district may operate any facility covered by this  
13 section or contract with any person to operate the facility. (Acts  
14 57th Leg., R.S., Ch. 103, Secs. 8A(a) (part), (b), (c), (d), (e).)

15          Sec. 1013.109. EMINENT DOMAIN. (a) The district may  
16 exercise the power of eminent domain to acquire a fee simple or  
17 other interest in any type of property, real, personal, or mixed,  
18 located in district territory, if the interest is necessary or  
19 convenient for the district to exercise a right, power, privilege,  
20 or function conferred on the district by this chapter.

21          (b) The district must exercise the power of eminent domain  
22 in the manner provided by Chapter 21, Property Code, except the  
23 district is not required to deposit in the trial court money or a  
24 bond as provided by Section 21.021(a), Property Code.

25          (c) In a condemnation proceeding brought by the district,  
26 the district is not required to:

27           (1) pay in advance or provide a bond or other security

1 for costs in the trial court;

2 (2) provide a bond for the issuance of a temporary  
3 restraining order or a temporary injunction; or

4 (3) provide a bond for costs or a supersedeas bond on  
5 an appeal or writ of error. (Acts 57th Leg., R.S., Ch. 103, Sec.  
6 10.)

7 Sec. 1013.110. GIFTS AND ENDOWMENTS. The board may accept  
8 for the district a gift or endowment to be held in trust and  
9 administered by the board for the purposes and under the  
10 directions, limitations, or provisions prescribed in writing by the  
11 donor that are not inconsistent with the proper management and  
12 objectives of the district. (Acts 57th Leg., R.S., Ch. 103, Sec.  
13 16.)

14 Sec. 1013.111. CONTRACTS FOR CARE AND TREATMENT. (a) The  
15 board may contract with a hospital, hospital authority, or  
16 political subdivision of this state located outside the district's  
17 boundaries to reimburse the district for the care and treatment of a  
18 sick or injured person of that entity.

19 (b) The board may contract with this state or a federal  
20 agency for the state or agency to reimburse the district for the  
21 treatment of a sick or injured person. (Acts 57th Leg., R.S., Ch.  
22 103, Sec. 8A(g) (part).)

23 Sec. 1013.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
24 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
25 political subdivision or governmental agency to provide  
26 investigatory or other services related to facilities for the  
27 medical care, hospital, or welfare needs of district inhabitants.

1 (Acts 57th Leg., R.S., Ch. 103, Sec. 8A(g) (part).)

2       Sec. 1013.113. PROVISION OF SERVICES OUTSIDE DISTRICT.  
3 Subject to board approval the district may provide primary care,  
4 emergency services, preventative medical services, and other  
5 health-related services outside the district, provided that the  
6 services serve the purpose of the district as established by this  
7 chapter. (Acts 57th Leg., R.S., Ch. 103, Sec. 8A(f).)

8       Sec. 1013.114. JOINT ADMINISTRATION OR DELIVERY OF HEALTH  
9 CARE SERVICES. (a) To provide joint administration or delivery of  
10 health care services, the district may contract with, affiliate  
11 with, or enter into another arrangement with:

- 12               (1) a managed care system;  
13               (2) a preferred provider organization;  
14               (3) a health maintenance organization;  
15               (4) another provider of an alternative health care or  
16 delivery system; or  
17               (5) a private hospital.

18       (b) The district may spend district money to establish and  
19 maintain a partnership, corporation, or other entity involved in  
20 the delivery of health care services. (Acts 57th Leg., R.S., Ch.  
21 103, Sec. 8A(h).)

22       Sec. 1013.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
23 When a patient who resides in Castro County is admitted to a  
24 district facility, the board shall have an inquiry made into the  
25 circumstances of:

- 26               (1) the patient; and  
27               (2) the patient's relatives who are legally liable for

1 the patient's support.

2 (b) If an agent designated by the district to handle the  
3 inquiry determines that the patient or those relatives cannot pay  
4 all or part of the costs of the patient's care and treatment in the  
5 hospital, the amount of the costs that cannot be paid becomes a  
6 charge against the district.

7 (c) If it is determined that the patient or those relatives  
8 are liable to pay for all or part of the costs of the patient's care  
9 and treatment, the patient or those relatives shall be ordered to  
10 pay to the district's treasurer a specified amount each week for the  
11 patient's support. The amount ordered must be proportionate to the  
12 person's financial ability and may not exceed the actual per capita  
13 cost of maintenance.

14 (d) The district may collect the amount from the patient's  
15 estate, or from any relative who is legally liable for the patient's  
16 support, in the manner provided by law for the collection of  
17 expenses of the last illness of a deceased person.

18 (e) If there is a dispute as to the ability to pay, or doubt  
19 in the mind of the district's designated agent, the board shall hold  
20 a hearing and, after calling witnesses, shall:

21 (1) resolve the dispute or doubt; and

22 (2) issue an appropriate order.

23 (f) Either party to the dispute may appeal the order to the  
24 district court. (Acts 57th Leg., R.S., Ch. 103, Sec. 14.)

25 Sec. 1013.116. REIMBURSEMENT FOR SERVICES. (a) The board  
26 shall require a county, municipality, or public hospital located  
27 outside the district to reimburse the district for the district's



1 care and treatment of a sick or injured person for whom that county,  
2 municipality, or public hospital has an obligation to provide care,  
3 as provided by Chapter 61, Health and Safety Code.

4 (b) The board shall seek reimbursement under Article  
5 104.002, Code of Criminal Procedure, for the district's care and  
6 treatment of a person who is confined in a Castro County jail  
7 facility and is not a district resident. (Acts 57th Leg., R.S., Ch.  
8 103, Secs. 14A(a) (part), (b).)

9 Sec. 1013.117. NONPROFIT CORPORATION. (a) The district  
10 may create and sponsor a nonprofit corporation under the Business  
11 Organizations Code and may contribute money to or solicit money for  
12 the corporation.

13 (a-1) On or before December 31, 2009, the district may  
14 create and sponsor a nonprofit corporation under the Texas  
15 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
16 Texas Civil Statutes) or the Business Organizations Code, as  
17 applicable, and may contribute money to or solicit money for the  
18 corporation.

19 (b) The corporation may use money, other than money the  
20 corporation pays to the district, only to provide health care or  
21 other services the district is authorized to provide under this  
22 chapter.

23 (c) The corporation may invest the corporation's money in  
24 any manner in which the district may invest the district's money,  
25 including investing money as authorized by Chapter 2256, Government  
26 Code.

27 (d) The board shall establish controls to ensure that the

1 corporation uses its money as required by this section.

2 (e) This subsection and Subsection (a-1) expire December  
3 31, 2009. (Acts 57th Leg., R.S., Ch. 103, Sec. 8A(i).)

4 Sec. 1013.118. AUTHORITY TO SUE AND BE SUED. As a  
5 governmental agency, the district may sue and be sued in its own  
6 name in any court of this state. (Acts 57th Leg., R.S., Ch. 103,  
7 Sec. 18 (part).)

8 [Sections 1013.119-1013.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 1013.151. BUDGET. The board annually shall require a  
11 budget to be prepared for the next fiscal year that includes:

- 12 (1) proposed expenditures and disbursements;  
13 (2) estimated receipts and collections; and  
14 (3) the amount of taxes required to be imposed for the  
15 year. (Acts 57th Leg., R.S., Ch. 103, Sec. 9(b) (part).)

16 Sec. 1013.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
17 The board shall hold a public hearing on the proposed budget.

18 (b) Notice of the hearing must be published at least once in  
19 a newspaper of general circulation in Castro County not later than  
20 the 10th day before the date of the hearing.

21 (c) Any district taxpayer is entitled to:

22 (1) appear at the time and place designated in the  
23 notice; and

24 (2) be heard regarding any item included in the  
25 proposed budget. (Acts 57th Leg., R.S., Ch. 103, Sec. 9(b) (part).)

26 Sec. 1013.153. FISCAL YEAR. The district operates on a  
27 fiscal year established by the board. (Acts 57th Leg., R.S., Ch.

1 103, Sec. 9(a) (part).)

2           Sec. 1013.154. ANNUAL AUDIT. (a) The board annually shall  
3 have an independent audit made of the district's books and records  
4 for the fiscal year.

5           (b) Not later than December 31 each year, the audit shall be  
6 filed:

7                 (1) with the comptroller; and

8                 (2) at the district office. (Acts 57th Leg., R.S., Ch.  
9 103, Sec. 9(a) (part).)

10           Sec. 1013.155. DEPOSITORY OR TREASURER. (a) The board by  
11 resolution shall designate a bank or banks in Castro County as the  
12 district's depository or treasurer. A designated bank serves for  
13 three years and until a successor is designated.

14           (b) All district money shall be secured in the manner  
15 provided for securing county funds. (Acts 57th Leg., R.S., Ch. 103,  
16 Sec. 11.)

17           Sec. 1013.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
18 The board may borrow money for district purposes on district credit  
19 or secured by district revenue. The rate may not exceed the maximum  
20 annual percentage rate allowed by law for district obligations at  
21 the time the loan is made.

22           (b) To secure a loan, the board may pledge:

23                 (1) district revenue that is not pledged to pay the  
24 district's bonded indebtedness;

25                 (2) a district tax to be imposed by the district in the  
26 next 12-month period that is not pledged to pay the principal of or  
27 interest on district bonds; or

1           (3) district bonds that have been authorized but not  
2 sold.

3           (c) A loan for which taxes or bonds are pledged must mature  
4 not later than the first anniversary of the date the loan is made. A  
5 loan for which district revenue is pledged must mature not later  
6 than the fifth anniversary of the date the loan is made. (Acts 57th  
7 Leg., R.S., Ch. 103, Secs. 6B (part), 16A.)

8           [Sections 1013.157-1013.200 reserved for expansion]

9   SUBCHAPTER E. BONDS

10           Sec. 1013.201. GENERAL OBLIGATION BONDS. The board may  
11 issue and sell general obligation bonds in the name and on the faith  
12 and credit of the district for any purpose relating to:

13                   (1) the purchase, construction, acquisition, repair,  
14 or renovation of buildings or improvements; and

15                   (2) equipping buildings or improvements for hospital  
16 purposes. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(a).)

17           Sec. 1013.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
18 the time general obligation bonds are issued by the district under  
19 Section 1013.201, the board shall impose an ad valorem tax at a rate  
20 sufficient to create an interest and sinking fund to pay the  
21 principal of and interest on the bonds as the bonds mature.

22           (b) The tax required by this section together with any other  
23 ad valorem tax the district imposes may not in any year exceed 75  
24 cents on each \$100 valuation of all taxable property in the  
25 district. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(b) (part).)

26           Sec. 1013.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
27 district may issue general obligation bonds only if the bonds are

1 authorized by a majority of the district voters voting at an  
2 election held for that purpose.

3 (b) The board may order the election on its own motion.

4 (c) The order calling the election must specify:

5 (1) the location of the polling places;

6 (2) the presiding election officers;

7 (3) the purpose of the bond issuance;

8 (4) the amount of the bonds to be authorized;

9 (5) the maximum interest rate of the bonds; and

10 (6) the maximum maturity of the bonds.

11 (d) Notice of a bond election shall be given by publishing a  
12 substantial copy of the order calling the election in a newspaper of  
13 general circulation in Castro County once a week for two  
14 consecutive weeks before the date of the election. The first  
15 publication must occur at least 14 days before the date of the  
16 election. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(d) (part).)

17 Sec. 1013.204. MATURITY OF GENERAL OBLIGATION BONDS.  
18 District general obligation bonds must mature not later than 40  
19 years after the date of issuance. (Acts 57th Leg., R.S., Ch. 103,  
20 Sec. 6(d) (part).)

21 Sec. 1013.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
22 The board president shall execute the general obligation bonds in  
23 the district's name.

24 (b) The board secretary shall countersign the bonds. (Acts  
25 57th Leg., R.S., Ch. 103, Sec. 6(c) (part).)

26 Sec. 1013.206. REVENUE BONDS. (a) The board may issue  
27 revenue bonds in the name and on the faith and credit of the

1 district to:

2 (1) purchase, construct, acquire, repair, or renovate  
3 buildings or improvements;

4 (2) equip buildings or improvements for hospital  
5 purposes; or

6 (3) acquire real property for hospital purposes.

7 (b) The bonds must be payable from and secured by a pledge of  
8 all or part of the revenue derived from the operation of the  
9 district's hospital system.

10 (c) The bonds may be additionally secured by a mortgage or  
11 deed of trust on all or part of district property.

12 (d) The bonds must be issued in the manner provided by  
13 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
14 Code, for issuance of revenue bonds by a county hospital authority.  
15 (Acts 57th Leg., R.S., Ch. 103, Sec. 6A(d).)

16 Sec. 1013.207. REFUNDING BONDS. (a) The board may, without  
17 an election, issue refunding bonds to refund outstanding bonds  
18 issued or assumed by the district.

19 (b) A refunding bond may be:

20 (1) sold, with the proceeds of the refunding bonds  
21 applied to the payment of the bonds to be refunded; or

22 (2) exchanged wholly or partly for not less than a  
23 similar amount of outstanding bonds and the unpaid matured interest  
24 on the bonds. (Acts 57th Leg., R.S., Ch. 103, Secs. 6(d) (part),  
25 (e) (part).)

26 Sec. 1013.208. BONDS EXEMPT FROM TAXATION. The following  
27 are exempt from taxation by this state or a political subdivision of

1 this state:

- 2 (1) bonds issued by the district;
- 3 (2) any transaction relating to the bonds; and
- 4 (3) profits made in the sale of the bonds. (Acts 57th
- 5 Leg., R.S., Ch. 103, Sec. 6A(c) (part).)

6 [Sections 1013.209-1013.250 reserved for expansion]

7 SUBCHAPTER F. TAXES

8 Sec. 1013.251. IMPOSITION OF AD VALOREM TAX. (a) On final

9 approval of the annual budget, the board may impose a tax on all

10 property in the district subject to district taxation.

11 (b) The tax may be used to pay:

- 12 (1) indebtedness issued or assumed by the district;
- 13 and
- 14 (2) the maintenance and operating expenses of the
- 15 district.

16 (c) The district may not impose a tax to pay the principal of

17 or interest on revenue bonds issued by the district. (Acts 57th

18 Leg., R.S., Ch. 103, Secs. 5A(a), (b) (part), (c) (part), (d), (e),

19 9(b) (part).)

20 Sec. 1013.252. TAX RATE. (a) The board may impose the tax

21 at a rate not to exceed the limit approved by the voters at the

22 election authorizing the imposition of the tax.

23 (b) The tax rate for all purposes may not exceed 75 cents on

24 each \$100 valuation of all taxable property in the district. (Acts

25 57th Leg., R.S., Ch. 103, Secs. 5A(b) (part), (c), 6(b) (part).)

26 Sec. 1013.253. TAX ASSESSOR-COLLECTOR. (a) The board may

27 provide for the appointment of a tax assessor-collector for the

1 district or may contract for the assessment and collection of taxes  
2 as provided by the Tax Code.

3 (b) The tax assessor-collector shall assess and collect  
4 taxes imposed by the district. (Acts 57th Leg., R.S., Ch. 103,  
5 Secs. 5A(g), 9(b) (part).)

6 [Sections 1013.254-1013.300 reserved for expansion]

7 SUBCHAPTER G. DISSOLUTION

8 Sec. 1013.301. DISSOLUTION; ELECTION. (a) The district  
9 may be dissolved only on approval of a majority of the district  
10 voters voting in an election held for that purpose.

11 (b) The board may order an election on the question of  
12 dissolving the district and disposing of the district's assets and  
13 obligations.

14 (c) The board shall order an election if the board receives  
15 a petition requesting an election that is signed by a number of  
16 district residents equal to at least 15 percent of the registered  
17 voters in the district.

18 (d) The order calling the election must state:

19 (1) the nature of the election, including the  
20 proposition to appear on the ballot;

21 (2) the date of the election;

22 (3) the hours during which the polls will be open; and

23 (4) the location of the polling places.

24 (e) Section 41.001(a), Election Code, does not apply to an  
25 election ordered under this section. (Acts 57th Leg., R.S., Ch.  
26 103, Secs. 21(a), (b), (c), (d) (part).)

27 Sec. 1013.302. NOTICE OF ELECTION. (a) The board shall



1 give notice of an election under this subchapter by publishing once  
2 a week for two consecutive weeks the election order in a newspaper  
3 with general circulation in the district.

4 (b) The first publication of the notice must appear not  
5 later than the 35th day before the date set for the election. (Acts  
6 57th Leg., R.S., Ch. 103, Sec. 21(e) (part).)

7 Sec. 1013.303. BALLOT. The ballot for an election under  
8 this subchapter must be printed to permit voting for or against the  
9 proposition: "The dissolution of the Castro County Hospital  
10 District." (Acts 57th Leg., R.S., Ch. 103, Sec. 21(e) (part).)

11 Sec. 1013.304. ELECTION RESULTS. (a) If a majority of the  
12 votes in an election under this subchapter favor dissolution, the  
13 board shall find that the district is dissolved.

14 (b) If a majority of the votes in the election do not favor  
15 dissolution, the board shall continue to administer the district  
16 and another election on the question of dissolution may not be held  
17 before the first anniversary of the date of the most recent election  
18 to dissolve the district. (Acts 57th Leg., R.S., Ch. 103, Sec.  
19 21(f).)

20 Sec. 1013.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
21 If a majority of the votes in the election held under this  
22 subchapter favor dissolution, the board shall:

23 (1) transfer the land, buildings, improvements,  
24 equipment, and other assets that belong to the district to Castro  
25 County or another governmental agency in Castro County; or

26 (2) administer the property, assets, and debts until  
27 all money has been disposed of and all district debts have been paid

1 or settled.

2 (b) If the board makes the transfer under Subsection (a)(1),  
3 the county or agency assumes all debts and obligations of the  
4 district at the time of the transfer, and the district is dissolved.  
5 (Acts 57th Leg., R.S., Ch. 103, Secs. 21(g), (h).)

6 Sec. 1013.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

7 (a) The district may not be dissolved unless the board provides for  
8 the sale or transfer of the district's assets and liabilities to  
9 another person.

10 (b) The dissolution of the district and the sale or transfer  
11 of the district's assets or liabilities may not contravene a trust  
12 indenture or bond resolution relating to the district's outstanding  
13 bonds. The dissolution and sale or transfer does not diminish or  
14 impair the rights of a holder of an outstanding bond, warrant, or  
15 other obligation of the district.

16 (c) The sale or transfer of the district's assets and  
17 liabilities must satisfy the debt and bond obligations of the  
18 district in a manner that protects the interests of district  
19 residents, including the residents' collective property rights in  
20 the district's assets.

21 (d) The district may not transfer or dispose of the  
22 district's assets except for due compensation unless:

23 (1) the transfer is made to another governmental  
24 agency that serves the district; and

25 (2) the transferred assets are to be used for the  
26 benefit of the district's residents.

27 (e) A grant from federal funds is an obligation to be repaid

1 in satisfaction. (Acts 57th Leg., R.S., Ch. 103, Secs. 21(n), (o).)

2           Sec. 1013.307. IMPOSITION OF TAX AND RETURN OF SURPLUS  
3 TAXES. (a) After the board finds that the district is dissolved,  
4 the board shall:

5                   (1) determine the debt owed by the district; and

6                   (2) impose on the property included in the district's  
7 tax rolls a tax that is in proportion of the debt to the property  
8 value.

9           (b) On the payment of all outstanding debts and obligations  
10 of the district, the board shall order the secretary to return to  
11 each district taxpayer the taxpayer's pro rata share of all unused  
12 tax money.

13           (c) A taxpayer may request that the taxpayer's share of  
14 surplus tax money be credited to the taxpayer's county taxes. If a  
15 taxpayer requests the credit, the board shall direct the secretary  
16 to transmit the money to the county tax assessor-collector. (Acts  
17 57th Leg., R.S., Ch. 103, Secs. 21(i), (j), (k).)

18           Sec. 1013.308. REPORT; DISSOLUTION ORDER. (a) After the  
19 district has paid all its debts and has disposed of all its money  
20 and other assets as prescribed by this subchapter, the board shall  
21 file a written report with the Commissioners Court of Castro County  
22 summarizing the board's actions in dissolving the district.

23           (b) Not later than the 10th day after the date the  
24 Commissioners Court of Castro County receives the report and  
25 determines that the requirements of this subchapter have been  
26 fulfilled, the commissioners court shall enter an order dissolving  
27 the district and releasing the board from any further duty or

1 obligation. (Acts 57th Leg., R.S., Ch. 103, Secs. 21(1), (m).)

2 CHAPTER 1014. COLLINGSWORTH COUNTY HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1014.001. DEFINITIONS

5 Sec. 1014.002. AUTHORITY FOR CREATION

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10 Sec. 1014.006. RESTRICTION ON STATE FINANCIAL

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12 [Sections 1014.007-1014.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1014.051. BOARD ELECTION; TERM

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3 SERVICES  
4 Sec. 1014.064. RETIREMENT PROGRAM  
5 [Sections 1014.065-1014.100 reserved for expansion]  
6 SUBCHAPTER C. POWERS AND DUTIES  
7 Sec. 1014.101. DISTRICT RESPONSIBILITY  
8 Sec. 1014.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
9 TAXATION AND DEBT  
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17 Sec. 1014.110. CONTRACTS WITH GOVERNMENTAL ENTITIES  
18 FOR CARE AND TREATMENT  
19 Sec. 1014.111. PAYMENT FOR TREATMENT; PROCEDURES  
20 Sec. 1014.112. AUTHORITY TO SUE AND BE SUED  
21 [Sections 1014.113-1014.150 reserved for expansion]  
22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
23 Sec. 1014.151. BUDGET  
24 Sec. 1014.152. NOTICE; HEARING; ADOPTION OF BUDGET  
25 Sec. 1014.153. AMENDMENTS TO BUDGET  
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27 Sec. 1014.155. FISCAL YEAR

1 Sec. 1014.156. ANNUAL AUDIT

2 Sec. 1014.157. FINANCIAL REPORT

3 Sec. 1014.158. DEPOSITORY

4 [Sections 1014.159-1014.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1014.201. GENERAL OBLIGATION BONDS

7 Sec. 1014.202. TAX TO PAY GENERAL OBLIGATION BONDS

8 Sec. 1014.203. GENERAL OBLIGATION BOND ELECTION

9 Sec. 1014.204. EXECUTION OF GENERAL OBLIGATION BONDS

10 Sec. 1014.205. REVENUE OR SPECIAL OBLIGATION BONDS

11 Sec. 1014.206. CHARGES FOR SERVICES RENDERED

12 Sec. 1014.207. REFUNDING BONDS

13 Sec. 1014.208. BONDS EXEMPT FROM TAXATION

14 [Sections 1014.209-1014.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Sec. 1014.251. IMPOSITION OF AD VALOREM TAX

17 Sec. 1014.252. TAX RATE

18 Sec. 1014.253. TAX ASSESSOR-COLLECTOR

19 CHAPTER 1014. COLLINGSWORTH COUNTY HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1014.001. DEFINITIONS. In this chapter:

22 (1) "Board" means the board of directors of the  
23 district.

24 (2) "Director" means a member of the board.

25 (3) "District" means the Collingsworth County  
26 Hospital District. (New.)

27 Sec. 1014.002. AUTHORITY FOR CREATION. The district is

1 created under the authority of Section 9, Article IX, Texas  
2 Constitution, and has the rights, powers, and duties prescribed by  
3 this chapter. (Acts 60th Leg., R.S., Ch. 262, Sec. 1 (part).)

4       Sec. 1014.003. ESSENTIAL PUBLIC FUNCTION. The district  
5 performs an essential public function in carrying out the purposes  
6 of this chapter. (Acts 60th Leg., R.S., Ch. 262, Sec. 11 (part).)

7       Sec. 1014.004. DISTRICT TERRITORY. The boundaries of the  
8 district are coextensive with the boundaries of Collingsworth  
9 County, Texas. (Acts 60th Leg., R.S., Ch. 262, Sec. 1 (part).)

10       Sec. 1014.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
11 OBLIGATION. The support and maintenance of the district may not  
12 become a charge against or obligation of this state. (Acts 60th  
13 Leg., R.S., Ch. 262, Sec. 22 (part).)

14       Sec. 1014.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
15 The legislature may not make a direct appropriation for the  
16 construction, maintenance, or improvement of a district facility.  
17 (Acts 60th Leg., R.S., Ch. 262, Sec. 22 (part).)

18       [Sections 1014.007-1014.050 reserved for expansion]

19                   SUBCHAPTER B. DISTRICT ADMINISTRATION

20       Sec. 1014.051. BOARD ELECTION; TERM. (a) The district is  
21 governed by a board of seven directors elected from the district at  
22 large.

23       (b) Directors serve staggered two-year terms unless  
24 four-year terms are established under Section 285.081, Health and  
25 Safety Code.

26       (c) The election order must state the time, place, and  
27 purpose of the election. (Acts 60th Leg., R.S., Ch. 262, Secs. 4(a)

1 (part), (b) (part).)

2           Sec. 1014.052. BALLOT PETITION. A person who wants to have  
3 the person's name printed on the ballot as a candidate for director  
4 must file with the board secretary a petition requesting that  
5 action. The petition must be:

6                   (1) signed by at least 15 registered voters; and

7                   (2) filed at least 25 days before the date of the  
8 election. (Acts 60th Leg., R.S., Ch. 262, Sec. 4(b) (part).)

9           Sec. 1014.053. QUALIFICATIONS FOR OFFICE. To be eligible  
10 to hold office as a director, a person must be a resident  
11 property-owning taxpaying voter of the district. (Acts 60th Leg.,  
12 R.S., Ch. 262, Sec. 4(c) (part).)

13           Sec. 1014.054. BOARD VACANCY. If a vacancy occurs in the  
14 office of director, the remaining directors by majority vote shall  
15 appoint a director for the unexpired term. (Acts 60th Leg., R.S.,  
16 Ch. 262, Sec. 4(b) (part).)

17           Sec. 1014.055. OFFICERS. (a) The board shall elect from  
18 among its members a president, vice president, secretary, and other  
19 officers as in the judgment of the board are necessary.

20                   (b) The president is the chief executive officer of the  
21 district and has the same right to vote as any other director.

22                   (c) If the president is absent or fails or declines to act,  
23 the vice president shall perform the president's duties and  
24 exercise the president's powers under this chapter. (Acts 60th  
25 Leg., R.S., Ch. 262, Sec. 4(c) (part).)

26           Sec. 1014.056. COMPENSATION; EXPENSES. A director serves  
27 without compensation but may receive actual expenses incurred in



1 attending to district business on approval of the expenses by the  
2 remainder of the board. (Acts 60th Leg., R.S., Ch. 262, Sec. 4(c)  
3 (part).)

4 Sec. 1014.057. VOTING REQUIREMENT. A concurrence of four  
5 directors is sufficient in any matter relating to district  
6 business. (Acts 60th Leg., R.S., Ch. 262, Sec. 4(d) (part).)

7 Sec. 1014.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

8 (a) The board shall:

9 (1) keep an account of all board meetings and  
10 proceedings; and

11 (2) maintain at the district's principal office all  
12 district records and accounts, including all contracts, notices,  
13 duplicate vouchers, and duplicate receipts.

14 (b) The information described by Subsection (a) shall be  
15 open to public inspection at the district's principal office at all  
16 reasonable times. (Acts 60th Leg., R.S., Ch. 262, Sec. 4(d)  
17 (part).)

18 Sec. 1014.059. INDIVIDUAL LIABILITY OF DIRECTORS. A  
19 director is individually liable only for the director's individual  
20 misapplication of public money. (Acts 60th Leg., R.S., Ch. 262,  
21 Sec. 5(a) (part).)

22 Sec. 1014.060. DISTRICT ADMINISTRATOR; ASSISTANT  
23 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
24 district administrator.

25 (b) The board may appoint an assistant administrator.

26 (c) The district administrator and any assistant  
27 administrator are entitled to the compensation determined by the

1 board.

2 (d) The board may execute an employment contract with the  
3 district administrator or assistant administrator for a term of not  
4 more than three years. The employment contract may be renewed or  
5 extended annually.

6 (e) On assuming the duties of district administrator, the  
7 administrator shall execute a bond payable to the district in an  
8 amount set by the board of not less than \$25,000 that:

9 (1) is conditioned on the administrator performing the  
10 administrator's duties; and

11 (2) contains other conditions the board may require.  
12 (Acts 60th Leg., R.S., Ch. 262, Sec. 5(a) (part).)

13 Sec. 1014.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
14 The district administrator shall:

15 (1) stay informed on the latest methods of hospital  
16 administration and the care of hospital patients; and

17 (2) subject to the limitations prescribed by the  
18 board:

19 (A) supervise the work and activities of the  
20 district; and

21 (B) direct the affairs of the district. (Acts  
22 60th Leg., R.S., Ch. 262, Sec. 5(a) (part).)

23 Sec. 1014.062. EMPLOYEES. The board may employ nurses,  
24 technicians, and other employees for the efficient operation of the  
25 district or may provide that the district administrator has that  
26 authority. (Acts 60th Leg., R.S., Ch. 262, Sec. 5(b) (part).)

27 Sec. 1014.063. LEGAL COUNSEL; OTHER PROFESSIONAL SERVICES.

1 The board may employ legal counsel or contract for other  
2 professional services as the board considers advisable. (Acts 60th  
3 Leg., R.S., Ch. 262, Sec. 18.)

4 Sec. 1014.064. RETIREMENT PROGRAM. The board may contract  
5 with this state or the federal government to establish or continue a  
6 retirement program for the benefit of the district's employees.  
7 (Acts 60th Leg., R.S., Ch. 262, Sec. 5(b) (part).)

8 [Sections 1014.065-1014.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 1014.101. DISTRICT RESPONSIBILITY. The district has  
11 full responsibility for:

12 (1) operating all hospital facilities for providing  
13 medical and hospital care of the indigent persons in the district;  
14 and

15 (2) providing medical and hospital care for the  
16 district's needy inhabitants. (Acts 60th Leg., R.S., Ch. 262,  
17 Secs. 2 (part), 21 (part).)

18 Sec. 1014.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
19 TAXATION AND DEBT. Collingsworth County or a municipality in  
20 Collingsworth County may not impose a tax or issue bonds or other  
21 obligations for hospital purposes or for medical treatment of  
22 indigent persons in the district. (Acts 60th Leg., R.S., Ch. 262,  
23 Sec. 21 (part).)

24 Sec. 1014.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
25 The board shall manage, control, and administer the district's  
26 hospitals and hospital system. (Acts 60th Leg., R.S., Ch. 262, Sec.  
27 5(a) (part).)

1           Sec. 1014.104. HOSPITAL SYSTEM. The district shall provide  
2 for the establishment of a hospital system by:

3                   (1) purchasing, constructing, acquiring, repairing,  
4 or renovating buildings and equipment;

5                   (2) equipping the buildings; and

6                   (3) administering the buildings and equipment for  
7 hospital purposes. (Acts 60th Leg., R.S., Ch. 262, Sec. 2 (part).)

8           Sec. 1014.105. RULES. The board may adopt rules for the  
9 operation of the district and as required to administer this  
10 chapter. (Acts 60th Leg., R.S., Ch. 262, Secs. 5(a) (part), 12  
11 (part).)

12           Sec. 1014.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
13 The board may prescribe:

14                   (1) the method and manner of making purchases and  
15 expenditures by and for the district; and

16                   (2) all accounting and control procedures.

17           (b) A purchase that involves the expenditure of more than  
18 \$2,000 may be made only after advertising in the manner provided by  
19 Chapter 252 and Subchapter C, Chapter 262, Local Government Code.  
20 (Acts 60th Leg., R.S., Ch. 262, Sec. 12 (part).)

21           Sec. 1014.107. BUILDINGS. The board shall determine the  
22 type, number, and location of buildings required to maintain an  
23 adequate hospital system. (Acts 60th Leg., R.S., Ch. 262, Sec. 10.)

24           Sec. 1014.108. EMINENT DOMAIN. (a) The district may  
25 exercise the power of eminent domain to acquire a fee simple or  
26 other interest in any type of property located in district  
27 territory if the interest is necessary or convenient for the

1 district to exercise a power, right, or privilege conferred by this  
2 chapter.

3 (b) The district must exercise the power of eminent domain  
4 in the manner provided by Chapter 21, Property Code. (Acts 60th  
5 Leg., R.S., Ch. 262, Sec. 16.)

6 Sec. 1014.109. GIFTS AND ENDOWMENTS. The board may accept  
7 for the district a gift or endowment to be held in trust and  
8 administered by the board for the purposes and under the  
9 directions, limitations, or other provisions prescribed in writing  
10 by the donor that are not inconsistent with the proper management  
11 and objectives of the district. (Acts 60th Leg., R.S., Ch. 262,  
12 Sec. 20.)

13 Sec. 1014.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
14 CARE AND TREATMENT. (a) The board may contract with a county or  
15 municipality located outside the district's boundaries for the care  
16 and treatment of a sick or injured person of that county or  
17 municipality.

18 (b) The board may contract with this state or a federal  
19 agency for the treatment of a sick or injured person for whom this  
20 state or the agency is responsible. (Acts 60th Leg., R.S., Ch. 262,  
21 Sec. 5(b) (part).)

22 Sec. 1014.111. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
23 When a patient who resides in the district is admitted to a district  
24 facility, the district administrator shall have an inquiry made  
25 into the circumstances of:

26 (1) the patient; and

27 (2) the patient's relatives who are legally liable for

1 the patient's support.

2 (b) If the district administrator determines that the  
3 patient or those relatives cannot pay all or part of the costs of  
4 the care and treatment in the hospital, the amount of the costs that  
5 cannot be paid becomes a charge against the district.

6 (c) If the district administrator determines that the  
7 patient or those relatives can pay for all or part of the costs of  
8 the patient's care and treatment, the patient or those relatives  
9 shall be ordered to pay the district a specified amount each week  
10 for the patient's support. The amount ordered must be  
11 proportionate to the person's financial ability and may not exceed  
12 the actual per capita cost of maintenance.

13 (d) The district administrator may collect the amount from  
14 the patient's estate, or from any relative who is legally liable for  
15 the patient's support, in the manner provided by law for the  
16 collection of expenses of the last illness of a deceased person.

17 (e) If there is a dispute as to the ability to pay, or doubt  
18 in the mind of the district administrator, the board shall hold a  
19 hearing and, after calling witnesses, shall:

20 (1) resolve the dispute or doubt; and

21 (2) issue any appropriate orders.

22 (f) A final order of the board may be appealed to the  
23 district court. The substantial evidence rule applies to the  
24 appeal. (Acts 60th Leg., R.S., Ch. 262, Sec. 19.)

25 Sec. 1014.112. AUTHORITY TO SUE AND BE SUED. The district,  
26 through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch.  
27 262, Sec. 5(a) (part).)

1 [Sections 1014.113-1014.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Sec. 1014.151. BUDGET. The district administrator shall  
4 prepare an annual budget for approval by the board. (Acts 60th  
5 Leg., R.S., Ch. 262, Sec. 6 (part).)

6 Sec. 1014.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
7 The board shall hold a public hearing on the proposed annual budget.

8 (b) Notice of the hearing must be published one time at  
9 least 10 days before the date of the hearing.

10 (c) The board must approve the budget. (Acts 60th Leg.,  
11 R.S., Ch. 262, Sec. 6 (part).)

12 Sec. 1014.153. AMENDMENTS TO BUDGET. The budget may be  
13 amended as required by circumstances. The board must approve all  
14 amendments. (Acts 60th Leg., R.S., Ch. 262, Sec. 6 (part).)

15 Sec. 1014.154. RESTRICTION ON EXPENDITURES. Money may be  
16 spent only for an expense included in the budget or an amendment to  
17 the budget. (Acts 60th Leg., R.S., Ch. 262, Sec. 6 (part).)

18 Sec. 1014.155. FISCAL YEAR. The district operates on a  
19 fiscal year that begins on October 1 and ends on September 30.  
20 (Acts 60th Leg., R.S., Ch. 262, Sec. 6 (part).)

21 Sec. 1014.156. ANNUAL AUDIT. (a) The district annually  
22 shall have an audit made of the district's financial condition.

23 (b) The audit shall be open to inspection at all times at the  
24 district's principal office. (Acts 60th Leg., R.S., Ch. 262, Sec. 6  
25 (part).)

26 Sec. 1014.157. FINANCIAL REPORT. As soon as practicable  
27 after the close of each fiscal year, the district administrator

1 shall prepare for the board:

2 (1) a complete sworn statement of all district money;  
3 and

4 (2) a complete account of the disbursements of that  
5 money. (Acts 60th Leg., R.S., Ch. 262, Sec. 6 (part).)

6 Sec. 1014.158. DEPOSITORY. (a) The board shall select one  
7 or more banks in the district to serve as a depository for district  
8 money.

9 (b) District money shall be immediately deposited on  
10 receipt with a depository bank, except that sufficient money must  
11 be remitted to an appropriate bank to pay the principal of and  
12 interest on the district's outstanding bonds or other obligations  
13 on or before the maturity date of the principal and interest.

14 (c) To the extent that money in a depository bank is not  
15 insured by the Federal Deposit Insurance Corporation, the money  
16 must be secured in the manner provided by law for the security of  
17 county funds.

18 (d) Membership on the district's board of an officer or  
19 director of a bank does not disqualify the bank from being selected  
20 as a depository bank. (Acts 60th Leg., R.S., Ch. 262, Sec. 13.)

21 [Sections 1014.159-1014.200 reserved for expansion]

22 SUBCHAPTER E. BONDS

23 Sec. 1014.201. GENERAL OBLIGATION BONDS. The board may  
24 issue and sell general obligation bonds in the name and on the faith  
25 and credit of the district for any purpose related to the purchase,  
26 construction, acquisition, repair, or renovation of improvements,  
27 and equipping the improvements for a hospital and the hospital



1 system, as determined by the board. (Acts 60th Leg., R.S., Ch. 262,  
2 Sec. 7(a) (part).)

3 Sec. 1014.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
4 the time general obligation bonds are issued by the district under  
5 Section 1014.201, the board shall impose an ad valorem tax on all  
6 property in the district subject to district taxation at a rate  
7 sufficient to create an interest and sinking fund and to pay the  
8 principal of and interest on the bonds as the bonds mature.

9 (b) The tax required by this section together with any other  
10 ad valorem tax the district imposes may not in any year exceed 75  
11 cents on each \$100 valuation of taxable property in the district.  
12 (Acts 60th Leg., R.S., Ch. 262, Sec. 7(a) (part).)

13 Sec. 1014.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
14 district may issue general obligation bonds only if the bonds are  
15 authorized by a majority of the district voters voting at an  
16 election held for that purpose.

17 (b) The board shall call the election. The election must be  
18 held in accordance with Chapter 1251, Government Code.

19 (c) The bond election order must specify:  
20 (1) the date of the election;  
21 (2) the location of the polling places;  
22 (3) the presiding election officers;  
23 (4) the amount of the bonds to be authorized;  
24 (5) the maximum maturity of the bonds; and  
25 (6) the maximum interest rate of the bonds. (Acts 60th  
26 Leg., R.S., Ch. 262, Sec. 7(a) (part).)

27 Sec. 1014.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)

1 The board president shall execute the general obligation bonds in  
2 the district's name.

3 (b) The board secretary shall attest the bonds as provided  
4 by Chapter 618, Government Code. (Acts 60th Leg., R.S., Ch. 262,  
5 Sec. 7(a) (part).)

6 Sec. 1014.205. REVENUE OR SPECIAL OBLIGATION BONDS. (a)  
7 The board may issue and sell revenue or special obligation bonds for  
8 the purposes provided by Section 1014.201.

9 (b) Special obligation bonds must be payable from the  
10 revenue of the district's entire hospital system, including that  
11 portion originally acquired and all past or future extensions,  
12 additions, or replacements, excluding taxes, after deducting the  
13 cost of maintaining and operating the system. For purposes of this  
14 subsection, the cost of maintaining and operating the system:

15 (1) may include only the items set forth and defined in  
16 the resolution authorizing the bond issuance; and

17 (2) may not include the cost of providing medical or  
18 hospital care for the district's needy inhabitants.

19 (c) A cost described by Subsection (b)(2) is a maintenance  
20 and operating expense for budget and tax purposes.

21 (d) The district may issue revenue bonds without an  
22 election.

23 (e) Revenue bonds may be additionally secured by:

24 (1) a mortgage or deed of trust on real property;

25 (2) a chattel mortgage on the district's personal  
26 property; or

27 (3) both.

1           (f) The board may issue bonds that are a junior lien on the  
2 district's net revenue or property and additional parity bonds  
3 under conditions specified in the bond resolution or trust  
4 indenture.

5           (g) Money for the payment of not more than two years'  
6 interest on the bonds and an amount the board estimates will be  
7 required for maintenance and operating expenses during the first  
8 year of operation may be set aside out of the proceeds from the sale  
9 of the bonds.

10           (h) A revenue bond issued by the district must contain the  
11 following provision: "The holder of the bond may not demand payment  
12 of this bond or appurtenant coupons out of money raised or to be  
13 raised by taxation." (Acts 60th Leg., R.S., Ch. 262, Secs. 8(a),  
14 (b) (part), (c).)

15           Sec. 1014.206. CHARGES FOR SERVICES RENDERED. If the board  
16 issues revenue bonds, the board shall charge and collect rates for  
17 services rendered by the hospital system that are sufficient to:

18                   (1) pay the maintenance and operating expenses  
19 described by Section 1014.205;

20                   (2) pay the principal and interest on the bonds as each  
21 becomes due; and

22                   (3) create and maintain a bond reserve fund and other  
23 funds as provided in the bond resolution or trust indenture. (Acts  
24 60th Leg., R.S., Ch. 262, Sec. 8(b) (part).)

25           Sec. 1014.207. REFUNDING BONDS. (a) The board may, without  
26 an election, issue refunding bonds to refund any bonds issued or  
27 assumed by the district.

1 (b) A refunding bond may be:

2 (1) sold, with the proceeds of the refunding bond  
3 applied to the payment of the outstanding bonds; or

4 (2) exchanged wholly or partly for not less than a  
5 similar principal amount of the outstanding bonds. (Acts 60th  
6 Leg., R.S., Ch. 262, Secs. 7(a) (part), (b) (part).)

7 Sec. 1014.208. BONDS EXEMPT FROM TAXATION. The following  
8 are exempt from taxation by this state or a political subdivision of  
9 this state:

10 (1) bonds issued by the district;

11 (2) the transfer and issuance of the bonds; and

12 (3) profits made in the sale of the bonds. (Acts 60th  
13 Leg., R.S., Ch. 262, Sec. 11 (part).)

14 [Sections 1014.209-1014.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Sec. 1014.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
17 shall impose a tax on property in the district subject to district  
18 taxation.

19 (b) The board shall impose the tax to pay:

20 (1) indebtedness issued or assumed by the district;  
21 and

22 (2) the maintenance and operating expenses of the  
23 district. (Acts 60th Leg., R.S., Ch. 262, Secs. 3(a) (part), 14  
24 (part).)

25 Sec. 1014.252. TAX RATE. (a) The board may impose the tax  
26 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
27 property in the district.

1 (b) In setting the tax rate, the board shall consider the  
2 income of the district from sources other than taxation. (Acts 60th  
3 Leg., R.S., Ch. 262, Secs. 3(b) (part), 14 (part).)

4 Sec. 1014.253. TAX ASSESSOR-COLLECTOR. The tax  
5 assessor-collector of Collingsworth County shall assess and  
6 collect taxes imposed by the district. (Acts 60th Leg., R.S., Ch.  
7 262, Sec. 17 (part).)

8 CHAPTER 1015. FAIRFIELD HOSPITAL DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 1015.001. DEFINITIONS

11 Sec. 1015.002. AUTHORITY FOR OPERATION

12 Sec. 1015.003. ESSENTIAL PUBLIC FUNCTION

13 Sec. 1015.004. DISTRICT TERRITORY

14 Sec. 1015.005. DISTRICT SUPPORT AND MAINTENANCE NOT

15 STATE OBLIGATION

16 Sec. 1015.006. RESTRICTION ON STATE FINANCIAL

17 ASSISTANCE

18 [Sections 1015.007-1015.050 reserved for expansion]

19 SUBCHAPTER B. DISTRICT ADMINISTRATION

20 Sec. 1015.051. BOARD ELECTION; TERM

21 Sec. 1015.052. NOTICE OF ELECTION

22 Sec. 1015.053. QUALIFICATIONS FOR OFFICE

23 Sec. 1015.054. BOND; RECORD OF BOND

24 Sec. 1015.055. BOARD VACANCY

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26 Sec. 1015.057. COMPENSATION; EXPENSES

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- 1 Sec. 1015.059. DISTRICT ADMINISTRATOR
- 2 Sec. 1015.060. GENERAL DUTIES OF DISTRICT  
3 ADMINISTRATOR
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5 ATTORNEY
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- 8 Sec. 1015.063. CONTINUING EDUCATION; RETRAINING
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- 11 SUBCHAPTER C. POWERS AND DUTIES
- 12 Sec. 1015.101. DISTRICT RESPONSIBILITY
- 13 Sec. 1015.102. RESTRICTION ON MUNICIPAL TAXATION AND  
14 DEBT
- 15 Sec. 1015.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 16 Sec. 1015.104. RULES
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- 18 Sec. 1015.106. DISTRICT PROPERTY, FACILITIES, AND  
19 EQUIPMENT
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- 21 Sec. 1015.108. COST OF RELOCATING OR ALTERING PROPERTY
- 22 Sec. 1015.109. GIFTS AND ENDOWMENTS
- 23 Sec. 1015.110. CONSTRUCTION CONTRACTS
- 24 Sec. 1015.111. OPERATING AND MANAGEMENT CONTRACTS
- 25 Sec. 1015.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
26 FOR SERVICES
- 27 Sec. 1015.113. PAYMENT FOR TREATMENT; PROCEDURES

- 1 Sec. 1015.114. REIMBURSEMENT FOR SERVICES  
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3 [Sections 1015.116-1015.150 reserved for expansion]  
4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
5 Sec. 1015.151. BUDGET  
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10 Sec. 1015.156. ANNUAL AUDIT  
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12 RECORDS  
13 Sec. 1015.158. FINANCIAL REPORT  
14 Sec. 1015.159. DEPOSITORY  
15 Sec. 1015.160. SPENDING AND INVESTMENT RESTRICTIONS  
16 Sec. 1015.161. AUTHORITY TO BORROW MONEY; SECURITY  
17 [Sections 1015.162-1015.200 reserved for expansion]  
18 SUBCHAPTER E. BONDS  
19 Sec. 1015.201. GENERAL OBLIGATION BONDS  
20 Sec. 1015.202. TAX TO PAY GENERAL OBLIGATION BONDS  
21 Sec. 1015.203. GENERAL OBLIGATION BOND ELECTION  
22 Sec. 1015.204. REVENUE BONDS  
23 Sec. 1015.205. REFUNDING BONDS  
24 Sec. 1015.206. MATURITY OF BONDS  
25 Sec. 1015.207. EXECUTION OF BONDS  
26 Sec. 1015.208. BONDS EXEMPT FROM TAXATION  
27 [Sections 1015.209-1015.250 reserved for expansion]

1 SUBCHAPTER F. TAXES

2 Sec. 1015.251. IMPOSITION OF AD VALOREM TAX

3 Sec. 1015.252. TAX RATE

4 Sec. 1015.253. TAX ASSESSOR-COLLECTOR

5 [Sections 1015.254-1015.300 reserved for expansion]

6 SUBCHAPTER G. DISSOLUTION

7 Sec. 1015.301. DISSOLUTION; ELECTION

8 Sec. 1015.302. NOTICE OF ELECTION

9 Sec. 1015.303. BALLOT

10 Sec. 1015.304. ELECTION RESULTS

11 Sec. 1015.305. DIRECTORS IN OFFICE AFTER DISSOLUTION

12 Sec. 1015.306. IMPOSITION OF TAX; TRANSFER OF DEBTS

13 Sec. 1015.307. DISPOSITION OR TRANSFER OF ASSETS AND

14 DEBTS

15 Sec. 1015.308. SPENDING RESTRICTIONS

16 Sec. 1015.309. REPORT; DISSOLUTION ORDER

17 CHAPTER 1015. FAIRFIELD HOSPITAL DISTRICT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 1015.001. DEFINITIONS. In this chapter:

20 (1) "Board" means the board of directors of the  
21 district.

22 (2) "Director" means a member of the board.

23 (3) "District" means the Fairfield Hospital District.

24 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 1.01.)

25 Sec. 1015.002. AUTHORITY FOR OPERATION. The district  
26 operates and is financed as provided by Section 9, Article IX, Texas  
27 Constitution, and by this chapter. (Acts 70th Leg., 2nd C.S., Ch.



1 12, Sec. 1.02.)

2           Sec. 1015.003. ESSENTIAL PUBLIC FUNCTION. The district is  
3 a public entity performing an essential public function. (Acts  
4 70th Leg., 2nd C.S., Ch. 12, Sec. 7.11 (part).)

5           Sec. 1015.004. DISTRICT TERRITORY. The boundaries of the  
6 district are coextensive with the boundaries of the Fairfield  
7 Independent School District as those boundaries existed on August  
8 3, 1987. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 1.03.)

9           Sec. 1015.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
10 OBLIGATION. The state may not be obligated for the support or  
11 maintenance of the district. (Acts 70th Leg., 2nd C.S., Ch. 12,  
12 Sec. 10.01 (part).)

13           Sec. 1015.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
14 The legislature may not make a direct appropriation for the  
15 construction, maintenance, or improvement of a district facility.  
16 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 10.01 (part).)

17           [Sections 1015.007-1015.050 reserved for expansion]

18                           SUBCHAPTER B. DISTRICT ADMINISTRATION

19           Sec. 1015.051. BOARD ELECTION; TERM. (a) The district is  
20 governed by a board of seven directors elected from the district at  
21 large.

22           (b) Directors serve staggered four-year terms.

23           (c) An election shall be held on the uniform election day in  
24 May of each even-numbered year to elect the appropriate number of  
25 directors. (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 4.01(a),  
26 4.03(a), (c).)

27           Sec. 1015.052. NOTICE OF ELECTION. At least 35 days before

1 the date of an election of directors, notice of the election shall  
2 be published one time in a newspaper with general circulation in the  
3 district. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 4.04.)

4 Sec. 1015.053. QUALIFICATIONS FOR OFFICE. (a) To be  
5 eligible to be a candidate for or to serve as a director, a person  
6 must be:

7 (1) a district resident; and

8 (2) a qualified voter.

9 (b) A district employee may not serve as a director. (Acts  
10 70th Leg., 2nd C.S., Ch. 12, Sec. 4.06.)

11 Sec. 1015.054. BOND; RECORD OF BOND. (a) Before assuming  
12 the duties of office, each director must execute a bond for \$5,000  
13 that is:

14 (1) payable to the district; and

15 (2) conditioned on the faithful performance of the  
16 director's duties.

17 (b) The board may pay for a director's bond with district  
18 money.

19 (c) Each director's bond shall be kept in the district's  
20 permanent records. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 4.07.)

21 Sec. 1015.055. BOARD VACANCY. If a vacancy occurs in the  
22 office of director, the remaining directors shall appoint a  
23 director for the unexpired term. (Acts 70th Leg., 2nd C.S., Ch. 12,  
24 Sec. 4.08.)

25 Sec. 1015.056. OFFICERS. (a) The board shall elect a  
26 president and vice president from among its members.

27 (b) The board shall appoint a secretary, who need not be a

1 director.

2 (c) Each officer of the board serves for a term of one year.

3 (d) The board shall fill a vacancy in a board office for the  
4 unexpired term. (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 4.09,  
5 4.10.)

6 Sec. 1015.057. COMPENSATION; EXPENSES. A director or  
7 officer serves without compensation but may be reimbursed for  
8 actual expenses incurred in the performance of official duties.  
9 The expenses must be:

10 (1) reported in the district's records; and

11 (2) approved by the board. (Acts 70th Leg., 2nd C.S.,  
12 Ch. 12, Sec. 4.11.)

13 Sec. 1015.058. VOTING REQUIREMENT. A concurrence of a  
14 majority of the directors voting is necessary in any matter  
15 relating to district business. (Acts 70th Leg., 2nd C.S., Ch. 12,  
16 Sec. 4.12.)

17 Sec. 1015.059. DISTRICT ADMINISTRATOR. (a) The board may  
18 appoint a qualified person as district administrator.

19 (b) The district administrator serves at the will of the  
20 board and is entitled to the compensation determined by the board.

21 (c) Before assuming the duties of district administrator,  
22 the administrator must execute a bond in the amount set by the board  
23 of not less than \$5,000 that is:

24 (1) payable to the district; and

25 (2) conditioned on the faithful performance of the  
26 administrator's duties under this chapter.

27 (d) The board may pay for the bond with district money.

1 (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 4.13(a) (part), (b) (part),  
2 (c) (part), (d).)

3 Sec. 1015.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

4 Subject to the limitations prescribed by the board, the district  
5 administrator shall:

6 (1) supervise the work and activities of the district;  
7 and

8 (2) direct the general affairs of the district. (Acts  
9 70th Leg., 2nd C.S., Ch. 12, Sec. 4.16.)

10 Sec. 1015.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

11 (a) The board may appoint qualified persons as:

12 (1) the assistant district administrator; and

13 (2) the attorney for the district.

14 (b) The assistant district administrator and the attorney  
15 for the district serve at the will of the board and are entitled to  
16 the compensation determined by the board. (Acts 70th Leg., 2nd  
17 C.S., Ch. 12, Secs. 4.13(a) (part), (b) (part), (c) (part).)

18 Sec. 1015.062. APPOINTMENT AND RECRUITMENT OF STAFF AND  
19 EMPLOYEES. (a) The board may appoint to the staff any doctors the  
20 board considers necessary for the efficient operation of the  
21 district and may make temporary appointments as necessary.

22 (b) The district may employ technicians, nurses, fiscal  
23 agents, accountants, architects, additional attorneys, and other  
24 necessary employees.

25 (c) The board may delegate to the district administrator the  
26 authority to employ persons for the district.

27 (d) The board may spend money to recruit physicians, nurses,

1 and other trained medical personnel. The board may pay the tuition  
2 or other costs or expenses of a full-time medical student or nursing  
3 student who:

4 (1) is enrolled in and is in good standing at an  
5 accredited school, college, or university; and

6 (2) contractually agrees to become a district employee  
7 in return for that assistance. (Acts 70th Leg., 2nd C.S., Ch. 12,  
8 Secs. 4.14, 4.15, 4.18(a), (b).)

9 Sec. 1015.063. CONTINUING EDUCATION; RETRAINING. The board  
10 may spend money for continuing education and retraining of  
11 employees. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 4.18(c).)

12 Sec. 1015.064. RETIREMENT BENEFITS. The board may provide  
13 retirement benefits for district employees by:

14 (1) establishing or administering a retirement  
15 program; or

16 (2) participating in:

17 (A) the Texas County and District Retirement  
18 System; or

19 (B) another statewide retirement system in which  
20 the district is eligible to participate. (Acts 70th Leg., 2nd C.S.,  
21 Ch. 12, Sec. 4.17.)

22 [Sections 1015.065-1015.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 1015.101. DISTRICT RESPONSIBILITY. The district has  
25 full responsibility for:

26 (1) operating hospital facilities; and

27 (2) providing medical and hospital care for the

1 district's needy inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 12,  
2 Sec. 5.02 (part).)

3       Sec. 1015.102. RESTRICTION ON MUNICIPAL TAXATION AND DEBT.  
4 The City of Fairfield may not impose a tax or issue bonds or other  
5 obligations for hospital purposes or to provide medical care for  
6 district residents. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.  
7 5.01(b).)

8       Sec. 1015.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
9 The board shall manage, control, and administer the hospital system  
10 and the district's money and resources. (Acts 70th Leg., 2nd C.S.,  
11 Ch. 12, Sec. 5.03.)

12       Sec. 1015.104. RULES. The board may adopt rules governing:  
13           (1) the operation of the hospital and hospital system;  
14 and  
15           (2) the duties, functions, and responsibilities of  
16 district staff and employees. (Acts 70th Leg., 2nd C.S., Ch. 12,  
17 Sec. 5.04.)

18       Sec. 1015.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
19 board may prescribe:  
20           (1) the method of making purchases and expenditures by  
21 and for the district; and  
22           (2) accounting and control procedures for the  
23 district. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 5.05.)

24       Sec. 1015.106. DISTRICT PROPERTY, FACILITIES, AND  
25 EQUIPMENT. (a) The board shall determine:  
26           (1) the type, number, and location of buildings  
27 required to maintain an adequate hospital system; and

1           (2) the type of equipment necessary for hospital care.

2           (b) The board may:

3           (1) acquire property, including facilities and  
4 equipment, for the district for use in the hospital system; and

5           (2) mortgage or pledge the property as security for  
6 the payment of the purchase price.

7           (c) The board may lease hospital facilities for the  
8 district.

9           (d) The board may sell or otherwise dispose of the property,  
10 including facilities, or equipment, for the district. (Acts 70th  
11 Leg., 2nd C.S., Ch. 12, Sec. 5.06.)

12           Sec. 1015.107. EMINENT DOMAIN. (a) The district may  
13 exercise the power of eminent domain to acquire a fee simple or  
14 other interest in property located in district territory if the  
15 interest is necessary for the district to exercise a right or  
16 authority conferred by this chapter.

17           (b) The district must exercise the power of eminent domain  
18 in the manner provided by Chapter 21, Property Code, except the  
19 district is not required to deposit in the trial court money or a  
20 bond as provided by Section 21.021(a), Property Code.

21           (c) In a condemnation proceeding brought by the district,  
22 the district is not required to:

23           (1) pay in advance or provide a bond or other security  
24 for costs in the trial court;

25           (2) provide a bond for the issuance of a temporary  
26 restraining order or a temporary injunction; or

27           (3) provide a bond for costs or a supersedeas bond on

1 an appeal or writ of error. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.  
2 5.09.)

3       Sec. 1015.108. COST OF RELOCATING OR ALTERING PROPERTY. In  
4 exercising the power of eminent domain, if the board requires  
5 relocating, raising, lowering, rerouting, changing the grade of, or  
6 altering the construction of any railroad, highway, pipeline,  
7 electric transmission and electric distribution, telegraph, or  
8 telephone line, conduit, pole, or facility, the district must bear  
9 the actual cost of relocating, raising, lowering, rerouting,  
10 changing the grade, or altering the construction to provide  
11 comparable replacement, without enhancement of facilities, after  
12 deducting the net salvage value derived from the old facility.  
13 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 5.10.)

14       Sec. 1015.109. GIFTS AND ENDOWMENTS. The board may accept  
15 for the district a gift or endowment to be held in trust for any  
16 purpose and under any direction, limitation, or provision  
17 prescribed in writing by the donor that is consistent with the  
18 proper management of the district. (Acts 70th Leg., 2nd C.S., Ch.  
19 12, Sec. 5.14.)

20       Sec. 1015.110. CONSTRUCTION CONTRACTS. (a) The board may  
21 enter into construction contracts for the district.

22       (b) The board may enter into a construction contract that  
23 involves the expenditure of more than the amount provided by  
24 Section 271.024, Local Government Code, only after competitive  
25 bidding as provided by Subchapter B, Chapter 271, Local Government  
26 Code. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 5.07(a).)

27       Sec. 1015.111. OPERATING AND MANAGEMENT CONTRACTS. The



1 board may enter into an operating or management contract relating  
2 to a hospital facility for the district. (Acts 70th Leg., 2nd C.S.,  
3 Ch. 12, Sec. 5.08.)

4 Sec. 1015.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
5 SERVICES. The board may contract with a political subdivision of  
6 this state or with a state or federal agency for the district to:

- 7 (1) furnish a mobile emergency medical service; or  
8 (2) provide for the investigatory or welfare needs of  
9 district inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.  
10 5.13.)

11 Sec. 1015.113. PAYMENT FOR TREATMENT; PROCEDURES.

12 (a) Each year, the board may set criteria for determining  
13 residency, eligibility for a service, and the type of services  
14 available.

15 (b) When a person who resides in the district is admitted as  
16 a patient to a district facility, the district administrator may  
17 have an inquiry made into the financial circumstances of:

- 18 (1) the patient; and  
19 (2) a relative of the patient who is legally  
20 responsible for the patient's support.

21 (c) To the extent that the patient or a relative of the  
22 patient who is legally responsible for the patient's support cannot  
23 pay for care and treatment provided by the district, the district  
24 shall supply the care and treatment without charging the patient or  
25 the patient's relative.

26 (d) On determining that the patient or a relative legally  
27 responsible for the patient's support can pay for all or part of the

1 care and treatment provided by the district, the district  
2 administrator shall report that determination to the board, and the  
3 board shall issue an order directing the patient or the relative to  
4 pay the district a specified amount each week. The amount must be  
5 based on the person's ability to pay.

6 (e) The district administrator may collect the money owed to  
7 the district from the patient's estate or from that of a relative  
8 who was legally responsible for the patient's support in the manner  
9 provided by law for the collection of expenses of the last illness  
10 of a deceased person.

11 (f) If there is a dispute relating to a person's ability to  
12 pay or if the district administrator has any doubt concerning a  
13 person's ability to pay, the board shall:

- 14 (1) call witnesses;
- 15 (2) hear and resolve the question; and
- 16 (3) issue a final order.

17 (g) The final order of the board may be appealed to a  
18 district court in the county in which the district is located. The  
19 substantial evidence rule applies to the appeal. (Acts 70th Leg.,  
20 2nd C.S., Ch. 12, Secs. 5.11(a) (part), (b), (c), (d), (e), (f).)

21 Sec. 1015.114. REIMBURSEMENT FOR SERVICES. (a) The board  
22 shall require a county, municipality, or public hospital located  
23 outside the district to reimburse the district for the district's  
24 care and treatment of a sick or injured person of that county,  
25 municipality, or public hospital as provided by Chapter 61, Health  
26 and Safety Code.

27 (b) The board shall require the sheriff of Freestone County

1 or the police chief of the City of Fairfield to reimburse the  
2 district for the district's care and treatment of a person who is  
3 confined in a jail facility of Freestone County or the City of  
4 Fairfield and is not a district resident. A prisoner in the  
5 Freestone County jail or any penal or police facility located in the  
6 district does not qualify as a district resident unless the person  
7 would meet the qualifications for residency notwithstanding the  
8 incarceration, its duration, or the facts surrounding the  
9 incarceration.

10 (c) On behalf of the district, the board may contract with  
11 the state or federal government for that government to reimburse  
12 the district for treatment of a sick or injured person. (Acts 70th  
13 Leg., 2nd C.S., Ch. 12, Sec. 5.12.)

14 Sec. 1015.115. AUTHORITY TO SUE AND BE SUED. The board may  
15 sue and be sued on behalf of the district. (Acts 70th Leg., 2nd  
16 C.S., Ch. 12, Sec. 5.15.)

17 [Sections 1015.116-1015.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 1015.151. BUDGET. (a) The district administrator  
20 shall prepare a proposed annual budget for the district.

21 (b) The proposed budget must contain a complete financial  
22 statement, including a statement of:

- 23 (1) the outstanding obligations of the district;
- 24 (2) the amount of cash on hand in each district fund;
- 25 (3) the amount of money received by the district from  
26 all sources during the previous year;
- 27 (4) the amount of money available to the district from

1 all sources during the ensuing year;

2 (5) the amount of the balances expected at the end of  
3 the year in which the budget is being prepared;

4 (6) the estimated amount of revenue and balances  
5 available to cover the proposed budget; and

6 (7) the estimated tax rate required. (Acts 70th Leg.,  
7 2nd C.S., Ch. 12, Sec. 6.04.)

8 Sec. 1015.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

9 The board shall hold a public hearing on the proposed annual budget.

10 (b) The board shall publish notice of the hearing in a  
11 newspaper with general circulation in the district not later than  
12 the 10th day before the date of the hearing.

13 (c) Any district resident is entitled to be present and  
14 participate at the hearing.

15 (d) At the conclusion of the hearing, the board shall adopt  
16 a budget by acting on the budget proposed by the district  
17 administrator. The board may make any changes in the proposed  
18 budget that the board judges to be in the interests of the  
19 taxpayers.

20 (e) The budget is effective only after adoption by the  
21 board. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 6.05.)

22 Sec. 1015.153. AMENDMENTS TO BUDGET. After adoption, the  
23 annual budget may be amended on the board's approval. (Acts 70th  
24 Leg., 2nd C.S., Ch. 12, Sec. 6.06.)

25 Sec. 1015.154. RESTRICTION ON EXPENDITURES. Money may be  
26 spent only for an expense included in the budget or an amendment to  
27 the budget. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 6.07.)

1           Sec. 1015.155. FISCAL YEAR. (a) The district operates on a  
2 fiscal year established by the board.

3           (b) The fiscal year may not be changed:

4                 (1) during a period that revenue bonds of the district  
5 are outstanding; or

6                 (2) more than once in a 24-month period. (Acts 70th  
7 Leg., 2nd C.S., Ch. 12, Sec. 6.01.)

8           Sec. 1015.156. ANNUAL AUDIT. The board annually shall have  
9 an audit made of the district's financial condition. (Acts 70th  
10 Leg., 2nd C.S., Ch. 12, Sec. 6.02.)

11          Sec. 1015.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
12 RECORDS. The annual audit and other district records shall be open  
13 to inspection during regular business hours at the district's  
14 principal office. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 6.03.)

15          Sec. 1015.158. FINANCIAL REPORT. As soon as practicable  
16 after the close of the fiscal year, the district administrator  
17 shall prepare for the board:

18                 (1) a sworn statement of the amount of district money;  
19 and

20                 (2) an account of the disbursements of that money.  
21 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 6.08.)

22          Sec. 1015.159. DEPOSITORY. (a) The board shall select at  
23 least one bank to serve as a depository for district money.

24           (b) District money, other than money invested as provided by  
25 Section 1015.160(b) and money transmitted to a bank for payment of  
26 bonds or obligations issued or assumed by the district, shall be  
27 deposited as received with the depository bank and shall remain on

1 deposit. This subsection does not limit the power of the board to  
2 place a part of district money on time deposit or to purchase  
3 certificates of deposit.

4 (c) The district may not deposit money with a bank in an  
5 amount that exceeds the maximum amount secured by the Federal  
6 Deposit Insurance Corporation unless the bank has first executed a  
7 bond or other security in an amount sufficient to secure from loss  
8 the district money that exceeds the amount secured by the Federal  
9 Deposit Insurance Corporation. (Acts 70th Leg., 2nd C.S., Ch. 12,  
10 Sec. 6.11.)

11 Sec. 1015.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
12 Except as otherwise provided by Sections 1015.110, 1015.161,  
13 1015.201, 1015.204, and 1015.205, the district may not incur a debt  
14 payable from district revenue other than the revenue on hand or to  
15 be on hand in the current and immediately following district fiscal  
16 years.

17 (b) The board may invest operating, depreciation, or  
18 building reserves only in funds or securities specified by Chapter  
19 2256, Government Code. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.  
20 6.09.)

21 Sec. 1015.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
22 The board may borrow money at a rate not to exceed the maximum  
23 annual percentage rate allowed by law for district obligations at  
24 the time the loan is made if the board declares that money is not  
25 available to meet authorized district obligations, which creates an  
26 emergency.

27 (b) To secure a loan, the board may pledge:

1           (1) district revenue that is not pledged to pay the  
2 district's bonded indebtedness;

3           (2) a district tax to be imposed by the district in the  
4 next 12-month period that is not pledged to pay the principal of or  
5 interest on district bonds; or

6           (3) district bonds that have been authorized but not  
7 sold.

8           (c) A loan for which taxes or bonds are pledged must mature  
9 not later than the first anniversary of the date the loan is made. A  
10 loan for which district revenue is pledged must mature not later  
11 than the fifth anniversary of the date the loan is made.

12          (d) Money obtained from a loan under this section may be  
13 spent only for:

14           (1) a purpose for which the board declared an  
15 emergency; and

16           (2) if district taxes or bonds are pledged to pay the  
17 loan, the purpose for which the pledged taxes were imposed or the  
18 pledged bonds were authorized. (Acts 70th Leg., 2nd C.S., Ch. 12,  
19 Sec. 6.10.)

20           [Sections 1015.162-1015.200 reserved for expansion]

21                                   SUBCHAPTER E. BONDS

22          Sec. 1015.201. GENERAL OBLIGATION BONDS. If authorized by  
23 an election, the board may issue and sell general obligation bonds  
24 in the name and on the faith and credit of the district to:

25           (1) purchase, construct, acquire, repair, or renovate  
26 buildings or improvements; and

27           (2) equip buildings or improvements for hospital

1 purposes. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 7.01.)

2       Sec. 1015.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
3 the time general obligation bonds are issued by the district under  
4 Section 1015.201, the board shall impose an ad valorem tax at a rate  
5 sufficient to create an interest and sinking fund to pay the  
6 principal of and interest on the bonds as the bonds mature.

7       (b) The tax required by this section together with any other  
8 ad valorem tax the district imposes may not in any year exceed the  
9 limit approved by the voters at the election authorizing the  
10 imposition of the tax. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.  
11 7.02.)

12       Sec. 1015.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
13 district may issue general obligation bonds only if the bonds are  
14 authorized by a majority of district voters voting at an election  
15 held for that purpose.

16       (b) The board may order a bond election.

17       (c) The order calling the election must specify:

- 18               (1) the nature and date of the election;  
19               (2) the hours during which the polls will be open;  
20               (3) the location of the polling places;  
21               (4) the amount of the bonds to be authorized; and  
22               (5) the maximum maturity of the bonds.

23       (d) Notice of a bond election shall be given as provided by  
24 Section 1251.003, Government Code.

25       (e) The board shall declare the results of the election.  
26 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 7.03.)

27       Sec. 1015.204. REVENUE BONDS. (a) The board may issue



1 revenue bonds to:

2 (1) purchase, construct, acquire, repair, renovate,  
3 or equip buildings or improvements for hospital purposes; or

4 (2) acquire sites to be used for hospital purposes.

5 (b) The bonds must be payable from and secured by a pledge of  
6 all or part of the revenue derived from the operation of the  
7 district's hospital system.

8 (c) The bonds may be additionally secured by a mortgage or  
9 deed of trust lien on all or part of district property.

10 (d) The bonds must be issued in the manner provided by  
11 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
12 Code, for issuance of revenue bonds by a county hospital authority.  
13 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 7.04.)

14 Sec. 1015.205. REFUNDING BONDS. (a) The board may issue  
15 refunding bonds to refund an outstanding indebtedness issued or  
16 assumed by the district.

17 (b) A refunding bond may be:

18 (1) sold, with the proceeds of the refunding bonds  
19 applied to the payment of the indebtedness to be refunded; or

20 (2) exchanged wholly or partly for not less than a  
21 similar principal amount of outstanding indebtedness. (Acts 70th  
22 Leg., 2nd C.S., Ch. 12, Secs. 7.05(a), (c) (part).)

23 Sec. 1015.206. MATURITY OF BONDS. District bonds must  
24 mature not later than 50 years after the date of issuance. (Acts  
25 70th Leg., 2nd C.S., Ch. 12, Sec. 7.06 (part).)

26 Sec. 1015.207. EXECUTION OF BONDS. (a) The board president  
27 shall execute district bonds in the district's name.

1 (b) The board secretary shall countersign the bonds in the  
2 manner provided by Chapter 618, Government Code. (Acts 70th Leg.,  
3 2nd C.S., Ch. 12, Sec. 7.07.)

4 Sec. 1015.208. BONDS EXEMPT FROM TAXATION. The following  
5 are exempt from taxation by this state or a political subdivision of  
6 this state:

- 7 (1) bonds issued by the district;
- 8 (2) any transaction relating to the bonds; and
- 9 (3) profits made in the sale of the bonds. (Acts 70th  
10 Leg., 2nd C.S., Ch. 12, Sec. 7.11 (part).)

11 [Sections 1015.209-1015.250 reserved for expansion]

12 SUBCHAPTER F. TAXES

13 Sec. 1015.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
14 may impose a tax on all property in the district subject to district  
15 taxation.

16 (b) The tax may be used to meet the requirements of:

- 17 (1) district bonds;
- 18 (2) indebtedness assumed by the district; and
- 19 (3) the maintenance and operating expenses of the  
20 district.

21 (c) The district may not impose a tax to pay the principal of  
22 or interest on revenue bonds issued under this chapter. (Acts 70th  
23 Leg., 2nd C.S., Ch. 12, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

24 Sec. 1015.252. TAX RATE. (a) The board may impose the tax  
25 at a rate for the initial tax year not to exceed eight cents on each  
26 \$100 valuation of taxable property.

27 (b) The tax rate for all purposes may not exceed 12 cents on

1 each \$100 valuation of all taxable property in the district.

2 (c) In setting the tax rate, the board shall consider income  
3 of the district from sources other than taxation.

4 (d) The board may decrease the tax rate or may elect not to  
5 impose a tax. (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 8.01(a)  
6 (part), (b), 8.03 (part).)

7 Sec. 1015.253. TAX ASSESSOR-COLLECTOR. The board may  
8 provide for the appointment of a tax assessor-collector for the  
9 district or may contract for the assessment and collection of taxes  
10 as provided by the Tax Code. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec.  
11 8.04(b).)

12 [Sections 1015.254-1015.300 reserved for expansion]

13 SUBCHAPTER G. DISSOLUTION

14 Sec. 1015.301. DISSOLUTION; ELECTION. (a) The district  
15 may be dissolved only on approval of a majority of the district  
16 voters voting in an election held for that purpose.

17 (b) The board may order that a dissolution election be held.

18 (c) The board shall order an election if the board receives  
19 a petition requesting an election that is signed by at least 10  
20 percent of the registered voters in the district. The board shall  
21 order the election not later than the 60th day after the date the  
22 petition is presented to the district.

23 (d) The order calling the election must state:

24 (1) the nature of the election, including the  
25 proposition to appear on the ballot;

26 (2) the date of the election;

27 (3) the hours during which the polls will be open; and

1 (4) the location of the polling places.

2 (e) Section 41.001(a), Election Code, does not apply to an  
3 election ordered under this section. (Acts 70th Leg., 2nd C.S., Ch.  
4 12, Secs. 9.01, 9.02, 9.03, 9.05(b).)

5 Sec. 1015.302. NOTICE OF ELECTION. (a) The board shall  
6 give notice of an election under this subchapter by publishing once  
7 a week for two consecutive weeks a substantial copy of the election  
8 order in a newspaper with general circulation in the district.

9 (b) The first publication of the notice must appear at least  
10 35 days before the date set for the election. (Acts 70th Leg., 2nd  
11 C.S., Ch. 12, Sec. 9.04.)

12 Sec. 1015.303. BALLOT. The ballot for an election under  
13 this subchapter must be printed to permit voting for or against the  
14 proposition: "The dissolution of the Fairfield Hospital District."  
15 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 9.06.)

16 Sec. 1015.304. ELECTION RESULTS. (a) If the board finds  
17 that the election results favor the proposition to dissolve the  
18 district, the board shall:

19 (1) issue an order declaring the district be  
20 dissolved; and

21 (2) specify in the order the date the dissolution  
22 takes effect.

23 (b) If the board finds that the election results do not  
24 favor the proposition to dissolve the district, another dissolution  
25 election may not be held before the first anniversary of the date of  
26 the election at which the voters disapproved the proposition.  
27 (Acts 70th Leg., 2nd C.S., Ch. 12, Secs. 9.07(b), (c).)

1           Sec. 1015.305. DIRECTORS IN OFFICE AFTER DISSOLUTION. The  
2 directors in office on the date of the dissolution shall continue in  
3 office, without further election, until:

4           (1) the affairs of the district are effectively  
5 concluded; and

6           (2) all duties or acts required of the board are  
7 completed. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 9.08(c).)

8           Sec. 1015.306. IMPOSITION OF TAX; TRANSFER OF DEBTS. After  
9 issuing the dissolution order, the board shall determine the debt  
10 owed by the district and shall:

11           (1) impose on property subject to taxation in the  
12 district a tax in proportion of the debt to the property value and  
13 use the tax revenue to pay the district's bonds or satisfy other  
14 district debts; or

15           (2) transfer the district's debts to any governmental  
16 entity assuming responsibility after dissolution of the district  
17 for providing hospital care in the territory included in the  
18 district. (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 9.08(a).)

19           Sec. 1015.307. DISPOSITION OR TRANSFER OF ASSETS AND DEBTS.

20 (a) The board may not dispose of or transfer the district's assets  
21 except for due compensation unless:

22           (1) the debts are transferred to another governmental  
23 entity embracing the district; and

24           (2) the transferred assets are used for the benefit of  
25 citizens formerly in the district.

26           (b) If the board transfers the district's debts to another  
27 governmental entity, the board shall also transfer to that

1 governmental entity:

2 (1) title to land, buildings, improvements, and  
3 equipment related to the hospital system owned by the district; and

4 (2) operating money and reserves for operating  
5 expenses and money budgeted by the district to provide medical care  
6 for district residents for the remainder of the fiscal year in which  
7 the district is dissolved. (Acts 70th Leg., 2nd C.S., Ch. 12, Secs.  
8 9.08(b), (d) (part).)

9 Sec. 1015.308. SPENDING RESTRICTIONS. After the effective  
10 date of the district's dissolution, the board may not spend any  
11 money except:

12 (1) as authorized by law; and

13 (2) as necessary to pay reasonable dissolution  
14 expenses and the district's legal debts incurred before that date.  
15 (Acts 70th Leg., 2nd C.S., Ch. 12, Sec. 9.08(d) (part).)

16 Sec. 1015.309. REPORT; DISSOLUTION ORDER. (a) After the  
17 district has paid all district debts and has disposed of all  
18 district money and other assets as prescribed by this subchapter,  
19 the board shall file a written report with the Commissioners Court  
20 of Freestone County summarizing the board's actions in dissolving  
21 the district. The report must include a summary of the district's  
22 debts.

23 (b) Not later than the 10th day after the date the  
24 Commissioners Court of Freestone County receives the report, the  
25 commissioners court shall:

26 (1) determine whether the board has fulfilled the  
27 requirements of this subchapter; and

1           (2) if the commissioners court determines the board  
2 has fulfilled its duties, enter an order to that effect.

3           (c) On entry of an order under Subsection (b)(2), the  
4 directors are discharged from liability under their bonds. (Acts  
5 70th Leg., 2nd C.S., Ch. 12, Sec. 9.08(e).)

6           CHAPTER 1016. CONCHO COUNTY HOSPITAL DISTRICT

7                   SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1016.001. DEFINITIONS

9 Sec. 1016.002. AUTHORITY FOR OPERATION

10 Sec. 1016.003. ESSENTIAL PUBLIC FUNCTION

11 Sec. 1016.004. DISTRICT TERRITORY

12 Sec. 1016.005. CORRECTION OF INVALID PROCEDURES

13 Sec. 1016.006. DISTRICT SUPPORT AND MAINTENANCE NOT

14                   STATE OBLIGATION

15 Sec. 1016.007. RESTRICTION ON STATE FINANCIAL

16                   ASSISTANCE

17           [Sections 1016.008-1016.050 reserved for expansion]

18                   SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1016.051. BOARD ELECTION; TERM

20 Sec. 1016.052. NOTICE OF ELECTION

21 Sec. 1016.053. BALLOT PETITION

22 Sec. 1016.054. QUALIFICATIONS FOR OFFICE

23 Sec. 1016.055. BOND; RECORD OF BOND AND OATH OR

24                   AFFIRMATION OF OFFICE

25 Sec. 1016.056. BOARD VACANCY

26 Sec. 1016.057. OFFICERS

27 Sec. 1016.058. VOTING REQUIREMENT

- 1 Sec. 1016.059. MEETINGS
- 2 Sec. 1016.060. DISTRICT ADMINISTRATOR; ASSISTANT  
3 ADMINISTRATOR
- 4 Sec. 1016.061. GENERAL DUTIES OF DISTRICT  
5 ADMINISTRATOR
- 6 Sec. 1016.062. EMPLOYEES; APPOINTMENT OF STAFF
- 7 Sec. 1016.063. SENIORITY; RETIREMENT BENEFITS
- 8 [Sections 1016.064-1016.100 reserved for expansion]
- 9 SUBCHAPTER C. POWERS AND DUTIES
- 10 Sec. 1016.101. DISTRICT RESPONSIBILITY
- 11 Sec. 1016.102. RESTRICTION ON POLITICAL SUBDIVISION  
12 TAXATION AND DEBT
- 13 Sec. 1016.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 14 Sec. 1016.104. HOSPITAL SYSTEM
- 15 Sec. 1016.105. RULES
- 16 Sec. 1016.106. PURCHASING AND ACCOUNTING PROCEDURES
- 17 Sec. 1016.107. DISTRICT PROPERTY, FACILITIES, AND  
18 EQUIPMENT
- 19 Sec. 1016.108. EMINENT DOMAIN
- 20 Sec. 1016.109. GIFTS AND ENDOWMENTS
- 21 Sec. 1016.110. CONSTRUCTION OR PURCHASE CONTRACTS
- 22 Sec. 1016.111. OPERATING AND MANAGEMENT CONTRACTS
- 23 Sec. 1016.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
24 FOR HOSPITALIZATION
- 25 Sec. 1016.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
26 FOR INVESTIGATORY OR OTHER SERVICES
- 27 Sec. 1016.114. PAYMENT FOR TREATMENT; PROCEDURES



- 1 Sec. 1016.115. AUTHORITY TO SUE AND BE SUED  
2 [Sections 1016.116-1016.150 reserved for expansion]  
3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
4 Sec. 1016.151. BUDGET  
5 Sec. 1016.152. NOTICE; HEARING; ADOPTION OF BUDGET  
6 Sec. 1016.153. AMENDMENTS TO BUDGET  
7 Sec. 1016.154. RESTRICTION ON EXPENDITURES  
8 Sec. 1016.155. FISCAL YEAR  
9 Sec. 1016.156. AUDIT  
10 Sec. 1016.157. INSPECTION OF AUDIT AND DISTRICT  
11 RECORDS  
12 Sec. 1016.158. FINANCIAL REPORT  
13 Sec. 1016.159. DEPOSITORY  
14 Sec. 1016.160. SPENDING AND INVESTMENT RESTRICTIONS  
15 [Sections 1016.161-1016.200 reserved for expansion]  
16 SUBCHAPTER E. BONDS  
17 Sec. 1016.201. GENERAL OBLIGATION BONDS  
18 Sec. 1016.202. TAX TO PAY GENERAL OBLIGATION BONDS  
19 Sec. 1016.203. GENERAL OBLIGATION BOND ELECTION  
20 Sec. 1016.204. REVENUE BONDS  
21 Sec. 1016.205. REFUNDING BONDS  
22 Sec. 1016.206. MATURITY OF BONDS  
23 Sec. 1016.207. EXECUTION OF BONDS  
24 Sec. 1016.208. BONDS EXEMPT FROM TAXATION  
25 [Sections 1016.209-1016.250 reserved for expansion]  
26 SUBCHAPTER F. TAXES  
27 Sec. 1016.251. IMPOSITION OF AD VALOREM TAX

1 Sec. 1016.252. TAX RATE

2 CHAPTER 1016. CONCHO COUNTY HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1016.001. DEFINITIONS. In this chapter:

5 (1) "Board" means the board of directors of the  
6 district.

7 (2) "Director" means a member of the board.

8 (3) "District" means the Concho County Hospital  
9 District. (New.)

10 Sec. 1016.002. AUTHORITY FOR OPERATION. The district  
11 operates in accordance with and has the rights, powers, and duties  
12 provided by Section 9, Article IX, Texas Constitution, and by this  
13 chapter. (Acts 62nd Leg., R.S., Ch. 877, Sec. 1 (part).)

14 Sec. 1016.003. ESSENTIAL PUBLIC FUNCTION. The district  
15 performs an essential public function in carrying out the purposes  
16 of this chapter. (Acts 62nd Leg., R.S., Ch. 877, Sec. 21 (part).)

17 Sec. 1016.004. DISTRICT TERRITORY. The boundaries of the  
18 district are coextensive with the boundaries of Concho County,  
19 Texas. (Acts 62nd Leg., R.S., Ch. 877, Sec. 1 (part).)

20 Sec. 1016.005. CORRECTION OF INVALID PROCEDURES. If a  
21 court holds that any procedure under this chapter violates the  
22 constitution of this state or of the United States, the district by  
23 resolution may provide an alternative procedure that conforms with  
24 the constitution. (Acts 62nd Leg., R.S., Ch. 877, Sec. 23 (part).)

25 Sec. 1016.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
26 OBLIGATION. The support and maintenance of the district may not  
27 become a charge against or obligation of this state. (Acts 62nd

1 Leg., R.S., Ch. 877, Sec. 20 (part).)

2 Sec. 1016.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

3 The legislature may not make a direct appropriation for  
4 construction, maintenance, or improvement of a district facility.

5 (Acts 62nd Leg., R.S., Ch. 877, Sec. 20 (part).)

6 [Sections 1016.008-1016.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Sec. 1016.051. BOARD ELECTION; TERM. (a) The board  
9 consists of seven directors elected as follows:

10 (1) four directors, each of whom is a resident of a  
11 different county commissioners precinct; and

12 (2) three directors from the district at large.

13 (b) A district voter may vote on each of the seven  
14 directors.

15 (c) Directors serve staggered two-year terms unless  
16 four-year terms are established under Section 285.081, Health and  
17 Safety Code. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(a) (part).)

18 Sec. 1016.052. NOTICE OF ELECTION. At least 10 days before  
19 the date of an election of directors, notice of the election shall  
20 be published one time in a newspaper of general circulation in  
21 Concho County. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(c) (part).)

22 Sec. 1016.053. BALLOT PETITION. A person who wants to have  
23 the person's name printed on the ballot as a candidate for director  
24 must file with the board secretary a petition requesting that  
25 action. The petition must be:

26 (1) signed by at least 10 registered voters; and

27 (2) filed at least 25 days before the date of the

1 election. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(c) (part).)

2       Sec. 1016.054. QUALIFICATIONS FOR OFFICE. A person may not  
3 be elected or appointed as a director unless the person is:

- 4           (1) a district resident;
- 5           (2) a qualified voter;
- 6           (3) a freeholder; and
- 7           (4) at least 18 years of age when elected or appointed.

8 (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(a) (part).)

9       Sec. 1016.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
10 OF OFFICE. (a) Each director shall execute a good and sufficient  
11 bond for \$1,000 that is:

- 12           (1) payable to the district; and
- 13           (2) conditioned on the faithful performance of the  
14 director's duties.

15       (b) Each director's bond and the constitutional oath or  
16 affirmation of office shall be deposited with the district's  
17 depository bank for safekeeping. (Acts 62nd Leg., R.S., Ch. 877,  
18 Sec. 4(a) (part).)

19       Sec. 1016.056. BOARD VACANCY. (a) If a vacancy occurs in  
20 the office of director, the remaining directors shall appoint a  
21 director for the unexpired term.

22       (b) If the number of directors is reduced to fewer than four  
23 for any reason, the remaining directors shall immediately call a  
24 special election to fill the vacancies. If the remaining directors  
25 do not call the election, a district court, on application of a  
26 district voter or taxpayer, may order the directors to hold the  
27 election. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(b) (part).)

1           Sec. 1016.057. OFFICERS. The board shall elect a president  
2 and a secretary from among its members. (Acts 62nd Leg., R.S., Ch.  
3 877, Sec. 4(b) (part).)

4           Sec. 1016.058. VOTING REQUIREMENT. A concurrence of four  
5 directors is sufficient in any matter relating to district  
6 business. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(b) (part).)

7           Sec. 1016.059. MEETINGS. (a) A board meeting may be called  
8 by the president or any four directors.

9           (b) Notice of the time and place of a board meeting must be  
10 given to each director at least 72 hours before the time of the  
11 meeting. (Acts 62nd Leg., R.S., Ch. 877, Sec. 4(b) (part).)

12           Sec. 1016.060. DISTRICT ADMINISTRATOR; ASSISTANT  
13 ADMINISTRATOR. (a) The board may appoint a qualified person as  
14 district administrator.

15           (b) The board may appoint an assistant administrator.

16           (c) The district administrator and any assistant  
17 administrator serve at the will of the board and are entitled to the  
18 compensation determined by the board.

19           (d) On assuming the duties of district administrator, the  
20 administrator shall execute a bond payable to the district in an  
21 amount set by the board of not less than \$5,000 that:

22           (1) is conditioned on the administrator performing the  
23 administrator's duties; and

24           (2) contains other conditions the board may require.  
25 (Acts 62nd Leg., R.S., Ch. 877, Sec. 6 (part).)

26           Sec. 1016.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
27 Subject to the limitations prescribed by the board, the district

1 administrator shall:

2 (1) supervise the work and activities of the district;  
3 and

4 (2) direct the affairs of the district. (Acts 62nd  
5 Leg., R.S., Ch. 877, Sec. 6 (part).)

6 Sec. 1016.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
7 board may appoint to the staff any doctors the board considers  
8 necessary for the efficient operation of the district and may make  
9 temporary appointments as necessary.

10 (b) The district may employ fiscal agents, accountants,  
11 architects, and attorneys the board considers proper.

12 (c) The board may delegate to the district administrator the  
13 authority to hire district employees, including technicians and  
14 nurses. (Acts 62nd Leg., R.S., Ch. 877, Secs. 6 (part), 16.)

15 Sec. 1016.063. SENIORITY; RETIREMENT BENEFITS. The board  
16 may:

17 (1) adopt rules related to the seniority of district  
18 employees, including rules for a retirement plan based on  
19 seniority; and

20 (2) give effect to previous years of service for  
21 district employees continuously employed in the operation or  
22 management of hospital facilities:

23 (A) constructed by the district; or

24 (B) acquired by the district, including  
25 facilities acquired when the district was created. (Acts 62nd  
26 Leg., R.S., Ch. 877, Sec. 6 (part).)

27 [Sections 1016.064-1016.100 reserved for expansion]

1                   SUBCHAPTER C. POWERS AND DUTIES

2           Sec. 1016.101. DISTRICT RESPONSIBILITY. The district has  
3 full responsibility for providing hospital care for the district's  
4 indigent residents. (Acts 62nd Leg., R.S., Ch. 877, Sec. 19  
5 (part).)

6           Sec. 1016.102. RESTRICTION ON POLITICAL SUBDIVISION  
7 TAXATION AND DEBT. A political subdivision located within the  
8 district may not impose a tax or issue bonds or other obligations  
9 for hospital purposes or to provide medical care. (Acts 62nd Leg.,  
10 R.S., Ch. 877, Sec. 19 (part).)

11          Sec. 1016.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
12 The board shall manage, control, and administer the hospital system  
13 and the district's money and resources. (Acts 62nd Leg., R.S., Ch.  
14 877, Sec. 6 (part).)

15          Sec. 1016.104. HOSPITAL SYSTEM. (a) The district shall  
16 provide for the establishment of a hospital system by:

17               (1) purchasing, constructing, acquiring, repairing,  
18 or renovating buildings and equipment;

19               (2) equipping the buildings; and

20               (3) administering the buildings and equipment for  
21 hospital purposes.

22          (b) The hospital system may include:

23               (1) facilities for domiciliary care of the sick,  
24 injured, or geriatric;

25               (2) facilities for outpatient clinics;

26               (3) dispensaries;

27               (4) convalescent home facilities;

- 1           (5) necessary nurses' domiciliaries and training  
2 centers;
- 3           (6) blood banks;
- 4           (7) research centers or laboratories; and
- 5           (8) any other facilities the board considers necessary  
6 for hospital care. (Acts 62nd Leg., R.S., Ch. 877, Secs. 2 (part),  
7 10 (part).)

8           Sec. 1016.105. RULES. The board may adopt rules governing  
9 the operation of the hospital, the hospital system, and the  
10 district's staff and employees. (Acts 62nd Leg., R.S., Ch. 877,  
11 Sec. 6 (part).)

12           Sec. 1016.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
13 board may prescribe:

14           (1) the method and manner of making purchases and  
15 expenditures by and for the district; and

16           (2) all accounting and control procedures. (Acts 62nd  
17 Leg., R.S., Ch. 877, Sec. 11 (part).)

18           Sec. 1016.107. DISTRICT PROPERTY, FACILITIES, AND  
19 EQUIPMENT. (a) The board shall determine the type, number, and  
20 location of buildings required to maintain an adequate hospital  
21 system.

22           (b) The board may lease all or part of the district's  
23 buildings and other facilities on terms considered to be in the best  
24 interest of the district's inhabitants. The term of the lease may  
25 not exceed 25 years.

26           (c) The district may acquire equipment for use in the  
27 district's hospital system and mortgage or pledge the property as



1 security for the payment of the purchase price. A contract entered  
2 into under this subsection must provide that the entire obligation  
3 be retired not later than the fifth anniversary of the date of the  
4 contract.

5 (d) The district may sell or otherwise dispose of any  
6 property, including equipment, on terms the board finds are in the  
7 best interest of the district's inhabitants. The board may not sell  
8 or dispose of any real property unless the board affirmatively  
9 finds that the property is not needed for the operation of the  
10 hospital system. (Acts 62nd Leg., R.S., Ch. 877, Secs. 10 (part),  
11 11 (part).)

12 Sec. 1016.108. EMINENT DOMAIN. (a) The district may  
13 exercise the power of eminent domain to acquire a fee simple or  
14 other interest in any type of property located in district  
15 territory if the interest is necessary for the district to exercise  
16 a power, right, or privilege conferred by this chapter.

17 (b) The district must exercise the power of eminent domain  
18 in the manner provided by Chapter 21, Property Code, except the  
19 district is not required to deposit in the trial court money or a  
20 bond as provided by Section 21.021(a), Property Code.

21 (c) In a condemnation proceeding brought by the district,  
22 the district is not required to:

23 (1) pay in advance or provide a bond or other security  
24 for costs in the trial court;

25 (2) provide a bond for the issuance of a temporary  
26 restraining order or a temporary injunction; or

27 (3) provide a bond for costs or a supersedeas bond on

1 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 877, Sec.  
2 15.)

3       Sec. 1016.109. GIFTS AND ENDOWMENTS. The board may accept  
4 for the district a gift or endowment to be held in trust and  
5 administered by the board for the purposes and under the  
6 directions, limitations, or other provisions prescribed in writing  
7 by the donor that are not inconsistent with the proper management  
8 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 877,  
9 Sec. 18 (part).)

10       Sec. 1016.110. CONSTRUCTION OR PURCHASE CONTRACTS. A  
11 construction or purchase contract that involves the expenditure of  
12 more than \$2,000 may be made only after advertising in the manner  
13 provided by Chapter 252 and Subchapter C, Chapter 262, Local  
14 Government Code. (Acts 62nd Leg., R.S., Ch. 877, Sec. 11 (part).)

15       Sec. 1016.111. OPERATING AND MANAGEMENT CONTRACTS. The  
16 board may enter into an operating or management contract relating  
17 to a district facility. (Acts 62nd Leg., R.S., Ch. 877, Sec. 10  
18 (part).)

19       Sec. 1016.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
20 HOSPITALIZATION. (a) The board may contract with a county or  
21 municipality located outside the district's boundaries for the  
22 hospitalization of a sick or injured person of that county or  
23 municipality.

24       (b) The board may contract with this state or a federal  
25 agency for the hospitalization of a sick or injured person. (Acts  
26 62nd Leg., R.S., Ch. 877, Sec. 6 (part).)

27       Sec. 1016.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR

1 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
2 political subdivision or governmental agency for the district to  
3 provide investigatory and other services as to the hospital or  
4 welfare needs of district inhabitants. (Acts 62nd Leg., R.S., Ch.  
5 877, Sec. 6 (part).)

6 Sec. 1016.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
7 When a patient who resides in the district is admitted to a district  
8 facility, the district administrator may have an inquiry made into  
9 the circumstances of:

10 (1) the patient; and

11 (2) the patient's relatives who are legally liable for  
12 the patient's support.

13 (b) If the district administrator determines that the  
14 patient or those relatives cannot pay all or part of the costs of  
15 the care and treatment in the hospital, the amount of the costs that  
16 cannot be paid becomes a charge against the district.

17 (c) If the district administrator determines that the  
18 patient or those relatives can pay for all or part of the costs of  
19 the patient's care and treatment, the patient or those relatives  
20 shall be ordered to pay the district a specified amount each week  
21 for the patient's care and support. The amount ordered must be  
22 proportionate to the person's financial ability.

23 (d) The district administrator may collect the amount from  
24 the patient's estate, or from any relative who is legally liable for  
25 the patient's support, in the manner provided by law for the  
26 collection of expenses of the last illness of a deceased person.

27 (e) If there is a dispute as to the ability to pay, or doubt

1 in the mind of the district administrator, the board shall hold a  
2 hearing and, after calling witnesses, shall:

3 (1) resolve the dispute or doubt; and

4 (2) issue any appropriate orders.

5 (f) The final order of the board may be appealed to the  
6 district court. The substantial evidence rule applies to the  
7 appeal. (Acts 62nd Leg., R.S., Ch. 877, Sec. 17.)

8 Sec. 1016.115. AUTHORITY TO SUE AND BE SUED. (a) The  
9 district, through the board, may sue and be sued.

10 (b) The district is entitled to all causes of action and  
11 defenses to which similar authorities performing only governmental  
12 functions are entitled. (Acts 62nd Leg., R.S., Ch. 877, Sec. 6  
13 (part).)

14 [Sections 1016.116-1016.150 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 1016.151. BUDGET. (a) The district administrator  
17 shall prepare an annual budget for approval by the board.

18 (b) The proposed budget must contain a complete financial  
19 statement of:

20 (1) the outstanding obligations of the district;

21 (2) the cash on hand in each district fund;

22 (3) the money received by the district from all  
23 sources during the previous year;

24 (4) the money available to the district from all  
25 sources during the ensuing year;

26 (5) the balances expected at the end of the year in  
27 which the budget is being prepared;

1           (6) the estimated revenue and balances available to  
2 cover the proposed budget;

3           (7) the estimated tax rate required; and

4           (8) the proposed expenditures and disbursements and  
5 the estimated receipts and collections for the following fiscal  
6 year. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

7           Sec. 1016.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
8 The board shall hold a public hearing on the proposed annual budget.

9           (b) At least 10 days before the date of the hearing, notice  
10 of the hearing shall be published one time in a newspaper or  
11 newspapers that individually or collectively have general  
12 circulation in the district.

13           (c) Any property taxpayer of the district is entitled to be  
14 present and participate at the hearing in accordance with the rules  
15 of decorum and procedures prescribed by the board.

16           (d) At the conclusion of the hearing, the board shall adopt  
17 a budget by acting on the budget proposed by the district  
18 administrator. The board may make any changes in the proposed  
19 budget that the board judges to be in the interest of the taxpayers  
20 and that the law warrants. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7  
21 (part).)

22           Sec. 1016.153. AMENDMENTS TO BUDGET. The budget may be  
23 amended as required by circumstances. The board must approve all  
24 amendments. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

25           Sec. 1016.154. RESTRICTION ON EXPENDITURES. Money may be  
26 spent only for an expense included in the budget or an amendment to  
27 the budget. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

1           Sec. 1016.155. FISCAL YEAR. (a) The district operates on a  
2 fiscal year established by the board.

3           (b) The fiscal year may not be changed more than once in a  
4 24-month period. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

5           Sec. 1016.156. AUDIT. (a) The board shall have an  
6 independent audit made of the district's financial condition for  
7 the fiscal year.

8           (b) As soon as the audit is completed, the audit shall be  
9 filed at the district's office. (Acts 62nd Leg., R.S., Ch. 877,  
10 Sec. 7 (part).)

11          Sec. 1016.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
12 The audit and other district records shall be open to inspection at  
13 the district's principal office. (Acts 62nd Leg., R.S., Ch. 877,  
14 Sec. 7 (part).)

15          Sec. 1016.158. FINANCIAL REPORT. As soon as practicable  
16 after the close of each fiscal year, the district administrator  
17 shall prepare for the board:

18                 (1) a complete sworn statement of all district money;  
19 and

20                 (2) a complete account of the disbursements of that  
21 money. (Acts 62nd Leg., R.S., Ch. 877, Sec. 7 (part).)

22          Sec. 1016.159. DEPOSITORY. (a) The board shall select one  
23 or more banks inside or outside the district to serve as a  
24 depository for district money.

25                 (b) District money, other than money invested as provided by  
26 Section 1016.160(b), and money transmitted to a bank for payment of  
27 bonds or obligations issued or assumed by the district, shall be

1 deposited as received with the depository bank and shall remain on  
2 deposit.

3 (c) This chapter, including Subsection (b), does not limit  
4 the power of the board to place a part of district money on time  
5 deposit or to purchase certificates of deposit. (Acts 62nd Leg.,  
6 R.S., Ch. 877, Sec. 12.)

7 Sec. 1016.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
8 Except as otherwise provided by Section 1016.107(c), this  
9 subchapter, and Subchapter E, the district may not incur an  
10 obligation payable from district revenue other than the revenue on  
11 hand or to be on hand in the current and following district fiscal  
12 years.

13 (b) The board may invest operating, depreciation, or  
14 building reserves only in funds or securities specified by Chapter  
15 2256, Government Code. (Acts 62nd Leg., R.S., Ch. 877, Secs. 6  
16 (part), 11 (part).)

17 [Sections 1016.161-1016.200 reserved for expansion]

18 SUBCHAPTER E. BONDS

19 Sec. 1016.201. GENERAL OBLIGATION BONDS. The board may  
20 issue and sell general obligation bonds in the name and on the faith  
21 and credit of the district for any purpose relating to:

22 (1) the purchase, construction, acquisition, repair,  
23 or renovation of buildings or improvements; and

24 (2) equipping buildings or improvements for hospital  
25 purposes. (Acts 62nd Leg., R.S., Ch. 877, Sec. 8 (part).)

26 Sec. 1016.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
27 the time general obligation bonds are issued by the district under

1 Section 1016.201, the board shall impose an ad valorem tax at a rate  
2 sufficient to create an interest and sinking fund to pay the  
3 principal of and interest on the bonds as the bonds mature.

4 (b) The tax required by this section together with any other  
5 ad valorem tax the district imposes may not in any year exceed the  
6 tax rate approved by the voters at the election authorizing the  
7 imposition of the tax. (Acts 62nd Leg., R.S., Ch. 877, Sec. 8  
8 (part).)

9 Sec. 1016.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
10 district may issue general obligation bonds only if the bonds are  
11 authorized by a majority of the district voters voting at an  
12 election held for that purpose.

13 (b) The order calling the election shall provide for clerks  
14 as in county elections and must specify:

- 15 (1) the date of the election;
- 16 (2) the location of the polling places;
- 17 (3) the presiding and alternate election judges for  
18 each polling place;
- 19 (4) the amount of the bonds to be authorized;
- 20 (5) the maximum maturity of the bonds; and
- 21 (6) the maximum interest rate of the bonds.

22 (c) Notice of a bond election shall be given as provided by  
23 Section 1251.003, Government Code. (Acts 62nd Leg., R.S., Ch. 877,  
24 Sec. 8 (part).)

25 Sec. 1016.204. REVENUE BONDS. (a) The board may issue  
26 revenue bonds to:

- 27 (1) purchase, construct, acquire, repair, renovate,



1 or equip buildings or improvements for hospital purposes; or

2 (2) acquire sites to be used for hospital purposes.

3 (b) The bonds must be payable from and secured by a pledge of  
4 all or part of the revenue derived from the operation of the  
5 district's hospitals.

6 (c) The bonds may be additionally secured by a mortgage or  
7 deed of trust lien on all or part of district property.

8 (d) The bonds must be issued in the manner and in accordance  
9 with the procedures and requirements prescribed by Sections  
10 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
11 issuance of revenue bonds by a county hospital authority. (Acts  
12 62nd Leg., R.S., Ch. 877, Sec. 9(b) (part).)

13 Sec. 1016.205. REFUNDING BONDS. (a) The board may issue  
14 refunding bonds to refund outstanding indebtedness issued or  
15 assumed by the district.

16 (b) Refunding bonds may be:

17 (1) sold, with the proceeds of the refunding bonds  
18 applied to the payment of the outstanding indebtedness; or

19 (2) exchanged wholly or partly for not less than a  
20 similar principal amount of outstanding indebtedness. (Acts 62nd  
21 Leg., R.S., Ch. 877, Secs. 9(a) (part), (b) (part).)

22 Sec. 1016.206. MATURITY OF BONDS. District bonds must  
23 mature not later than 40 years after the date of issuance. (Acts  
24 62nd Leg., R.S., Ch. 877, Sec. 9(c) (part).)

25 Sec. 1016.207. EXECUTION OF BONDS. (a) The board president  
26 shall execute the district's bonds in the district's name.

27 (b) The board secretary shall countersign the bonds in the

1 manner provided by Chapter 618, Government Code. (Acts 62nd Leg.,  
2 R.S., Ch. 877, Sec. 9(c) (part).)

3 Sec. 1016.208. BONDS EXEMPT FROM TAXATION. The following  
4 are exempt from taxation by this state or a political subdivision of  
5 this state:

- 6 (1) bonds issued by the district;
- 7 (2) the transfer and issuance of the bonds; and
- 8 (3) profits made in the sale of the bonds. (Acts 62nd  
9 Leg., R.S., Ch. 877, Sec. 21 (part).)

10 [Sections 1016.209-1016.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1016.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
13 shall impose a tax on all property in the district subject to  
14 district taxation.

15 (b) The board shall impose the tax to:

16 (1) pay the interest on and create a sinking fund for  
17 bonds or other obligations issued or assumed by the district for  
18 hospital purposes;

19 (2) pay indebtedness incurred or assumed by the  
20 district;

21 (3) provide for the operation and maintenance of the  
22 district and the hospital or hospital system;

23 (4) make improvements and additions to the hospital  
24 system; and

25 (5) acquire necessary sites for the hospital system by  
26 purchase, lease, or condemnation. (Acts 62nd Leg., R.S., Ch. 877,  
27 Secs. 5 (part), 13 (part).)

1           Sec. 1016.252. TAX RATE. (a) The board may impose the tax  
2 at a rate not to exceed 75 cents on each \$100 valuation of all  
3 taxable property in the district.

4           (b) In setting the tax rate, the board shall consider the  
5 income of the district from sources other than taxation. (Acts 62nd  
6 Leg., R.S., Ch. 877, Secs. 5 (part), 13 (part).)

7           CHAPTER 1017. CULBERSON COUNTY HOSPITAL DISTRICT

8                   SUBCHAPTER A. GENERAL PROVISIONS

9   Sec. 1017.001. DEFINITIONS

10 Sec. 1017.002. AUTHORITY FOR OPERATION

11 Sec. 1017.003. ESSENTIAL PUBLIC FUNCTION

12 Sec. 1017.004. DISTRICT TERRITORY

13 Sec. 1017.005. DISTRICT SUPPORT AND MAINTENANCE NOT

14                   STATE OBLIGATION

15 Sec. 1017.006. RESTRICTION ON STATE FINANCIAL

16                   ASSISTANCE

17           [Sections 1017.007-1017.050 reserved for expansion]

18                   SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1017.051. BOARD ELECTION; TERM

20 Sec. 1017.052. NOTICE OF ELECTION

21 Sec. 1017.053. BALLOT PETITION

22 Sec. 1017.054. QUALIFICATIONS FOR OFFICE

23 Sec. 1017.055. BOND; RECORD OF BOND

24 Sec. 1017.056. BOARD VACANCY

25 Sec. 1017.057. OFFICERS

26 Sec. 1017.058. COMPENSATION; EXPENSES

27 Sec. 1017.059. VOTING REQUIREMENT

- 1 Sec. 1017.060. DISTRICT ADMINISTRATOR  
2 Sec. 1017.061. GENERAL DUTIES OF DISTRICT  
3 ADMINISTRATOR  
4 Sec. 1017.062. ASSISTANT DISTRICT ADMINISTRATOR;  
5 ATTORNEY  
6 Sec. 1017.063. APPOINTMENTS AND RECRUITMENT OF STAFF  
7 AND EMPLOYEES  
8 Sec. 1017.064. RETIREMENT BENEFITS  
9 [Sections 1017.065-1017.100 reserved for expansion]  
10 SUBCHAPTER C. POWERS AND DUTIES  
11 Sec. 1017.101. DISTRICT RESPONSIBILITY  
12 Sec. 1017.102. RESTRICTION ON CULBERSON COUNTY  
13 TAXATION AND DEBT  
14 Sec. 1017.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
15 Sec. 1017.104. RULES  
16 Sec. 1017.105. PURCHASING AND ACCOUNTING PROCEDURES  
17 Sec. 1017.106. MOBILE EMERGENCY MEDICAL SERVICE  
18 Sec. 1017.107. DISTRICT PROPERTY, FACILITIES, AND  
19 EQUIPMENT  
20 Sec. 1017.108. EMINENT DOMAIN  
21 Sec. 1017.109. COST OF RELOCATING OR ALTERING PROPERTY  
22 Sec. 1017.110. GIFTS AND ENDOWMENTS  
23 Sec. 1017.111. CONSTRUCTION CONTRACTS  
24 Sec. 1017.112. OPERATING AND MANAGEMENT CONTRACTS  
25 Sec. 1017.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
26 FOR SERVICES  
27 Sec. 1017.114. PAYMENT FOR TREATMENT; PROCEDURES

- 1 Sec. 1017.115. REIMBURSEMENT FOR SERVICE  
2 Sec. 1017.116. AUTHORITY TO SUE AND BE SUED  
3 [Sections 1017.117-1017.150 reserved for expansion]  
4 SUBCHAPTER D. GENERAL FINANCE PROVISIONS  
5 Sec. 1017.151. BUDGET  
6 Sec. 1017.152. NOTICE; HEARING; ADOPTION OF BUDGET  
7 Sec. 1017.153. AMENDMENTS TO BUDGET  
8 Sec. 1017.154. RESTRICTION ON EXPENDITURES  
9 Sec. 1017.155. FISCAL YEAR  
10 Sec. 1017.156. ANNUAL AUDIT  
11 Sec. 1017.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
12 RECORDS  
13 Sec. 1017.158. FINANCIAL REPORT  
14 Sec. 1017.159. DEPOSITORY  
15 Sec. 1017.160. SPENDING AND INVESTMENT RESTRICTIONS  
16 Sec. 1017.161. AUTHORITY TO BORROW MONEY; SECURITY  
17 [Sections 1017.162-1017.200 reserved for expansion]  
18 SUBCHAPTER E. BONDS  
19 Sec. 1017.201. GENERAL OBLIGATION BONDS  
20 Sec. 1017.202. TAX TO PAY GENERAL OBLIGATION BONDS  
21 Sec. 1017.203. GENERAL OBLIGATION BOND ELECTION  
22 Sec. 1017.204. REVENUE BONDS  
23 Sec. 1017.205. REFUNDING BONDS  
24 Sec. 1017.206. MATURITY OF BONDS  
25 Sec. 1017.207. EXECUTION OF BONDS  
26 Sec. 1017.208. BONDS EXEMPT FROM TAXATION  
27 [Sections 1017.209-1017.250 reserved for expansion]

SUBCHAPTER F. AD VALOREM TAX

Sec. 1017.251. IMPOSITION OF AD VALOREM TAX

Sec. 1017.252. TAX RATE

Sec. 1017.253. TAX ASSESSOR-COLLECTOR

CHAPTER 1017. CULBERSON COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1017.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Culberson County Hospital District. (Acts 69th Leg., R.S., Ch. 515, Sec. 1.01.)

Sec. 1017.002. AUTHORITY FOR OPERATION. The district operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter. (Acts 69th Leg., R.S., Ch. 515, Sec. 1.02.)

Sec. 1017.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function. (Acts 69th Leg., R.S., Ch. 515, Sec. 7.11 (part).)

Sec. 1017.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Culberson County, Texas. (Acts 69th Leg., R.S., Ch. 515, Sec. 1.03.)

Sec. 1017.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not become obligated for the support or maintenance of the district. (Acts 69th Leg., R.S., Ch. 515, Sec. 9.01 (part).)

Sec. 1017.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

1 The legislature may not make a direct appropriation for the  
2 construction, maintenance, or improvement of a district facility.  
3 (Acts 69th Leg., R.S., Ch. 515, Sec. 9.01 (part).)

4 [Sections 1017.007-1017.050 reserved for expansion]

5 SUBCHAPTER B. DISTRICT ADMINISTRATION

6 Sec. 1017.051. BOARD ELECTION; TERM. (a) The district is  
7 governed by a board of five directors elected from the district at  
8 large.

9 (b) Directors serve staggered two-year terms unless  
10 four-year terms are established under Section 285.081, Health and  
11 Safety Code. (Acts 69th Leg., R.S., Ch. 515, Secs. 4.01(a),  
12 4.03(a), (c).)

13 Sec. 1017.052. NOTICE OF ELECTION. At least 35 days before  
14 the date of an election of directors, notice of the election shall  
15 be published one time in a newspaper with general circulation in the  
16 district. (Acts 69th Leg., R.S., Ch. 515, Sec. 4.04.)

17 Sec. 1017.053. BALLOT PETITION. A person who wants to have  
18 the person's name printed on the ballot as a candidate for director  
19 must file with the board secretary a petition requesting that  
20 action. The petition must be:

21 (1) signed by at least one registered voter of the  
22 district as determined by the most recent official list of  
23 registered voters; and

24 (2) filed not later than the 31st day before the date  
25 of the election. (Acts 69th Leg., R.S., Ch. 515, Sec. 4.05.)

26 Sec. 1017.054. QUALIFICATIONS FOR OFFICE. (a) To be  
27 eligible to be a candidate for or to serve as a director, a person

1 must be:

2 (1) a district resident; and

3 (2) a qualified voter.

4 (b) A district employee may not serve as a director. (Acts  
5 69th Leg., R.S., Ch. 515, Sec. 4.06.)

6 Sec. 1017.055. BOND; RECORD OF BOND. (a) Before assuming  
7 the duties of office, each director must execute a bond for \$5,000  
8 that is:

9 (1) payable to the district; and

10 (2) conditioned on the faithful performance of the  
11 director's duties.

12 (b) The board may pay for a director's bond with district  
13 money.

14 (c) The bond shall be kept in the permanent records of the  
15 district. (Acts 69th Leg., R.S., Ch. 515, Sec. 4.07.)

16 Sec. 1017.056. BOARD VACANCY. If a vacancy occurs in the  
17 office of director, the remaining directors shall appoint a  
18 director for the unexpired term. (Acts 69th Leg., R.S., Ch. 515,  
19 Sec. 4.08.)

20 Sec. 1017.057. OFFICERS. (a) The board shall elect a  
21 president and a vice president from among its members.

22 (b) The board shall appoint a secretary, who need not be a  
23 director.

24 (c) Each officer of the board serves for a term of one year.

25 (d) The board shall fill a vacancy in a board office for the  
26 unexpired term. (Acts 69th Leg., R.S., Ch. 515, Secs. 4.09, 4.10.)

27 Sec. 1017.058. COMPENSATION; EXPENSES. A director or



1 officer serves without compensation but may be reimbursed for  
2 actual expenses incurred in the performance of official duties.

3 The expenses must be:

- 4 (1) reported in the district's records; and  
5 (2) approved by the board. (Acts 69th Leg., R.S., Ch.  
6 515, Sec. 4.11.)

7 Sec. 1017.059. VOTING REQUIREMENT. A concurrence of a  
8 majority of the directors voting is necessary in any matter  
9 relating to district business. (Acts 69th Leg., R.S., Ch. 515, Sec.  
10 4.12.)

11 Sec. 1017.060. DISTRICT ADMINISTRATOR. (a) The board may  
12 appoint a qualified person as district administrator.

13 (b) The district administrator serves at the will of the  
14 board and is entitled to the compensation determined by the board.

15 (c) Before assuming the duties of district administrator,  
16 the administrator must execute a bond in the amount set by the board  
17 of not less than \$5,000 that is:

- 18 (1) payable to the district; and  
19 (2) conditioned on the faithful performance of the  
20 administrator's duties under this chapter.

21 (d) The board may pay for the bond with district money.  
22 (Acts 69th Leg., R.S., Ch. 515, Secs. 4.13(a) (part), (b) (part),  
23 (c) (part), (d).)

24 Sec. 1017.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
25 Subject to the limitations prescribed by the board, the district  
26 administrator shall:

- 27 (1) supervise the work and activities of the district;

1 and

2 (2) direct the general affairs of the district. (Acts  
3 69th Leg., R.S., Ch. 515, Sec. 4.17.)

4 Sec. 1017.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

5 (a) The board may appoint qualified persons as:

6 (1) the assistant district administrator; and

7 (2) the attorney for the district.

8 (b) The assistant district administrator and the attorney  
9 for the district serve at the will of the board and are entitled to  
10 the compensation determined by the board. (Acts 69th Leg., R.S.,  
11 Ch. 515, Secs. 4.13(a) (part), (b) (part), (c) (part).)

12 Sec. 1017.063. APPOINTMENTS AND RECRUITMENT OF STAFF AND  
13 EMPLOYEES. (a) The board may appoint to the staff any doctors the  
14 board considers necessary for the efficient operation of the  
15 district and may make temporary appointments as necessary.

16 (b) The district may employ technicians, nurses, fiscal  
17 agents, accountants, architects, additional attorneys, and other  
18 necessary employees.

19 (c) The board may delegate to the district administrator the  
20 authority to employ persons for the district.

21 (d) The board may spend money to recruit physicians, nurses,  
22 or other trained medical personnel. The board may pay the tuition or  
23 other costs or expenses of a full-time medical student or nursing  
24 student who:

25 (1) is enrolled in and is in good standing at an  
26 accredited school, college, or university; and

27 (2) contractually agrees to become a district employee

1 in return for that assistance. (Acts 69th Leg., R.S., Ch. 515,  
2 Secs. 4.14, 4.15, 4.16.)

3 Sec. 1017.064. RETIREMENT BENEFITS. The board may provide  
4 retirement benefits for district employees by:

5 (1) establishing or administering a retirement  
6 program; or

7 (2) participating in:

8 (A) the Texas County and District Retirement  
9 System; or

10 (B) another statewide retirement system in which  
11 the district is eligible to participate. (Acts 69th Leg., R.S., Ch.  
12 515, Sec. 4.18.)

13 [Sections 1017.065-1017.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 1017.101. DISTRICT RESPONSIBILITY. The district has  
16 full responsibility for:

17 (1) operating hospital facilities; and

18 (2) providing medical and hospital care for the  
19 district's needy inhabitants. (Acts 69th Leg., R.S., Ch. 515, Sec.  
20 5.02 (part).)

21 Sec. 1017.102. RESTRICTION ON CULBERSON COUNTY TAXATION AND  
22 DEBT. Culberson County may not impose a tax or issue bonds or other  
23 obligations for hospital purposes or to provide medical care for  
24 district residents. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.01(b).)

25 Sec. 1017.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
26 The board shall manage, control, and administer the hospital system  
27 and the district's money and resources. (Acts 69th Leg., R.S., Ch.

1 515, Sec. 5.03.)

2 Sec. 1017.104. RULES. The board may adopt rules governing:

3 (1) the operation of the hospital and hospital system;

4 and

5 (2) the duties, functions, and responsibilities of  
6 district staff and employees. (Acts 69th Leg., R.S., Ch. 515, Sec.  
7 5.04.)

8 Sec. 1017.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
9 board may prescribe:

10 (1) the method of making purchases and expenditures by  
11 and for the district; and

12 (2) accounting and control procedures for the  
13 district. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.05.)

14 Sec. 1017.106. MOBILE EMERGENCY MEDICAL SERVICE. The  
15 district may operate or provide for the operation of a mobile  
16 emergency medical service. (Acts 69th Leg., R.S., Ch. 515, Sec.  
17 5.02 (part).)

18 Sec. 1017.107. DISTRICT PROPERTY, FACILITIES, AND  
19 EQUIPMENT. (a) The board shall determine the type, number, and  
20 location of buildings required to maintain an adequate hospital  
21 system and the type of equipment necessary for hospital care. The  
22 hospital system may include facilities and equipment to provide for  
23 domiciliary care and treatment of geriatric patients.

24 (b) The board may:

25 (1) lease or acquire property, including facilities  
26 and equipment, for the use of the district; and

27 (2) mortgage or pledge the property as security for

1 the payment of the purchase price.

2 (c) The board may sell, lease, or otherwise dispose of  
3 property, including facilities or equipment, for the district.  
4 Sale or other disposal under this subsection must be at a public  
5 sale and at a price and on the terms the board determines are most  
6 advantageous to the district.

7 (d) The board may donate to another governmental entity or  
8 to a charitable organization any surplus personal property or  
9 equipment if the donation serves a public purpose and is  
10 accompanied by adequate consideration. (Acts 69th Leg., R.S., Ch.  
11 515, Sec. 5.06.)

12 Sec. 1017.108. EMINENT DOMAIN. (a) The district may  
13 exercise the power of eminent domain to acquire a fee simple or  
14 other interest in property located in district territory if the  
15 property interest is necessary to exercise a right or authority  
16 conferred by this chapter.

17 (b) The district must exercise the power of eminent domain  
18 in the manner provided by Chapter 21, Property Code, except the  
19 district is not required to deposit money in the trial court or  
20 execute a bond as provided by Section 21.021(a)(2) or (3), Property  
21 Code.

22 (c) In a condemnation proceeding brought by the district,  
23 the district is not required to:

24 (1) pay in advance or provide a bond or other security  
25 for costs in the trial court;

26 (2) provide a bond for the issuance of a temporary  
27 restraining order or a temporary injunction; or

1           (3) provide a bond for costs or a supersedeas bond on  
2 an appeal or writ of error. (Acts 69th Leg., R.S., Ch. 515, Sec.  
3 5.09.)

4           Sec. 1017.109. COST OF RELOCATING OR ALTERING PROPERTY. In  
5 exercising the power of eminent domain, if the board requires  
6 relocating, raising, lowering, rerouting, changing the grade of, or  
7 altering the construction of any railroad, highway, pipeline, or  
8 electric transmission, telegraph, or telephone line, conduit,  
9 pole, or facility, the district must bear the actual cost of  
10 relocating, raising, lowering, rerouting, changing the grade, or  
11 altering the construction to provide comparable replacement  
12 without enhancement of facilities, after deducting the net salvage  
13 value derived from the old facility. (Acts 69th Leg., R.S., Ch.  
14 515, Sec. 5.10.)

15           Sec. 1017.110. GIFTS AND ENDOWMENTS. The board may accept  
16 for the district a gift or endowment to be held in trust for any  
17 purpose and under any direction, limitation, or other provision  
18 prescribed in writing by the donor that is consistent with the  
19 proper management of the district. (Acts 69th Leg., R.S., Ch. 515,  
20 Sec. 5.14.)

21           Sec. 1017.111. CONSTRUCTION CONTRACTS. (a) The board may  
22 enter into construction contracts for the district.

23           (b) The board may enter into a construction contract that  
24 involves the expenditure of more than the amount provided by  
25 Section 271.024, Local Government Code, only after competitive  
26 bidding as provided by Subchapter B, Chapter 271, Local Government  
27 Code. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.07(a).)

1           Sec. 1017.112. OPERATING AND MANAGEMENT CONTRACTS. The  
2 board may enter into an operating or management contract relating  
3 to a hospital facility for the district. (Acts 69th Leg., R.S., Ch.  
4 515, Sec. 5.08.)

5           Sec. 1017.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
6 SERVICES. The board may contract with a political subdivision of  
7 the state or with a state or federal agency for the district to:

- 8                   (1) furnish a mobile emergency medical service; or  
9                   (2) provide for the investigatory or welfare needs of  
10 district inhabitants. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.13.)

11           Sec. 1017.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
12 When a person who resides in the district is admitted as a patient  
13 to a district facility, the district administrator may have an  
14 inquiry made into the financial circumstances of:

- 15                   (1) the patient; and  
16                   (2) a relative of the patient who is legally  
17 responsible for the patient's support.

18           (b) To the extent that a patient or a relative of the patient  
19 legally responsible for the patient's support cannot pay for care  
20 and treatment provided by the district, the district shall supply  
21 the care and treatment without charging the patient or the  
22 patient's relative.

23           (c) On determining that the patient or a relative legally  
24 responsible for the patient's support can pay for all or any part of  
25 the care and treatment provided by the district, the district  
26 administrator shall report that determination to the board, and the  
27 board shall issue an order directing the patient or the relative to

1 pay the district a specified amount each week. The amount must be  
2 based on the person's ability to pay.

3 (d) The district administrator may collect the amount owed  
4 to the district from the patient's estate or from that of a relative  
5 who was legally responsible for the patient's support in the manner  
6 provided by law for collection of expenses in the last illness of a  
7 deceased person.

8 (e) If there is a dispute relating to a person's ability to  
9 pay or if the district administrator has any doubt concerning a  
10 person's ability to pay, the board shall:

- 11 (1) call witnesses;  
12 (2) hear and resolve the question; and  
13 (3) issue a final order.

14 (f) The final order of the board may be appealed to a  
15 district court in Culberson County. The substantial evidence rule  
16 applies to the appeal. (Acts 69th Leg., R.S., Ch. 515, Sec. 5.11.)

17 Sec. 1017.115. REIMBURSEMENT FOR SERVICE. (a) The board  
18 shall require a county or municipality located outside the district  
19 to reimburse the district for the district's care and treatment of a  
20 sick or injured person of that county or municipality.

21 (b) The board shall require the sheriff of Culberson County  
22 to reimburse the district for the district's care and treatment of a  
23 person who is confined in a jail facility of Culberson County and is  
24 not a district resident.

25 (c) On behalf of the district, the board may contract with  
26 the state or federal government for that government to reimburse  
27 the district for treatment of a sick or injured person. (Acts 69th



1 Leg., R.S., Ch. 515, Sec. 5.12.)

2 Sec. 1017.116. AUTHORITY TO SUE AND BE SUED. The board may  
3 sue and be sued on behalf of the district. (Acts 69th Leg., R.S.,  
4 Ch. 515, Sec. 5.15.)

5 [Sections 1017.117-1017.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCE PROVISIONS

7 Sec. 1017.151. BUDGET. (a) The district administrator  
8 shall prepare a proposed annual budget for the district.

9 (b) The proposed budget must contain a complete financial  
10 statement, including a statement of:

- 11 (1) the outstanding obligations of the district;
- 12 (2) the amount of cash on hand in each district fund;
- 13 (3) the amount of money received by the district from  
14 all sources during the previous year;
- 15 (4) the amount of money available to the district from  
16 all sources during the ensuing year;
- 17 (5) the amount of the balances expected at the end of  
18 the year in which the budget is being prepared;
- 19 (6) the estimated amount of revenue and balances  
20 available to cover the proposed budget; and
- 21 (7) the estimated tax rate required. (Acts 69th Leg.,  
22 R.S., Ch. 515, Sec. 6.04.)

23 Sec. 1017.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
24 The board shall hold a public hearing on the proposed annual budget.

25 (b) The board shall publish notice of the hearing in a  
26 newspaper with general circulation in the district not later than  
27 the 10th day before the date of the hearing.

1 (c) Any district resident is entitled to be present and  
2 participate at the hearing.

3 (d) At the conclusion of the hearing, the board shall adopt  
4 a budget by acting on the budget proposed by the district  
5 administrator. The board may make any changes in the proposed  
6 budget that the board determines to be in the interests of the  
7 taxpayers.

8 (e) The budget is effective only after adoption by the  
9 board. (Acts 69th Leg., R.S., Ch. 515, Sec. 6.05.)

10 Sec. 1017.153. AMENDMENTS TO BUDGET. After adoption, the  
11 annual budget may be amended on the board's approval. (Acts 69th  
12 Leg., R.S., Ch. 515, Sec. 6.06.)

13 Sec. 1017.154. RESTRICTION ON EXPENDITURES. Money may be  
14 spent only for an expense included in the budget or an amendment to  
15 the budget. (Acts 69th Leg., R.S., Ch. 515, Sec. 6.07.)

16 Sec. 1017.155. FISCAL YEAR. (a) The district operates on a  
17 fiscal year established by the board.

18 (b) The fiscal year may not be changed:

19 (1) during a period that revenue bonds of the district  
20 are outstanding; or

21 (2) more than once in a 24-month period. (Acts 69th  
22 Leg., R.S., Ch. 515, Sec. 6.01.)

23 Sec. 1017.156. ANNUAL AUDIT. The board annually shall have  
24 an audit made of the district's financial condition. (Acts 69th  
25 Leg., R.S., Ch. 515, Sec. 6.02.)

26 Sec. 1017.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
27 RECORDS. The annual audit and other district records shall be open

1 to inspection during regular business hours at the district's  
2 principal office. (Acts 69th Leg., R.S., Ch. 515, Sec. 6.03.)

3 Sec. 1017.158. FINANCIAL REPORT. As soon as practicable  
4 after the close of the fiscal year, the district administrator  
5 shall prepare for the board:

6 (1) a sworn statement of the amount of district money;  
7 and

8 (2) an account of the disbursements of that money.  
9 (Acts 69th Leg., R.S., Ch. 515, Sec. 6.08.)

10 Sec. 1017.159. DEPOSITORY. (a) The board shall select at  
11 least one bank to serve as a depository for district money.

12 (b) District money, other than money invested as provided by  
13 Section 1017.160(b) and money transmitted to a bank for payment of  
14 bonds or obligations issued or assumed by the district, shall be  
15 deposited as received with the depository bank and shall remain on  
16 deposit. This subsection does not limit the power of the board to  
17 place a part of district money on time deposit or to purchase  
18 certificates of deposit.

19 (c) The district may not deposit money with a bank in an  
20 amount that exceeds the maximum amount secured by the Federal  
21 Deposit Insurance Corporation unless the bank first executes a bond  
22 or other security in an amount sufficient to secure from loss the  
23 district money that exceeds the amount secured by the Federal  
24 Deposit Insurance Corporation. (Acts 69th Leg., R.S., Ch. 515,  
25 Sec. 6.10.)

26 Sec. 1017.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
27 Except as provided by this section and Sections 1017.063(d),

1 1017.111, 1017.201, 1017.204, and 1017.205, the district may not  
2 incur a debt payable from district revenue other than the revenue on  
3 hand or to be on hand in the current and immediately following  
4 district fiscal years.

5 (b) The board may invest operating, depreciation, or  
6 building reserves only in funds or securities specified by Chapter  
7 2256, Government Code. (Acts 69th Leg., R.S., Ch. 515, Secs.  
8 6.09(a), (b).)

9 Sec. 1017.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
10 The board may borrow money at a rate of not more than 10 percent a  
11 year on district notes to pay the obligations if the board declares  
12 that money is not available to meet authorized district  
13 obligations, which creates an emergency.

14 (b) To secure a loan, the board may pledge:

15 (1) district revenue that is not pledged to pay the  
16 district's bonded indebtedness;

17 (2) a district tax to be imposed by the district in the  
18 next 12-month period that is not pledged to pay the principal of or  
19 interest on district bonds; or

20 (3) district bonds that have been authorized but not  
21 sold.

22 (c) A loan for which taxes or bonds are pledged must mature  
23 not later than the first anniversary of the date the loan is made. A  
24 loan for which district revenue is pledged must mature not later  
25 than the fifth anniversary of the date the loan is made.

26 (d) Money obtained from a loan under this section may be  
27 spent only for:

1           (1) a purpose for which the board declared an  
2 emergency; and

3           (2) if district taxes or bonds are pledged to pay the  
4 loan, the purposes for which the taxes were imposed or the bonds  
5 were authorized. (Acts 69th Leg., R.S., Ch. 515, Sec. 6.09(c).)

6           [Sections 1017.162-1017.200 reserved for expansion]

7   SUBCHAPTER E. BONDS

8           Sec. 1017.201. GENERAL OBLIGATION BONDS. If authorized by  
9 an election, the board may issue and sell general obligation bonds  
10 in the name and on the faith and credit of the district to:

11                 (1) purchase, construct, acquire, repair, or renovate  
12 buildings or improvements;

13                 (2) equip buildings or improvements for hospital  
14 purposes; or

15                 (3) acquire and operate a mobile emergency medical  
16 service. (Acts 69th Leg., R.S., Ch. 515, Sec. 7.01.)

17           Sec. 1017.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
18 the time general obligation bonds are issued by the district under  
19 Section 1017.201, the board shall impose an ad valorem tax at a rate  
20 sufficient to create an interest and sinking fund to pay the  
21 principal of and interest on the bonds as the bonds mature.

22                 (b) The tax required by this section together with any other  
23 ad valorem tax the district imposes may not in any year exceed the  
24 limit approved by the voters at the election authorizing the  
25 imposition of a tax. (Acts 69th Leg., R.S., Ch. 515, Sec. 7.02.)

26           Sec. 1017.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
27 district may issue general obligation bonds only if the bonds are

1 authorized by a majority of the district voters.

2 (b) The board may order a bond election.

3 (c) The order calling the election must specify:

4 (1) the nature and date of the election;

5 (2) the hours during which the polls will be open;

6 (3) the location of the polling places;

7 (4) the amount of the bonds to be authorized; and

8 (5) the maximum maturity of the bonds.

9 (d) Notice of a bond election shall be given as provided by  
10 Section 1251.003, Government Code.

11 (e) The board shall declare the results of the election.  
12 (Acts 69th Leg., R.S., Ch. 515, Sec. 7.03.)

13 Sec. 1017.204. REVENUE BONDS. (a) The board may issue  
14 revenue bonds to:

15 (1) purchase, construct, acquire, repair, renovate,  
16 or equip buildings or improvements for hospital purposes;

17 (2) acquire sites to be used for hospital purposes; or

18 (3) acquire and operate a mobile emergency medical  
19 service to assist the district in carrying out its hospital  
20 purposes.

21 (b) The bonds must be payable from and secured by a pledge of  
22 all or part of the revenue derived from the operation of the  
23 district's hospital system.

24 (c) The bonds may be additionally secured by a mortgage or  
25 deed of trust lien on all or part of district property.

26 (d) The bonds must be issued in the manner provided by  
27 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety

1 Code, for issuance of revenue bonds by a county hospital authority.  
2 (Acts 69th Leg., R.S., Ch. 515, Sec. 7.04.)

3 Sec. 1017.205. REFUNDING BONDS. (a) The board may issue  
4 refunding bonds to refund outstanding indebtedness issued or  
5 assumed by the district.

6 (b) A refunding bond may be:

7 (1) sold, with the proceeds of the refunding bond  
8 applied to the payment of the outstanding indebtedness; or

9 (2) exchanged wholly or partly for not less than a  
10 similar principal amount of outstanding indebtedness. (Acts 69th  
11 Leg., R.S., Ch. 515, Secs. 7.05(a), (c) (part).)

12 Sec. 1017.206. MATURITY OF BONDS. District bonds must  
13 mature not later than 50 years after the date of issuance. (Acts  
14 69th Leg., R.S., Ch. 515, Sec. 7.06 (part).)

15 Sec. 1017.207. EXECUTION OF BONDS. (a) The board president  
16 shall execute district bonds in the district's name.

17 (b) The board secretary shall countersign the bonds in the  
18 manner provided by Chapter 618, Government Code. (Acts 69th Leg.,  
19 R.S., Ch. 515, Sec. 7.07.)

20 Sec. 1017.208. BONDS EXEMPT FROM TAXATION. The following  
21 are exempt from taxation by this state or a political subdivision of  
22 this state:

23 (1) bonds issued by the district;

24 (2) any transaction relating to the bonds; and

25 (3) profits made in the sale of the bonds. (Acts 69th  
26 Leg., R.S., Ch. 515, Sec. 7.11 (part).)

27 [Sections 1017.209-1017.250 reserved for expansion]

SUBCHAPTER F. AD VALOREM TAX

1  
2           Sec. 1017.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
3 may impose a tax on all property in the district subject to district  
4 taxation.

5           (b) The tax may be used to pay:

- 6                 (1) indebtedness issued or assumed by the district;  
7 and  
8                 (2) the maintenance and operating expenses of the  
9 district.

10          (c) The district may not impose a tax to pay the principal of  
11 or interest on revenue bonds issued under this chapter. (Acts 69th  
12 Leg., R.S., Ch. 515, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

13          Sec. 1017.252. TAX RATE. (a) The board may impose the tax  
14 at a rate not to exceed the limit approved by the voters at the  
15 election authorizing the imposition of the tax.

16          (b) The tax rate for all purposes may not exceed 75 cents on  
17 each \$100 valuation of all taxable property in the district.

18          (c) In setting the tax rate, the board shall consider the  
19 income of the district from sources other than taxation. (Acts 69th  
20 Leg., R.S., Ch. 515, Secs. 8.01(a) (part), (b), 8.03 (part).)

21          Sec. 1017.253. TAX ASSESSOR-COLLECTOR. The board may  
22 provide for the appointment of a tax assessor-collector for the  
23 district or may contract for the assessment and collection of taxes  
24 as provided by the Tax Code. (Acts 69th Leg., R.S., Ch. 515, Sec.  
25 8.04(b).)



- 1           CHAPTER 1018. DALLAM-HARTLEY COUNTIES HOSPITAL DISTRICT
- 2                           SUBCHAPTER A. GENERAL PROVISIONS
- 3   Sec. 1018.001.   DEFINITIONS
- 4   Sec. 1018.002.   AUTHORITY FOR OPERATION
- 5   Sec. 1018.003.   ESSENTIAL PUBLIC FUNCTION
- 6   Sec. 1018.004.   DISTRICT TERRITORY
- 7   Sec. 1018.005.   DISTRICT SUPPORT AND MAINTENANCE NOT
- 8                           STATE OBLIGATION
- 9   Sec. 1018.006.   RESTRICTION ON STATE FINANCIAL
- 10                         ASSISTANCE
- 11           [Sections 1018.007-1018.050 reserved for expansion]
- 12                           SUBCHAPTER B. DISTRICT ADMINISTRATION
- 13   Sec. 1018.051.   BOARD APPOINTMENT; TERM
- 14   Sec. 1018.052.   QUALIFICATIONS FOR OFFICE
- 15   Sec. 1018.053.   BOND; RECORD OF BOND AND OATH OR
- 16                           AFFIRMATION OF OFFICE
- 17   Sec. 1018.054.   BOARD VACANCY
- 18   Sec. 1018.055.   OFFICERS
- 19   Sec. 1018.056.   COMPENSATION; EXPENSES
- 20   Sec. 1018.057.   VOTING REQUIREMENT
- 21   Sec. 1018.058.   DISTRICT ADMINISTRATOR
- 22   Sec. 1018.059.   GENERAL DUTIES OF DISTRICT
- 23                           ADMINISTRATOR
- 24   Sec. 1018.060.   ATTORNEY; ASSISTANT DISTRICT
- 25                           ADMINISTRATOR
- 26   Sec. 1018.061.   EMPLOYEES; APPOINTMENT OF STAFF

- 1 Sec. 1018.062. RECRUITMENT OF MEDICAL STAFF AND  
2 EMPLOYEES
- 3 Sec. 1018.063. HEALTH CARE EDUCATIONAL PROGRAMS
- 4 Sec. 1018.064. LIABILITY INSURANCE; INDEMNIFICATION
- 5 [Sections 1018.065-1018.100 reserved for expansion]
- 6 SUBCHAPTER C. POWERS AND DUTIES
- 7 Sec. 1018.101. DISTRICT RESPONSIBILITY
- 8 Sec. 1018.102. RESTRICTION ON POLITICAL SUBDIVISION
- 9 TAXATION AND DEBT
- 10 Sec. 1018.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 11 Sec. 1018.104. HOSPITAL SYSTEM
- 12 Sec. 1018.105. RULES
- 13 Sec. 1018.106. PURCHASING AND ACCOUNTING PROCEDURES
- 14 Sec. 1018.107. DISTRICT PROPERTY, FACILITIES, AND  
15 EQUIPMENT
- 16 Sec. 1018.108. ASSISTED LIVING FACILITY
- 17 Sec. 1018.109. EMINENT DOMAIN
- 18 Sec. 1018.110. COST OF RELOCATING OR ALTERING PROPERTY
- 19 Sec. 1018.111. GIFTS AND ENDOWMENTS
- 20 Sec. 1018.112. CONSTRUCTION CONTRACTS
- 21 Sec. 1018.113. OPERATING AND MANAGEMENT CONTRACTS
- 22 Sec. 1018.114. CONTRACTS FOR MEDICAL AND HOSPITAL CARE
- 23 Sec. 1018.115. CONTRACTS WITH GOVERNMENTAL ENTITIES  
24 FOR CARE AND TREATMENT
- 25 Sec. 1018.116. CONTRACTS WITH GOVERNMENTAL ENTITIES  
26 FOR INVESTIGATORY OR OTHER SERVICES

- 1 Sec. 1018.117. JOINT ADMINISTRATION OR DELIVERY OF  
2 HEALTH CARE SERVICES
- 3 Sec. 1018.118. PAYMENT FOR TREATMENT; PROCEDURES
- 4 Sec. 1018.119. NONPROFIT CORPORATION
- 5 Sec. 1018.120. AUTHORITY TO SUE AND BE SUED
- 6 [Sections 1018.121-1018.150 reserved for expansion]
- 7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 8 Sec. 1018.151. BUDGET
- 9 Sec. 1018.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 10 Sec. 1018.153. AMENDMENTS TO BUDGET
- 11 Sec. 1018.154. RESTRICTION ON EXPENDITURES
- 12 Sec. 1018.155. FISCAL YEAR
- 13 Sec. 1018.156. ANNUAL AUDIT
- 14 Sec. 1018.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
15 RECORDS
- 16 Sec. 1018.158. FINANCIAL REPORT
- 17 Sec. 1018.159. DEPOSITORY
- 18 Sec. 1018.160. SPENDING AND INVESTMENT RESTRICTIONS
- 19 Sec. 1018.161. AUTHORITY TO BORROW MONEY; SECURITY
- 20 [Sections 1018.162-1018.200 reserved for expansion]
- 21 SUBCHAPTER E. BONDS
- 22 Sec. 1018.201. GENERAL OBLIGATION BONDS
- 23 Sec. 1018.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 24 Sec. 1018.203. GENERAL OBLIGATION BOND ELECTION
- 25 Sec. 1018.204. MATURITY OF GENERAL OBLIGATION BONDS
- 26 Sec. 1018.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 27 Sec. 1018.206. REVENUE BONDS

1 Sec. 1018.207. REFUNDING BONDS

2 Sec. 1018.208. BONDS EXEMPT FROM TAXATION

3 [Sections 1018.209-1018.250 reserved for expansion]

4 SUBCHAPTER F. TAXES

5 Sec. 1018.251. IMPOSITION OF AD VALOREM TAX

6 Sec. 1018.252. TAX RATE

7 Sec. 1018.253. ASSESSMENT AND COLLECTION BY COUNTY TAX

8 ASSESSOR-COLLECTOR

9 Sec. 1018.254. ASSESSMENT AND COLLECTION BY DISTRICT

10 ASSESSOR-COLLECTOR

11 CHAPTER 1018. DALLAM-HARTLEY COUNTIES HOSPITAL DISTRICT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 1018.001. DEFINITIONS. In this chapter:

14 (1) "Board" means the board of directors of the  
15 district.

16 (2) "Director" means a member of the board.

17 (3) "District" means the Dallam-Hartley Counties  
18 Hospital District. (New.)

19 Sec. 1018.002. AUTHORITY FOR OPERATION. The district  
20 operates and is administered and financed in accordance with  
21 Section 9, Article IX, Texas Constitution, and has the rights,  
22 powers, and duties provided by this chapter. (Acts 66th Leg., R.S.,  
23 Ch. 128, Sec. 1 (part).)

24 Sec. 1018.003. ESSENTIAL PUBLIC FUNCTION. The district  
25 performs an essential public function in carrying out the purposes  
26 of this chapter. (Acts 66th Leg., R.S., Ch. 128, Sec. 19 (part).)

27 Sec. 1018.004. DISTRICT TERRITORY. The boundaries of the

1 district are coextensive with the boundaries of Dallam and Hartley  
2 Counties, Texas, except that the district does not include land  
3 located in another hospital district on the date the Dallam-Hartley  
4 Counties Hospital District was created. (Acts 66th Leg., R.S., Ch.  
5 128, Sec. 1 (part).)

6 Sec. 1018.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
7 OBLIGATION. The support or maintenance of the district may not  
8 become a charge against or obligation of this state. (Acts 66th  
9 Leg., R.S., Ch. 128, Sec. 18 (part).)

10 Sec. 1018.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
11 The legislature may not make a direct appropriation for the  
12 construction, maintenance, or improvement of a district facility.  
13 (Acts 66th Leg., R.S., Ch. 128, Sec. 18 (part).)

14 [Sections 1018.007-1018.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1018.051. BOARD APPOINTMENT; TERM. (a) The board  
17 consists of seven directors appointed as follows:

18 (1) three directors appointed by the Commissioners  
19 Court of Dallam County;

20 (2) three directors appointed by the Commissioners  
21 Court of Hartley County; and

22 (3) one director jointly appointed by the six  
23 directors appointed under Subdivisions (1) and (2).

24 (b) The directors shall make an appointment under  
25 Subsection (a)(3) not later than the 20th day after the date the  
26 last director is appointed under Subsection (a)(1) or (2).

27 (c) A successor director is appointed in the same manner as

1 the initial director.

2 (d) Directors serve staggered two-year terms. (Acts 66th  
3 Leg., R.S., Ch. 128, Sec. 3(e) (part).)

4 Sec. 1018.052. QUALIFICATIONS FOR OFFICE. (a) A person may  
5 not be appointed as a director unless the person is:

6 (1) a district resident; and

7 (2) a qualified voter.

8 (b) A person is not eligible to serve as a director if the  
9 person is:

10 (1) the district administrator;

11 (2) the attorney for the district; or

12 (3) a district employee. (Acts 66th Leg., R.S., Ch.  
13 128, Sec. 3(g).)

14 Sec. 1018.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
15 OF OFFICE. (a) Each director shall execute a good and sufficient  
16 bond for \$5,000 that is:

17 (1) approved by the commissioners courts of Dallam and  
18 Hartley Counties;

19 (2) payable to the district; and

20 (3) conditioned on the faithful performance of the  
21 director's duties.

22 (b) The district may provide for a director's bond with  
23 district money.

24 (c) Each director's bond and constitutional oath or  
25 affirmation of office shall be kept in the district's permanent  
26 records. (Acts 66th Leg., R.S., Ch. 128, Sec. 3(f).)

27 Sec. 1018.054. BOARD VACANCY. A vacancy in the office of

1 director shall be filled for the unexpired term by appointment in  
2 the same manner as the office was previously filled under Section  
3 1018.051. (Acts 66th Leg., R.S., Ch. 128, Sec. 3(e) (part).)

4 Sec. 1018.055. OFFICERS. (a) The board shall elect:

5 (1) a president and a vice president from among its  
6 members; and

7 (2) a secretary, who need not be a director.

8 (b) Each officer of the board serves for a term of one year.

9 (c) The board shall fill a vacancy in a board office for the  
10 unexpired term. (Acts 66th Leg., R.S., Ch. 128, Sec. 3(h) (part).)

11 Sec. 1018.056. COMPENSATION; EXPENSES. A director or  
12 officer serves without compensation but may be reimbursed for  
13 actual expenses incurred in the performance of official duties.  
14 The expenses must be:

15 (1) reported in the district's records; and

16 (2) approved by the board. (Acts 66th Leg., R.S., Ch.  
17 128, Sec. 3(h) (part).)

18 Sec. 1018.057. VOTING REQUIREMENT. A concurrence of four  
19 directors is sufficient in any matter relating to district  
20 business. (Acts 66th Leg., R.S., Ch. 128, Sec. 3(h) (part).)

21 Sec. 1018.058. DISTRICT ADMINISTRATOR. (a) The board may  
22 appoint a qualified person as district administrator.

23 (b) The district administrator serves at the will of the  
24 board and is entitled to the compensation determined by the board.

25 (c) On assuming the duties of district administrator, the  
26 administrator shall execute a bond payable to the district in an  
27 amount set by the board of not less than \$5,000 that:

1           (1) is conditioned on the administrator performing the  
2 administrator's duties; and

3           (2) contains other conditions the board may require.  
4 (Acts 66th Leg., R.S., Ch. 128, Sec. 4(a) (part).)

5           Sec. 1018.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
6 Subject to the limitations prescribed by the board, the district  
7 administrator shall:

8           (1) supervise the work and activities of the district;  
9 and

10           (2) direct the affairs of the district. (Acts 66th  
11 Leg., R.S., Ch. 128, Sec. 4(a) (part).)

12           Sec. 1018.060. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR.

13 (a) The board may appoint qualified persons as:

14           (1) the attorney for the district; and

15           (2) the assistant district administrator.

16           (b) The attorney for the district and the assistant district  
17 administrator serve at the will of the board and are entitled to the  
18 compensation determined by the board. (Acts 66th Leg., R.S., Ch.  
19 128, Sec. 4(a) (part).)

20           Sec. 1018.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
21 board may appoint to the staff any doctors the board considers  
22 necessary for the efficient operation of the district and may make  
23 temporary appointments as necessary.

24           (b) The district may employ fiscal agents, accountants,  
25 architects, and attorneys the board considers proper.

26           (c) The board may delegate to the district administrator the  
27 authority to hire district employees, including technicians and



1 nurses. (Acts 66th Leg., R.S., Ch. 128, Secs. 4(a) (part), 14.)

2 Sec. 1018.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

3 The board may spend district money, enter into agreements, and take  
4 other necessary action to recruit physicians and other persons for  
5 appointment to the district's medical staff or for employment with  
6 the district, including:

7 (1) advertising and marketing;

8 (2) paying travel, recruiting, and relocation  
9 expenses;

10 (3) providing a loan or scholarship to a physician or  
11 other person who:

12 (A) is currently enrolled in health care  
13 education courses at an institution of higher education; and

14 (B) contractually agrees to become a district  
15 employee; and

16 (4) providing on a rent-free basis or subsidizing the  
17 cost of office space or other facilities for a health care  
18 professional, including a physician. (Acts 66th Leg., R.S., Ch.  
19 128, Sec. 4B(a).)

20 Sec. 1018.063. HEALTH CARE EDUCATIONAL PROGRAMS. The board  
21 may spend district money, enter into agreements, or take other  
22 necessary action to conduct, participate in, or assist in providing  
23 health care educational programs for current or prospective staff  
24 members or employees. (Acts 66th Leg., R.S., Ch. 128, Sec. 4B(b).)

25 Sec. 1018.064. LIABILITY INSURANCE; INDEMNIFICATION. (a)  
26 For an officer, director, board appointee, member of the medical  
27 staff, or district employee, the board may:

1           (1) purchase and maintain liability insurance to  
2 protect the person from any liability that arises from performing a  
3 duty for the district or at a district facility; and

4           (2) enter into and perform an agreement to defend or  
5 indemnify the person with regard to a claim, cost, expense, or  
6 liability resulting from duties performed for the district or at a  
7 district facility.

8           (b) The board may establish a self-insurance program to fund  
9 an indemnity obligation. (Acts 66th Leg., R.S., Ch. 128, Secs.  
10 4(b), (c).)

11           [Sections 1018.065-1018.100 reserved for expansion]

12                           SUBCHAPTER C. POWERS AND DUTIES

13           Sec. 1018.101. DISTRICT RESPONSIBILITY. The district has  
14 full responsibility for:

15           (1) operating all hospital facilities; and

16           (2) providing medical and hospital care for the  
17 district's needy inhabitants. (Acts 66th Leg., R.S., Ch. 128, Sec.  
18 17 (part).)

19           Sec. 1018.102. RESTRICTION ON POLITICAL SUBDIVISION  
20 TAXATION AND DEBT. A political subdivision located wholly or  
21 partly within the district may not impose a tax or issue bonds or  
22 other obligations for hospital purposes or to provide medical care  
23 for district residents. (Acts 66th Leg., R.S., Ch. 128, Sec. 17  
24 (part).)

25           Sec. 1018.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
26 The board shall manage, control, and administer the hospital system  
27 and the district's money and resources. (Acts 66th Leg., R.S., Ch.

1 128, Sec. 4(a) (part).)

2 Sec. 1018.104. HOSPITAL SYSTEM. (a) The district may:

3 (1) provide for the establishment of a hospital system  
4 by:

5 (A) purchasing, constructing, acquiring,  
6 repairing, or renovating buildings and equipment;

7 (B) equipping the buildings; and

8 (C) administering the system for hospital  
9 purposes; or

10 (2) provide hospital services by lease or contract.

11 (b) The hospital system may include any facilities the board  
12 considers necessary for hospital care. (Acts 66th Leg., R.S., Ch.  
13 128, Secs. 2 (part), 8(a) (part).)

14 Sec. 1018.105. RULES. The board may adopt rules governing  
15 the operation of the hospital, the hospital system, and the  
16 district's staff and employees. (Acts 66th Leg., R.S., Ch. 128,  
17 Sec. 4(a) (part).)

18 Sec. 1018.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
19 board may prescribe:

20 (1) the method and manner of making purchases and  
21 expenditures by and for the district; and

22 (2) all accounting and control procedures. (Acts 66th  
23 Leg., R.S., Ch. 128, Sec. 8(b) (part).)

24 Sec. 1018.107. DISTRICT PROPERTY, FACILITIES, AND  
25 EQUIPMENT. (a) The board shall determine the type, number, and  
26 location of buildings required to maintain an adequate hospital  
27 system.

1           (b) The board may lease all or part of the district's  
2 facilities on terms considered to be in the best interest of the  
3 district's inhabitants.

4           (c) The board may:

5                 (1) acquire by lease, purchase, lease to purchase, or  
6 option to purchase property, including facilities, supplies, or  
7 equipment, for the district; and

8                 (2) mortgage or pledge the property or the revenue  
9 from the property as security for the payment of the purchase price.

10           (d) The district may sell, lease, or otherwise dispose of  
11 any of the district's property, including equipment, on terms the  
12 board finds are in the best interest of the district's inhabitants.  
13 (Acts 66th Leg., R.S., Ch. 128, Secs. 8(a) (part), (b) (part).)

14           Sec. 1018.108. ASSISTED LIVING FACILITY. The board may  
15 construct and maintain an assisted living facility and a related  
16 facility that is necessary to operate and maintain an assisted  
17 living facility. (Acts 66th Leg., R.S., Ch. 128, Sec. 8(a) (part).)

18           Sec. 1018.109. EMINENT DOMAIN. (a) The district may  
19 exercise the power of eminent domain to acquire a fee simple or  
20 other interest in any type of property located in district  
21 territory if the interest is necessary or convenient for the  
22 district to exercise a power, right, or privilege conferred by this  
23 chapter.

24           (b) The district must exercise the power of eminent domain  
25 in the manner provided by Chapter 21, Property Code, except the  
26 district is not required to deposit in the trial court money or a  
27 bond as provided by Section 21.021(a), Property Code.

1           (c) In a condemnation proceeding brought by the district,  
2 the district is not required to:

3           (1) pay in advance or provide a bond or other security  
4 for costs in the trial court;

5           (2) provide a bond for the issuance of a temporary  
6 restraining order or a temporary injunction; or

7           (3) provide a bond for costs or a supersedeas bond on  
8 an appeal or writ of error. (Acts 66th Leg., R.S., Ch. 128, Sec.  
9 12(a).)

10           Sec. 1018.110. COST OF RELOCATING OR ALTERING PROPERTY. In  
11 exercising the power of eminent domain, if the board requires  
12 relocating, raising, lowering, rerouting, changing the grade of, or  
13 altering the construction of any railroad, electric transmission,  
14 telegraph or telephone line, conduit, pole, or facility, or  
15 pipeline, the district must bear the actual cost of relocating,  
16 raising, lowering, rerouting, changing the grade, or altering the  
17 construction to provide comparable replacement without enhancement  
18 of facilities, after deducting the net salvage value derived from  
19 the old facility. (Acts 66th Leg., R.S., Ch. 128, Sec. 12(b).)

20           Sec. 1018.111. GIFTS AND ENDOWMENTS. The board may accept  
21 for the district a gift or endowment to be held in trust for the  
22 purposes and under the directions, limitations, or other provisions  
23 prescribed in writing by the donor that are consistent with the  
24 proper management and objectives of the district. (Acts 66th Leg.,  
25 R.S., Ch. 128, Sec. 16.)

26           Sec. 1018.112. CONSTRUCTION CONTRACTS. A construction  
27 contract that involves the expenditure of the amount specified by

1 Section 271.024, Local Government Code, may be made only after  
2 advertising in the manner provided by Subchapter B, Chapter 271,  
3 Local Government Code. (Acts 66th Leg., R.S., Ch. 128, Sec. 8(b)  
4 (part).)

5 Sec. 1018.113. OPERATING AND MANAGEMENT CONTRACTS. The  
6 board may enter into an operating or management contract relating  
7 to a district facility. (Acts 66th Leg., R.S., Ch. 128, Sec. 8(a)  
8 (part).)

9 Sec. 1018.114. CONTRACTS FOR MEDICAL AND HOSPITAL CARE.  
10 The district may contract with public or private institutions and  
11 physicians to provide medical and hospital care for the district's  
12 indigent and needy residents. (Acts 66th Leg., R.S., Ch. 128, Sec.  
13 8(a) (part).)

14 Sec. 1018.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
15 CARE AND TREATMENT. (a) The board may contract with a county or  
16 municipality located outside the district's boundaries to  
17 reimburse the district for the care and treatment of a sick or  
18 injured person of that county or municipality.

19 (b) The district may contract with this state or a federal  
20 agency for reimbursement for the treatment of a sick or injured  
21 person. (Acts 66th Leg., R.S., Ch. 128, Sec. 4(a) (part).)

22 Sec. 1018.116. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
23 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
24 political subdivision or governmental agency for the district to  
25 provide investigatory or other services as to facilities for the  
26 medical care, hospital, or welfare needs of district inhabitants.  
27 (Acts 66th Leg., R.S., Ch. 128, Sec. 4(a) (part).)

1           Sec. 1018.117. JOINT ADMINISTRATION OR DELIVERY OF HEALTH  
2 CARE SERVICES. (a) To provide joint administration or delivery of  
3 health care services, the district may contract with, affiliate  
4 with, have an ownership interest in, or enter into another  
5 arrangement with:

- 6           (1) a managed care system;
- 7           (2) a preferred provider organization;
- 8           (3) a health maintenance organization;
- 9           (4) a medical services organization;
- 10          (5) another provider of alternative health care or  
11 delivery system; or
- 12          (6) a private hospital.

13          (b) The district may spend district money to establish,  
14 maintain, and have an ownership interest in a partnership,  
15 corporation, or other entity involved in the delivery of health  
16 care services. (Acts 66th Leg., R.S., Ch. 128, Sec. 4(d).)

17           Sec. 1018.118. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
18 When a patient who resides in the district is admitted to a district  
19 facility, the district administrator may have an inquiry made into  
20 the circumstances of:

- 21           (1) the patient; and
- 22           (2) the patient's relatives who are legally liable for  
23 the patient's support.

24          (b) If the district administrator determines that the  
25 patient or those relatives cannot pay all or part of the costs of  
26 the care and treatment in the hospital, the amount of the costs that  
27 cannot be paid becomes a charge against the district.

1 (c) If the district administrator determines that the  
2 patient or those relatives can pay for all or part of the costs of  
3 the patient's care and treatment, the patient or those relatives  
4 shall be ordered to pay the district a specified amount each week  
5 for the patient's care and support. The amount ordered must be  
6 proportionate to the person's financial ability.

7 (d) The district administrator may collect the amount from  
8 the patient's estate, or from any relative who is legally liable for  
9 the patient's support, in the manner provided by law for the  
10 collection of expenses of the last illness of a deceased person.

11 (e) If there is a dispute as to the ability to pay, or doubt  
12 in the mind of the district administrator, the board shall hold a  
13 hearing and, after calling witnesses, shall:

14 (1) resolve the dispute or doubt; and

15 (2) issue a final order.

16 (f) A final order of the board may be appealed to the  
17 district court. The substantial evidence rule applies to the  
18 appeal. (Acts 66th Leg., R.S., Ch. 128, Sec. 15.)

19 Sec. 1018.119. NONPROFIT CORPORATION. (a) The district  
20 may create, sponsor, and have a membership interest in a nonprofit  
21 corporation under the Business Organizations Code and may  
22 contribute money to or solicit money for the corporation.

23 (a-1) On or before December 31, 2009, the district may  
24 create, sponsor, and have a membership interest in a nonprofit  
25 corporation under the Texas Non-Profit Corporation Act (Article  
26 1396-1.01, et seq., Vernon's Texas Civil Statutes) or the Business  
27 Organizations Code, as applicable, and may contribute money to or



1 solicit money for the corporation.

2 (b) The corporation created may use money, other than money  
3 the corporation pays to the district, only to provide health care or  
4 other services the district is authorized to provide under this  
5 chapter.

6 (c) The corporation may invest the corporation's money in  
7 any manner in which the district may invest the district's money,  
8 including investing money as authorized by Chapter 2256, Government  
9 Code.

10 (d) The board shall establish controls to ensure that the  
11 corporation uses its money as required by this section.

12 (e) This subsection and Subsection (a-1) expire December  
13 31, 2009. (Acts 66th Leg., R.S., Ch. 128, Sec. 4(e).)

14 Sec. 1018.120. AUTHORITY TO SUE AND BE SUED. The district,  
15 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.  
16 128, Sec. 4(a) (part).)

17 [Sections 1018.121-1018.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 1018.151. BUDGET. (a) The district administrator  
20 shall prepare an annual budget for approval by the board.

21 (b) The proposed budget must contain a complete financial  
22 statement of:

23 (1) the outstanding obligations of the district;

24 (2) the cash on hand in each district fund;

25 (3) the money received by the district from all  
26 sources during the previous year;

27 (4) the money available to the district from all

1 sources during the ensuing year;

2 (5) the balances expected at the end of the year in  
3 which the budget is being prepared;

4 (6) the estimated revenue and balances available to  
5 cover the proposed budget; and

6 (7) the estimated tax rate required. (Acts 66th Leg.,  
7 R.S., Ch. 128, Sec. 5 (part).)

8 Sec. 1018.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
9 The board shall hold a public hearing on the proposed annual budget.

10 (b) Notice of the hearing must be published one time in a  
11 newspaper with general circulation in the district at least 10 days  
12 before the date of the hearing.

13 (c) Any district resident is entitled to be present and  
14 participate at the hearing.

15 (d) At the conclusion of the hearing, the board shall adopt  
16 a budget by acting on the budget proposed by the district  
17 administrator. The board may make any changes in the proposed  
18 budget that the board judges to be in the interests of the taxpayers  
19 and that the law warrants. (Acts 66th Leg., R.S., Ch. 128, Sec. 5  
20 (part).)

21 Sec. 1018.153. AMENDMENTS TO BUDGET. The budget may be  
22 amended as required by circumstances. The board must approve all  
23 amendments. (Acts 66th Leg., R.S., Ch. 128, Sec. 5 (part).)

24 Sec. 1018.154. RESTRICTION ON EXPENDITURES. Money may be  
25 spent only for an expense included in the budget or an amendment to  
26 the budget. (Acts 66th Leg., R.S., Ch. 128, Sec. 5 (part).)

27 Sec. 1018.155. FISCAL YEAR. (a) The district operates on a

1 fiscal year established by the board.

2 (b) The fiscal year may not be changed:

3 (1) during the time revenue bonds of the district are  
4 outstanding; or

5 (2) more than once in a 24-month period. (Acts 66th  
6 Leg., R.S., Ch. 128, Sec. 5 (part).)

7 Sec. 1018.156. ANNUAL AUDIT. The board annually shall have  
8 an audit made of the district's financial condition. (Acts 66th  
9 Leg., R.S., Ch. 128, Sec. 5 (part).)

10 Sec. 1018.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
11 RECORDS. The annual audit and other district records shall be open  
12 to inspection at the district's principal office. (Acts 66th Leg.,  
13 R.S., Ch. 128, Sec. 5 (part).)

14 Sec. 1018.158. FINANCIAL REPORT. As soon as practicable  
15 after the close of each fiscal year, the district administrator  
16 shall prepare for the board:

17 (1) a complete sworn statement of all district money;  
18 and

19 (2) a complete account of the disbursements of that  
20 money. (Acts 66th Leg., R.S., Ch. 128, Sec. 5 (part).)

21 Sec. 1018.159. DEPOSITORY. (a) The board shall select one  
22 or more banks inside or outside the district to serve as a  
23 depository for district money.

24 (b) District money, other than money invested as provided by  
25 Section 1018.160(b) and money transmitted to a bank for payment of  
26 bonds or obligations issued or assumed by the district, shall be  
27 deposited as received with the depository bank and shall remain on

1 deposit.

2 (c) This chapter, including Subsection (b), does not limit  
3 the power of the board to place a part of district money on time  
4 deposit or to purchase certificates of deposit.

5 (d) The district may not deposit money with a bank in an  
6 amount that exceeds the maximum amount secured by the Federal  
7 Deposit Insurance Corporation unless the bank first executes a bond  
8 or other security in an amount sufficient to secure from loss the  
9 district money that exceeds the amount secured by the Federal  
10 Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch. 128,  
11 Sec. 9.)

12 Sec. 1018.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
13 Except as otherwise provided by Sections 1018.107(c) and 1018.161  
14 and Subchapter E, the district may not incur an obligation payable  
15 from district revenue other than the revenue on hand or to be on  
16 hand in the current and following district fiscal years.

17 (b) The board may invest operating, depreciation, or  
18 building reserves only in funds or securities specified by Chapter  
19 2256, Government Code. (Acts 66th Leg., R.S., Ch. 128, Secs. 4(a)  
20 (part), 8(b) (part).)

21 Sec. 1018.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
22 The board may borrow money for district operating expenses in an  
23 amount not to exceed the amount of tax or other revenue the district  
24 expects to receive during the fiscal year in which the money is  
25 borrowed.

26 (b) To repay the debt, the district may pledge all or part of  
27 the tax or other revenue received during the fiscal year in which

1 the board borrows money under this section. (Acts 66th Leg., R.S.,  
2 Ch. 128, Sec. 4A.)

3 [Sections 1018.162-1018.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1018.201. GENERAL OBLIGATION BONDS. The board may  
6 issue and sell general obligations bonds in the name and on the  
7 faith and credit of the district for any purpose relating to:

8 (1) the purchase, construction, acquisition, repair,  
9 or renovation of buildings or improvements; and

10 (2) equipping buildings or improvements for hospital  
11 purposes. (Acts 66th Leg., R.S., Ch. 128, Sec. 6(a) (part).)

12 Sec. 1018.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
13 the time general obligation bonds are issued by the district under  
14 Section 1018.201, the board shall impose an ad valorem tax at a rate  
15 sufficient to create an interest and sinking fund to pay the  
16 principal of and interest on the bonds as the bonds mature.

17 (b) The tax required by this section together with any other  
18 ad valorem tax the district imposes may not in any year exceed 75  
19 cents on each \$100 valuation of all taxable property in the  
20 district. (Acts 66th Leg., R.S., Ch. 128, Sec. 6(a) (part).)

21 Sec. 1018.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
22 district may issue general obligation bonds only if the bonds are  
23 authorized by a majority of the district voters.

24 (b) The board, in ordering the election, shall provide for  
25 clerks as in county elections and specify:

26 (1) the date of the election;

27 (2) the location of the polling places;

1           (3) the presiding and alternate election judges for  
2 each polling place;

3           (4) the amount of the bonds to be authorized; and

4           (5) the maximum maturity of the bonds.

5           (c) Notice of a bond election shall be given as provided by  
6 Section 1251.003, Government Code.

7           (d) Chapter 41, Election Code, does not apply to an election  
8 held under this section.

9           (e) The board shall declare the results of the election.  
10 (Acts 66th Leg., R.S., Ch. 128, Sec. 6(a) (part).)

11           Sec. 1018.204. MATURITY OF GENERAL OBLIGATION BONDS.  
12 District general obligation bonds must mature not later than 40  
13 years after the date of issuance. (Acts 66th Leg., R.S., Ch. 128,  
14 Sec. 6(c) (part).)

15           Sec. 1018.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
16 The board president shall execute the general obligation bonds in  
17 the district's name.

18           (b) The board secretary shall countersign the bonds in the  
19 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,  
20 R.S., Ch. 128, Sec. 6(c) (part).)

21           Sec. 1018.206. REVENUE BONDS. (a) The board may issue  
22 revenue bonds to:

23           (1) purchase, construct, acquire, repair, renovate,  
24 or equip buildings or improvements for hospital purposes; or

25           (2) acquire sites to be used for hospital purposes.

26           (b) The bonds must be payable from and secured by a pledge of  
27 all or part of the revenue derived from the operation of the

1 district's hospitals.

2 (c) The bonds may be additionally secured by a mortgage or  
3 deed of trust lien on all or part of district property.

4 (d) The bonds must be issued in the manner and in accordance  
5 with the procedures and requirements prescribed by Sections  
6 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
7 issuance of revenue bonds by a county hospital authority. (Acts  
8 66th Leg., R.S., Ch. 128, Sec. 7 (part).)

9 Sec. 1018.207. REFUNDING BONDS. (a) The board may, without  
10 an election, issue refunding bonds to refund outstanding  
11 indebtedness issued or assumed by the district.

12 (b) A refunding bond may be:

13 (1) sold, with the proceeds of the refunding bond  
14 applied to the payment of the outstanding indebtedness; or

15 (2) exchanged wholly or partly for not less than a  
16 similar principal amount of outstanding indebtedness. (Acts 66th  
17 Leg., R.S., Ch. 128, Secs. 6(a) (part), (b) (part), 7 (part).)

18 Sec. 1018.208. BONDS EXEMPT FROM TAXATION. The following  
19 are exempt from taxation by this state or a political subdivision of  
20 this state:

21 (1) bonds issued by the district;

22 (2) the transfer and issuance of the bonds; and

23 (3) profits made in the sale of the bonds. (Acts 66th  
24 Leg., R.S., Ch. 128, Sec. 19 (part).)

25 [Sections 1018.209-1018.250 reserved for expansion]

26 SUBCHAPTER F. TAXES

27 Sec. 1018.251. IMPOSITION OF AD VALOREM TAX. (a) The board

1 may impose a tax on all property in the district subject to district  
2 taxation.

3 (b) The board may impose the tax to pay:

4 (1) indebtedness issued or assumed by the district;  
5 and

6 (2) the construction, maintenance, equipment, and  
7 operating expenses of the district.

8 (c) The district may not impose a tax to pay the principal of  
9 or interest on revenue bonds issued under this chapter. (Acts 66th  
10 Leg., R.S., Ch. 128, Secs. 10(a) (part), 13(a) (part).)

11 Sec. 1018.252. TAX RATE. (a) The board may impose the tax  
12 at a rate not to exceed 75 cents on each \$100 valuation of all  
13 taxable property in the district.

14 (b) In setting the tax rate, the board shall consider the  
15 income of the district from sources other than taxation. (Acts 66th  
16 Leg., R.S., Ch. 128, Secs. 3(b) (part), 10(a) (part), (b) (part).)

17 Sec. 1018.253. ASSESSMENT AND COLLECTION BY COUNTY TAX  
18 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
19 elects to have taxes assessed and collected under Section 1018.254.

20 (b) The tax assessors-collectors of Dallam and Hartley  
21 Counties shall assess and collect taxes imposed by the district in  
22 their respective counties. (Acts 66th Leg., R.S., Ch. 128, Secs.  
23 13(a) (part), (b) (part).)

24 Sec. 1018.254. ASSESSMENT AND COLLECTION BY DISTRICT  
25 ASSESSOR-COLLECTOR. (a) The board, by majority vote, may elect to  
26 have district taxes assessed and collected by a tax  
27 assessor-collector appointed by the board. An election under this



1 subsection must be made by December 1 and governs the manner in  
2 which taxes are assessed and collected, until changed by a similar  
3 resolution.

4 (b) The district tax assessor-collector must reside in the  
5 district.

6 (c) The board shall set for the district tax  
7 assessor-collector:

8 (1) the term of employment; and

9 (2) compensation. (Acts 66th Leg., R.S., Ch. 128,  
10 Secs. 13(a) (part), (c) (part).)

11 CHAPTER 1019. DARROUZETT HOSPITAL DISTRICT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 1019.001. DEFINITIONS

14 Sec. 1019.002. AUTHORITY FOR OPERATION

15 Sec. 1019.003. POLITICAL SUBDIVISION

16 Sec. 1019.004. DISTRICT TERRITORY

17 Sec. 1019.005. CORRECTION OF INVALID PROCEDURES

18 [Sections 1019.006-1019.050 reserved for expansion]

19 SUBCHAPTER B. DISTRICT ADMINISTRATION

20 Sec. 1019.051. BOARD ELECTION; TERM

21 Sec. 1019.052. BOARD VACANCY

22 Sec. 1019.053. OFFICERS

23 Sec. 1019.054. COMPENSATION; EXPENSES

24 Sec. 1019.055. EMPLOYEES

25 Sec. 1019.056. MAINTENANCE OF RECORDS; PUBLIC

26 INSPECTION

27 Sec. 1019.057. SEAL

1 [Sections 1019.058-1019.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1019.101. DISTRICT RESPONSIBILITY

4 Sec. 1019.102. RESTRICTION ON TAXATION AND DEBT BY

5 OTHER ENTITY

6 Sec. 1019.103. MANAGEMENT AND CONTROL

7 Sec. 1019.104. HOSPITAL SYSTEM

8 Sec. 1019.105. RULES

9 Sec. 1019.106. PURCHASING AND ACCOUNTING PROCEDURES

10 Sec. 1019.107. EMINENT DOMAIN

11 Sec. 1019.108. GIFTS AND ENDOWMENTS

12 Sec. 1019.109. PAYMENT FOR TREATMENT; PROCEDURES

13 Sec. 1019.110. AUTHORITY TO SUE AND BE SUED

14 [Sections 1019.111-1019.150 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 1019.151. BUDGET

17 Sec. 1019.152. PROPOSED BUDGET: NOTICE AND HEARING

18 Sec. 1019.153. FISCAL YEAR

19 Sec. 1019.154. ANNUAL AUDIT

20 Sec. 1019.155. DEPOSITORY OR TREASURER

21 [Sections 1019.156-1019.200 reserved for expansion]

22 SUBCHAPTER E. BONDS

23 Sec. 1019.201. GENERAL OBLIGATION BONDS

24 Sec. 1019.202. TAX TO PAY GENERAL OBLIGATION BONDS

25 Sec. 1019.203. GENERAL OBLIGATION BOND ELECTION

26 Sec. 1019.204. MATURITY OF GENERAL OBLIGATION BONDS

27 Sec. 1019.205. EXECUTION OF GENERAL OBLIGATION BONDS

1 Sec. 1019.206. REFUNDING BONDS

2 [Sections 1019.207-1019.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1019.251. IMPOSITION OF AD VALOREM TAX

5 Sec. 1019.252. TAX RATE

6 Sec. 1019.253. TAX ASSESSOR-COLLECTOR

7 CHAPTER 1019. DARROUZETT HOSPITAL DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1019.001. DEFINITIONS. In this chapter:

10 (1) "Board" means the board of directors of the  
11 district.

12 (2) "Director" means a member of the board.

13 (3) "District" means the Darrouzett Hospital  
14 District. (New.)

15 Sec. 1019.002. AUTHORITY FOR OPERATION. The district  
16 operates in accordance with Section 9, Article IX, Texas  
17 Constitution. (Acts 63rd Leg., R.S., Ch. 539, Sec. 1 (part).)

18 Sec. 1019.003. POLITICAL SUBDIVISION. The district is a  
19 political subdivision of this state. (Acts 63rd Leg., R.S., Ch.  
20 539, Sec. 16 (part).)

21 Sec. 1019.004. DISTRICT TERRITORY. The district is  
22 composed of:

23 (1) the territory described by Section 1, Chapter 539,  
24 Acts of the 63rd Legislature, Regular Session, 1973; and

25 (2) all territory in the Darrouzett Independent School  
26 District as that territory existed on June 14, 1973, except the  
27 territory in the Booker Hospital District on that date. (New; Acts

1 63rd Leg., R.S., Ch. 539, Sec. 1 (part).)

2       Sec. 1019.005. CORRECTION OF INVALID PROCEDURES. If a  
3 court holds that any procedure under this chapter violates the  
4 constitution of this state or of the United States, the district by  
5 resolution may provide an alternative procedure that conforms with  
6 the constitution. (Acts 63rd Leg., R.S., Ch. 539, Sec. 19 (part).)

7       [Sections 1019.006-1019.050 reserved for expansion]

8                   SUBCHAPTER B. DISTRICT ADMINISTRATION

9       Sec. 1019.051. BOARD ELECTION; TERM. (a) The board  
10 consists of six directors elected from the district at large.

11       (b) Unless four-year terms are established under Section  
12 285.081, Health and Safety Code:

13               (1) directors serve staggered two-year terms; and

14               (2) an election shall be held on the uniform election  
15 date in May of each year to elect the appropriate number of  
16 directors. (Acts 63rd Leg., R.S., Ch. 539, Secs. 3(c) (part),  
17 3A(a).)

18       Sec. 1019.052. BOARD VACANCY. If a vacancy occurs in the  
19 office of director, the remaining directors shall appoint a  
20 director for the unexpired term. (Acts 63rd Leg., R.S., Ch. 539,  
21 Sec. 3A(b).)

22       Sec. 1019.053. OFFICERS. (a) The board shall elect a  
23 president, vice president, and secretary-treasurer from among its  
24 members.

25       (b) Each officer of the board serves until the next  
26 directors' election. (Acts 63rd Leg., R.S., Ch. 539, Sec. 4  
27 (part).)

1           Sec. 1019.054. COMPENSATION; EXPENSES. A director serves  
2 without compensation but may be reimbursed for actual expenses  
3 incurred in the performance of official duties on approval of the  
4 expenses by the entire board. (Acts 63rd Leg., R.S., Ch. 539, Sec.  
5 4 (part).)

6           Sec. 1019.055. EMPLOYEES. The board may employ a general  
7 manager, attorneys, financial advisors, bookkeepers, and  
8 architects as the board considers necessary. (Acts 63rd Leg.,  
9 R.S., Ch. 539, Sec. 7 (part).)

10          Sec. 1019.056. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
11 All district records, including books, accounts, notices, minutes,  
12 and all other matters of the district and the operation of its  
13 facilities, shall be:

- 14                   (1) maintained at the district office; and  
15                   (2) open to public inspection at reasonable hours.  
16 (Acts 63rd Leg., R.S., Ch. 539, Sec. 7 (part).)

17          Sec. 1019.057. SEAL. The board may adopt a seal for the  
18 district. (Acts 63rd Leg., R.S., Ch. 539, Sec. 7 (part).)

19                   [Sections 1019.058-1019.100 reserved for expansion]

20                                   SUBCHAPTER C. POWERS AND DUTIES

21          Sec. 1019.101. DISTRICT RESPONSIBILITY. The district has  
22 full responsibility for:

- 23                   (1) operating all hospital facilities; and  
24                   (2) providing hospital care for the district's needy  
25 inhabitants. (Acts 63rd Leg., R.S., Ch. 539, Sec. 12 (part).)

26          Sec. 1019.102. RESTRICTION ON TAXATION AND DEBT BY OTHER  
27 ENTITY. (a) A political subdivision within the district, other

1 than the district, may not impose a tax or issue bonds or other  
2 obligations for hospital purposes or to provide medical care for  
3 district inhabitants.

4 (b) A governmental or other entity inside or outside the  
5 district may not impose a tax or issue bonds or other obligations on  
6 property in the district for hospital purposes or to provide  
7 medical care for district inhabitants. (Acts 63rd Leg., R.S., Ch.  
8 539, Sec. 12 (part).)

9 Sec. 1019.103. MANAGEMENT AND CONTROL. The board has full  
10 management and control of all district business, including the  
11 power to:

- 12 (1) negotiate and contract with any person;
- 13 (2) purchase or lease land;
- 14 (3) construct and equip a hospital system; and
- 15 (4) operate and maintain the hospital. (Acts 63rd  
16 Leg., R.S., Ch. 539, Sec. 4 (part).)

17 Sec. 1019.104. HOSPITAL SYSTEM. The district shall  
18 provide for the establishment of a hospital system to provide  
19 medical and hospital care to the district's residents. (Acts 63rd  
20 Leg., R.S., Ch. 539, Sec. 2 (part).)

21 Sec. 1019.105. RULES. (a) The board may adopt rules  
22 governing the operation of the district, including district  
23 facilities.

24 (b) On approval by the board, the rules may be published in  
25 booklet form at district expense and made available to any resident  
26 on request. (Acts 63rd Leg., R.S., Ch. 539, Sec. 7 (part).)

27 Sec. 1019.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)

1 The board may prescribe the method and manner of making purchases  
2 and expenditures by and for the district.

3 (b) The board shall prescribe:

4 (1) all accounting and control procedures; and

5 (2) the method of purchasing necessary supplies,  
6 materials, and equipment. (Acts 63rd Leg., R.S., Ch. 539, Sec. 7  
7 (part).)

8 Sec. 1019.107. EMINENT DOMAIN. (a) The district may  
9 exercise the power of eminent domain to acquire a fee simple or  
10 other interest in any type of property, real, personal, or mixed,  
11 located in district territory, if the interest is necessary or  
12 convenient for the district to exercise a right, power, privilege,  
13 or function conferred on the district by this chapter.

14 (b) The district must exercise the power of eminent domain  
15 in the manner provided by Chapter 21, Property Code, except the  
16 district is not required to deposit in the trial court money or a  
17 bond as provided by Section 21.021(a), Property Code.

18 (c) In a condemnation proceeding brought by the district,  
19 the district is not required to:

20 (1) pay in advance or provide a bond or other security  
21 for costs in the trial court;

22 (2) provide a bond for the issuance of a temporary  
23 restraining order or a temporary injunction; or

24 (3) provide a bond for costs or a supersedeas bond on  
25 an appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 539, Sec. 9.)

26 Sec. 1019.108. GIFTS AND ENDOWMENTS. The board may accept  
27 for the district a gift or endowment to be held in trust and

1 administered by the board for the purposes and under the  
2 directions, limitations, or other provisions prescribed in writing  
3 by the donor that are not inconsistent with the proper management  
4 and objectives of the district. (Acts 63rd Leg., R.S., Ch. 539,  
5 Sec. 14.)

6 Sec. 1019.109. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
7 When a patient from Lipscomb County is admitted to a district  
8 facility, the board shall have an inquiry made into the  
9 circumstances of:

10 (1) the patient; and

11 (2) the patient's relatives who are legally liable for  
12 the patient's support.

13 (b) If an agent designated by the district to handle the  
14 inquiry determines that the patient or those relatives cannot pay  
15 all or part of the costs of the care and treatment in the hospital,  
16 the amount of the costs that cannot be paid becomes a charge against  
17 the district.

18 (c) If an agent designated by the district determines that  
19 the patient or those relatives are liable to pay for all or part of  
20 the costs of the patient's care and treatment, the patient or those  
21 relatives shall be ordered to pay the district's treasurer a  
22 specified amount each week for the patient's support. The amount  
23 ordered must be proportionate to the person's financial ability and  
24 may not exceed the actual per capita cost of maintenance.

25 (d) The district may collect the amount from the patient's  
26 estate, or from any relative who is legally liable for the patient's  
27 support, in the manner provided by law for the collection of



1 expenses of the last illness of a deceased person.

2 (e) If there is a dispute as to the ability to pay, or doubt  
3 in the mind of the designated district agent, the board shall hold a  
4 hearing and, after calling witnesses, shall:

5 (1) resolve the dispute or doubt; and

6 (2) issue an appropriate order.

7 (f) Either party to the dispute may appeal the district's  
8 determination to the district court. (Acts 63rd Leg., R.S., Ch.  
9 539, Sec. 13.)

10 Sec. 1019.110. AUTHORITY TO SUE AND BE SUED. As a  
11 governmental agency, the district may sue and be sued in its own  
12 name in any court of this state. (Acts 63rd Leg., R.S., Ch. 539,  
13 Sec. 16 (part).)

14 [Sections 1019.111-1019.150 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 1019.151. BUDGET. The board annually shall require a  
17 budget to be prepared for the next fiscal year that includes:

18 (1) proposed expenditures and disbursements;

19 (2) estimated receipts and collections; and

20 (3) the amount of taxes required to be imposed for the  
21 year. (Acts 63rd Leg., R.S., Ch. 539, Sec. 8 (part).)

22 Sec. 1019.152. PROPOSED BUDGET: NOTICE AND HEARING. (a) The  
23 board shall hold a public hearing on the proposed annual budget.

24 (b) Notice of the hearing must be published at least once in  
25 a newspaper of general circulation in the district not later than  
26 the 10th day before the date of the hearing.

27 (c) Any district resident is entitled to:

1           (1) appear at the time and place designated in the  
2 notice; and

3           (2) be heard regarding any item included in the  
4 proposed budget. (Acts 63rd Leg., R.S., Ch. 539, Sec. 8 (part).)

5           Sec. 1019.153. FISCAL YEAR. The district operates on a  
6 fiscal year that begins on October 1 and ends on September 30.  
7 (Acts 63rd Leg., R.S., Ch. 539, Sec. 8 (part).)

8           Sec. 1019.154. ANNUAL AUDIT. (a) The board annually shall  
9 have an independent audit made of the district's books and records  
10 for the fiscal year.

11           (b) Not later than December 31 each year, the audit shall be  
12 filed:

13                 (1) with the comptroller; and

14                 (2) at the district office. (Acts 63rd Leg., R.S., Ch.  
15 539, Sec. 8 (part).)

16           Sec. 1019.155. DEPOSITORY OR TREASURER. (a) The board by  
17 resolution shall designate a bank or banks in the district as the  
18 district's depository or treasurer. A designated bank serves for  
19 two years and until a successor is designated.

20           (b) All income received by the district shall be deposited  
21 with the district depository.

22           (c) All district money shall be secured in the manner  
23 provided for securing county funds. (Acts 63rd Leg., R.S., Ch. 539,  
24 Secs. 5 (part), 10.)

25           [Sections 1019.156-1019.200 reserved for expansion]

26                                   SUBCHAPTER E. BONDS

27           Sec. 1019.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith  
2 and credit of the district for any purpose relating to:

3 (1) the purchase, construction, acquisition, repair,  
4 or renovation of buildings or improvements; and

5 (2) equipping buildings or improvements for hospital  
6 purposes. (Acts 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

7 Sec. 1019.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) The  
8 board shall impose an ad valorem tax at a rate sufficient to create  
9 an interest and sinking fund to pay the principal of and interest on  
10 general obligation bonds issued by the district under Section  
11 1019.201 as the bonds mature.

12 (b) The tax required by this section together with any other  
13 ad valorem tax the district imposes may not in any year exceed 75  
14 cents on each \$100 valuation of all taxable property in the  
15 district. (Acts 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

16 Sec. 1019.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
17 district may issue general obligation bonds only if the bonds are  
18 authorized by a majority of the district voters voting at an  
19 election held for that purpose.

20 (b) The board may order the election on its own motion.

21 (c) The order calling the election must specify:

22 (1) the location of the polling places;

23 (2) the presiding election officers;

24 (3) the purpose of the bond issuance;

25 (4) the amount of the bonds to be authorized; and

26 (5) the maximum interest rate provided by law.

27 (d) Notice of a bond election shall be given by publishing a

1 substantial copy of the order calling the election in a newspaper of  
2 general circulation in the district once each week for two  
3 consecutive weeks before the date of the election. The first  
4 publication must occur at least 20 days before the date of the  
5 election. (Acts 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

6 Sec. 1019.204. MATURITY OF GENERAL OBLIGATION BONDS.  
7 District general obligation bonds must mature not later than 40  
8 years after the date of issuance. (Acts 63rd Leg., R.S., Ch. 539,  
9 Sec. 6 (part).)

10 Sec. 1019.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
11 The board president shall execute the general obligation bonds in  
12 the district's name.

13 (b) The board secretary shall countersign the bonds. (Acts  
14 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

15 Sec. 1019.206. REFUNDING BONDS. (a) The board may, without  
16 an election, issue refunding bonds in the manner provided by this  
17 subchapter to refund outstanding bonds issued or assumed by the  
18 district.

19 (b) A refunding bond may be:

20 (1) sold, with the proceeds of the refunding bond  
21 applied to the payment of the bonds to be refunded; or

22 (2) exchanged wholly or partly for not less than a  
23 similar amount of outstanding bonds and the unpaid matured interest  
24 on the bonds. (Acts 63rd Leg., R.S., Ch. 539, Sec. 6 (part).)

25 [Sections 1019.207-1019.250 reserved for expansion]

26 SUBCHAPTER F. TAXES

27 Sec. 1019.251. IMPOSITION OF AD VALOREM TAX. (a) On final

1 approval of the annual budget, the board shall impose a tax on all  
2 property in the district subject to district taxation.

3 (b) The board shall impose the tax to:

4 (1) pay the interest on and create a sinking fund for  
5 bonds issued or assumed by the district for hospital purposes;

6 (2) provide for operation and maintenance of the  
7 hospital or hospital system;

8 (3) make improvements and additions to the hospital  
9 system; and

10 (4) acquire necessary sites for the hospital system by  
11 purchase, lease, or condemnation. (Acts 63rd Leg., R.S., Ch. 539,  
12 Secs. 5 (part), 8 (part).)

13 Sec. 1019.252. TAX RATE. The board may impose the tax at a  
14 rate not to exceed 75 cents on each \$100 valuation of all taxable  
15 property in the district. (Acts 63rd Leg., R.S., Ch. 539, Sec. 5  
16 (part).)

17 Sec. 1019.253. TAX ASSESSOR-COLLECTOR. (a) Except as  
18 provided by Subsection (b), the tax assessor-collector of Lipscomb  
19 County shall assess and collect taxes imposed by the district.

20 (b) By majority vote the board may appoint a district tax  
21 assessor-collector under Section 285.041, Health and Safety Code.  
22 (Acts 63rd Leg., R.S., Ch. 539, Secs. 5 (part), 8 (part).)

23 CHAPTER 1020. DEAF SMITH COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1020.001. DEFINITIONS

26 Sec. 1020.002. AUTHORITY FOR OPERATION

27 Sec. 1020.003. ESSENTIAL PUBLIC FUNCTION

- 1 Sec. 1020.004. DISTRICT TERRITORY
- 2 Sec. 1020.005. CORRECTION OF INVALID PROCEDURES
- 3 Sec. 1020.006. DISTRICT SUPPORT AND MAINTENANCE NOT
- 4 STATE OBLIGATION
- 5 Sec. 1020.007. RESTRICTION ON STATE FINANCIAL
- 6 ASSISTANCE
- 7 [Sections 1020.008-1020.050 reserved for expansion]
- 8 SUBCHAPTER B. DISTRICT ADMINISTRATION
- 9 Sec. 1020.051. BOARD ELECTION; TERM
- 10 Sec. 1020.052. NOTICE OF ELECTION
- 11 Sec. 1020.053. BALLOT PETITION
- 12 Sec. 1020.054. QUALIFICATIONS FOR OFFICE
- 13 Sec. 1020.055. BOARD VACANCY
- 14 Sec. 1020.056. OFFICERS
- 15 Sec. 1020.057. COMPENSATION; EXPENSES
- 16 Sec. 1020.058. VOTING REQUIREMENT
- 17 Sec. 1020.059. DISTRICT ADMINISTRATOR; ASSISTANT
- 18 ADMINISTRATOR
- 19 Sec. 1020.060. GENERAL DUTIES OF DISTRICT
- 20 ADMINISTRATOR
- 21 Sec. 1020.061. EMPLOYEES; APPOINTMENT OF STAFF
- 22 Sec. 1020.062. RECRUITMENT OF MEDICAL STAFF AND
- 23 EMPLOYEES
- 24 Sec. 1020.063. CONTINUING EDUCATION; RETRAINING
- 25 Sec. 1020.064. SENIORITY; RETIREMENT BENEFITS
- 26 [Sections 1020.065-1020.100 reserved for expansion]

- 1                           SUBCHAPTER C. POWERS AND DUTIES
- 2   Sec. 1020.101.   DISTRICT RESPONSIBILITY
- 3   Sec. 1020.102.   RESTRICTION ON POLITICAL SUBDIVISION
- 4                           TAXATION AND DEBT
- 5   Sec. 1020.103.   MANAGEMENT, CONTROL, AND ADMINISTRATION
- 6   Sec. 1020.104.   HOSPITAL SYSTEM
- 7   Sec. 1020.105.   RULES
- 8   Sec. 1020.106.   PURCHASING AND ACCOUNTING PROCEDURES
- 9   Sec. 1020.107.   PROVISION OF CERTAIN HEALTH SERVICES
- 10   Sec. 1020.108.   DISTRICT PROPERTY, FACILITIES, AND
- 11                           EQUIPMENT
- 12   Sec. 1020.109.   EMINENT DOMAIN
- 13   Sec. 1020.110.   GIFTS AND ENDOWMENTS
- 14   Sec. 1020.111.   CONSTRUCTION CONTRACTS
- 15   Sec. 1020.112.   OPERATING AND MANAGEMENT CONTRACTS
- 16   Sec. 1020.113.   CONTRACTS WITH GOVERNMENTAL ENTITIES
- 17                           FOR HOSPITALIZATION
- 18   Sec. 1020.114.   CONTRACTS WITH GOVERNMENTAL ENTITIES
- 19                           FOR INVESTIGATORY OR OTHER SERVICES
- 20   Sec. 1020.115.   PAYMENT FOR TREATMENT; PROCEDURES
- 21   Sec. 1020.116.   NONPROFIT CORPORATION
- 22   Sec. 1020.117.   AUTHORITY TO SUE AND BE SUED
- 23                   [Sections 1020.118-1020.150 reserved for expansion]
- 24                           SUBCHAPTER D. CHANGE IN BOUNDARIES
- 25   Sec. 1020.151.   TERRITORY THAT MAY BE ANNEXED
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- 1 Sec. 1020.154. BALLOT
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- 6 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
- 7 Sec. 1020.201. BUDGET
- 8 Sec. 1020.202. NOTICE; HEARING; ADOPTION OF BUDGET
- 9 Sec. 1020.203. AMENDMENTS TO BUDGET
- 10 Sec. 1020.204. RESTRICTION ON EXPENDITURES
- 11 Sec. 1020.205. FISCAL YEAR
- 12 Sec. 1020.206. AUDIT
- 13 Sec. 1020.207. INSPECTION OF AUDIT AND DISTRICT
- 14 RECORDS
- 15 Sec. 1020.208. FINANCIAL REPORT
- 16 Sec. 1020.209. DEPOSITORY
- 17 Sec. 1020.210. SPENDING AND INVESTMENT RESTRICTIONS
- 18 [Sections 1020.211-1020.250 reserved for expansion]
- 19 SUBCHAPTER F. BONDS
- 20 Sec. 1020.251. GENERAL OBLIGATION BONDS
- 21 Sec. 1020.252. TAX TO PAY GENERAL OBLIGATION BONDS
- 22 Sec. 1020.253. GENERAL OBLIGATION BOND ELECTION
- 23 Sec. 1020.254. REVENUE BONDS
- 24 Sec. 1020.255. REFUNDING BONDS
- 25 Sec. 1020.256. MATURITY OF BONDS
- 26 Sec. 1020.257. EXECUTION OF BONDS
- 27 Sec. 1020.258. BONDS EXEMPT FROM TAXATION



1 [Sections 1020.259-1020.300 reserved for expansion]

2 SUBCHAPTER G. TAXES

3 Sec. 1020.301. IMPOSITION OF AD VALOREM TAX

4 Sec. 1020.302. TAX RATE

5 Sec. 1020.303. ELECTION TO INCREASE MAXIMUM TAX RATE

6 Sec. 1020.304. ASSESSMENT AND COLLECTION BY COUNTY TAX

7 ASSESSOR-COLLECTOR

8 Sec. 1020.305. ASSESSMENT AND COLLECTION BY DISTRICT

9 TAX ASSESSOR-COLLECTOR

10 [Sections 1020.306-1020.350 reserved for expansion]

11 SUBCHAPTER H. DISSOLUTION

12 Sec. 1020.351. DISSOLUTION; ELECTION

13 Sec. 1020.352. BALLOT

14 Sec. 1020.353. ELECTION RESULTS

15 Sec. 1020.354. TRANSFER OF DISTRICT ASSETS

16 CHAPTER 1020. DEAF SMITH COUNTY HOSPITAL DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 1020.001. DEFINITIONS. In this chapter:

19 (1) "Board" means the board of directors of the  
20 district.

21 (2) "Director" means a member of the board.

22 (3) "District" means the Deaf Smith County Hospital  
23 District.

24 (4) "Hospital system" includes medical or other health  
25 care facilities. (New.)

26 Sec. 1020.002. AUTHORITY FOR OPERATION. The district  
27 operates in accordance with Section 9, Article IX, Texas

1 Constitution, and has the rights, powers, and duties provided by  
2 this chapter. (Acts 62nd Leg., R.S., Ch. 59, Sec. 1 (part).)

3       Sec. 1020.003. ESSENTIAL PUBLIC FUNCTION. The district  
4 performs an essential public function in carrying out the purposes  
5 of this chapter. (Acts 62nd Leg., R.S., Ch. 59, Sec. 21 (part).)

6       Sec. 1020.004. DISTRICT TERRITORY. The boundaries of the  
7 district are coextensive with the boundaries of Deaf Smith County,  
8 Texas, unless the boundaries are expanded under Subchapter D.  
9 (Acts 62nd Leg., R.S., Ch. 59, Secs. 1 (part), 1A (part).)

10       Sec. 1020.005. CORRECTION OF INVALID PROCEDURES. If a  
11 court holds that any procedure under this chapter violates the  
12 constitution of this state or of the United States, the district by  
13 resolution may provide an alternative procedure that conforms with  
14 the constitution. (Acts 62nd Leg., R.S., Ch. 59, Sec. 23 (part).)

15       Sec. 1020.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
16 OBLIGATION. The support and maintenance of the district may not  
17 become a charge against or obligation of this state. (Acts 62nd  
18 Leg., R.S., Ch. 59, Sec. 20 (part).)

19       Sec. 1020.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
20 The legislature may not make a direct appropriation for the  
21 construction, maintenance, or improvement of a district facility.  
22 (Acts 62nd Leg., R.S., Ch. 59, Sec. 20 (part).)

23       [Sections 1020.008-1020.050 reserved for expansion]

24                   SUBCHAPTER B. DISTRICT ADMINISTRATION

25       Sec. 1020.051. BOARD ELECTION; TERM. (a) The district is  
26 governed by a board of seven directors elected from the district at  
27 large.

1 (b) Directors serve staggered three-year terms.

2 (c) An election shall be held on the uniform election date  
3 in May of each year to elect the appropriate number of directors.  
4 (Acts 62nd Leg., R.S., Ch. 59, Secs. 4(a), (b) (part); Acts 77th  
5 Leg., R.S., Ch. 110, Sec. 5(d).)

6 Sec. 1020.052. NOTICE OF ELECTION. At least 35 days before  
7 the date of an election of directors, notice of the election shall  
8 be published one time in a newspaper of general circulation in the  
9 district. (Acts 62nd Leg., R.S., Ch. 59, Sec. 4(b) (part).)

10 Sec. 1020.053. BALLOT PETITION. A person who wants to have  
11 the person's name printed on the ballot as a candidate for director  
12 must file with the board secretary a petition requesting that  
13 action. The petition must be:

- 14 (1) signed by at least 25 registered voters; and  
15 (2) filed at least 30 days before the date of the  
16 election. (Acts 62nd Leg., R.S., Ch. 59, Sec. 4(b) (part).)

17 Sec. 1020.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
18 not serve as a director unless the person is:

- 19 (1) a district resident; and  
20 (2) a qualified voter.

21 (b) A person is not eligible to serve as a director if the  
22 person is:

- 23 (1) the district administrator; or  
24 (2) a district employee. (Acts 62nd Leg., R.S., Ch.  
25 59, Sec. 4(c) (part).)

26 Sec. 1020.055. BOARD VACANCY. If a vacancy occurs in the  
27 office of director, the remaining directors by majority vote shall

1 appoint a director for the unexpired term. (Acts 62nd Leg., R.S.,  
2 Ch. 59, Sec. 4(b) (part).)

3 Sec. 1020.056. OFFICERS. (a) The board shall elect:

4 (1) a president and a vice president from among its  
5 members; and

6 (2) a secretary, who need not be a director.

7 (b) Each officer of the board serves for a term of one year.

8 (c) The board shall fill a vacancy in a board office for the  
9 unexpired term. (Acts 62nd Leg., R.S., Ch. 59, Sec. 4(d) (part).)

10 Sec. 1020.057. COMPENSATION; EXPENSES. A director or  
11 officer serves without compensation but may be reimbursed for  
12 actual expenses incurred in the performance of official duties.  
13 The expenses must be:

14 (1) reported in the district's records; and

15 (2) approved by the board. (Acts 62nd Leg., R.S., Ch.  
16 59, Sec. 4(d) (part).)

17 Sec. 1020.058. VOTING REQUIREMENT. A concurrence of four  
18 directors is sufficient in any matter relating to district  
19 business. (Acts 62nd Leg., R.S., Ch. 59, Sec. 4(d) (part).)

20 Sec. 1020.059. DISTRICT ADMINISTRATOR; ASSISTANT  
21 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
22 district administrator.

23 (b) The board may appoint an assistant administrator.

24 (c) The district administrator and any assistant  
25 administrator serve at the will of the board and are entitled to the  
26 compensation determined by the board.

27 (d) On assuming the duties of district administrator, the

1 administrator shall execute a bond payable to the district in an  
2 amount set by the board of not less than \$5,000 that:

3 (1) is conditioned on the administrator performing the  
4 administrator's duties; and

5 (2) contains other conditions the board may require.  
6 (Acts 62nd Leg., R.S., Ch. 59, Sec. 5 (part).)

7 Sec. 1020.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
8 Subject to the limitations prescribed by the board, the district  
9 administrator shall:

10 (1) supervise the work and activities of the district;  
11 and

12 (2) direct the affairs of the district. (Acts 62nd  
13 Leg., R.S., Ch. 59, Sec. 5 (part).)

14 Sec. 1020.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
15 board may appoint to the staff any doctors the board considers  
16 necessary for the efficient operation of the district and may make  
17 temporary appointments as necessary.

18 (b) The district may employ fiscal agents, accountants,  
19 architects, and attorneys the board considers proper.

20 (c) The board may delegate to the district administrator the  
21 authority to hire district employees, including technicians and  
22 nurses. (Acts 62nd Leg., R.S., Ch. 59, Secs. 5 (part), 16.)

23 Sec. 1020.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

24 (a) The district may spend district money, enter into agreements,  
25 or take other action it considers appropriate to recruit  
26 physicians, nurses, and other trained medical personnel,  
27 including:

- 1           (1) advertising and marketing;
- 2           (2) paying travel, recruitment, and relocation  
3 expenses;
- 4           (3) providing and subsidizing office space or other  
5 facilities for a health care professional, including a physician  
6 who agrees to render services in the district or to serve as a  
7 district employee; and
- 8           (4) subsidizing the income of a health care  
9 professional, including a physician who agrees to render services  
10 in the district.

11           (b) The district may pay the tuition or other expenses of a  
12 full-time medical, allied health professional, or nursing student  
13 who:

- 14           (1) is enrolled in and is in good standing at an  
15 accredited school, college, or university; and
- 16           (2) contractually agrees to render services to the  
17 district or become a district employee in return for that  
18 assistance. (Acts 62nd Leg., R.S., Ch. 59, Secs. 5A(a), (b).)

19           Sec. 1020.063. CONTINUING EDUCATION; RETRAINING. The board  
20 may spend district money for continuing education and retraining of  
21 employees. (Acts 62nd Leg., R.S., Ch. 59, Sec. 5A(c).)

22           Sec. 1020.064. SENIORITY; RETIREMENT BENEFITS. The board  
23 may:

- 24           (1) adopt rules related to the seniority of district  
25 employees, including rules for a retirement plan based on  
26 seniority; and
- 27           (2) give effect to previous years of service for

1 district employees continuously employed in the operation or  
2 management of the hospital, medical, or other health care  
3 facilities:

4 (A) constructed by the district; or

5 (B) acquired by the district, including  
6 facilities acquired when the district was created. (Acts 62nd  
7 Leg., R.S., Ch. 59, Sec. 5 (part).)

8 [Sections 1020.065-1020.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 1020.101. DISTRICT RESPONSIBILITY. The district has  
11 full responsibility for providing hospital care for the district's  
12 indigent residents. (Acts 62nd Leg., R.S., Ch. 59, Sec. 19 (part).)

13 Sec. 1020.102. RESTRICTION ON POLITICAL SUBDIVISION  
14 TAXATION AND DEBT. A political subdivision located within the  
15 district may not impose a tax or issue bonds or other obligations  
16 for hospital, medical, or health care purposes or to provide  
17 medical care. (Acts 62nd Leg., R.S., Ch. 59, Sec. 19 (part).)

18 Sec. 1020.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
19 The board shall manage, control, and administer the hospital system  
20 and the district's money and resources. (Acts 62nd Leg., R.S., Ch.  
21 59, Sec. 5 (part).)

22 Sec. 1020.104. HOSPITAL SYSTEM. (a) The district shall  
23 provide for the establishment of a hospital system by:

24 (1) purchasing, constructing, acquiring, repairing,  
25 or renovating buildings and equipment;

26 (2) equipping the buildings; and

27 (3) administering buildings and equipment for

1 hospital purposes.

2 (b) The hospital system may include:

- 3 (1) facilities for domiciliary care of the sick,  
4 injured, or geriatric;  
5 (2) facilities for outpatient clinics;  
6 (3) physicians' offices;  
7 (4) dispensaries;  
8 (5) convalescent home facilities;  
9 (6) necessary nurses' domiciliaries and training  
10 centers;  
11 (7) blood banks;  
12 (8) research centers or laboratories; and  
13 (9) any other facilities the board considers necessary  
14 for hospital care. (Acts 62nd Leg., R.S., Ch. 59, Secs. 2 (part), 9  
15 (part).)

16 Sec. 1020.105. RULES. The board may adopt rules governing  
17 the operation of the hospital, the hospital system, and the  
18 district's staff and employees. (Acts 62nd Leg., R.S., Ch. 59, Sec.  
19 5 (part).)

20 Sec. 1020.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
21 board may prescribe:

- 22 (1) the method and manner of making purchases and  
23 expenditures by and for the district; and  
24 (2) all accounting and control procedures. (Acts 62nd  
25 Leg., R.S., Ch. 59, Sec. 10 (part).)

26 Sec. 1020.107. PROVISION OF CERTAIN HEALTH SERVICES. The  
27 district may operate or provide for the operation of:



1 (1) a mobile emergency medical service; or

2 (2) home health services, long-term care, skilled  
3 nursing care, intermediate nursing care, or hospice care. (Acts  
4 62nd Leg., R.S., Ch. 59, Sec. 9 (part).)

5 Sec. 1020.108. DISTRICT PROPERTY, FACILITIES, AND  
6 EQUIPMENT. (a) The board shall determine the type, number, and  
7 location of buildings required to maintain an adequate hospital  
8 system.

9 (b) The board may lease all or part of the district's  
10 buildings and other facilities for hospital, medical, or health  
11 care purposes on terms considered to be in the best interest of the  
12 district's inhabitants. The term of the lease may not exceed 25  
13 years.

14 (c) The district may acquire or lease equipment for use in  
15 the district's hospital system and mortgage or pledge acquired  
16 equipment as security for the payment of the purchase price. A  
17 contract or lease entered into under this subsection must provide  
18 that the entire obligation be retired not later than the fifth  
19 anniversary of the date of the contract or lease.

20 (d) The district may sell or otherwise dispose of any  
21 property, including equipment, on terms the board finds are in the  
22 best interest of the district's inhabitants. The board may not sell  
23 or dispose of any real property unless the board affirmatively  
24 finds that the property is not needed for the operation of the  
25 hospital system. (Acts 62nd Leg., R.S., Ch. 59, Secs. 9 (part), 10  
26 (part).)

27 Sec. 1020.109. EMINENT DOMAIN. (a) The district may

1 exercise the power of eminent domain to acquire a fee simple or  
2 other interest in any type of property located in district  
3 territory if the interest is necessary for the district to exercise  
4 a power, right, or privilege conferred by this chapter.

5 (b) The district must exercise the power of eminent domain  
6 in the manner provided by Chapter 21, Property Code, except the  
7 district is not required to deposit in the trial court money or a  
8 bond as provided by Section 21.021(a), Property Code.

9 (c) In a condemnation proceeding brought by the district,  
10 the district is not required to:

11 (1) pay in advance or provide a bond or other security  
12 for costs in the trial court;

13 (2) provide a bond for the issuance of a temporary  
14 restraining order or a temporary injunction; or

15 (3) provide a bond for costs or a supersedeas bond on  
16 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 59, Sec. 14.)

17 Sec. 1020.110. GIFTS AND ENDOWMENTS. The board may accept  
18 for the district a gift or endowment to be held in trust and  
19 administered by the board for the purposes and under the  
20 directions, limitations, or other provisions prescribed in writing  
21 by the donor that are not inconsistent with the proper management  
22 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 59, Sec.  
23 18 (part).)

24 Sec. 1020.111. CONSTRUCTION CONTRACTS. A construction  
25 contract that requires the expenditure of more than the amount  
26 provided by Section 271.024, Local Government Code, may be made  
27 only after competitive bidding as provided by Subchapter B, Chapter

1 271, Local Government Code. (Acts 62nd Leg., R.S., Ch. 59, Sec. 10  
2 (part).)

3       Sec. 1020.112. OPERATING AND MANAGEMENT CONTRACTS. The  
4 board may enter into an operating or management contract relating  
5 to a district facility. (Acts 62nd Leg., R.S., Ch. 59, Sec. 9  
6 (part).)

7       Sec. 1020.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
8 HOSPITALIZATION. (a) The board may contract with a county or  
9 municipality located outside the district's boundaries for the  
10 hospitalization of a sick or injured person of that county or  
11 municipality.

12       (b) The board may contract with this state or a federal  
13 agency for the hospitalization of a sick or injured person. (Acts  
14 62nd Leg., R.S., Ch. 59, Sec. 5 (part).)

15       Sec. 1020.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
16 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
17 political subdivision or governmental agency for the district to  
18 provide investigatory or other services for the hospital or welfare  
19 needs of district inhabitants. (Acts 62nd Leg., R.S., Ch. 59, Sec.  
20 5 (part).)

21       Sec. 1020.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
22 When a patient who resides in the district is admitted to a district  
23 facility, the district administrator may have an inquiry made into  
24 the circumstances of:

25               (1) the patient; and

26               (2) the patient's relatives who are legally liable for  
27 the patient's support.

1 (b) If the district administrator determines that the  
2 patient or those relatives cannot pay all or part of the costs of  
3 the care and treatment in the hospital, the amount of the costs that  
4 cannot be paid becomes a charge against the district.

5 (c) If the district administrator determines that the  
6 patient or those relatives can pay for all or part of the costs of  
7 the patient's care and treatment, the patient or those relatives  
8 shall be ordered to pay the district a specified amount each week  
9 for the patient's care and support. The amount ordered must be  
10 proportionate to the person's financial ability.

11 (d) The district administrator may collect the amount from  
12 the patient's estate, or from any relative who is legally liable for  
13 the patient's support, in the manner provided by law for the  
14 collection of expenses of the last illness of a deceased person.

15 (e) If there is a dispute as to the ability to pay, or doubt  
16 in the mind of the district administrator, the board shall hold a  
17 hearing and, after calling witnesses, shall:

18 (1) resolve the dispute or doubt; and

19 (2) issue any appropriate orders.

20 (f) The final order of the board may be appealed to the  
21 district court. The substantial evidence rule applies to the  
22 appeal. (Acts 62nd Leg., R.S., Ch. 59, Sec. 17.)

23 Sec. 1020.116. NONPROFIT CORPORATION. (a) The district  
24 may create and sponsor a nonprofit corporation under the Business  
25 Organizations Code and may contribute money to or solicit money for  
26 the corporation.

27 (a-1) On or before December 31, 2009, the district may

1 create and sponsor a nonprofit corporation under the Texas  
2 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
3 Texas Civil Statutes) or the Business Organizations Code, as  
4 applicable, and may contribute money to or solicit money for the  
5 corporation.

6 (b) A corporation may use money, other than money the  
7 corporation pays to the district, only to provide health care or  
8 other services the district is authorized to provide under this  
9 chapter.

10 (c) The corporation may invest the corporation's money in  
11 any manner in which the district may invest the district's money,  
12 including investing money as authorized by Chapter 2256, Government  
13 Code.

14 (d) The board shall establish controls to ensure that the  
15 corporation uses its money as required by this section.

16 (e) This subsection and Subsection (a-1) expire December  
17 31, 2009. (Acts 62nd Leg., R.S., Ch. 59, Sec. 5B.)

18 Sec. 1020.117. AUTHORITY TO SUE AND BE SUED. (a) The  
19 district, through the board, may sue and be sued.

20 (b) The district is entitled to all causes of action and  
21 defenses to which similar authorities performing only governmental  
22 functions are entitled. (Acts 62nd Leg., R.S., Ch. 59, Sec. 5  
23 (part).)

24 [Sections 1020.118-1020.150 reserved for expansion]

25 SUBCHAPTER D. CHANGE IN BOUNDARIES

26 Sec. 1020.151. TERRITORY THAT MAY BE ANNEXED. (a) The  
27 district may annex territory that is not located in:

- 1           (1) Deaf Smith County;
- 2           (2) the boundaries of another hospital district; or
- 3           (3) the proposed boundaries of another hospital
- 4 district authorized by the legislature under Section 9, Article IX,
- 5 Texas Constitution.

6           (b) Territory may be annexed in one or more tracts. Each

7 tract must be contiguous to:

- 8           (1) the district; or
- 9           (2) territory proposed to be annexed to the district.

10 (Acts 62nd Leg., R.S., Ch. 59, Sec. 1A (part).)

11           Sec. 1020.152. PETITION TO ANNEX TERRITORY. (a) A petition

12 requesting that territory be annexed to the district may be

13 presented to the board. The petition must:

- 14           (1) describe the tract or tracts of land to be annexed;
- 15 and

16           (2) be signed by 100 or a majority of the registered

17 voters who:

- 18                   (A) reside in the territory to be annexed; and
- 19                   (B) own property that will be subject to district
- 20 taxation if the territory is annexed.

21           (b) This chapter does not prohibit simultaneous action on

22 several petitions for annexation. Each ballot proposition must be

23 submitted for each different territory proposed to be annexed, and

24 an election held in each territory represented by a petition.

25           (c) If the board receives two or more petitions for

26 annexation that include all or part of the same territory to be

27 annexed to the district, the petition filed first with the board

1 shall be considered and another petition that includes any of the  
2 same territory has no effect.

3 (d) The board may consider all petitions for annexation  
4 presented to it and may approve or reject each petition. The board  
5 may not partly approve or partly reject any petition. (Acts 62nd  
6 Leg., R.S., Ch. 59, Sec. 1A (part).)

7 Sec. 1020.153. ELECTION ORDER. (a) If, on receipt of a  
8 petition, the board finds that annexing the territory is in the  
9 district's best interest, the board shall within 90 days of the  
10 board's finding:

11 (1) approve the annexation of the territory described  
12 in the petition; and

13 (2) order an election on the question of annexing the  
14 territory to the district.

15 (b) The election order shall provide for a separate  
16 election:

17 (1) in the territory proposed to be annexed; and

18 (2) in the district.

19 (c) The election order shall provide for clerks as in county  
20 elections and must specify:

21 (1) the date of the election;

22 (2) the location of the polling places;

23 (3) the form of ballot; and

24 (4) the presiding judge and alternate judge for each  
25 polling place.

26 (d) The election order may provide that:

27 (1) the entire district is one election precinct; or

1           (2) the county election precincts be combined for the  
2 election. (Acts 62nd Leg., R.S., Ch. 59, Secs. 1A (part), 3(a)  
3 (part).)

4           Sec. 1020.154. BALLOT. The ballot for the election shall be  
5 printed to permit voting for or against the proposition: "The  
6 establishment of the Deaf Smith County Hospital District with  
7 extended boundaries and establishment of a hospital district tax at  
8 a rate not to exceed 50 cents on the \$100 valuation on all taxable  
9 property in the extended boundaries of the hospital district that  
10 is subject to hospital district taxation for hospital purposes."  
11 (Acts 62nd Leg., R.S., Ch. 59, Sec. 1A (part).)

12           Sec. 1020.155. NOTICE OF ELECTION. (a) Notice of the  
13 election shall be given by publishing once a week for two  
14 consecutive weeks a substantial copy of the election order in a  
15 newspaper or newspapers that individually or collectively have  
16 general circulation in the county or district.

17           (b) The first publication must appear at least 30 days  
18 before the date of the election. (Acts 62nd Leg., R.S., Ch. 59,  
19 Secs. 1A (part), 3(a) (part).)

20           Sec. 1020.156. ELECTION RESULTS. (a) Territory may not be  
21 annexed to the district unless:

22           (1) an election is held in accordance with this  
23 subchapter; and

24           (2) the annexation is approved by a majority of the  
25 voters voting in the election in:

26                   (A) the district; and

27                   (B) the territory proposed to be annexed.



1 (b) If the territory is annexed to the district, a certified  
2 copy of the order canvassing the returns of the election shall be  
3 filed and recorded in the deed records of each county in which the  
4 district is located following the annexation election.

5 (c) An election may not be held under this subchapter  
6 within six months of an election previously held under this  
7 subchapter. (Acts 62nd Leg., R.S., Ch. 59, Secs. 1A (part), 3(a)  
8 (part).)

9 Sec. 1020.157. EFFECT OF ANNEXATION. (a) Territory  
10 annexed to the district is part of the district for all purposes.

11 (b) The annexation of territory to the district does not  
12 change the manner in which the board or district officers are  
13 selected. (Acts 62nd Leg., R.S., Ch. 59, Sec. 1A (part).)

14 [Sections 1020.158-1020.200 reserved for expansion]

15 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

16 Sec. 1020.201. BUDGET. (a) The district administrator  
17 shall prepare an annual budget for approval by the board.

18 (b) The proposed budget must contain a complete financial  
19 statement of:

- 20 (1) the outstanding obligations of the district;
- 21 (2) the cash on hand in each district fund;
- 22 (3) the money received by the district from all  
23 sources during the previous year;
- 24 (4) the money available to the district from all  
25 sources during the ensuing year;
- 26 (5) the balances expected at the end of the year in  
27 which the budget is being prepared;

1           (6) the estimated revenue and balances available to  
2 cover the proposed budget;

3           (7) the estimated tax rate required; and

4           (8) the proposed expenditures and disbursements and  
5 the estimated receipts and collections for the following fiscal  
6 year. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

7           Sec. 1020.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
8 The board shall hold a public hearing on the proposed annual budget.

9           (b) At least 10 days before the date of the hearing, notice  
10 of the hearing shall be published one time in a newspaper or  
11 newspapers that individually or collectively have general  
12 circulation in the district.

13           (c) Any property taxpayer of the district is entitled to be  
14 present and participate at the hearing in accordance with the rules  
15 of decorum and procedures prescribed by the board.

16           (d) At the conclusion of the hearing, the board shall adopt  
17 a budget by acting on the budget proposed by the district  
18 administrator. The board may make any changes in the proposed  
19 budget that the board judges to be in the interest of the taxpayers  
20 and that the law warrants. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6  
21 (part).)

22           Sec. 1020.203. AMENDMENTS TO BUDGET. The budget may be  
23 amended as required by circumstances. The board must approve all  
24 amendments. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

25           Sec. 1020.204. RESTRICTION ON EXPENDITURES. Money may be  
26 spent only for an expense included in the budget or an amendment to  
27 the budget. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

1           Sec. 1020.205. FISCAL YEAR. (a) The district operates on a  
2 fiscal year established by the board.

3           (b) The fiscal year may not be changed more than once in a  
4 24-month period. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

5           Sec. 1020.206. AUDIT. (a) The board shall have an  
6 independent audit made of the district's financial condition for  
7 the fiscal year.

8           (b) As soon as the audit is completed, the audit shall be  
9 filed at the district's office. (Acts 62nd Leg., R.S., Ch. 59, Sec.  
10 6 (part).)

11          Sec. 1020.207. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
12 The audit and other district records shall be open to inspection at  
13 the district's principal office. (Acts 62nd Leg., R.S., Ch. 59,  
14 Sec. 6 (part).)

15          Sec. 1020.208. FINANCIAL REPORT. As soon as practicable  
16 after the close of each fiscal year, the district administrator  
17 shall prepare for the board:

18                 (1) a complete sworn statement of all district money;  
19 and

20                 (2) a complete account of the disbursements of that  
21 money. (Acts 62nd Leg., R.S., Ch. 59, Sec. 6 (part).)

22          Sec. 1020.209. DEPOSITORY. (a) The board shall select one  
23 or more banks inside or outside the district to serve as a  
24 depository for district money.

25                 (b) District money, other than money invested as provided by  
26 Section 1020.210, and money transmitted to a bank for payment of  
27 bonds or obligations issued or assumed by the district, shall be

1 deposited as received with the depository bank and shall remain on  
2 deposit.

3 (c) This chapter, including Subsection (b), does not limit  
4 the power of the board to place a part of district money on time  
5 deposit or to purchase certificates of deposit. (Acts 62nd Leg.,  
6 R.S., Ch. 59, Sec. 11.)

7 Sec. 1020.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
8 Except as provided by Section 1020.108(c) and Subchapter F, the  
9 district may not incur an obligation payable from district revenue  
10 other than the revenue on hand or to be on hand in the current and  
11 following district fiscal years.

12 (b) The board may invest operating, depreciation, or  
13 building reserves only in funds or securities specified by Chapter  
14 2256, Government Code. (Acts 62nd Leg., R.S., Ch. 59, Secs. 5  
15 (part), 10 (part).)

16 [Sections 1020.211-1020.250 reserved for expansion]

17 SUBCHAPTER F. BONDS

18 Sec. 1020.251. GENERAL OBLIGATION BONDS. The board may  
19 issue and sell general obligation bonds in the name and on the faith  
20 and credit of the district for any purpose relating to:

21 (1) the purchase, construction, acquisition, repair,  
22 or renovation of buildings or improvements; and

23 (2) equipping buildings or improvements for hospital,  
24 medical, or health care purposes. (Acts 62nd Leg., R.S., Ch. 59,  
25 Sec. 7 (part).)

26 Sec. 1020.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
27 the time general obligation bonds are issued by the district under

1 Section 1020.251, the board shall impose an ad valorem tax at a rate  
2 sufficient to create an interest and sinking fund to pay the  
3 principal of and interest on the bonds as the bonds mature.

4 (b) The tax required by this section together with any other  
5 ad valorem tax the district imposes may not in any year exceed the  
6 tax rate approved by the voters at the election authorizing the  
7 imposition of the tax. (Acts 62nd Leg., R.S., Ch. 59, Sec. 7  
8 (part).)

9 Sec. 1020.253. GENERAL OBLIGATION BOND ELECTION. (a) The  
10 district may issue general obligation bonds only if the bonds are  
11 authorized by a majority of the district voters voting at an  
12 election held for that purpose.

13 (b) The order calling the election shall provide for clerks  
14 as in county elections and must specify:

- 15 (1) the date of the election;  
16 (2) the location of the polling places;  
17 (3) the presiding and alternate election judges for  
18 each polling place;  
19 (4) the amount of the bonds to be authorized;  
20 (5) the maximum maturity of the bonds; and  
21 (6) the maximum interest rate of the bonds.

22 (c) Notice of a bond election shall be given as provided by  
23 Section 1251.003, Government Code. (Acts 62nd Leg., R.S., Ch. 59,  
24 Sec. 7 (part).)

25 Sec. 1020.254. REVENUE BONDS. (a) The board may issue  
26 revenue bonds to:

- 27 (1) purchase, construct, acquire, repair, renovate,

1 or equip buildings or improvements for hospital, medical, or health  
2 care purposes; or

3 (2) acquire sites to be used for hospital, medical, or  
4 health care purposes.

5 (b) The bonds must be payable from and secured by a pledge of  
6 all or part of the revenue derived from the operation of the  
7 district's hospital or medical or health care facilities.

8 (c) The bonds may be additionally secured by a mortgage or  
9 deed of trust lien on all or part of district property.

10 (d) The bonds must be issued in the manner and in accordance  
11 with the procedures and requirements prescribed by Sections  
12 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
13 issuance of revenue bonds by a county hospital authority. (Acts  
14 62nd Leg., R.S., Ch. 59, Sec. 8(b) (part).)

15 Sec. 1020.255. REFUNDING BONDS. (a) The board may issue  
16 refunding bonds to refund outstanding indebtedness issued or  
17 assumed by the district.

18 (b) A refunding bond may be:

19 (1) sold, with the proceeds of the refunding bond  
20 applied to the payment of outstanding indebtedness; or

21 (2) exchanged wholly or partly for not less than a  
22 similar principal amount of outstanding indebtedness. (Acts 62nd  
23 Leg., R.S., Ch. 59, Secs. 8(a) (part), (b) (part).)

24 Sec. 1020.256. MATURITY OF BONDS. District bonds must  
25 mature not later than 40 years after the date of issuance. (Acts  
26 62nd Leg., R.S., Ch. 59, Sec. 8(c) (part).)

27 Sec. 1020.257. EXECUTION OF BONDS. (a) The board president

1 shall execute district bonds in the district's name.

2 (b) The board secretary shall countersign the bonds in the  
3 manner provided by Chapter 618, Government Code. (Acts 62nd Leg.,  
4 R.S., Ch. 59, Sec. 8(c) (part).)

5 Sec. 1020.258. BONDS EXEMPT FROM TAXATION. The following  
6 are exempt from taxation by this state or a political subdivision of  
7 this state:

8 (1) bonds issued by the district;

9 (2) the transfer and issuance of the bonds; and

10 (3) profits made in the sale of the bonds. (Acts 62nd  
11 Leg., R.S., Ch. 59, Sec. 21 (part).)

12 [Sections 1020.259-1020.300 reserved for expansion]

13 SUBCHAPTER G. TAXES

14 Sec. 1020.301. IMPOSITION OF AD VALOREM TAX. (a) The board  
15 shall impose a tax on all property in the district subject to  
16 district taxation.

17 (b) The board shall impose the tax to:

18 (1) pay the interest on and create a sinking fund for  
19 bonds or other obligations issued or assumed by the district for  
20 hospital purposes;

21 (2) provide for the operation and maintenance of the  
22 district and hospital system;

23 (3) make improvements and additions to the hospital  
24 system; and

25 (4) acquire necessary sites for the hospital system by  
26 purchase, lease, or condemnation. (Acts 62nd Leg., R.S., Ch. 59,  
27 Secs. 12 (part), 15(a) (part).)

1           Sec. 1020.302. TAX RATE. (a) The board may impose the tax  
2 at a rate not to exceed 50 cents on each \$100 valuation of the  
3 taxable property in the district, unless the tax rate is increased  
4 as provided by Section 1020.303.

5           (b) In setting the tax rate, the board shall consider the  
6 income of the district from sources other than taxation. (Acts 62nd  
7 Leg., R.S., Ch. 59, Secs. 3(b) (part), 12 (part).)

8           Sec. 1020.303. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)  
9 The board may order an election to increase the district's maximum  
10 tax rate to a rate not to exceed 75 cents on each \$100 valuation of  
11 taxable property in the district.

12           (b) The maximum tax rate may not be increased unless the  
13 increase is approved by a majority of the district voters voting in  
14 an election held for that purpose.

15           (c) An election held under this section must be ordered and  
16 notice must be given in the manner provided for a bond election  
17 under Subchapter F.

18           (d) The election order must specify:  
19               (1) the ballot proposition;  
20               (2) the proposed maximum tax rate;  
21               (3) the time of the election;  
22               (4) the location of the polling places; and  
23               (5) the presiding judge for each polling place. (Acts  
24 62nd Leg., R.S., Ch. 59, Sec. 3(d).)

25           Sec. 1020.304. ASSESSMENT AND COLLECTION BY COUNTY TAX  
26 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
27 elects to have taxes assessed and collected under Section 1020.305.



1 (b) The tax assessor-collector of Deaf Smith County shall  
2 assess and collect taxes imposed by the district. (Acts 62nd Leg.,  
3 R.S., Ch. 59, Secs. 15(a) (part), (b) (part).)

4 Sec. 1020.305. ASSESSMENT AND COLLECTION BY DISTRICT TAX  
5 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes  
6 assessed and collected by a tax assessor-collector appointed by the  
7 board. An election under this subsection must be made by December 1  
8 and governs the manner in which taxes are assessed and collected,  
9 until changed by a similar resolution.

10 (b) The district tax assessor-collector must:

11 (1) reside in the district; and

12 (2) own real property subject to district taxation.

13 (c) The board shall set for the district tax  
14 assessor-collector:

15 (1) the terms of employment; and

16 (2) compensation. (Acts 62nd Leg., R.S., Ch. 59,  
17 Secs. 15(a) (part), (c) (part).)

18 [Sections 1020.306-1020.350 reserved for expansion]

19 SUBCHAPTER H. DISSOLUTION

20 Sec. 1020.351. DISSOLUTION; ELECTION. (a) The district  
21 may be dissolved as provided by this subchapter.

22 (b) The board may order an election on the question of  
23 dissolving the district and transferring the district's assets and  
24 obligations to Deaf Smith County.

25 (c) The board shall order an election if the board receives  
26 a petition requesting an election that is signed by at least 50  
27 registered voters in the district.

1 (d) Section 41.001(a), Election Code, does not apply to an  
2 election ordered under this section. (Acts 62nd Leg., R.S., Ch. 59,  
3 Secs. 19A(a), (b), (c) (part).)

4 Sec. 1020.352. BALLOT. The ballot for an election under  
5 this subchapter must be printed to permit voting for or against the  
6 proposition: "The dissolution of the Deaf Smith County Hospital  
7 District and the transfer of the existing district assets to and the  
8 assumption of debts and bond obligations by Deaf Smith County."  
9 (Acts 62nd Leg., R.S., Ch. 59, Sec. 19A(d) (part).)

10 Sec. 1020.353. ELECTION RESULTS. (a) If a majority of the  
11 votes in the election favor dissolution and transfer of the  
12 district's assets and obligations, the board shall:

- 13 (1) find that the district is dissolved; and  
14 (2) transfer the district's assets and obligations to  
15 Deaf Smith County as provided by Section 1020.354.

16 (b) If a majority of the votes in the election do not favor  
17 dissolution and transfer of the district's assets and obligations,  
18 the board shall continue to administer the district and another  
19 election on the question of dissolution may not be held before the  
20 first anniversary of the date of the most recent election at which  
21 voters disapproved the proposition. (Acts 62nd Leg., R.S., Ch. 59,  
22 Sec. 19A(e).)

23 Sec. 1020.354. TRANSFER OF DISTRICT ASSETS. (a) If a  
24 majority of the votes in an election held under this subchapter  
25 favor dissolution and transfer of the district's assets and  
26 obligations, the board shall transfer to Deaf Smith County the  
27 land, buildings, improvements, equipment, and other assets that

1 belong to the district.

2 (b) Deaf Smith County assumes all debts and obligations of  
3 the district at the time of the transfer. (Acts 62nd Leg., R.S.,  
4 Ch. 59, Sec. 19A(f).)

5 CHAPTER 1021. DONLEY COUNTY HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1021.001. DEFINITIONS

8 Sec. 1021.002. AUTHORITY FOR OPERATION

9 Sec. 1021.003. ESSENTIAL PUBLIC FUNCTION

10 Sec. 1021.004. DISTRICT TERRITORY

11 Sec. 1021.005. CORRECTION OF INVALID PROCEDURES

12 Sec. 1021.006. DISTRICT SUPPORT AND MAINTENANCE NOT

13 STATE OBLIGATION

14 Sec. 1021.007. RESTRICTION ON STATE FINANCIAL

15 ASSISTANCE

16 [Sections 1021.008-1021.050 reserved for expansion]

17 SUBCHAPTER B. DISTRICT ADMINISTRATION

18 Sec. 1021.051. BOARD ELECTION; TERM

19 Sec. 1021.052. NOTICE OF RUNOFF ELECTION

20 Sec. 1021.053. QUALIFICATIONS FOR OFFICE

21 Sec. 1021.054. BOND

22 Sec. 1021.055. BOARD VACANCY

23 Sec. 1021.056. OFFICERS

24 Sec. 1021.057. COMPENSATION; EXPENSES

25 Sec. 1021.058. VOTING REQUIREMENT

26 Sec. 1021.059. DISTRICT ADMINISTRATOR; ASSISTANT

27 DISTRICT ADMINISTRATORS

- 1 Sec. 1021.060. GENERAL DUTIES OF DISTRICT  
2 ADMINISTRATOR
- 3 Sec. 1021.061. APPOINTMENT AND DISMISSAL OF STAFF AND  
4 EMPLOYEES
- 5 Sec. 1021.062. SENIORITY; RETIREMENT BENEFITS  
6 [Sections 1021.063-1021.100 reserved for expansion]
- 7 SUBCHAPTER C. POWERS AND DUTIES
- 8 Sec. 1021.101. DISTRICT RESPONSIBILITY
- 9 Sec. 1021.102. RESTRICTION ON POLITICAL SUBDIVISION  
10 TAXATION AND DEBT
- 11 Sec. 1021.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 12 Sec. 1021.104. HOSPITAL SYSTEM
- 13 Sec. 1021.105. RULES
- 14 Sec. 1021.106. PURCHASING AND ACCOUNTING PROCEDURES
- 15 Sec. 1021.107. DISTRICT PROPERTY, FACILITIES, AND  
16 EQUIPMENT
- 17 Sec. 1021.108. EMINENT DOMAIN
- 18 Sec. 1021.109. GIFTS AND ENDOWMENTS
- 19 Sec. 1021.110. CONSTRUCTION OR PURCHASE CONTRACTS
- 20 Sec. 1021.111. OPERATING AND MANAGEMENT CONTRACTS
- 21 Sec. 1021.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
22 FOR HOSPITAL TREATMENT
- 23 Sec. 1021.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
24 FOR INVESTIGATORY OR OTHER SERVICES
- 25 Sec. 1021.114. PAYMENT FOR TREATMENT; PROCEDURES
- 26 Sec. 1021.115. AUTHORITY TO SUE AND BE SUED  
27 [Sections 1021.116-1021.150 reserved for expansion]

1                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2   Sec. 1021.151.   BUDGET

3   Sec. 1021.152.   NOTICE; HEARING; ADOPTION OF BUDGET

4   Sec. 1021.153.   AMENDMENTS TO BUDGET

5   Sec. 1021.154.   RESTRICTION ON EXPENDITURES

6   Sec. 1021.155.   FISCAL YEAR

7   Sec. 1021.156.   AUDIT

8   Sec. 1021.157.   INSPECTION OF AUDIT AND DISTRICT

9                   RECORDS

10   Sec. 1021.158.   FINANCIAL REPORT

11   Sec. 1021.159.   DEPOSITORY

12   Sec. 1021.160.   SPENDING AND INVESTMENT RESTRICTIONS

13                   [Sections 1021.161-1021.200 reserved for expansion]

14                   SUBCHAPTER E. BONDS

15   Sec. 1021.201.   GENERAL OBLIGATION BONDS

16   Sec. 1021.202.   TAX TO PAY GENERAL OBLIGATION BONDS

17   Sec. 1021.203.   GENERAL OBLIGATION BOND ELECTION

18   Sec. 1021.204.   MATURITY OF GENERAL OBLIGATION BONDS

19   Sec. 1021.205.   EXECUTION OF GENERAL OBLIGATION BONDS

20   Sec. 1021.206.   REVENUE BONDS

21   Sec. 1021.207.   REFUNDING BONDS

22   Sec. 1021.208.   BONDS EXEMPT FROM TAXATION

23                   [Sections 1021.209-1021.250 reserved for expansion]

24                   SUBCHAPTER F. TAXES

25   Sec. 1021.251.   IMPOSITION OF AD VALOREM TAX

26   Sec. 1021.252.   TAX RATE

1 Sec. 1021.253. ASSESSMENT AND COLLECTION BY COUNTY TAX

2 ASSESSOR-COLLECTOR

3 Sec. 1021.254. ASSESSMENT AND COLLECTION BY DISTRICT

4 TAX ASSESSOR-COLLECTOR

5 CHAPTER 1021. DONLEY COUNTY HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1021.001. DEFINITIONS. In this chapter:

8 (1) "Board" means the board of directors of the  
9 district.

10 (2) "Director" means a member of the board.

11 (3) "District" means the Donley County Hospital  
12 District. (New.)

13 Sec. 1021.002. AUTHORITY FOR OPERATION. The district  
14 operates in accordance with Section 9, Article IX, Texas  
15 Constitution. (Acts 61st Leg., R.S., Ch. 699, Sec. 1 (part).)

16 Sec. 1021.003. ESSENTIAL PUBLIC FUNCTION. The district  
17 performs an essential public function in carrying out the purposes  
18 of this chapter. (Acts 61st Leg., R.S., Ch. 699, Sec. 20 (part).)

19 Sec. 1021.004. DISTRICT TERRITORY. The boundaries of the  
20 district are coextensive with the boundaries of Donley County,  
21 Texas. (Acts 61st Leg., R.S., Ch. 699, Sec. 1 (part).)

22 Sec. 1021.005. CORRECTION OF INVALID PROCEDURES. If a  
23 court holds that any procedure under this chapter violates the  
24 constitution of this state or of the United States, the district by  
25 resolution may provide an alternative procedure that conforms with  
26 the constitution. (Acts 61st Leg., R.S., Ch. 699, Sec. 21 (part).)

27 Sec. 1021.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE

1 OBLIGATION. The support and maintenance of the district may not  
2 become a charge against or obligation of this state. (Acts 61st  
3 Leg., R.S., Ch. 699, Sec. 19 (part).)

4 Sec. 1021.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
5 The legislature may not make a direct appropriation for the  
6 construction, maintenance, or improvement of a district facility.  
7 (Acts 61st Leg., R.S., Ch. 699, Sec. 19 (part).)

8 [Sections 1021.008-1021.050 reserved for expansion]

9 SUBCHAPTER B. DISTRICT ADMINISTRATION

10 Sec. 1021.051. BOARD ELECTION; TERM. (a) The board  
11 consists of seven directors elected from the district by position.  
12 To be elected, a candidate must receive a majority of the votes cast  
13 in the election for that position.

14 (b) The official ballot must indicate the position number of  
15 each office to be voted on at the election.

16 (c) A candidate may run for only one position at each  
17 election.

18 (d) Unless four-year terms are established under Section  
19 285.081, Health and Safety Code:

20 (1) directors serve staggered two-year terms; and

21 (2) the terms of directors elected to positions 1  
22 through 3 expire in odd-numbered years and the terms of directors  
23 elected to positions 4 through 7 expire in even-numbered years.  
24 (Acts 61st Leg., R.S., Ch. 699, Sec. 3(c) (part).)

25 Sec. 1021.052. NOTICE OF RUNOFF ELECTION. At least seven  
26 days before the date of a runoff election of directors, notice of  
27 the runoff election shall be published one time in a newspaper of

1 general circulation in Donley County. (Acts 61st Leg., R.S., Ch.  
2 699, Sec. 3(c) (part).)

3 Sec. 1021.053. QUALIFICATIONS FOR OFFICE. (a) A person may  
4 not be elected or appointed as a director unless the person is:

- 5 (1) a district resident;
- 6 (2) a freeholder; and
- 7 (3) a qualified voter.

8 (b) A person is not eligible to serve as a director if the  
9 person is:

- 10 (1) the district administrator;
- 11 (2) a district employee; or
- 12 (3) a hospital staff member. (Acts 61st Leg., R.S.,  
13 Ch. 699, Sec. 3(d).)

14 Sec. 1021.054. BOND. (a) Each director shall execute a  
15 good and sufficient bond for \$1,000 that is:

- 16 (1) payable to the district; and
- 17 (2) conditioned on the faithful performance of the  
18 director's duties.

19 (b) The district shall pay for the directors' bonds. (Acts  
20 61st Leg., R.S., Ch. 699, Sec. 3(c) (part).)

21 Sec. 1021.055. BOARD VACANCY. If a vacancy occurs in the  
22 office of director, the board shall appoint a director for the  
23 unexpired term. (Acts 61st Leg., R.S., Ch. 699, Sec. 3(c) (part).)

24 Sec. 1021.056. OFFICERS. (a) The board shall elect:

- 25 (1) a president and a vice president from among its  
26 members; and
- 27 (2) a secretary, who need not be a director.



1 (b) Each officer of the board serves for a term of one year.

2 (c) The board shall fill a vacancy in a board office for the  
3 unexpired term. (Acts 61st Leg., R.S., Ch. 699, Sec. 3(e) (part).)

4 Sec. 1021.057. COMPENSATION; EXPENSES. A director or  
5 officer serves without compensation but may be reimbursed for  
6 actual expenses incurred in the performance of official duties.  
7 The expenses must be:

8 (1) reported in the district's records; and

9 (2) approved by the board. (Acts 61st Leg., R.S., Ch.  
10 699, Sec. 3(e) (part).)

11 Sec. 1021.058. VOTING REQUIREMENT. A concurrence of four  
12 directors is sufficient in any matter relating to district  
13 business. (Acts 61st Leg., R.S., Ch. 699, Sec. 3(e) (part).)

14 Sec. 1021.059. DISTRICT ADMINISTRATOR; ASSISTANT DISTRICT  
15 ADMINISTRATORS. (a) The board may appoint a qualified person as  
16 district administrator.

17 (b) The board may appoint one or more assistant  
18 administrators.

19 (c) The district administrator and any assistant  
20 administrator serve at the will of the board and are entitled to the  
21 compensation determined by the board.

22 (d) On assuming the duties of district administrator, the  
23 administrator shall execute a bond payable to the district in an  
24 amount set by the board of not less than \$5,000 that:

25 (1) is conditioned on the administrator performing the  
26 administrator's duties; and

27 (2) contains other conditions the board may require.

1 (Acts 61st Leg., R.S., Ch. 699, Sec. 4 (part).)

2 Sec. 1021.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

3 Subject to the limitations prescribed by the board, the district  
4 administrator shall:

5 (1) supervise the work and activities of the district;  
6 and

7 (2) direct the affairs of the district. (Acts 61st  
8 Leg., R.S., Ch. 699, Sec. 4 (part).)

9 Sec. 1021.061. APPOINTMENT AND DISMISSAL OF STAFF AND  
10 EMPLOYEES. (a) The board may appoint to or dismiss from the staff  
11 any doctors the board considers necessary for the efficient  
12 operation of the district and may make temporary appointments as  
13 necessary.

14 (b) The district may employ fiscal agents, accountants,  
15 architects, and attorneys the board considers proper.

16 (c) The board may delegate to the district administrator the  
17 authority to hire district employees, including technicians and  
18 nurses. (Acts 61st Leg., R.S., Ch. 699, Secs. 4 (part), 15.)

19 Sec. 1021.062. SENIORITY; RETIREMENT BENEFITS. The board  
20 may:

21 (1) adopt rules related to the seniority of district  
22 employees, including rules for a retirement plan based on  
23 seniority; and

24 (2) give effect to previous years of service for  
25 district employees continuously employed in the operation or  
26 management of hospital facilities acquired or constructed by the  
27 district. (Acts 61st Leg., R.S., Ch. 699, Sec. 4 (part).)

1 [Sections 1021.063-1021.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1021.101. DISTRICT RESPONSIBILITY. The district has  
4 full responsibility for operating all hospital facilities for  
5 providing medical and hospital care for the district's needy  
6 inhabitants. (Acts 61st Leg., R.S., Ch. 699, Sec. 18 (part).)

7 Sec. 1021.102. RESTRICTION ON POLITICAL SUBDIVISION  
8 TAXATION AND DEBT. A political subdivision located within the  
9 district or that has the same boundaries as the district may not  
10 impose a tax or issue bonds or other obligations for hospital  
11 purposes or to provide medical care. (Acts 61st Leg., R.S., Ch.  
12 699, Sec. 18 (part).)

13 Sec. 1021.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
14 The board shall manage, control, and administer the hospital system  
15 and the district's money and resources. (Acts 61st Leg., R.S., Ch.  
16 699, Sec. 4 (part).)

17 Sec. 1021.104. HOSPITAL SYSTEM. The hospital system, as  
18 determined by the board, may include:

19 (1) facilities for domiciliary care of the sick,  
20 injured, or geriatric;

21 (2) facilities for outpatient clinics;

22 (3) dispensaries;

23 (4) convalescent home facilities;

24 (5) necessary nurses centers;

25 (6) research centers or laboratories;

26 (7) nursing homes or similar facilities for the care  
27 of the elderly; and

1           (8) any other facilities the board considers necessary  
2 for hospital care. (Acts 61st Leg., R.S., Ch. 699, Sec. 8 (part).)

3           Sec. 1021.105. RULES. The board may adopt rules governing  
4 the operation of the hospital, the hospital system, and the  
5 district's staff and employees. (Acts 61st Leg., R.S., Ch. 699,  
6 Sec. 4 (part).)

7           Sec. 1021.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
8 board may prescribe:

9           (1) the method and manner of making purchases and  
10 expenditures by and for the district; and

11           (2) all accounting and control procedures. (Acts 61st  
12 Leg., R.S., Ch. 699, Sec. 9 (part).)

13           Sec. 1021.107. DISTRICT PROPERTY, FACILITIES, AND  
14 EQUIPMENT. (a) The board shall determine the type, number, and  
15 location of buildings required to maintain an adequate hospital  
16 system.

17           (b) The board may contract with the Health and Human  
18 Services Commission to lease all or part of the district's  
19 buildings and other facilities on terms considered to be in the best  
20 interest of the district's inhabitants. The term of the lease may  
21 not exceed 25 years.

22           (c) The district may acquire equipment for use in the  
23 district's hospital system and mortgage or pledge the property as  
24 security for the payment of the purchase price. A contract entered  
25 into under this subsection must provide that the entire obligation  
26 be retired not later than the fifth anniversary of the date of the  
27 contract.

1           (d) The district may sell or otherwise dispose of any  
2 property, including equipment, on terms the board finds are in the  
3 best interest of the district's inhabitants. (Acts 61st Leg.,  
4 R.S., Ch. 699, Secs. 8 (part), 9 (part).)

5           Sec. 1021.108. EMINENT DOMAIN. (a) The district may  
6 exercise the power of eminent domain to acquire a fee simple or  
7 other interest in any type of property located in district  
8 territory if the interest is necessary for the district to exercise  
9 a power, right, or privilege conferred by this chapter.

10           (b) The district must exercise the power of eminent domain  
11 in the manner provided by Chapter 21, Property Code, except the  
12 district is not required to deposit in the trial court money or a  
13 bond as provided by Section 21.021(a), Property Code.

14           (c) In a condemnation proceeding brought by the district,  
15 the district is not required to:

16                 (1) pay in advance or provide a bond or other security  
17 for costs in the trial court;

18                 (2) provide a bond for the issuance of a temporary  
19 restraining order or a temporary injunction; or

20                 (3) provide a bond for costs or a supersedeas bond on  
21 an appeal or writ of error. (Acts 61st Leg., R.S., Ch. 699, Sec.  
22 13.)

23           Sec. 1021.109. GIFTS AND ENDOWMENTS. The board may accept  
24 for the district a gift or endowment to be held in trust and  
25 administered by the board for the purposes and under the  
26 directions, limitations, or other provisions prescribed in writing  
27 by the donor that are not inconsistent with the proper management

1 and objectives of the district. (Acts 61st Leg., R.S., Ch. 699,  
2 Sec. 17.)

3       Sec. 1021.110. CONSTRUCTION OR PURCHASE CONTRACTS. A  
4 construction or purchase contract that involves the expenditure of  
5 more than \$2,000 may be made only after advertising in the manner  
6 provided by Chapter 252 and Subchapter C, Chapter 262, Local  
7 Government Code. (Acts 61st Leg., R.S., Ch. 699, Sec. 9 (part).)

8       Sec. 1021.111. OPERATING AND MANAGEMENT CONTRACTS. The  
9 board may enter into an operating or management contract relating  
10 to a district facility. (Acts 61st Leg., R.S., Ch. 699, Sec. 8  
11 (part).)

12       Sec. 1021.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
13 HOSPITAL TREATMENT. (a) The board may contract with a county or  
14 municipality located outside the district's boundaries for the  
15 hospitalization of a sick or injured person of that county or  
16 municipality.

17       (b) The board may contract with this state or a federal  
18 agency for the hospital treatment of a sick or injured person.  
19 (Acts 61st Leg., R.S., Ch. 699, Sec. 4 (part).)

20       Sec. 1021.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
21 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
22 political subdivision or governmental agency for the district to  
23 provide investigatory or other services as to the hospital or  
24 welfare needs of district inhabitants. (Acts 61st Leg., R.S., Ch.  
25 699, Sec. 4 (part).)

26       Sec. 1021.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
27 When a patient who resides in the district is admitted to a district

1 facility, the district administrator may have an inquiry made into  
2 the circumstances of:

3 (1) the patient; and

4 (2) the patient's relatives who are legally liable for  
5 the patient's support.

6 (b) If the district administrator determines that the  
7 patient or those relatives cannot pay all or part of the costs of  
8 the care and treatment in the hospital, the amount of the costs that  
9 cannot be paid becomes a charge against the district.

10 (c) If the district administrator determines that the  
11 patient or those relatives can pay for all or part of the costs of  
12 the patient's care and treatment, the patient or those relatives  
13 shall be ordered to pay the district a specified amount each week  
14 for the patient's care and support. The amount ordered must be  
15 proportionate to the person's financial ability.

16 (d) The district administrator may collect the amount from  
17 the patient's estate, or from any relative who is legally liable for  
18 the patient's support, in the manner provided by law for the  
19 collection of expenses of the last illness of a deceased person.

20 (e) If there is a dispute as to the ability to pay, or doubt  
21 in the mind of the district administrator, the board shall hold a  
22 hearing and, after calling witnesses, shall:

23 (1) resolve the dispute or doubt; and

24 (2) issue any appropriate orders.

25 (f) The final order of the board may be appealed to the  
26 district court. The substantial evidence rule applies to the  
27 appeal. (Acts 61st Leg., R.S., Ch. 699, Sec. 16.)

1           Sec. 1021.115. AUTHORITY TO SUE AND BE SUED. (a) The  
2 district, through the board, may sue and be sued.

3           (b) The district is entitled to all causes of action and  
4 defenses to which similar authorities are entitled. (Acts 61st  
5 Leg., R.S., Ch. 699, Sec. 4 (part).)

6           [Sections 1021.116-1021.150 reserved for expansion]

7           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8           Sec. 1021.151. BUDGET. (a) The district administrator  
9 shall prepare an annual budget for approval by the board.

10          (b) The proposed budget must contain a complete financial  
11 statement of:

12           (1) the outstanding obligations of the district;

13           (2) the cash on hand in each district fund;

14           (3) the money received by the district from all  
15 sources during the previous year;

16           (4) the money available to the district from all  
17 sources during the ensuing year;

18           (5) the balances expected at the end of the year in  
19 which the budget is being prepared;

20           (6) the estimated revenue and balances available to  
21 cover the proposed budget;

22           (7) the estimated tax rate required; and

23           (8) the proposed expenditures and disbursements and  
24 the estimated receipts and collections for the following fiscal  
25 year. (Acts 61st Leg., R.S., Ch. 699, Sec. 5 (part).)

26          Sec. 1021.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
27 The board shall hold a public hearing on the proposed annual budget.



1 (b) At least 10 days before the date of the hearing, notice  
2 of the hearing shall be published one time in a newspaper or  
3 newspapers that individually or collectively have general  
4 circulation in the district.

5 (c) Any property taxpayer of the district is entitled to be  
6 present and participate at the hearing.

7 (d) At the conclusion of the hearing, the board shall adopt  
8 a budget by acting on the budget proposed by the district  
9 administrator. The board may make any changes in the proposed  
10 budget that the board judges to be in the interest of the taxpayers  
11 and that the law warrants. (Acts 61st Leg., R.S., Ch. 699, Sec. 5  
12 (part).)

13 Sec. 1021.153. AMENDMENTS TO BUDGET. The budget may be  
14 amended as required by circumstances. The board must approve all  
15 amendments. (Acts 61st Leg., R.S., Ch. 699, Sec. 5 (part).)

16 Sec. 1021.154. RESTRICTION ON EXPENDITURES. Money may be  
17 spent only for an expense included in the budget or an amendment to  
18 the budget. (Acts 61st Leg., R.S., Ch. 699, Sec. 5 (part).)

19 Sec. 1021.155. FISCAL YEAR. The district operates on a  
20 fiscal year that begins on July 1 and ends on June 30. (Acts 61st  
21 Leg., R.S., Ch. 699, Sec. 5 (part).)

22 Sec. 1021.156. AUDIT. (a) The district shall have an  
23 independent audit made of the district's financial condition for  
24 the fiscal year.

25 (b) As soon as the audit is completed, the audit shall be  
26 filed at the district's office. (Acts 61st Leg., R.S., Ch. 699,  
27 Sec. 5 (part).)

1           Sec. 1021.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
2 The audit and other district records shall be open to inspection at  
3 the district's principal office. (Acts 61st Leg., R.S., Ch. 699,  
4 Sec. 5 (part).)

5           Sec. 1021.158. FINANCIAL REPORT. As soon as practicable  
6 after the close of each fiscal year, the district administrator  
7 shall prepare for the board:

8                   (1) a complete sworn statement of all district money;  
9 and

10                   (2) a complete account of the disbursements of that  
11 money. (Acts 61st Leg., R.S., Ch. 699, Sec. 5 (part).)

12           Sec. 1021.159. DEPOSITORY. (a) The board shall select one  
13 or more banks in the district to serve as a depository for district  
14 money.

15           (b) District money, other than money invested as provided by  
16 Section 1021.160(b) and money transmitted to a bank for payment of  
17 bonds or obligations issued by the district, shall be deposited as  
18 received with the depository bank and shall remain on deposit.

19           (c) This chapter, including Subsection (b), does not limit  
20 the power of the board to place a part of district money on time  
21 deposit or to purchase certificates of deposit. (Acts 61st Leg.,  
22 R.S., Ch. 699, Sec. 10.)

23           Sec. 1021.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
24 Except as provided by Section 1021.107(c) and by Subchapter E, the  
25 district may not incur an obligation payable from district revenue  
26 other than the revenue on hand or to be on hand in the current and  
27 following district fiscal years.

1 (b) The board may invest operating, depreciation, or  
2 building fund reserves only in funds or securities specified by  
3 Chapter 2256, Government Code. (Acts 61st Leg., R.S., Ch. 699,  
4 Secs. 4 (part), 9 (part).)

5 [Sections 1021.161-1021.200 reserved for expansion]

6 SUBCHAPTER E. BONDS

7 Sec. 1021.201. GENERAL OBLIGATION BONDS. The board may  
8 issue and sell general obligation bonds in the name and on the faith  
9 and credit of the district for any purpose relating to:

10 (1) the purchase, construction, acquisition, repair,  
11 or renovation of buildings or improvements; and

12 (2) equipping buildings or improvements for hospital  
13 purposes. (Acts 61st Leg., R.S., Ch. 699, Sec. 6(a) (part).)

14 Sec. 1021.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
15 the time general obligation bonds are issued by the district under  
16 Section 1021.201, the board shall impose an ad valorem tax at a rate  
17 sufficient to create an interest and sinking fund to pay the  
18 principal of and interest on the bonds as the bonds mature.

19 (b) The tax required by this section together with any other  
20 ad valorem tax the district imposes may not in any year exceed the  
21 tax rate approved by the voters at the election authorizing the  
22 imposition of the tax. (Acts 61st Leg., R.S., Ch. 699, Sec. 6(a)  
23 (part).)

24 Sec. 1021.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
25 district may issue general obligation bonds only if the bonds are  
26 authorized by a majority of the district voters voting at an  
27 election held for that purpose.

1           (b) The order calling the election shall provide for clerks  
2 as in county elections and must specify:

- 3           (1) the date of the election;  
4           (2) the location of the polling places;  
5           (3) the presiding and alternate election judges for  
6 each polling place;  
7           (4) the amount of the bonds to be authorized; and  
8           (5) the maximum interest rate of the bonds.

9           (c) Notice of a bond election shall be given as provided by  
10 Section 1251.003, Government Code. (Acts 61st Leg., R.S., Ch. 699,  
11 Sec. 6(a) (part).)

12           Sec. 1021.204. MATURITY OF GENERAL OBLIGATION BONDS.  
13 District general obligation bonds must mature not later than 40  
14 years after the date of issuance. (Acts 61st Leg., R.S., Ch. 699,  
15 Sec. 6(d) (part).)

16           Sec. 1021.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
17 The board president shall execute the general obligation bonds in  
18 the district's name.

19           (b) The board secretary shall countersign the bonds in the  
20 manner provided by Chapter 618, Government Code. (Acts 61st Leg.,  
21 R.S., Ch. 699, Sec. 6(d) (part).)

22           Sec. 1021.206. REVENUE BONDS. (a) The board may issue  
23 revenue bonds to:

24           (1) purchase, construct, acquire, repair, renovate,  
25 or equip buildings or improvements for the district's hospital  
26 system facilities; or

27           (2) acquire sites to be used for the district's

1 hospital system facilities.

2 (b) The bonds must be payable from and secured by a pledge of  
3 all or part of the revenue derived from the operation of the  
4 district's hospitals.

5 (c) The bonds may be additionally secured by a mortgage or  
6 deed of trust lien on all or part of district property.

7 (d) The bonds must be used in the manner and in accordance  
8 with the procedures and requirements prescribed by Sections  
9 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
10 issuance of revenue bonds by a county hospital authority. (Acts  
11 61st Leg., R.S., Ch. 699, Sec. 7 (part).)

12 Sec. 1021.207. REFUNDING BONDS. (a) The board may, without  
13 an election, issue refunding bonds to refund outstanding  
14 indebtedness issued or assumed by the district.

15 (b) Refunding bonds may be:

16 (1) sold, with the proceeds of the refunding bonds  
17 applied to the payment of the outstanding indebtedness; or

18 (2) exchanged wholly or partly for not less than a  
19 similar principal amount of outstanding indebtedness. (Acts 61st  
20 Leg., R.S., Ch. 699, Secs. 6(a) (part), (c) (part), 7 (part).)

21 Sec. 1021.208. BONDS EXEMPT FROM TAXATION. The following  
22 are exempt from taxation by this state or a political subdivision of  
23 this state:

24 (1) bonds issued by the district;

25 (2) the transfer and issuance of the bonds; and

26 (3) profits made in the sale of the bonds. (Acts 61st  
27 Leg., R.S., Ch. 699, Sec. 20 (part).)

1 [Sections 1021.209-1021.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1021.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
4 shall impose a tax on all property in the district subject to  
5 district taxation.

6 (b) The board shall impose the tax to:

7 (1) pay the interest on and create a sinking fund for  
8 bonds and other obligations issued or assumed by the district for  
9 hospital purposes;

10 (2) provide for the operation and maintenance of the  
11 district and hospital system;

12 (3) make improvements and additions to the hospital  
13 system; and

14 (4) acquire necessary sites for the hospital system by  
15 purchase, lease, or condemnation. (Acts 61st Leg., R.S., Ch. 699,  
16 Secs. 2(b) (part), 11 (part).)

17 Sec. 1021.252. TAX RATE. (a) The board may impose the tax  
18 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
19 property in the district.

20 (b) In setting the tax rate, the board shall consider the  
21 income of the district from sources other than taxation. (Acts 61st  
22 Leg., R.S., Ch. 699, Secs. 2(b) (part), 11 (part).)

23 Sec. 1021.253. ASSESSMENT AND COLLECTION BY COUNTY TAX  
24 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
25 elects to have taxes assessed and collected under Section 1021.254.

26 (b) The tax assessor-collector of Donley County shall  
27 assess and collect taxes imposed by the district. (Acts 61st Leg.,

1 R.S., Ch. 699, Sec. 14 (part).)

2           Sec. 1021.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX  
3 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes  
4 assessed and collected by a tax assessor-collector appointed by the  
5 board. An election under this subsection must be made by December 1  
6 and governs the manner in which taxes are assessed and collected,  
7 until changed by a similar resolution.

8           (b) The district tax assessor-collector must:

9                   (1) reside in the district; and

10                   (2) own real property subject to district taxation.

11           (c) The board shall set for the district tax  
12 assessor-collector:

13                   (1) the terms of employment; and

14                   (2) compensation. (Acts 61st Leg., R.S., Ch. 699,  
15 Sec. 14 (part).)

16                   CHAPTER 1022. EAST COKE COUNTY HOSPITAL DISTRICT

17                                   SUBCHAPTER A. GENERAL PROVISIONS

18           Sec. 1022.001. DEFINITIONS

19           Sec. 1022.002. AUTHORITY FOR CREATION

20           Sec. 1022.003. ESSENTIAL PUBLIC FUNCTION

21           Sec. 1022.004. DISTRICT TERRITORY

22           Sec. 1022.005. CORRECTION OF INVALID PROCEDURES

23           Sec. 1022.006. DISTRICT SUPPORT AND MAINTENANCE NOT

24                                   STATE OBLIGATION

25           Sec. 1022.007. RESTRICTION ON STATE FINANCIAL

26                                   ASSISTANCE

27                   [Sections 1022.008-1022.050 reserved for expansion]

- 1                               SUBCHAPTER B. DISTRICT ADMINISTRATION
- 2   Sec. 1022.051.   BOARD ELECTION; TERM
- 3   Sec. 1022.052.   NOTICE OF ELECTION
- 4   Sec. 1022.053.   BALLOT PETITION
- 5   Sec. 1022.054.   QUALIFICATIONS FOR OFFICE
- 6   Sec. 1022.055.   BOND
- 7   Sec. 1022.056.   BOARD VACANCY
- 8   Sec. 1022.057.   OFFICERS
- 9   Sec. 1022.058.   COMPENSATION; EXPENSES
- 10   Sec. 1022.059.   VOTING REQUIREMENT
- 11   Sec. 1022.060.   DISTRICT ADMINISTRATOR; ASSISTANT
- 12                               ADMINISTRATOR
- 13   Sec. 1022.061.   GENERAL DUTIES OF DISTRICT
- 14                               ADMINISTRATOR
- 15   Sec. 1022.062.   EMPLOYEES; APPOINTMENT AND DISMISSAL OF
- 16                               STAFF; CONTRACT WITH DOCTORS
- 17   Sec. 1022.063.   INDEPENDENT CONTRACTS
- 18   Sec. 1022.064.   SENIORITY; RETIREMENT BENEFITS
- 19                               [Sections 1022.065-1022.100 reserved for expansion]
- 20                               SUBCHAPTER C. POWERS AND DUTIES
- 21   Sec. 1022.101.   DISTRICT RESPONSIBILITY
- 22   Sec. 1022.102.   RESTRICTION ON POLITICAL SUBDIVISION
- 23                               TAXATION AND DEBT
- 24   Sec. 1022.103.   MANAGEMENT, CONTROL, AND ADMINISTRATION
- 25   Sec. 1022.104.   HOSPITAL SYSTEM
- 26   Sec. 1022.105.   RULES
- 27   Sec. 1022.106.   PURCHASING AND ACCOUNTING PROCEDURES



- 1 Sec. 1022.107. DISTRICT PROPERTY, FACILITIES, AND
- 2                                   EQUIPMENT
- 3 Sec. 1022.108. EMINENT DOMAIN
- 4 Sec. 1022.109. GIFTS AND ENDOWMENTS
- 5 Sec. 1022.110. CONSTRUCTION OR PURCHASE CONTRACTS
- 6 Sec. 1022.111. OPERATING AND MANAGEMENT CONTRACTS
- 7 Sec. 1022.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 8                                   FOR CARE AND TREATMENT
- 9 Sec. 1022.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 10                                  FOR INVESTIGATORY OR OTHER SERVICES
- 11 Sec. 1022.114. PAYMENT FOR TREATMENT; PROCEDURES
- 12 Sec. 1022.115. AUTHORITY TO SUE AND BE SUED
- 13                   [Sections 1022.116-1022.150 reserved for expansion]
- 14                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 15 Sec. 1022.151. BUDGET
- 16 Sec. 1022.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 17 Sec. 1022.153. AMENDMENTS TO BUDGET
- 18 Sec. 1022.154. RESTRICTION ON EXPENDITURES
- 19 Sec. 1022.155. FISCAL YEAR
- 20 Sec. 1022.156. AUDIT
- 21 Sec. 1022.157. INSPECTION OF AUDIT AND DISTRICT
- 22                                   RECORDS
- 23 Sec. 1022.158. FINANCIAL REPORT
- 24 Sec. 1022.159. DEPOSITORY
- 25 Sec. 1022.160. SPENDING AND INVESTMENT RESTRICTIONS
- 26                   [Sections 1022.161-1022.200 reserved for expansion]

SUBCHAPTER E. BONDS

- 2 Sec. 1022.201. GENERAL OBLIGATION BONDS
- 3 Sec. 1022.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 4 Sec. 1022.203. GENERAL OBLIGATION BOND ELECTION
- 5 Sec. 1022.204. MATURITY OF GENERAL OBLIGATION BONDS
- 6 Sec. 1022.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 7 Sec. 1022.206. REVENUE BONDS
- 8 Sec. 1022.207. REFUNDING BONDS
- 9 Sec. 1022.208. BONDS EXEMPT FROM TAXATION

[Sections 1022.209-1022.250 reserved for expansion]

SUBCHAPTER F. TAXES

- 12 Sec. 1022.251. IMPOSITION OF AD VALOREM TAX
- 13 Sec. 1022.252. TAX RATE
- 14 Sec. 1022.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
- 15 ASSESSOR-COLLECTOR
- 16 Sec. 1022.254. ASSESSMENT AND COLLECTION BY DISTRICT
- 17 TAX ASSESSOR-COLLECTOR

CHAPTER 1022. EAST COKE COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 1022.001. DEFINITIONS. In this chapter:

- 21 (1) "Board" means the board of directors of the
- 22 district.
- 23 (2) "Director" means a member of the board.
- 24 (3) "District" means the East Coke County Hospital
- 25 District. (New.)

26 Sec. 1022.002. AUTHORITY FOR CREATION. The district is

27 created under the authority of Section 9, Article IX, Texas

1 Constitution. (Acts 61st Leg., R.S., Ch. 444, Sec. 1.)

2       Sec. 1022.003. ESSENTIAL PUBLIC FUNCTION. The district  
3 performs an essential public function in carrying out the purposes  
4 of this chapter. (Acts 61st Leg., R.S., Ch. 444, Sec. 22 (part).)

5       Sec. 1022.004. DISTRICT TERRITORY. The boundaries of the  
6 district are coextensive with the boundaries of County  
7 Commissioners Precincts 2 and 4 of Coke County, Texas, as those  
8 boundaries existed on April 16, 1969. (Acts 61st Leg., R.S., Ch.  
9 444, Sec. 2.)

10       Sec. 1022.005. CORRECTION OF INVALID PROCEDURES. If a  
11 court holds that any procedure under this chapter violates the  
12 constitution of this state or of the United States, the district by  
13 resolution may provide an alternative procedure that conforms with  
14 the constitution. (Acts 61st Leg., R.S., Ch. 444, Sec. 23 (part).)

15       Sec. 1022.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
16 OBLIGATION. The support and maintenance of the district may not  
17 become a charge against or obligation of this state. (Acts 61st  
18 Leg., R.S., Ch. 444, Sec. 21 (part).)

19       Sec. 1022.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
20 The legislature may not make a direct appropriation for the  
21 construction, maintenance, or improvement of a district facility.  
22 (Acts 61st Leg., R.S., Ch. 444, Sec. 21 (part).)

23       [Sections 1022.008-1022.050 reserved for expansion]

24                   SUBCHAPTER B. DISTRICT ADMINISTRATION

25       Sec. 1022.051. BOARD ELECTION; TERM. (a) The board  
26 consists of five directors elected from the district at large.

27       (b) Directors serve staggered two-year terms unless

1 four-year terms are established under Section 285.081, Health and  
2 Safety Code. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(a) (part).)

3 Sec. 1022.052. NOTICE OF ELECTION. At least 30 days before  
4 the date of an election of directors, notice of the election shall  
5 be published one time in a newspaper or newspapers that  
6 individually or collectively have general circulation in the  
7 district. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(a) (part).)

8 Sec. 1022.053. BALLOT PETITION. A person who wants to have  
9 the person's name printed on the ballot as a candidate for director  
10 must file with the board secretary a petition requesting that  
11 action. The petition must be:

12 (1) signed by at least 10 qualified property taxpaying  
13 voters; and

14 (2) filed at least 10 days before the date of the  
15 election. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(a) (part).)

16 Sec. 1022.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
17 not be elected or appointed as a director unless the person is:

18 (1) a district resident;

19 (2) a freeholder; and

20 (3) a qualified voter.

21 (b) A person is not eligible to serve as a director if the  
22 person is:

23 (1) the district administrator;

24 (2) a district employee; or

25 (3) a hospital staff member. (Acts 61st Leg., R.S.,  
26 Ch. 444, Sec. 5(b).)

27 Sec. 1022.055. BOND. (a) Each director shall execute a

1 good and sufficient bond for \$10,000 that is:

2 (1) payable to the district; and

3 (2) conditioned on the faithful performance of the  
4 director's duties.

5 (b) The district shall pay for the directors' bonds. (Acts  
6 61st Leg., R.S., Ch. 444, Sec. 5(a) (part).)

7 Sec. 1022.056. BOARD VACANCY. If a vacancy occurs in the  
8 office of director, the remaining directors shall appoint a  
9 director for the unexpired term. (Acts 61st Leg., R.S., Ch. 444,  
10 Sec. 5(a) (part).)

11 Sec. 1022.057. OFFICERS. (a) The board shall elect:

12 (1) a president and a vice president from among its  
13 members; and

14 (2) a secretary, who need not be a director.

15 (b) Each officer of the board serves for a term of one year.

16 (c) The board shall fill a vacancy in a board office for the  
17 unexpired term. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(c) (part).)

18 Sec. 1022.058. COMPENSATION; EXPENSES. A director or  
19 officer serves without compensation but may be reimbursed for  
20 actual expenses incurred in the performance of official duties.  
21 The expenses must be:

22 (1) reported in the district's records; and

23 (2) approved by the board. (Acts 61st Leg., R.S., Ch.  
24 444, Sec. 5(c) (part).)

25 Sec. 1022.059. VOTING REQUIREMENT. A concurrence of three  
26 directors is sufficient in any matter relating to district  
27 business. (Acts 61st Leg., R.S., Ch. 444, Sec. 5(c) (part).)

1           Sec. 1022.060. DISTRICT           ADMINISTRATOR;           ASSISTANT  
2 ADMINISTRATOR. (a) The board may appoint a qualified person as a  
3 district administrator.

4           (b) The board may appoint one or more assistant  
5 administrators.

6           (c) The district administrator and any assistant  
7 administrator serve at the will of the board and are entitled to the  
8 compensation determined by the board.

9           (d) On assuming the duties of district administrator, the  
10 administrator shall execute a bond payable to the district in an  
11 amount set by the board of not less than \$5,000 that:

12                   (1) is conditioned on the administrator performing the  
13 administrator's duties; and

14                   (2) contains other conditions the board may require.  
15 (Acts 61st Leg., R.S., Ch. 444, Sec. 6 (part).)

16           Sec. 1022.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
17 Subject to the limitations prescribed by the board, the district  
18 administrator shall:

19                   (1) supervise the work and activities of the district;  
20 and

21                   (2) direct the affairs of the district. (Acts 61st  
22 Leg., R.S., Ch. 444, Sec. 6 (part).)

23           Sec. 1022.062. EMPLOYEES; APPOINTMENT AND DISMISSAL OF  
24 STAFF; CONTRACT WITH DOCTORS. (a) The board may appoint to or  
25 dismiss from the staff or contract with any doctors the board  
26 considers necessary for the efficient operation of the district and  
27 may make temporary appointments as necessary.

1 (b) The district may employ fiscal agents, accountants,  
2 architects, and attorneys the board considers proper.

3 (c) The board may delegate to the district administrator the  
4 authority to hire district employees, including technicians and  
5 nurses. (Acts 61st Leg., R.S., Ch. 444, Secs. 6 (part), 17.)

6 Sec. 1022.063. INDEPENDENT CONTRACTS. For any purpose  
7 permitted by applicable state law, the board may enter into an  
8 independent contract with:

9 (1) a person licensed to practice medicine in this  
10 state;

11 (2) a professional association that is organized under  
12 the Texas Professional Association Act (Article 1528f, Vernon's  
13 Texas Civil Statutes); or

14 (3) a nonprofit organization that is organized under  
15 and in compliance with Subchapter A, Chapter 162, Occupations Code.  
16 (Acts 61st Leg., R.S., Ch. 444, Sec. 6 (part).)

17 Sec. 1022.064. SENIORITY; RETIREMENT BENEFITS. The board  
18 may adopt rules relating to the seniority of district employees,  
19 including rules for a retirement plan based on seniority. (Acts  
20 61st Leg., R.S., Ch. 444, Sec. 6 (part).)

21 [Sections 1022.065-1022.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 1022.101. DISTRICT RESPONSIBILITY. (a) The district  
24 has full responsibility for providing hospital care for the  
25 district's indigent residents.

26 (b) The district shall provide all necessary hospital and  
27 medical care for the district's needy inhabitants. (Acts 61st

1 Leg., R.S., Ch. 444, Secs. 3 (part), 20 (part).)

2           Sec. 1022.102. RESTRICTION ON POLITICAL SUBDIVISION  
3 TAXATION AND DEBT. A political subdivision of this state, other  
4 than the district, may not impose a tax or issue bonds or other  
5 obligations for hospital purposes or to provide medical care.  
6 (Acts 61st Leg., R.S., Ch. 444, Secs. 3 (part), 20 (part).)

7           Sec. 1022.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
8 The board shall manage, control, and administer the hospital system  
9 and the district's money and resources. (Acts 61st Leg., R.S., Ch.  
10 444, Sec. 6 (part).)

11           Sec. 1022.104. HOSPITAL SYSTEM. (a) The district has the  
12 responsibility to establish a hospital or hospital system within  
13 its boundaries to provide hospital and medical care to the  
14 district's residents.

15           (b) The hospital system may include:

16               (1) facilities for domiciliary care of the sick,  
17 injured, or geriatric;

18               (2) facilities for outpatient clinics;

19               (3) dispensaries;

20               (4) convalescent home facilities;

21               (5) necessary nurses' domiciliaries and training  
22 centers;

23               (6) blood banks;

24               (7) community mental health centers;

25               (8) research centers or laboratories; and

26               (9) any other facilities the board considers necessary  
27 for hospital care. (Acts 61st Leg., R.S., Ch. 444, Secs. 3 (part),



1 10 (part).)

2           Sec. 1022.105. RULES. The board may adopt rules governing  
3 the operation of the hospital, the hospital system, and the  
4 district's staff and employees. (Acts 61st Leg., R.S., Ch. 444,  
5 Sec. 6 (part).)

6           Sec. 1022.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
7 board may prescribe:

8                 (1) the method and manner of making purchases and  
9 expenditures by and for the district; and

10                (2) all accounting and control procedures. (Acts 61st  
11 Leg., R.S., Ch. 444, Sec. 11 (part).)

12           Sec. 1022.107. DISTRICT PROPERTY, FACILITIES, AND  
13 EQUIPMENT. (a) The board shall determine the type, number, and  
14 location of buildings required to maintain an adequate hospital  
15 system.

16               (b) The board may lease all or part of the district's  
17 buildings or other facilities on terms considered to be in the best  
18 interest of the district's inhabitants. The term of the lease may  
19 not exceed 25 years.

20               (c) The district may acquire equipment for use in the  
21 district's hospital system and mortgage or pledge the property as  
22 security for the payment of the purchase price. A contract entered  
23 into under this subsection must provide that the entire obligation  
24 be retired not later than the fifth anniversary of the date of the  
25 contract.

26               (d) The district may sell or otherwise dispose of any  
27 property, including equipment, on terms the board finds are in the

1 best interest of the district's inhabitants. (Acts 61st Leg.,  
2 R.S., Ch. 444, Secs. 10 (part), 11 (part).)

3 Sec. 1022.108. EMINENT DOMAIN. (a) The district may  
4 exercise the power of eminent domain to acquire a fee simple or  
5 other interest in any type of property located in district  
6 territory if the interest is necessary for the district to exercise  
7 a power, right, or privilege conferred by this chapter.

8 (b) The district must exercise the power of eminent domain  
9 in the manner provided by Chapter 21, Property Code, except the  
10 district is not required to deposit in the trial court money or a  
11 bond as provided by Section 21.021(a), Property Code.

12 (c) In a condemnation proceeding brought by the district,  
13 the district is not required to:

14 (1) pay in advance or provide a bond or other security  
15 for costs in the trial court;

16 (2) provide a bond for the issuance of a temporary  
17 restraining order or a temporary injunction; or

18 (3) provide a bond for costs or a supersedeas bond on  
19 an appeal or writ of error. (Acts 61st Leg., R.S., Ch. 444, Sec.  
20 15.)

21 Sec. 1022.109. GIFTS AND ENDOWMENTS. The board may accept  
22 for the district a gift or endowment to be held in trust and  
23 administered by the board for the purposes and under the  
24 directions, limitations, or other provisions prescribed in writing  
25 by the donor that are not inconsistent with the proper management  
26 and objectives of the district. (Acts 61st Leg., R.S., Ch. 444,  
27 Sec. 19.)

1           Sec. 1022.110. CONSTRUCTION OR PURCHASE CONTRACTS. A  
2 construction or purchase contract that involves the expenditure of  
3 more than \$2,000 may be made only after advertising in the manner  
4 provided by Chapter 252 and Subchapter C, Chapter 262, Local  
5 Government Code. (Acts 61st Leg., R.S., Ch. 444, Sec. 11 (part).)

6           Sec. 1022.111. OPERATING AND MANAGEMENT CONTRACTS. The  
7 board may enter into an operating or management contract relating  
8 to a district facility. (Acts 61st Leg., R.S., Ch. 444, Sec. 10  
9 (part).)

10          Sec. 1022.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
11 CARE AND TREATMENT. (a) The board may contract with a county or  
12 municipality located outside the district's boundaries for the  
13 hospitalization of a sick or injured person of that county or  
14 municipality.

15           (b) The board may contract with this state or a federal  
16 agency for the hospital treatment of a sick or injured person.  
17 (Acts 61st Leg., R.S., Ch. 444, Sec. 6 (part).)

18          Sec. 1022.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
19 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
20 political subdivision or governmental agency for the district to  
21 provide investigatory or other services for the hospital or welfare  
22 needs of district inhabitants. (Acts 61st Leg., R.S., Ch. 444, Sec.  
23 6 (part).)

24          Sec. 1022.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
25 When a patient who resides in the district is admitted to a district  
26 facility, the district administrator may have an inquiry made into  
27 the circumstances of:

- 1           (1) the patient; and  
2           (2) the patient's relatives who are legally liable for  
3 the patient's support.

4           (b) If the district administrator determines that the  
5 patient or those relatives cannot pay all or part of the costs of  
6 the care and treatment in the hospital, the amount of the costs that  
7 cannot be paid becomes a charge against the district.

8           (c) If the district administrator determines that the  
9 patient or those relatives can pay for all or part of the costs of  
10 the patient's care and treatment, the patient or those relatives  
11 shall be ordered to pay the district a specified amount each week  
12 for the patient's care and support. The amount ordered must be  
13 proportionate to the person's financial ability.

14           (d) The district administrator may collect the amount from  
15 the patient's estate, or from any relative who is legally liable for  
16 the patient's support, in the manner provided by law for the  
17 collection of expenses of the last illness of a deceased person.

18           (e) If there is a dispute as to the ability to pay, or doubt  
19 in the mind of the district administrator, the board shall hold a  
20 hearing and, after calling witnesses, shall:

- 21           (1) resolve the dispute or doubt; and  
22           (2) issue any appropriate orders.

23           (f) A final order of the board may be appealed to the  
24 district court. The substantial evidence rule applies to the  
25 appeal. (Acts 61st Leg., R.S., Ch. 444, Sec. 18.)

26           Sec. 1022.115. AUTHORITY TO SUE AND BE SUED. (a) The  
27 district, through the board, may sue and be sued.

1 (b) The district is entitled to all causes of action and  
2 defenses to which similar authorities are entitled. (Acts 61st  
3 Leg., R.S., Ch. 444, Sec. 6 (part).)

4 [Sections 1022.116-1022.150 reserved for expansion]

5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6 Sec. 1022.151. BUDGET. (a) The district administrator  
7 shall prepare an annual budget for approval by the board.

8 (b) The proposed budget must contain a complete financial  
9 statement of:

- 10 (1) the outstanding obligations of the district;
- 11 (2) the cash on hand in each district fund;
- 12 (3) the money received by the district from all  
13 sources during the previous year;
- 14 (4) the money available to the district from all  
15 sources during the ensuing year;
- 16 (5) the balances expected at the end of the year in  
17 which the budget is being prepared;
- 18 (6) the estimated revenue and balances available to  
19 cover the proposed budget;
- 20 (7) the estimated tax rate required; and
- 21 (8) the proposed expenditures and disbursements and  
22 the estimated receipts and collections for the following fiscal  
23 year. (Acts 61st Leg., R.S., Ch. 444, Sec. 7 (part).)

24 Sec. 1022.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
25 The board shall hold a public hearing on the proposed annual budget.

26 (b) At least 10 days before the date of the hearing, notice  
27 of the hearing shall be published one time in a newspaper or

1 newspapers that individually or collectively have general  
2 circulation in the district.

3 (c) Any property taxpayer of the district is entitled to be  
4 present and participate at the hearing.

5 (d) At the conclusion of the hearing, the board shall adopt  
6 a budget by acting on the budget proposed by the district  
7 administrator. The board may make any changes in the proposed  
8 budget that the board judges to be in the interests of the taxpayers  
9 and that the law warrants. (Acts 61st Leg., R.S., Ch. 444, Sec. 7  
10 (part).)

11 Sec. 1022.153. AMENDMENTS TO BUDGET. The budget may be  
12 amended as required by circumstances. The board must approve all  
13 amendments. (Acts 61st Leg., R.S., Ch. 444, Sec. 7 (part).)

14 Sec. 1022.154. RESTRICTION ON EXPENDITURES. Money may be  
15 spent only for an expense included in the budget or an amendment to  
16 the budget. (Acts 61st Leg., R.S., Ch. 444, Sec. 7 (part).)

17 Sec. 1022.155. FISCAL YEAR. The district operates on a  
18 fiscal year that begins on July 1 and ends on June 30. (Acts 61st  
19 Leg., R.S., Ch. 444, Sec. 7 (part).)

20 Sec. 1022.156. AUDIT. (a) The district shall have an  
21 independent audit made of the district's financial condition for  
22 the fiscal year.

23 (b) As soon as the audit is completed, the audit shall be  
24 filed at the district's office. (Acts 61st Leg., R.S., Ch. 444,  
25 Sec. 7 (part).)

26 Sec. 1022.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
27 The audit and other district records shall be open to inspection at

1 the district's principal office. (Acts 61st Leg., R.S., Ch. 444,  
2 Sec. 7 (part).)

3 Sec. 1022.158. FINANCIAL REPORT. As soon as practicable  
4 after the close of each fiscal year, the district administrator  
5 shall prepare for the board:

6 (1) a complete sworn statement of all district money;  
7 and

8 (2) a complete account of the disbursements of that  
9 money. (Acts 61st Leg., R.S., Ch. 444, Sec. 7 (part).)

10 Sec. 1022.159. DEPOSITORY. (a) The board shall select one  
11 or more banks in the district to serve as a depository for district  
12 money.

13 (b) District money, other than money invested as provided by  
14 Section 1022.160(b), and money transmitted to a bank for payment of  
15 bonds or obligations issued by the district, shall be deposited as  
16 received with the depository bank and shall remain on deposit.

17 (c) This chapter, including Subsection (b), does not limit  
18 the power of the board to place a part of district money on time  
19 deposit or to purchase certificates of deposit. (Acts 61st Leg.,  
20 R.S., Ch. 444, Sec. 12.)

21 Sec. 1022.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
22 Except as otherwise provided by Section 1022.107(c) and by  
23 Subchapter E, the district may not incur an obligation payable from  
24 district revenue other than the revenue on hand or to be on hand in  
25 the current and following district fiscal years.

26 (b) The board may invest operating, depreciation, or  
27 building reserves only in funds or securities specified by Chapter

1 2256, Government Code. (Acts 61st Leg., R.S., Ch. 444, Secs. 6  
2 (part), 11 (part).)

3 [Sections 1022.161-1022.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1022.201. GENERAL OBLIGATION BONDS. The board may  
6 issue and sell general obligation bonds in the name and on the faith  
7 and credit of the district for any purpose relating to:

8 (1) the purchase, construction, acquisition, repair,  
9 or renovation of buildings or improvements; and

10 (2) equipping buildings or improvements for hospital  
11 purposes. (Acts 61st Leg., R.S., Ch. 444, Sec. 8(a) (part).)

12 Sec. 1022.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
13 the time general obligation bonds are issued under Section  
14 1022.201, the board shall impose an ad valorem tax at a rate  
15 sufficient to create an interest and sinking fund to pay the  
16 principal of and interest on the bonds as the bonds mature.

17 (b) The tax required by this section together with any other  
18 ad valorem tax the district imposes may not in any year exceed the  
19 tax rate approved by the voters at the election authorizing the  
20 imposition of the tax. (Acts 61st Leg., R.S., Ch. 444, Sec. 8(a)  
21 (part).)

22 Sec. 1022.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
23 district may issue general obligation bonds only if the bonds are  
24 authorized by a majority of the district voters voting at an  
25 election held for that purpose.

26 (b) The order calling the election shall provide for clerks  
27 as in county elections and must specify:



- 1 (1) the date of the election;
- 2 (2) the location of the polling places;
- 3 (3) the presiding and alternate election judges for
- 4 each polling place;
- 5 (4) the amount of the bonds to be authorized; and
- 6 (5) the maximum interest rate of the bonds.

7 (c) Notice of a bond election shall be given as provided by  
8 Section 1251.003, Government Code. (Acts 61st Leg., R.S., Ch. 444,  
9 Sec. 8(a) (part).)

10 Sec. 1022.204. MATURITY OF GENERAL OBLIGATION BONDS.  
11 District general obligation bonds must mature not later than 40  
12 years after the date of issuance. (Acts 61st Leg., R.S., Ch. 444,  
13 Sec. 8(d) (part).)

14 Sec. 1022.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
15 The board president shall execute the general obligation bonds in  
16 the district's name.

17 (b) The board secretary shall countersign the bonds in the  
18 manner provided by Chapter 618, Government Code. (Acts 61st Leg.,  
19 R.S., Ch. 444, Sec. 8(d) (part).)

20 Sec. 1022.206. REVENUE BONDS. (a) The board may issue  
21 revenue bonds to:

- 22 (1) purchase, construct, acquire, repair, renovate,  
23 or equip buildings or improvements for hospital purposes; or
- 24 (2) acquire sites to be used for hospital purposes.

25 (b) The bonds must be payable from and secured by a pledge of  
26 all or part of the revenue derived from the operation of the  
27 district's hospitals.

1 (c) The bonds may be additionally secured by a mortgage or  
2 deed of trust lien on all or part of district property.

3 (d) The bonds must be issued in the manner and in accordance  
4 with the procedures and requirements prescribed by Sections  
5 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
6 issuance of revenue bonds by a county hospital authority. (Acts  
7 61st Leg., R.S., Ch. 444, Sec. 9 (part).)

8 Sec. 1022.207. REFUNDING BONDS. (a) The board may, without  
9 an election, issue refunding bonds to refund outstanding  
10 indebtedness issued or assumed by the district.

11 (b) A refunding bond may be:

12 (1) sold, with the proceeds of the refunding bond  
13 applied to the payment of the indebtedness to be refunded; or

14 (2) exchanged wholly or partly for not less than a  
15 similar principal amount of outstanding indebtedness. (Acts 61st  
16 Leg., R.S., Ch. 444, Secs. 8(a) (part), (c) (part), 9 (part).)

17 Sec. 1022.208. BONDS EXEMPT FROM TAXATION. The following  
18 are exempt from taxation by this state or a political subdivision of  
19 this state:

20 (1) bonds issued by the district;

21 (2) the transfer and issuance of the bonds; and

22 (3) profits made in the sale of the bonds. (Acts 61st  
23 Leg., R.S., Ch. 444, Sec. 22 (part).)

24 [Sections 1022.209-1022.250 reserved for expansion]

25 SUBCHAPTER F. TAXES

26 Sec. 1022.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
27 shall impose a tax on all property in the district subject to

1 district taxation.

2 (b) The board shall impose the tax to:

3 (1) pay the interest on and create a sinking fund for  
4 bonds or other obligations issued or assumed by the district for  
5 hospital purposes;

6 (2) provide for the operation and maintenance of the  
7 district and hospital system;

8 (3) make improvements and additions to the hospital  
9 system; and

10 (4) acquire necessary sites for the hospital system by  
11 purchase, lease, or condemnation. (Acts 61st Leg., R.S., Ch. 444,  
12 Secs. 4(b) (part), 13 (part).)

13 Sec. 1022.252. TAX RATE. (a) The board may impose the tax  
14 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
15 property in the district.

16 (b) In setting the tax rate, the board shall consider the  
17 income of the district from sources other than taxation. (Acts 61st  
18 Leg., R.S., Ch. 444, Secs. 4(b) (part), 13 (part).)

19 Sec. 1022.253. ASSESSMENT AND COLLECTION BY COUNTY TAX  
20 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
21 elects to have taxes assessed and collected under Section 1022.254.

22 (b) The tax assessor-collector of Coke County shall assess  
23 and collect taxes imposed by the district. (Acts 61st Leg., R.S.,  
24 Ch. 444, Sec. 16 (part).)

25 Sec. 1022.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX  
26 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes  
27 assessed and collected by a tax assessor-collector appointed by the

1 board. An election under this subsection must be made by December 1  
2 and governs the manner in which taxes are assessed and collected,  
3 until changed by a similar resolution.

4 (b) The district tax assessor-collector must:

5 (1) reside in the district; and

6 (2) own real property subject to district taxation.

7 (c) The board shall set for the district tax  
8 assessor-collector:

9 (1) the terms of employment; and

10 (2) compensation. (Acts 61st Leg., R.S., Ch. 444,  
11 Sec. 16 (part).)

12 CHAPTER 1023. EASTLAND MEMORIAL HOSPITAL DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 1023.001. DEFINITIONS

15 Sec. 1023.002. AUTHORITY FOR OPERATION

16 Sec. 1023.003. ESSENTIAL PUBLIC FUNCTION

17 Sec. 1023.004. DISTRICT TERRITORY

18 Sec. 1023.005. DISTRICT SUPPORT AND MAINTENANCE NOT

19 STATE OBLIGATION

20 Sec. 1023.006. RESTRICTION ON STATE FINANCIAL

21 ASSISTANCE

22 [Sections 1023.007-1023.050 reserved for expansion]

23 SUBCHAPTER B. DISTRICT ADMINISTRATION

24 Sec. 1023.051. BOARD ELECTION; TERMS

25 Sec. 1023.052. NOTICE OF ELECTION

26 Sec. 1023.053. QUALIFICATIONS FOR OFFICE

27 Sec. 1023.054. BOARD VACANCY

- 1 Sec. 1023.055. OFFICERS
- 2 Sec. 1023.056. COMPENSATION; EXPENSES
- 3 Sec. 1023.057. VOTING REQUIREMENT
- 4 Sec. 1023.058. DISTRICT ADMINISTRATOR
- 5 Sec. 1023.059. GENERAL DUTIES OF DISTRICT
- 6 ADMINISTRATOR
- 7 Sec. 1023.060. ASSISTANT DISTRICT ADMINISTRATOR;
- 8 ATTORNEY
- 9 Sec. 1023.061. EMPLOYEES; APPOINTMENT AND RECRUITMENT OF
- 10 STAFF
- 11 Sec. 1023.062. PERSONNEL CONTRACTS
- 12 Sec. 1023.063. RETIREMENT BENEFITS
- 13 [Sections 1023.064-1023.100 reserved for expansion]
- 14 SUBCHAPTER C. POWERS AND DUTIES
- 15 Sec. 1023.101. DISTRICT RESPONSIBILITY
- 16 Sec. 1023.102. RESTRICTION ON COUNTY TAXATION AND DEBT
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1 Sec. 1023.203. GENERAL OBLIGATION BOND ELECTION

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7 [Sections 1023.209-1023.250 reserved for expansion]

8 SUBCHAPTER F. TAXES

9 Sec. 1023.251. IMPOSITION OF AD VALOREM TAX

10 Sec. 1023.252. TAX RATE

11 Sec. 1023.253. TAX ASSESSOR-COLLECTOR

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13 SUBCHAPTER G. DISSOLUTION

14 Sec. 1023.301. DISSOLUTION; ELECTION

15 Sec. 1023.302. NOTICE OF ELECTION

16 Sec. 1023.303. BALLOT

17 Sec. 1023.304. ELECTION RESULTS

18 Sec. 1023.305. TRANSFER OR ADMINISTRATION OF ASSETS

19 Sec. 1023.306. SALE OR TRANSFER OF ASSETS AND

20 LIABILITIES

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22 TAXES

23 Sec. 1023.308. REPORT; DISSOLUTION ORDER

24 CHAPTER 1023. EASTLAND MEMORIAL HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 1023.001. DEFINITIONS. In this chapter:

27 (1) "Board" means the board of directors of the

1 district.

2 (2) "Director" means a member of the board.

3 (3) "District" means the Eastland Memorial Hospital  
4 District. (Acts 71st Leg., R.S., Ch. 221, Sec. 1.01.)

5 Sec. 1023.002. AUTHORITY FOR OPERATION. The district  
6 operates and is financed as provided by Section 9, Article IX, Texas  
7 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 221,  
8 Sec. 1.02.)

9 Sec. 1023.003. ESSENTIAL PUBLIC FUNCTION. The district is  
10 a public entity performing an essential public function. (Acts  
11 71st Leg., R.S., Ch. 221, Sec. 7.11 (part).)

12 Sec. 1023.004. DISTRICT TERRITORY. The district is  
13 composed of the territory described by Section 1.03, Chapter 221,  
14 Acts of the 71st Legislature, Regular Session, 1989. (New.)

15 Sec. 1023.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
16 OBLIGATION. The state may not be obligated for the support or  
17 maintenance of the district. (Acts 71st Leg., R.S., Ch. 221, Sec.  
18 10.01 (part).)

19 Sec. 1023.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
20 The legislature may not make a direct appropriation for the  
21 construction, maintenance, or improvement of a district facility.  
22 (Acts 71st Leg., R.S., Ch. 221, Sec. 10.01 (part).)

23 [Sections 1023.007-1023.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1023.051. BOARD ELECTION; TERMS. (a) The district is  
26 governed by a board of nine directors elected from the district at  
27 large.



1 (b) Unless four-year terms are established under Section  
2 285.081, Health and Safety Code:

3 (1) directors serve staggered two-year terms; and

4 (2) an election shall be held on the uniform election  
5 date in May of each year to elect the appropriate number of  
6 directors. (Acts 71st Leg., R.S., Ch. 221, Secs. 4.01(a), 4.03(a),  
7 (c) (part).)

8 Sec. 1023.052. NOTICE OF ELECTION. Not earlier than 30 days  
9 or later than 10 days before the date of an election of directors,  
10 notice of the election shall be published one time in a newspaper  
11 with general circulation in the district. (Acts 71st Leg., R.S.,  
12 Ch. 221, Sec. 4.04.)

13 Sec. 1023.053. QUALIFICATIONS FOR OFFICE. To be eligible  
14 to be a candidate for or to serve as a director, a person must be:

15 (1) a district resident; and

16 (2) a qualified voter. (Acts 71st Leg., R.S., Ch. 221,  
17 Sec. 4.06.)

18 Sec. 1023.054. BOARD VACANCY. (a) A vacancy in the office  
19 of director shall be filled for the unexpired term at the next  
20 regular election.

21 (b) If at least five director positions become vacant, the  
22 remaining directors may call a special election to fill the  
23 vacancies for the unexpired terms. (Acts 71st Leg., R.S., Ch. 221,  
24 Sec. 4.07.)

25 Sec. 1023.055. OFFICERS. (a) The board shall elect a  
26 president and a vice president from among its members.

27 (b) The board shall appoint a secretary.

1 (c) Each officer of the board serves for a term of one year.

2 (d) The board shall fill a vacancy in a board office for the  
3 unexpired term. (Acts 71st Leg., R.S., Ch. 221, Secs. 4.08, 4.09.)

4 Sec. 1023.056. COMPENSATION; EXPENSES. A director or  
5 officer serves without compensation but may be reimbursed for  
6 actual expenses incurred in the performance of official duties.  
7 The expenses must be:

8 (1) reported in the district's records; and

9 (2) approved by the board. (Acts 71st Leg., R.S., Ch.  
10 221, Sec. 4.10.)

11 Sec. 1023.057. VOTING REQUIREMENT. A concurrence of a  
12 majority of the directors voting is necessary in any matter  
13 relating to district business. (Acts 71st Leg., R.S., Ch. 221, Sec.  
14 4.11.)

15 Sec. 1023.058. DISTRICT ADMINISTRATOR. (a) The board may  
16 appoint a qualified person as district administrator.

17 (b) The district administrator serves at the will of the  
18 board and is entitled to compensation determined by the board.

19 (c) Before assuming the duties of district administrator,  
20 the board may require the administrator to execute a bond in an  
21 amount determined by the board of not less than \$5,000 that is:

22 (1) payable to the district; and

23 (2) conditioned on the faithful performance of the  
24 administrator's duties under this chapter.

25 (d) The board may pay for the bond with district money.  
26 (Acts 71st Leg., R.S., Ch. 221, Secs. 4.12(a) (part), (b) (part),  
27 (c) (part), (d).)

1           Sec. 1023.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

2 Subject to the limitations prescribed by the board, the district  
3 administrator shall:

4           (1) supervise the work and activities of the district;  
5 and

6           (2) direct the general affairs of the district. (Acts  
7 71st Leg., R.S., Ch. 221, Sec. 4.15.)

8           Sec. 1023.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

9 (a) The board may appoint qualified persons as:

10           (1) the assistant district administrator; and

11           (2) the attorney for the district.

12           (b) The assistant district administrator and attorney for  
13 the district serve at the will of the board and are entitled to the  
14 compensation determined by the board. (Acts 71st Leg., R.S., Ch.  
15 221, Secs. 4.12(a) (part), (b) (part), (c) (part).)

16           Sec. 1023.061. EMPLOYEES; APPOINTMENT AND RECRUITMENT OF  
17 STAFF. (a) The district may employ technicians, nurses, fiscal  
18 agents, accountants, architects, additional attorneys, and other  
19 necessary employees.

20           (b) The board may appoint to the staff any doctors the board  
21 considers necessary for the efficient operation of the district and  
22 may make temporary appointments as necessary.

23           (c) The board may delegate to the district administrator the  
24 authority to employ persons for the district.

25           (d) The board may recruit physicians and other health care  
26 professionals or persons. (Acts 71st Leg., R.S., Ch. 221, Secs.  
27 4.13, 4.14, 5.02 (part).)

1           Sec. 1023.062. PERSONNEL CONTRACTS. (a) The board may  
2 contract to provide administrative or other personnel for the  
3 operation of the hospital facilities.

4           (b) The term of the contract may not exceed 25 years. (Acts  
5 71st Leg., R.S., Ch. 221, Sec. 5.02 (part).)

6           Sec. 1023.063. RETIREMENT BENEFITS. The board may provide  
7 retirement benefits for district employees by:

8           (1) establishing or administering a retirement  
9 program; or

10           (2) participating in:

11           (A) the Texas County and District Retirement  
12 System; or

13           (B) another statewide retirement system in which  
14 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.  
15 221, Sec. 4.16.)

16           [Sections 1023.064-1023.100 reserved for expansion]

17           SUBCHAPTER C. POWERS AND DUTIES

18           Sec. 1023.101. DISTRICT RESPONSIBILITY. The district has  
19 full responsibility for:

20           (1) operating hospital facilities; and

21           (2) providing medical and hospital care for the  
22 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 221, Sec.  
23 5.02 (part).)

24           Sec. 1023.102. RESTRICTION ON COUNTY TAXATION AND DEBT.  
25 Eastland County may not impose a tax or issue bonds or other  
26 obligations to provide hospital or medical care for district  
27 residents. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.01(b).)

1           Sec. 1023.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

2 The board shall manage, control, and administer the hospital system  
3 and the district's money and resources. (Acts 71st Leg., R.S., Ch.  
4 221, Sec. 5.03.)

5           Sec. 1023.104. RULES. The board may adopt rules governing:

6           (1) the operation of the hospital and hospital system;  
7 and

8           (2) the duties, functions, and responsibilities of  
9 district staff and employees. (Acts 71st Leg., R.S., Ch. 221, Sec.  
10 5.04.)

11          Sec. 1023.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
12 board may prescribe:

13           (1) the method of making purchases and expenditures by  
14 and for the district; and

15           (2) accounting and control procedures for the  
16 district. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.05.)

17          Sec. 1023.106. DISTRICT PROPERTY, FACILITIES, AND  
18 EQUIPMENT. (a) The board shall determine:

19           (1) the type, number, and location of buildings  
20 required to maintain an adequate hospital system; and

21           (2) the type of equipment necessary for hospital care.

22          (b) The board may:

23           (1) acquire property, including facilities and  
24 equipment, for the district for use in the hospital system; and

25           (2) mortgage or pledge the property as security for  
26 payment of the purchase price.

27          (c) The board may lease hospital facilities for the district

1 to individuals, corporations, or other legal entities.

2 (d) The board may sell or otherwise dispose of property,  
3 including facilities or equipment, for the district. The board  
4 shall give notice of intent to sell land or buildings by publishing  
5 a notice of intent in a newspaper with general circulation in  
6 Eastland County not later than the 30th day before the date of sale.  
7 (Acts 71st Leg., R.S., Ch. 221, Sec. 5.06.)

8 Sec. 1023.107. EMINENT DOMAIN. (a) The district may  
9 exercise the power of eminent domain to acquire a fee simple or  
10 other interest in property located in district territory if the  
11 interest is necessary for the district to exercise a right or  
12 authority conferred by this chapter.

13 (b) The district must exercise the power of eminent domain  
14 in the manner provided by Chapter 21, Property Code, except that the  
15 district is not required to deposit in the trial court money or a  
16 bond as provided by Section 21.021(a), Property Code.

17 (c) In a condemnation proceeding brought by the district,  
18 the district is not required to:

19 (1) pay in advance or provide a bond or other security  
20 for costs in the trial court;

21 (2) provide a bond for the issuance of a temporary  
22 restraining order or a temporary injunction; or

23 (3) provide a bond for costs or a supersedeas bond on  
24 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 221, Sec.  
25 5.09.)

26 Sec. 1023.108. COST OF RELOCATING OR ALTERING PROPERTY. In  
27 exercising the power of eminent domain, if the board requires

1 relocating, raising, lowering, rerouting, changing the grade of, or  
2 altering the construction of any railroad, highway, pipeline, or  
3 electric transmission and electric distribution, telegraph, or  
4 telephone line, conduit, pole, or facility, the district shall pay  
5 the actual cost of relocating, raising, lowering, rerouting,  
6 changing the grade of, or altering the construction to provide  
7 comparable replacement, without enhancement of facilities, after  
8 deducting the net salvage value derived from the old facility.  
9 (Acts 71st Leg., R.S., Ch. 221, Sec. 5.10.)

10       Sec. 1023.109. GIFTS AND ENDOWMENTS. The board may accept  
11 for the district a gift or endowment to be held in trust for any  
12 purpose and under any direction, limitation, or other provision  
13 prescribed in writing by the donor that is consistent with the  
14 proper management of the district. (Acts 71st Leg., R.S., Ch. 221,  
15 Sec. 5.14.)

16       Sec. 1023.110. CONSTRUCTION CONTRACTS. (a) The board may  
17 enter into construction contracts for the district.

18       (b) The board may enter into a construction contract that  
19 involves the expenditure of more than the amount provided by  
20 Section 271.024, Local Government Code, only after competitive  
21 bidding as provided by Subchapter B, Chapter 271, Local Government  
22 Code. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.07(a).)

23       Sec. 1023.111. OPERATING AND MANAGEMENT CONTRACTS. The  
24 board may enter into an operating or management contract relating  
25 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.  
26 221, Sec. 5.08.)

27       Sec. 1023.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR

1 SERVICES. The board may contract with a political subdivision of  
2 the state or a state or federal agency for the district to:

- 3 (1) furnish a mobile emergency medical service; or  
4 (2) provide for the investigatory or welfare needs of  
5 district inhabitants. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.13.)

6 Sec. 1023.113. PROVISION OF CERTAIN HEALTH SERVICES. The  
7 district may:

- 8 (1) operate or provide for the operation of a mobile  
9 emergency medical service; and  
10 (2) establish and operate a home health service.  
11 (Acts 71st Leg., R.S., Ch. 221, Sec. 5.02 (part).)

12 Sec. 1023.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
13 When a patient who resides in the district is admitted to a district  
14 facility, the district administrator may have an inquiry made into  
15 the financial circumstances of:

- 16 (1) the patient; and  
17 (2) a relative of the patient who is legally  
18 responsible for the patient's support.

19 (b) The district without charge shall provide to a patient  
20 who resides in the district the care and treatment that the patient  
21 or a relative of the patient who is legally responsible for the  
22 patient's support cannot pay.

23 (c) On determining that the patient or a relative legally  
24 responsible for the patient's support can pay for all or part of the  
25 care and treatment provided by the district, the district  
26 administrator shall report that determination to the board, and the  
27 board shall issue an order directing the patient or the relative to



1 pay the district a specified amount each week. The amount must be  
2 based on the individual's ability to pay.

3 (d) The district administrator may collect money owed to the  
4 district from the patient's estate or from that of a relative who  
5 was legally responsible for the patient's support in the manner  
6 provided by law for the collection of expenses in the last illness  
7 of a deceased person.

8 (e) If there is a dispute relating to an individual's  
9 ability to pay or if the district administrator has any doubt  
10 concerning an individual's ability to pay, the board shall:

- 11 (1) call witnesses;  
12 (2) hear and resolve the question; and  
13 (3) issue a final order.

14 (f) A final order of the board may be appealed to a district  
15 court in Eastland County. The substantial evidence rule applies to  
16 the appeal. (Acts 71st Leg., R.S., Ch. 221, Secs. 5.11(a), (c),  
17 (d), (e), (f).)

18 Sec. 1023.115. REIMBURSEMENT FOR SERVICES. (a) The board  
19 shall require a county, municipality, or public hospital located  
20 outside the district to reimburse the district for the district's  
21 care and treatment of a sick or injured person of that county,  
22 municipality, or hospital, as provided by Chapter 61, Health and  
23 Safety Code.

24 (b) The board shall require the sheriff of Eastland County  
25 or the police chief of the City of Eastland to reimburse the  
26 district for the district's care and treatment of a person who is  
27 confined in a jail facility of Eastland County or the City of

1 Eastland and is not a district resident.

2 (c) On behalf of the district, the board may contract with  
3 the state or federal government for that government to reimburse  
4 the district for treatment of a sick or injured person. (Acts 71st  
5 Leg., R.S., Ch. 221, Sec. 5.12.)

6 Sec. 1023.116. AUTHORITY TO SUE AND BE SUED. The board may  
7 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,  
8 Ch. 221, Sec. 5.15.)

9 [Sections 1023.117-1023.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1023.151. BUDGET. (a) The district administrator  
12 shall prepare a proposed annual budget for the district.

13 (b) The proposed budget must contain a complete financial  
14 statement, including a statement of:

15 (1) the outstanding obligations of the district;  
16 (2) the amount of cash on hand in each district fund;  
17 (3) the amount of money received by the district from  
18 all sources during the previous year;

19 (4) the amount of money available to the district from  
20 all sources during the ensuing year;

21 (5) the amount of the balances expected at the end of  
22 the year in which the budget is being prepared;

23 (6) the estimated amount of revenue and balances  
24 available to cover the proposed budget; and

25 (7) the estimated tax rate required. (Acts 71st Leg.,  
26 R.S., Ch. 221, Sec. 6.04.)

27 Sec. 1023.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

1 The board shall hold a public hearing on the proposed annual budget.

2 (b) The board shall publish notice of the hearing in a  
3 newspaper with general circulation in the district not later than  
4 the 10th day before the date of the hearing.

5 (c) Any district resident is entitled to be present and  
6 participate at the hearing.

7 (d) At the conclusion of the hearing, the board shall adopt  
8 a budget by acting on the budget proposed by the district  
9 administrator. The board may make any changes in the proposed  
10 budget that the board judges to be in the interests of the  
11 taxpayers.

12 (e) The budget is effective only after adoption by the  
13 board. (Acts 71st Leg., R.S., Ch. 221, Sec. 6.05.)

14 Sec. 1023.153. AMENDMENTS TO BUDGET. After adoption, the  
15 annual budget may be amended on the board's approval. (Acts 71st  
16 Leg., R.S., Ch. 221, Sec. 6.06.)

17 Sec. 1023.154. RESTRICTION ON EXPENDITURES. Money may be  
18 spent only for an expense included in the budget or an amendment to  
19 the budget. (Acts 71st Leg., R.S., Ch. 221, Sec. 6.07.)

20 Sec. 1023.155. FISCAL YEAR. (a) The district operates on  
21 the fiscal year established by the board.

22 (b) The fiscal year may not be changed:

23 (1) when revenue bonds of the district are  
24 outstanding; or

25 (2) more than once in a 24-month period. (Acts 71st  
26 Leg., R.S., Ch. 221, Sec. 6.01.)

27 Sec. 1023.156. ANNUAL AUDIT. The board annually shall have

1 an audit made of the district's financial condition. (Acts 71st  
2 Leg., R.S., Ch. 221, Sec. 6.02.)

3 Sec. 1023.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
4 RECORDS. The annual audit and other district records are open to  
5 inspection during regular business hours at the district's  
6 principal office. (Acts 71st Leg., R.S., Ch. 221, Sec. 6.03.)

7 Sec. 1023.158. FINANCIAL REPORT. As soon as practicable  
8 after the close of the fiscal year, the district administrator  
9 shall prepare for the board:

10 (1) a sworn statement of the amount of district money;  
11 and

12 (2) an account of the disbursements of that money.  
13 (Acts 71st Leg., R.S., Ch. 221, Sec. 6.08.)

14 Sec. 1023.159. DEPOSITORY. (a) The board shall select at  
15 least one bank to serve as a depository for district money.

16 (b) District money, other than money invested as provided by  
17 Section 1023.160(b) and money transmitted to a bank for payment of  
18 bonds or obligations issued or assumed by the district, shall be  
19 deposited as received with the depository bank and shall remain on  
20 deposit. This subsection does not limit the power of the board to  
21 place a portion of district money on time deposit or to purchase  
22 certificates of deposit.

23 (c) The district may not deposit money with a bank in an  
24 amount that exceeds the maximum amount secured by the Federal  
25 Deposit Insurance Corporation unless the bank first executes a bond  
26 or other security in an amount sufficient to secure from loss the  
27 district money that exceeds the amount secured by the Federal

1 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 221,  
2 Sec. 6.10.)

3 Sec. 1023.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
4 Except as provided by Sections 1023.110, 1023.161, 1023.162,  
5 1023.201, 1023.204, and 1023.205, the district may not incur a debt  
6 payable from district revenue other than revenue on hand or to be on  
7 hand in the current and immediately following district fiscal  
8 years.

9 (b) The board may invest operating, depreciation, or  
10 building reserves only in funds or securities specified by Chapter  
11 2256, Government Code. (Acts 71st Leg., R.S., Ch. 221, Sec. 6.09.)

12 Sec. 1023.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.  
13 (a) The board may borrow money at a rate of interest not to exceed  
14 the maximum annual percentage rate allowed by law for district  
15 obligations at the time the loan is made.

16 (b) To secure a loan, the board may pledge:

17 (1) district revenue that is not pledged to pay the  
18 district's bonded indebtedness;

19 (2) tax revenue to be collected by the district in the  
20 next 12-month period that is not pledged to pay the principal of or  
21 interest on district bonds; or

22 (3) district bonds that have been authorized but not  
23 sold.

24 (c) A loan for which tax revenue or bonds are pledged must  
25 mature not later than the first anniversary of the date the loan is  
26 made. A loan for which other district revenue is pledged must  
27 mature not later than the fifth anniversary of the date the loan is

1 made. (Acts 71st Leg., R.S., Ch. 221, Sec. 5.17.)

2           Sec. 1023.162. AUTHORITY TO BORROW MONEY IN EMERGENCY;  
3 SECURITY. (a) The board may borrow money at a rate not to exceed the  
4 maximum annual percentage rate allowed by law for district  
5 obligations at the time the loan is made if the board determines  
6 that:

7                   (1) money is not available to meet lawful obligations  
8 of the district; and

9                   (2) an emergency exists.

10           (b) To secure a loan, the board may pledge:

11                   (1) district revenue that is not pledged to pay the  
12 district's bonded indebtedness;

13                   (2) tax revenue to be collected by the district in the  
14 next 12-month period that is not pledged to pay the principal of or  
15 interest on district bonds; or

16                   (3) district bonds that have been authorized but not  
17 sold.

18           (c) A loan for which tax revenue or bonds are pledged must  
19 mature not later than the first anniversary of the date the loan is  
20 made. A loan for which other district revenue is pledged must  
21 mature not later than the fifth anniversary of the date the loan is  
22 made.

23           (d) The board may not spend money obtained from a loan under  
24 this section for any purpose other than:

25                   (1) the purpose for which the board declared an  
26 emergency; and

27                   (2) if district tax revenue or bonds are pledged to pay

1 the loan, the purpose for which the pledged taxes were imposed or  
2 the pledged bonds were authorized. (Acts 71st Leg., R.S., Ch. 221,  
3 Sec. 5.16.)

4 [Sections 1023.163-1023.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1023.201. GENERAL OBLIGATION BONDS. The board may  
7 issue and sell general obligation bonds authorized by an election  
8 in the name and on the faith and credit of the district to:

9 (1) purchase, construct, acquire, repair, or renovate  
10 buildings or improvements; or

11 (2) equip buildings or improvements for hospital  
12 purposes. (Acts 71st Leg., R.S., Ch. 221, Sec. 7.01.)

13 Sec. 1023.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
14 the time general obligation bonds are issued by the district under  
15 Section 1023.201, the board shall impose an ad valorem tax at a rate  
16 sufficient to create an interest and sinking fund to pay the  
17 principal of and interest on the bonds as the bonds mature.

18 (b) The tax required by this section together with any other  
19 ad valorem tax the district imposes may not in any year exceed the  
20 limit approved by the voters at the election authorizing the  
21 imposition of the tax. (Acts 71st Leg., R.S., Ch. 221, Sec. 7.02.)

22 Sec. 1023.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
23 district may issue general obligation bonds only if the bonds are  
24 authorized by a majority of the district voters voting at an  
25 election held for that purpose.

26 (b) The board may order a bond election.

27 (c) The order calling the election must specify:

- 1 (1) the nature and date of the election;
- 2 (2) the hours during which the polls will be open;
- 3 (3) the location of the polling places;
- 4 (4) the amounts of the bonds to be authorized; and
- 5 (5) the maximum maturity of the bonds.

6 (d) Notice of a bond election must be given as provided by  
7 Section 1251.003, Government Code.

8 (e) The board shall declare the results of the election.  
9 (Acts 71st Leg., R.S., Ch. 221, Sec. 7.03.)

10 Sec. 1023.204. REVENUE BONDS. (a) The board may issue  
11 revenue bonds to:

12 (1) purchase, construct, acquire, repair, equip, or  
13 renovate buildings or improvements for hospital purposes; or

14 (2) acquire sites to be used for hospital purposes.

15 (b) The bonds must be payable from and secured by a pledge of  
16 all or part of the revenue derived from the operation of the  
17 district's hospital system.

18 (c) The bonds may be additionally secured by a mortgage or  
19 deed of trust lien on all or part of district property.

20 (d) The bonds must be issued in the manner provided by  
21 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
22 Code, for issuance of revenue bonds by a county hospital authority.  
23 (Acts 71st Leg., R.S., Ch. 221, Sec. 7.04.)

24 Sec. 1023.205. REFUNDING BONDS. (a) The board may issue  
25 refunding bonds to refund outstanding indebtedness issued or  
26 assumed by the district.

27 (b) A refunding bond may be:



1 (1) sold, with the proceeds of the refunding bond  
2 applied to the payment of the outstanding indebtedness; or

3 (2) exchanged wholly or partly for not less than a  
4 similar principal amount of outstanding indebtedness. (Acts 71st  
5 Leg., R.S., Ch. 221, Secs. 7.05(a), (c) (part).)

6 Sec. 1023.206. MATURITY OF BONDS. District bonds must  
7 mature not later than 50 years after the date of issuance. (Acts  
8 71st Leg., R.S., Ch. 221, Sec. 7.06 (part).)

9 Sec. 1023.207. EXECUTION OF BONDS. (a) The board president  
10 shall execute the district's bonds in the district's name.

11 (b) The board secretary shall countersign the bonds in the  
12 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,  
13 R.S., Ch. 221, Sec. 7.07.)

14 Sec. 1023.208. BONDS EXEMPT FROM TAXATION. The following  
15 are exempt from taxation by this state or by a political subdivision  
16 of this state:

- 17 (1) bonds issued by the district;  
18 (2) any transaction relating to the bonds; and  
19 (3) profits made in the sale of the bonds. (Acts 71st  
20 Leg., R.S., Ch. 221, Sec. 7.11 (part).)

21 [Sections 1023.209-1023.250 reserved for expansion]

22 SUBCHAPTER F. TAXES

23 Sec. 1023.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
24 may impose a tax on all property in the district subject to district  
25 taxation.

26 (b) The tax may be used to pay:

- 27 (1) indebtedness issued or assumed by the district;

1 and

2 (2) the maintenance and operating expenses of the  
3 district.

4 (c) The district may not impose a tax to pay the principal of  
5 or interest on revenue bonds issued under this chapter. (Acts 71st  
6 Leg., R.S., Ch. 221, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

7 Sec. 1023.252. TAX RATE. (a) The board may impose the tax  
8 at a rate not to exceed the limit approved by the voters at the  
9 election authorizing the imposition of a tax.

10 (b) The tax rate for all purposes may not exceed 37.5 cents  
11 on each \$100 valuation of all taxable property in the district.

12 (c) In setting the tax rate, the board shall consider the  
13 income of the district from sources other than taxation. (Acts 71st  
14 Leg., R.S., Ch. 221, Secs. 8.01(a) (part), (b), 8.03 (part).)

15 Sec. 1023.253. TAX ASSESSOR-COLLECTOR. The board may  
16 provide for the appointment of a tax assessor-collector for the  
17 district or may contract for the assessment and collection of taxes  
18 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 221, Sec.  
19 8.04(b).)

20 [Sections 1023.254-1023.300 reserved for expansion]

21 SUBCHAPTER G. DISSOLUTION

22 Sec. 1023.301. DISSOLUTION; ELECTION. (a) The district  
23 may be dissolved and the district's assets and liabilities sold or  
24 transferred to another person only on approval of a majority of the  
25 district voters voting at an election held for that purpose.

26 (b) A majority of the directors may order an election to  
27 dissolve the district and transfer its assets and liabilities.

1 (c) The board shall order an election if the board receives  
2 a petition requesting an election that is signed by at least 15  
3 percent of the registered voters in the district, according to the  
4 most recent official list of registered voters.

5 (d) The order calling the election must state:

6 (1) the nature of the election, including the  
7 proposition to appear on the ballot;

8 (2) the date of the election;

9 (3) the hours during which the polls will be open; and

10 (4) the location of the polling places.

11 (e) Section 41.001(a), Election Code, does not apply to an  
12 election ordered under this section. (Acts 71st Leg., R.S., Ch.  
13 221, Secs. 9.01, 9.02(a), (b) (part), 9.03, 9.05(b).)

14 Sec. 1023.302. NOTICE OF ELECTION. (a) The board shall  
15 give notice of an election under this subchapter by publishing once  
16 a week for two consecutive weeks a substantial copy of the election  
17 order in a newspaper with general circulation in the district.

18 (b) The first publication must appear at least 35 days  
19 before the date set for the election. (Acts 71st Leg., R.S., Ch.  
20 221, Sec. 9.04.)

21 Sec. 1023.303. BALLOT. The ballot for an election under  
22 this subchapter must be printed to permit voting for or against the  
23 proposition: "The dissolution of the Eastland Memorial Hospital  
24 District and the transfer of its assets and liabilities in the  
25 following manner: \_\_\_\_\_ (insert provisions for transfer)."  
26 (Acts 71st Leg., R.S., Ch. 221, Sec. 9.06.)

27 Sec. 1023.304. ELECTION RESULTS. (a) If the board finds

1 the election results favor the proposition to dissolve the  
2 district, the board shall:

3 (1) issue an order declaring the district dissolved;  
4 and

5 (2) proceed with the sale or transfer of the district's  
6 assets and liabilities according to the plan proposed on the  
7 ballot.

8 (b) If the board finds the election results do not favor the  
9 proposition to dissolve the district, another dissolution election  
10 may not be held before the first anniversary of the date of the  
11 election in which voters disapproved the proposition. (Acts 71st  
12 Leg., R.S., Ch. 221, Sec. 9.07.)

13 Sec. 1023.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
14 If a majority of the votes in an election under this subchapter  
15 favor dissolution, the board shall:

16 (1) transfer the district's assets to Eastland County  
17 or another governmental entity in Eastland County; or

18 (2) administer the district's assets and debts until  
19 all assets have been disposed of and all district debts have been  
20 paid or settled.

21 (b) If the board makes the transfer under Subsection (a)(1),  
22 Eastland County or the governmental entity assumes all debts and  
23 obligations of the district at the time of the transfer, and the  
24 district is dissolved. (Acts 71st Leg., R.S., Ch. 221, Secs.  
25 9.08(a), (b).)

26 Sec. 1023.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

27 (a) The district may not be dissolved unless the board provides for

1 the sale or transfer of the district's assets and liabilities to  
2 another person.

3 (b) The dissolution of the district and the sale or transfer  
4 of the district's assets and liabilities may not:

5 (1) contravene a trust indenture or bond resolution  
6 relating to the outstanding bonds of the district; or

7 (2) diminish or impair the rights of the holders of any  
8 outstanding bonds, warrants, or other obligations of the district.

9 (c) The sale or transfer of the district's assets and  
10 liabilities must satisfy the debt and bond obligations of the  
11 district in a manner that protects the interests of citizens in the  
12 district, including the citizens' collective property rights in the  
13 district's assets.

14 (d) The district may not transfer or dispose of the  
15 district's assets except for due compensation unless:

16 (1) the transfer is made to another governmental  
17 agency embracing the district; and

18 (2) the transferred assets are used for the benefit of  
19 the citizens formerly in the district.

20 (e) A grant from federal funds is an obligation to be repaid  
21 in satisfaction. (Acts 71st Leg., R.S., Ch. 221, Secs. 9.08(h),  
22 (i).)

23 Sec. 1023.307. IMPOSITION OF TAX AND RETURN OF SURPLUS  
24 TAXES. (a) If a majority of the votes in an election to dissolve  
25 the district favor dissolution, the board shall:

26 (1) determine the debt owed by the district; and

27 (2) impose a tax on the taxable property in the

1 district at a rate that will raise sufficient revenue to pay the  
2 debt owed by the district.

3 (b) On the payment of all outstanding debts and obligations  
4 of the district, the board shall order the secretary to return to  
5 each district taxpayer the taxpayer's pro rata share of all unused  
6 tax money.

7 (c) A taxpayer may request that the taxpayer's share of  
8 surplus tax money be credited to the taxpayer's county taxes. If a  
9 taxpayer requests the credit, the board shall direct the secretary  
10 to transmit the funds to the county tax assessor-collector. (Acts  
11 71st Leg., R.S., Ch. 221, Secs. 9.08(c), (d), (e).)

12 Sec. 1023.308. REPORT; DISSOLUTION ORDER. (a) After the  
13 district has paid all district debts and has disposed of all  
14 district assets as prescribed by this subchapter, the board shall  
15 file a written report with the Commissioners Court of Eastland  
16 County summarizing the board's actions in dissolving the district.

17 (b) Not later than the 10th day after the date the  
18 Commissioners Court of Eastland County receives the report and  
19 determines that the requirements of this subchapter have been  
20 fulfilled, the commissioners court shall enter an order dissolving  
21 the district and releasing the board from any further duty or  
22 obligation. (Acts 71st Leg., R.S., Ch. 221, Secs. 9.08(f), (g).)

23 CHAPTER 1024. ECTOR COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1024.001. DEFINITIONS

26 Sec. 1024.002. AUTHORITY FOR OPERATION

27 Sec. 1024.003. ESSENTIAL PUBLIC FUNCTION

- 1 Sec. 1024.004. DISTRICT TERRITORY
- 2 Sec. 1024.005. DISTRICT SUPPORT AND MAINTENANCE NOT
- 3 STATE OBLIGATION
- 4 Sec. 1024.006. RESTRICTION ON STATE FINANCIAL
- 5 ASSISTANCE
- 6 [Sections 1024.007-1024.050 reserved for expansion]
- 7 SUBCHAPTER B. DISTRICT ADMINISTRATION
- 8 Sec. 1024.051. BOARD ELECTION; TERMS
- 9 Sec. 1024.052. NOTICE OF ELECTION
- 10 Sec. 1024.053. BALLOT PETITION
- 11 Sec. 1024.054. QUALIFICATIONS FOR OFFICE
- 12 Sec. 1024.055. BOND OR INSURANCE
- 13 Sec. 1024.056. BOARD VACANCY
- 14 Sec. 1024.057. OFFICERS
- 15 Sec. 1024.058. COMPENSATION; EXPENSES
- 16 Sec. 1024.059. VOTING REQUIREMENT
- 17 Sec. 1024.060. DISTRICT ADMINISTRATOR
- 18 Sec. 1024.061. GENERAL DUTIES OF DISTRICT
- 19 ADMINISTRATOR
- 20 Sec. 1024.062. ASSISTANT DISTRICT ADMINISTRATORS
- 21 Sec. 1024.063. ATTORNEY
- 22 Sec. 1024.064. APPOINTMENT OF STAFF
- 23 Sec. 1024.065. EMPLOYEES
- 24 Sec. 1024.066. RETIREMENT BENEFITS
- 25 [Sections 1024.067-1024.100 reserved for expansion]
- 26 SUBCHAPTER C. POWERS AND DUTIES
- 27 Sec. 1024.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1024.102. RESTRICTION ON COUNTY TAXATION AND DEBT  
2 Sec. 1024.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
3 Sec. 1024.104. RULES  
4 Sec. 1024.105. PURCHASING AND ACCOUNTING PROCEDURES  
5 Sec. 1024.106. MOBILE EMERGENCY MEDICAL SERVICE  
6 Sec. 1024.107. DISTRICT PROPERTY, FACILITIES, AND  
7 EQUIPMENT  
8 Sec. 1024.108. EMINENT DOMAIN  
9 Sec. 1024.109. COST OF RELOCATING OR ALTERING PROPERTY  
10 Sec. 1024.110. GIFTS AND ENDOWMENTS  
11 Sec. 1024.111. CONSTRUCTION CONTRACTS  
12 Sec. 1024.112. OPERATING AND MANAGEMENT CONTRACTS  
13 Sec. 1024.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
14 FOR SERVICES  
15 Sec. 1024.114. PAYMENT FOR TREATMENT; PROCEDURES  
16 Sec. 1024.115. REIMBURSEMENT FOR SERVICES  
17 Sec. 1024.116. AUTHORITY TO SUE AND BE SUED; VENUE;  
18 NONWAIVER OF IMMUNITY  
19 [Sections 1024.117-1024.150 reserved for expansion]  
20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
21 Sec. 1024.151. BUDGET  
22 Sec. 1024.152. NOTICE; HEARING; ADOPTION OF BUDGET  
23 Sec. 1024.153. AMENDMENTS TO BUDGET  
24 Sec. 1024.154. RESTRICTION ON EXPENDITURES  
25 Sec. 1024.155. FISCAL YEAR  
26 Sec. 1024.156. ANNUAL AUDIT



1 Sec. 1024.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT

2 RECORDS

3 Sec. 1024.158. FINANCIAL REPORT

4 Sec. 1024.159. DEPOSITORY

5 Sec. 1024.160. SPENDING AND INVESTMENT RESTRICTIONS

6 [Sections 1024.161-1024.200 reserved for expansion]

7 SUBCHAPTER E. BONDS

8 Sec. 1024.201. GENERAL OBLIGATION BONDS

9 Sec. 1024.202. TAX TO PAY GENERAL OBLIGATION BONDS

10 Sec. 1024.203. GENERAL OBLIGATION BOND ELECTION

11 Sec. 1024.204. REVENUE BONDS

12 Sec. 1024.205. REFUNDING BONDS

13 Sec. 1024.206. MATURITY OF BONDS

14 Sec. 1024.207. EXECUTION OF BONDS

15 Sec. 1024.208. BONDS EXEMPT FROM TAXATION

16 [Sections 1024.209-1024.250 reserved for expansion]

17 SUBCHAPTER F. TAXES

18 Sec. 1024.251. IMPOSITION OF AD VALOREM TAX

19 Sec. 1024.252. TAX RATE

20 Sec. 1024.253. ELECTION TO INCREASE MAXIMUM TAX RATE

21 Sec. 1024.254. TAX ASSESSOR-COLLECTOR

22 CHAPTER 1024. ECTOR COUNTY HOSPITAL DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 1024.001. DEFINITIONS. In this chapter:

25 (1) "Board" means the board of directors of the  
26 district.

27 (2) "Director" means a member of the board.

1           (3) "District" means the Ector County Hospital  
2 District. (Acts 71st Leg., R.S., Ch. 550, Sec. 1.01.)

3           Sec. 1024.002. AUTHORITY FOR OPERATION. The district  
4 operates and is financed as provided by Section 9, Article IX, Texas  
5 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 550,  
6 Sec. 1.02.)

7           Sec. 1024.003. ESSENTIAL PUBLIC FUNCTION. The district is  
8 a public entity performing an essential public function. (Acts  
9 71st Leg., R.S., Ch. 550, Sec. 7.11 (part).)

10          Sec. 1024.004. DISTRICT TERRITORY. The boundaries of the  
11 district are coextensive with the boundaries of Ector County,  
12 Texas. (Acts 71st Leg., R.S., Ch. 550, Sec. 1.03.)

13          Sec. 1024.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
14 OBLIGATION. The state may not become obligated for the support or  
15 maintenance of the district. (Acts 71st Leg., R.S., Ch. 550, Sec.  
16 9.01 (part).)

17          Sec. 1024.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
18 The legislature may not make a direct appropriation for the  
19 construction, maintenance, or improvement of a district facility.  
20 (Acts 71st Leg., R.S., Ch. 550, Sec. 9.01 (part).)

21           [Sections 1024.007-1024.050 reserved for expansion]

22                   SUBCHAPTER B. DISTRICT ADMINISTRATION

23          Sec. 1024.051. BOARD ELECTION; TERMS. (a) The district is  
24 governed by a board of seven directors.

25           (b) Except as provided by court order, one director is  
26 elected from each commissioners precinct and three directors are  
27 elected from the district at large. At an election for directors in

1 which two directors are to be elected at large, the candidates  
2 receiving the highest and second highest number of votes are  
3 elected.

4 (c) Directors serve staggered four-year terms.

5 (d) An election shall be held on the uniform election date  
6 in May of each even-numbered year to elect the appropriate number of  
7 directors. (Acts 71st Leg., R.S., Ch. 550, Secs. 4.01(a), 4.03(a),  
8 (c) (part), and (d).)

9 Sec. 1024.052. NOTICE OF ELECTION. At least 35 days before  
10 the date of an election of directors, notice of the election shall  
11 be published one time in a newspaper with general circulation in the  
12 district. (Acts 71st Leg., R.S., Ch. 550, Sec. 4.04.)

13 Sec. 1024.053. BALLOT PETITION. A person who wants to have  
14 the person's name printed on the ballot as a candidate for director  
15 must file with the board secretary a petition requesting that  
16 action. The petition must:

17 (1) be signed by at least 50 registered voters of the  
18 district as determined by the most recent official list of  
19 registered voters;

20 (2) be filed not later than 5 p.m. on the 45th day  
21 before the date of the election; and

22 (3) specify the commissioner precinct the candidate  
23 wants to represent or specify that the candidate wants to represent  
24 the district at large. (Acts 71st Leg., R.S., Ch. 550, Sec. 4.05.)

25 Sec. 1024.054. QUALIFICATIONS FOR OFFICE. (a) To be  
26 eligible to be a candidate for or to serve as a director, a person  
27 must be:

1 (1) a district resident; and

2 (2) a qualified voter.

3 (b) In addition to Subsection (a), a person who is elected  
4 from a commissioners precinct or who is appointed to fill a vacancy  
5 for a commissioners precinct must be a resident of that  
6 commissioners precinct.

7 (c) A district employee may not serve as a director. (Acts  
8 71st Leg., R.S., Ch. 550, Sec. 4.06.)

9 Sec. 1024.055. BOND OR INSURANCE. (a) Before assuming the  
10 duties of office, each director must execute a bond payable to the  
11 district or purchase an appropriate insurance policy that names the  
12 district as its sole beneficiary, conditioned on the faithful  
13 performance of the director's duties.

14 (b) For each director, the board shall determine the  
15 appropriate type and value of the bond or insurance policy.

16 (c) The board may pay for a director's bond or pay for a  
17 director's insurance policy and premiums with district money.

18 (d) Each director's bond or insurance policy shall be kept  
19 in the district's permanent records. (Acts 71st Leg., R.S., Ch.  
20 550, Sec. 4.07.)

21 Sec. 1024.056. BOARD VACANCY. If a vacancy occurs in the  
22 office of director, the remaining directors shall appoint a  
23 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 550,  
24 Sec. 4.08.)

25 Sec. 1024.057. OFFICERS. (a) The board shall elect a  
26 president and a vice president from among its members.

27 (b) The board shall appoint a secretary, who need not be a

1 director.

2 (c) Each officer of the board serves for a term of one year.

3 (d) The board shall fill a vacancy in a board office for the  
4 unexpired term. (Acts 71st Leg., R.S., Ch. 550, Secs. 4.09, 4.10.)

5 Sec. 1024.058. COMPENSATION; EXPENSES. A director or  
6 officer serves without compensation but may be reimbursed for  
7 actual expenses incurred in the performance of official duties.  
8 The expenses must be:

9 (1) reported in the district's records; and

10 (2) approved by the board. (Acts 71st Leg., R.S., Ch.  
11 550, Sec. 4.11.)

12 Sec. 1024.059. VOTING REQUIREMENT. A concurrence of a  
13 majority of the directors voting is necessary in any matter  
14 relating to district business. (Acts 71st Leg., R.S., Ch. 550, Sec.  
15 4.12.)

16 Sec. 1024.060. DISTRICT ADMINISTRATOR. (a) The board may  
17 appoint a qualified person as district administrator.

18 (b) The district administrator serves at the will of the  
19 board and is entitled to the compensation determined by the board.

20 (c) Before assuming the duties of district administrator,  
21 the administrator must execute a bond in the amount determined by  
22 the board of not less than \$5,000 that is:

23 (1) payable to the district; and

24 (2) conditioned on the faithful performance of the  
25 administrator's duties under this chapter.

26 (d) The board may pay for the bond with district money.  
27 (Acts 71st Leg., R.S., Ch. 550, Secs. 4.13(a) (part), (c) (part),

1 (d).)

2 Sec. 1024.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
3 Subject to the limitations prescribed by the board, the district  
4 administrator shall:

5 (1) supervise the work and activities of the district;  
6 and

7 (2) direct the general affairs of the district. (Acts  
8 71st Leg., R.S., Ch. 550, Sec. 4.16.)

9 Sec. 1024.062. ASSISTANT DISTRICT ADMINISTRATORS. (a) The  
10 district administrator may appoint one or more qualified persons as  
11 assistant district administrators for the district.

12 (b) An assistant district administrator:

13 (1) serves at the will of the district administrator;  
14 and

15 (2) is entitled to the compensation determined by the  
16 board. (Acts 71st Leg., R.S., Ch. 550, Secs. 4.13(b), (c) (part).)

17 Sec. 1024.063. ATTORNEY. (a) The board may appoint a  
18 qualified person as the attorney for the district.

19 (b) The attorney for the district serves at the will of the  
20 board and is entitled to the compensation determined by the board.  
21 (Acts 71st Leg., R.S., Ch. 550, Secs. 4.13(a) (part), (c) (part).)

22 Sec. 1024.064. APPOINTMENT OF STAFF. The board may appoint  
23 to the staff any doctors the board considers necessary for the  
24 efficient operation of the district and may make temporary  
25 appointments as necessary. (Acts 71st Leg., R.S., Ch. 550, Sec.  
26 4.14.)

27 Sec. 1024.065. EMPLOYEES. (a) The district may employ

1 technicians, nurses, fiscal agents, accountants, architects,  
2 additional attorneys, and other necessary employees.

3 (b) The board may delegate to the district administrator the  
4 authority to employ persons for the district. (Acts 71st Leg.,  
5 R.S., Ch. 550, Sec. 4.15.)

6 Sec. 1024.066. RETIREMENT BENEFITS. The board may provide  
7 retirement benefits for district employees by:

8 (1) establishing or administering a retirement  
9 program; or

10 (2) participating in:

11 (A) the Texas County and District Retirement  
12 System; or

13 (B) another statewide retirement system in which  
14 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.  
15 550, Sec. 4.17.)

16 [Sections 1024.067-1024.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 1024.101. DISTRICT RESPONSIBILITY. The district has  
19 full responsibility for:

20 (1) operating hospital facilities; and

21 (2) providing medical and hospital care for the  
22 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 550, Sec.  
23 5.02 (part).)

24 Sec. 1024.102. RESTRICTION ON COUNTY TAXATION AND DEBT.  
25 Ector County may not impose a tax or issue bonds or other  
26 obligations for hospital purposes or to provide medical care for  
27 district residents. (Acts 71st Leg., R.S., Ch. 550, Sec. 5.01(b).)

1           Sec. 1024.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
2 The board shall manage, control, and administer the district's  
3 hospital system and the district's money and resources. (Acts 71st  
4 Leg., R.S., Ch. 550, Sec. 5.03.)

5           Sec. 1024.104. RULES. The board may adopt rules governing:

6                 (1) the operation of the hospital and hospital system;  
7 and

8                 (2) the duties, functions, and responsibilities of  
9 district staff and employees. (Acts 71st Leg., R.S., Ch. 550, Sec.  
10 5.04.)

11           Sec. 1024.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
12 board may prescribe:

13                 (1) the method of making purchases and expenditures by  
14 and for the district; and

15                 (2) accounting and control procedures for the  
16 district. (Acts 71st Leg., R.S., Ch. 550, Sec. 5.05.)

17           Sec. 1024.106. MOBILE EMERGENCY MEDICAL SERVICE. The  
18 district may operate or provide for the operation of a mobile  
19 emergency medical service. (Acts 71st Leg., R.S., Ch. 550, Sec.  
20 5.02 (part).)

21           Sec. 1024.107. DISTRICT PROPERTY, FACILITIES, AND  
22 EQUIPMENT. (a) The board shall determine:

23                 (1) the type, number, and location of buildings  
24 required to maintain an adequate hospital system; and

25                 (2) the type of equipment necessary for hospital care.

26           (b) The board may:

27                 (1) acquire property, including facilities and



1 equipment, for the district for use in the hospital system; and

2 (2) mortgage or pledge the property as security for  
3 the payment of the purchase price.

4 (c) The board may lease hospital facilities for the  
5 district.

6 (d) The board may sell or otherwise dispose of property,  
7 including facilities or equipment, for the district. (Acts 71st  
8 Leg., R.S., Ch. 550, Sec. 5.06.)

9 Sec. 1024.108. EMINENT DOMAIN. (a) The district may  
10 exercise the power of eminent domain to acquire a fee simple or  
11 other interest in property located in district territory if the  
12 interest is necessary to exercise a right or authority conferred by  
13 this chapter.

14 (b) The district must exercise the power of eminent domain  
15 in the manner provided by Chapter 21, Property Code, except the  
16 district is not required to deposit in the trial court money or a  
17 bond as provided by Section 21.021(a), Property Code.

18 (c) In a condemnation proceeding brought by the district,  
19 the district is not required to:

20 (1) pay in advance or provide a bond or other security  
21 for costs in the trial court;

22 (2) provide a bond for the issuance of a temporary  
23 restraining order or a temporary injunction; or

24 (3) provide a bond for costs or a supersedeas bond on  
25 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 550, Sec.  
26 5.09.)

27 Sec. 1024.109. COST OF RELOCATING OR ALTERING PROPERTY. In

1 exercising the power of eminent domain, if the board requires  
2 relocating, raising, lowering, rerouting, changing the grade of, or  
3 altering the construction of any railroad, highway, pipeline, or  
4 electric transmission and electric distribution, telegraph, or  
5 telephone line, conduit, pole, or facility, the district must bear  
6 the actual cost of relocating, raising, lowering, rerouting,  
7 changing the grade, or altering the construction to provide  
8 comparable replacement without enhancement of facilities, after  
9 deducting the net salvage value derived from the old facility.  
10 (Acts 71st Leg., R.S., Ch. 550, Sec. 5.10.)

11       Sec. 1024.110. GIFTS AND ENDOWMENTS. The board may accept  
12 for the district a gift or endowment to be held in trust for any  
13 purpose and under any direction, limitation, or other provision  
14 prescribed in writing by the donor that is consistent with the  
15 proper management of the district. (Acts 71st Leg., R.S., Ch. 550,  
16 Sec. 5.14.)

17       Sec. 1024.111. CONSTRUCTION CONTRACTS. (a) The board may  
18 enter into construction contracts for the district.

19       (b) The board may enter into a construction contract that  
20 involves the expenditure of more than the amount provided by  
21 Section 271.024, Local Government Code, only after competitive  
22 bidding as provided by Subchapter B, Chapter 271, Local Government  
23 Code. (Acts 71st Leg., R.S., Ch. 550, Sec. 5.07(a).)

24       Sec. 1024.112. OPERATING AND MANAGEMENT CONTRACTS. The  
25 board may enter into an operating or management contract relating  
26 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.  
27 550, Sec. 5.08.)

1           Sec. 1024.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
2 SERVICES. The board may contract with a political subdivision of  
3 this state or with a state or federal agency for the district to:

- 4           (1) furnish a mobile emergency medical service; or  
5           (2) provide for the investigatory or welfare needs of  
6 district inhabitants. (Acts 71st Leg., R.S., Ch. 550, Sec. 5.13.)

7           Sec. 1024.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
8 When a patient who resides in the district is admitted to a district  
9 facility, the district administrator may have an inquiry made into  
10 the financial circumstances of:

- 11           (1) the patient; or  
12           (2) a relative of the patient who is legally  
13 responsible for the patient's support.

14           (b) The district without charge shall provide to a patient  
15 who resides in the district the care and treatment that the patient  
16 or a relative of the patient who is legally responsible for the  
17 patient's support cannot pay.

18           (c) On determining that the patient or a relative legally  
19 responsible for the patient's support can pay for all or part of the  
20 care and treatment provided by the district, the district  
21 administrator shall report that determination to the board, and the  
22 board shall issue an order directing the patient or the relative to  
23 pay the district a specified amount each week. The amount must be  
24 based on the individual's ability to pay.

25           (d) The district administrator may collect money owed to the  
26 district from the patient's estate or from that of a relative who  
27 was legally responsible for the patient's support in the manner

1 provided by law for collection of expenses of the last illness of a  
2 deceased person.

3 (e) If there is a dispute relating to an individual's  
4 ability to pay or if the district administrator has any doubt  
5 concerning an individual's ability to pay, the board shall:

- 6 (1) call witnesses;
- 7 (2) hear and resolve the question; and
- 8 (3) issue a final order.

9 (f) A final order of the board may be appealed to a district  
10 court in Ector County. The substantial evidence rule applies to the  
11 appeal. (Acts 71st Leg., R.S., Ch. 550, Secs. 5.11(a), (c), (d),  
12 (e), (f).)

13 Sec. 1024.115. REIMBURSEMENT FOR SERVICES. (a) The board  
14 shall require a county, municipality, or public hospital located  
15 outside the district to reimburse the district for the district's  
16 care and treatment of a sick or injured person of that county,  
17 municipality, or public hospital as provided by Chapter 61, Health  
18 and Safety Code.

19 (b) The board shall require the sheriff of Ector County or  
20 the police chief of the City of Odessa to reimburse the district for  
21 the district's care and treatment of a person who is confined in a  
22 jail facility of Ector County or the City of Odessa and is not a  
23 district resident.

24 (c) The board may contract with the state or federal  
25 government for that government to reimburse the district for  
26 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.  
27 550, Sec. 5.12.)

1           Sec. 1024.116. AUTHORITY TO SUE AND BE SUED; VENUE;  
2 NONWAIVER OF IMMUNITY. (a) The board may sue and be sued on behalf  
3 of the district.

4           (b) An action against the board, the district, or the  
5 district's hospital system must be brought in Ector County.

6           (c) This chapter may not be construed to waive the  
7 district's sovereign or governmental immunity. (Acts 71st Leg.,  
8 R.S., Ch. 550, Sec. 5.15.)

9           [Sections 1024.117-1024.150 reserved for expansion]

10           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11           Sec. 1024.151. BUDGET. (a) The district administrator  
12 shall prepare a proposed annual budget for the district.

13           (b) The proposed budget must contain a complete financial  
14 statement, including a statement of:

15                   (1) the outstanding obligations of the district;

16                   (2) the amount of cash on hand in each district fund;

17                   (3) the amount of money received by the district from  
18 all sources during the previous year;

19                   (4) the amount of money available to the district from  
20 all sources during the ensuing year;

21                   (5) the amount of the balances expected at the end of  
22 the year in which the budget is being prepared;

23                   (6) the estimated amount of revenue and balances  
24 available to cover the proposed budget; and

25                   (7) the estimated tax rate required. (Acts 71st Leg.,  
26 R.S., Ch. 550, Sec. 6.04.)

27           Sec. 1024.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

1 The board shall hold a public hearing on the proposed annual budget.

2 (b) The board shall publish notice of the hearing in a  
3 newspaper with general circulation in the district not later than  
4 the 10th day before the date of the hearing.

5 (c) Any district resident is entitled to be present and  
6 participate at the hearing.

7 (d) At the conclusion of the hearing, the board shall adopt  
8 a budget by acting on the budget proposed by the district  
9 administrator. The board may make any changes in the proposed  
10 budget that the board judges to be in the interests of the  
11 taxpayers.

12 (e) The budget is effective only after adoption by the  
13 board. (Acts 71st Leg., R.S., Ch. 550, Sec. 6.05.)

14 Sec. 1024.153. AMENDMENTS TO BUDGET. After adoption, the  
15 annual budget may be amended on the board's approval. (Acts 71st  
16 Leg., R.S., Ch. 550, Sec. 6.06.)

17 Sec. 1024.154. RESTRICTION ON EXPENDITURES. Money may be  
18 spent only for an expense included in the budget or an amendment to  
19 the budget. (Acts 71st Leg., R.S., Ch. 550, Sec. 6.07.)

20 Sec. 1024.155. FISCAL YEAR. (a) The district operates on a  
21 fiscal year established by the board.

22 (b) The fiscal year may not be changed:

23 (1) when revenue bonds of the district are  
24 outstanding; or

25 (2) more than once in a 24-month period. (Acts 71st  
26 Leg., R.S., Ch. 550, Sec. 6.01.)

27 Sec. 1024.156. ANNUAL AUDIT. The board annually shall have

1 an audit made of the district's financial condition. (Acts 71st  
2 Leg., R.S., Ch. 550, Sec. 6.02.)

3 Sec. 1024.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
4 RECORDS. The annual audit and other district records are open to  
5 inspection during regular business hours at the district's  
6 principal office. (Acts 71st Leg., R.S., Ch. 550, Sec. 6.03.)

7 Sec. 1024.158. FINANCIAL REPORT. As soon as practicable  
8 after the close of the fiscal year, the district administrator  
9 shall prepare for the board:

10 (1) a sworn statement of the amount of district money;  
11 and

12 (2) an account of the disbursements of that money.  
13 (Acts 71st Leg., R.S., Ch. 550, Sec. 6.08.)

14 Sec. 1024.159. DEPOSITORY. (a) The board shall select at  
15 least one bank in Ector County to serve as a depository for district  
16 money.

17 (b) District money, other than money invested as provided by  
18 Section 1024.160(c) and money transmitted to a bank for payment of  
19 bonds or obligations issued or assumed by the district, shall be  
20 deposited as received with the depository bank and must remain on  
21 deposit. This subsection does not limit the power of the board to  
22 place a part of district money on time deposit or to purchase  
23 certificates of deposit.

24 (c) The district may not deposit money with a bank in an  
25 amount that exceeds the maximum amount secured by the Federal  
26 Deposit Insurance Corporation unless the bank first executes a bond  
27 or other security in an amount sufficient to secure from loss the

1 district money that exceeds the amount secured by the Federal  
2 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 550,  
3 Sec. 6.10.)

4 Sec. 1024.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
5 The district may acquire, sell, lease, or contract for personal  
6 property in accordance with Subchapter A, Chapter 271, Local  
7 Government Code.

8 (b) Except as provided by Subsection (a) and Sections  
9 1024.111, 1024.201, 1024.204, and 1024.205, the district may not  
10 incur a debt payable from district revenue other than the revenue on  
11 hand or to be on hand in the current and immediately following  
12 district fiscal years.

13 (c) The board may invest operating, depreciation, or  
14 building reserves only in funds or securities specified by Chapter  
15 2256, Government Code. (Acts 71st Leg., R.S., Ch. 550, Sec. 6.09.)

16 [Sections 1024.161-1024.200 reserved for expansion]

17 SUBCHAPTER E. BONDS

18 Sec. 1024.201. GENERAL OBLIGATION BONDS. The board may  
19 issue and sell general obligation bonds authorized by an election  
20 in the name and on the faith and credit of the district to:

21 (1) purchase, construct, acquire, repair, or renovate  
22 buildings or improvements;

23 (2) equip buildings or improvements for hospital  
24 purposes; or

25 (3) acquire and operate a mobile emergency medical  
26 service. (Acts 71st Leg., R.S., Ch. 550, Sec. 7.01.)

27 Sec. 1024.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At



1 the time general obligation bonds are issued by the district under  
2 Section 1024.201, the board shall impose an ad valorem tax at a rate  
3 sufficient to create an interest and sinking fund to pay the  
4 principal of and interest on the bonds as the bonds mature.

5 (b) The tax required by this section together with any other  
6 ad valorem tax the district imposes may not in any year exceed the  
7 limit approved by the voters at the election authorizing the  
8 imposition of the tax. (Acts 71st Leg., R.S., Ch. 550, Sec. 7.02.)

9 Sec. 1024.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
10 district may issue general obligation bonds only if the bonds are  
11 authorized by a majority of the district voters voting at an  
12 election held for that purpose.

13 (b) The board may order a bond election.

14 (c) The order calling the election must specify:

- 15 (1) the nature and date of the election;  
16 (2) the hours during which the polls will be open;  
17 (3) the location of the polling places;  
18 (4) the amount of the bonds to be authorized; and  
19 (5) the maximum maturity of the bonds.

20 (d) Notice of a bond election shall be given as provided by  
21 Section 1251.003, Government Code.

22 (e) The board shall declare the results of the election.  
23 (Acts 71st Leg., R.S., Ch. 550, Sec. 7.03.)

24 Sec. 1024.204. REVENUE BONDS. (a) The board may issue  
25 revenue bonds to:

- 26 (1) purchase, construct, acquire, repair, renovate,  
27 or equip buildings or improvements for hospital purposes;

1           (2) acquire sites to be used for hospital purposes; or  
2           (3) acquire and operate a mobile emergency medical  
3 service to assist the district in carrying out its hospital  
4 purposes.

5           (b) The bonds must be payable from and secured by a pledge of  
6 all or part of the revenue received by the district, other than ad  
7 valorem taxes.

8           (c) The bonds may be additionally secured by a mortgage or  
9 deed of trust lien on all or part of district property.

10           (d) The bonds must be issued in the manner provided by  
11 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
12 Code, for issuance of revenue bonds by a county hospital authority.  
13 (Acts 71st Leg., R.S., Ch. 550, Sec. 7.04.)

14           Sec. 1024.205. REFUNDING BONDS. (a) The board may issue  
15 refunding bonds to refund outstanding indebtedness issued or  
16 assumed by the district.

17           (b) Refunding bonds may be:

18                 (1) sold, with the proceeds of the refunding bonds  
19 applied to the payment of the outstanding indebtedness; or

20                 (2) exchanged wholly or partly for not less than a  
21 similar principal amount of outstanding indebtedness. (Acts 71st  
22 Leg., R.S., Ch. 550, Secs. 7.05(a), (c) (part).)

23           Sec. 1024.206. MATURITY OF BONDS. District bonds must  
24 mature not later than 50 years after the date of issuance. (Acts  
25 71st Leg., R.S., Ch. 550, Sec. 7.06 (part).)

26           Sec. 1024.207. EXECUTION OF BONDS. (a) The board president  
27 shall execute the district's bonds in the district's name.

1 (b) The board secretary shall countersign the bonds in the  
2 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,  
3 R.S., Ch. 550, Sec. 7.07.)

4 Sec. 1024.208. BONDS EXEMPT FROM TAXATION. The following  
5 are exempt from taxation by this state or a political subdivision of  
6 this state:

7 (1) bonds issued by the district;

8 (2) any transaction relating to the bonds; and

9 (3) profits made in the sale of the bonds. (Acts 71st  
10 Leg., R.S., Ch. 550, Sec. 7.11 (part).)

11 [Sections 1024.209-1024.250 reserved for expansion]

12 SUBCHAPTER F. TAXES

13 Sec. 1024.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
14 may impose a tax on all property in the district subject to district  
15 taxation.

16 (b) The tax may be used to pay:

17 (1) indebtedness issued or assumed by the district;

18 and

19 (2) the maintenance and operating expenses of the  
20 district.

21 (c) The district may not impose a tax to pay the principal of  
22 or interest on revenue bonds issued under this chapter. (Acts 71st  
23 Leg., R.S., Ch. 550, Secs. 8.01 (a) (part), (c), (d), 8.03(b).)

24 Sec. 1024.252. TAX RATE. (a) The board may impose the tax  
25 at a rate not to exceed the limit approved by the voters at the  
26 election authorizing the imposition of the tax.

27 (b) The tax rate for all purposes may not exceed 75 cents on

1 each \$100 valuation of all taxable property in the district.

2 (c) In setting the tax rate, the board shall consider the  
3 income of the district from sources other than taxation. (Acts 71st  
4 Leg., R.S., Ch. 550, Secs. 8.01(a) (part), (b), 8.04 (part).)

5 Sec. 1024.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)  
6 The board may order an election to increase the district's maximum  
7 ad valorem tax rate. The board shall order the election if the  
8 board receives a petition requesting an election that is signed by  
9 at least 50 registered voters in the district.

10 (b) The ballot for the election shall be printed to permit  
11 voting for or against the proposition: "The imposition of annual  
12 taxes by the district for hospital purposes at a rate not to exceed  
13 \_\_\_\_\_ (insert amount) cents on the \$100 valuation of all taxable  
14 property in the district."

15 (c) If the board finds that the election results favor the  
16 proposition, the board may impose taxes as authorized by the  
17 proposition. If the board finds that the election results do not  
18 favor the proposition, another election on the question of raising  
19 the district's maximum tax rate may not be held before the first  
20 anniversary of the date of the most recent election at which voters  
21 disapproved the proposition.

22 (d) Section 41.001(a), Election Code, does not apply to an  
23 election ordered under this section. (Acts 71st Leg., R.S., Ch.  
24 550, Secs. 8.02(a), (b) (part), (c) (part), (d) (part).)

25 Sec. 1024.254. TAX ASSESSOR-COLLECTOR. The board may  
26 provide for the appointment of a tax assessor-collector for the  
27 district or may contract for the assessment and collection of taxes

1 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 550, Sec.  
2 8.05(b).)

3 CHAPTER 1025. ELECTRA HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1025.001. DEFINITIONS

6 Sec. 1025.002. AUTHORITY FOR OPERATION

7 Sec. 1025.003. ESSENTIAL PUBLIC FUNCTION

8 Sec. 1025.004. DISTRICT TERRITORY

9 Sec. 1025.005. CORRECTION OF INVALID PROCEDURES

10 Sec. 1025.006. DISTRICT SUPPORT AND MAINTENANCE NOT

11 STATE OBLIGATION

12 Sec. 1025.007. RESTRICTION ON STATE FINANCIAL

13 ASSISTANCE

14 [Sections 1025.008-1025.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1025.051. BOARD ELECTION; TERM

17 Sec. 1025.052. NOTICE OF ELECTION

18 Sec. 1025.053. BALLOT PETITION

19 Sec. 1025.054. QUALIFICATIONS FOR OFFICE

20 Sec. 1025.055. BOARD VACANCY

21 Sec. 1025.056. OFFICERS

22 Sec. 1025.057. COMPENSATION; EXPENSES

23 Sec. 1025.058. QUORUM

24 Sec. 1025.059. VOTING REQUIREMENT

25 Sec. 1025.060. DISTRICT ADMINISTRATOR; ASSISTANT

26 ADMINISTRATOR

- 1 Sec. 1025.061. GENERAL DUTIES OF DISTRICT  
2 ADMINISTRATOR
- 3 Sec. 1025.062. EMPLOYEES; APPOINTMENT OF STAFF  
4 [Sections 1025.063-1025.100 reserved for expansion]
- 5 SUBCHAPTER C. POWERS AND DUTIES
- 6 Sec. 1025.101. DISTRICT RESPONSIBILITY
- 7 Sec. 1025.102. RESTRICTION ON POLITICAL SUBDIVISION  
8 TAXATION AND DEBT
- 9 Sec. 1025.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 10 Sec. 1025.104. HOSPITAL SYSTEM
- 11 Sec. 1025.105. RULES
- 12 Sec. 1025.106. PURCHASING AND ACCOUNTING PROCEDURES
- 13 Sec. 1025.107. DISTRICT PROPERTY, FACILITIES, AND  
14 EQUIPMENT
- 15 Sec. 1025.108. EMINENT DOMAIN
- 16 Sec. 1025.109. GIFTS AND ENDOWMENTS
- 17 Sec. 1025.110. CONSTRUCTION CONTRACTS
- 18 Sec. 1025.111. OPERATING AND MANAGEMENT CONTRACTS
- 19 Sec. 1025.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
20 FOR CARE AND TREATMENT
- 21 Sec. 1025.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
22 FOR INVESTIGATORY OR OTHER SERVICES
- 23 Sec. 1025.114. PAYMENT FOR TREATMENT; PROCEDURES
- 24 Sec. 1025.115. AUTHORITY TO SUE AND BE SUED  
25 [Sections 1025.116-1025.150 reserved for expansion]
- 26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 27 Sec. 1025.151. BUDGET

- 1 Sec. 1025.152. NOTICE; HEARING; ADOPTION OF BUDGET  
2 Sec. 1025.153. AMENDMENTS TO BUDGET  
3 Sec. 1025.154. RESTRICTION ON EXPENDITURES  
4 Sec. 1025.155. FISCAL YEAR  
5 Sec. 1025.156. AUDIT  
6 Sec. 1025.157. INSPECTION OF AUDIT AND DISTRICT  
7 RECORDS  
8 Sec. 1025.158. FINANCIAL REPORT  
9 Sec. 1025.159. DEPOSITORY  
10 Sec. 1025.160. SPENDING AND INVESTMENT RESTRICTIONS  
11 [Sections 1025.161-1025.200 reserved for expansion]  
12 SUBCHAPTER E. BONDS  
13 Sec. 1025.201. GENERAL OBLIGATION BONDS  
14 Sec. 1025.202. TAX TO PAY GENERAL OBLIGATION BONDS  
15 Sec. 1025.203. GENERAL OBLIGATION BOND ELECTION  
16 Sec. 1025.204. MATURITY OF GENERAL OBLIGATION BONDS  
17 Sec. 1025.205. EXECUTION OF GENERAL OBLIGATION BONDS  
18 Sec. 1025.206. REVENUE BONDS  
19 Sec. 1025.207. REFUNDING BONDS  
20 Sec. 1025.208. BONDS EXEMPT FROM TAXATION  
21 [Sections 1025.209-1025.250 reserved for expansion]  
22 SUBCHAPTER F. TAXES  
23 Sec. 1025.251. IMPOSITION OF AD VALOREM TAX  
24 Sec. 1025.252. TAX RATE  
25 Sec. 1025.253. ASSESSMENT AND COLLECTION BY COUNTY TAX  
26 ASSESSOR-COLLECTOR

1 Sec. 1025.254. ASSESSMENT AND COLLECTION BY DISTRICT

2 TAX ASSESSOR-COLLECTOR

3 CHAPTER 1025. ELECTRA HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1025.001. DEFINITIONS. In this chapter:

6 (1) "Board" means the board of directors of the  
7 district.

8 (2) "Director" means a member of the board.

9 (3) "District" means the Electra Hospital District.

10 (New.)

11 Sec. 1025.002. AUTHORITY FOR OPERATION. The district  
12 operates and is administered and financed in accordance with  
13 Section 9, Article IX, Texas Constitution, and has the rights,  
14 powers, and duties provided by this chapter. (Acts 63rd Leg., R.S.,  
15 Ch. 513, Sec. 1 (part).)

16 Sec. 1025.003. ESSENTIAL PUBLIC FUNCTION. The district  
17 performs an essential public function in carrying out the purposes  
18 of this chapter. (Acts 63rd Leg., R.S., Ch. 513, Sec. 21 (part).)

19 Sec. 1025.004. DISTRICT TERRITORY. The boundaries of the  
20 district are coextensive with the boundaries of Justice of the  
21 Peace Precinct No. 4 of Wichita County, Texas, as those boundaries  
22 existed on June 14, 1973. (Acts 63rd Leg., R.S., Ch. 513, Sec. 1  
23 (part).)

24 Sec. 1025.005. CORRECTION OF INVALID PROCEDURES. If a  
25 court holds that any procedure under this chapter violates the  
26 constitution of this state or of the United States, the district by  
27 resolution may provide an alternative procedure that conforms with



1 the constitution. (Acts 63rd Leg., R.S., Ch. 513, Sec. 23 (part).)

2       Sec. 1025.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
3 OBLIGATION. The support and maintenance of the district may not  
4 become a charge against or obligation of this state. (Acts 63rd  
5 Leg., R.S., Ch. 513, Sec. 20 (part).)

6       Sec. 1025.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
7 The legislature may not make a direct appropriation for the  
8 construction, maintenance, or improvement of a district facility.  
9 (Acts 63rd Leg., R.S., Ch. 513, Sec. 20 (part).)

10       [Sections 1025.008-1025.050 reserved for expansion]

11                   SUBCHAPTER B. DISTRICT ADMINISTRATION

12       Sec. 1025.051. BOARD ELECTION; TERM. (a) The board  
13 consists of seven directors elected from the district at large.

14       (b) Directors serve staggered two-year terms unless  
15 four-year terms are established under Section 285.081, Health and  
16 Safety Code. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(c) (part).)

17       Sec. 1025.052. NOTICE OF ELECTION. At least 30 days before  
18 the date of an election of directors, notice of the election shall  
19 be published one time in a newspaper or newspapers that  
20 individually or collectively have general circulation in the  
21 district. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(c) (part).)

22       Sec. 1025.053. BALLOT PETITION. A person who wants to have  
23 the person's name printed on the ballot as a candidate for director  
24 must file with the board secretary a petition requesting that  
25 action. The petition must be:

- 26                   (1) signed by at least 10 voters; and  
27                   (2) filed at least 30 days before the date of the

1 election. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(c) (part).)

2       Sec. 1025.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
3 not be elected or appointed as a director unless the person is:

- 4           (1) a district resident;
- 5           (2) a qualified voter; and
- 6           (3) a freeholder.

7       (b) A person is not eligible to serve as a director if the  
8 person is:

- 9           (1) the district administrator; or
- 10          (2) a district employee. (Acts 63rd Leg., R.S., Ch.  
11 513, Sec. 4(d).)

12       Sec. 1025.055. BOARD VACANCY. If a vacancy occurs in the  
13 office of director, the remaining directors shall appoint a  
14 director for the unexpired term. (Acts 63rd Leg., R.S., Ch. 513,  
15 Sec. 4(c) (part).)

16       Sec. 1025.056. OFFICERS. (a) The board shall elect:

- 17           (1) a president and a vice president from among its  
18 members; and
- 19           (2) a secretary, who need not be a director.

20       (b) Each officer of the board serves for a term of one year.

21       (c) The board shall fill a vacancy in a board office for the  
22 unexpired term. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(e) (part).)

23       Sec. 1025.057. COMPENSATION; EXPENSES. A director or  
24 officer serves without compensation but may be reimbursed for  
25 actual expenses incurred in the performance of official duties.  
26 The expenses must be:

- 27           (1) reported in the district's records; and

1           (2) approved by the board. (Acts 63rd Leg., R.S., Ch.  
2 513, Sec. 4(e) (part).)

3           Sec. 1025.058. QUORUM. Any five directors constitute a  
4 quorum. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(e) (part).)

5           Sec. 1025.059. VOTING REQUIREMENT. A concurrence of five  
6 directors is sufficient in any matter relating to district  
7 business. (Acts 63rd Leg., R.S., Ch. 513, Sec. 4(e) (part).)

8           Sec. 1025.060. DISTRICT ADMINISTRATOR; ASSISTANT  
9 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
10 district administrator.

11           (b) The board may appoint an assistant administrator.

12           (c) The district administrator and any assistant  
13 administrator serve at the will of the board and are entitled to the  
14 compensation determined by the board.

15           (d) On assuming the duties of district administrator, the  
16 administrator shall execute a bond payable to the district in an  
17 amount set by the board of not less than \$5,000 that:

18           (1) is conditioned on the administrator performing the  
19 administrator's duties; and

20           (2) contains other conditions the board may require.  
21 (Acts 63rd Leg., R.S., Ch. 513, Sec. 5 (part).)

22           Sec. 1025.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
23 Subject to the limitations prescribed by the board, the district  
24 administrator shall:

25           (1) supervise the work and activities of the district;  
26 and

27           (2) direct the affairs of the district. (Acts 63rd

1 Leg., R.S., Ch. 513, Sec. 5 (part).)

2       Sec. 1025.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
3 board may appoint to the staff any doctors the board considers  
4 necessary for the efficient operation of the district and may make  
5 temporary appointments as necessary.

6       (b) The district may employ fiscal agents, accountants,  
7 architects, and attorneys the board considers proper.

8       (c) The board may delegate to the district administrator the  
9 authority to hire district employees, including technicians and  
10 nurses. (Acts 63rd Leg., R.S., Ch. 513, Secs. 5 (part), 16.)

11       [Sections 1025.063-1025.100 reserved for expansion]

12                               SUBCHAPTER C. POWERS AND DUTIES

13       Sec. 1025.101. DISTRICT RESPONSIBILITY. The district has  
14 full responsibility for operating all hospital facilities for  
15 providing medical and hospital care for the district's needy  
16 inhabitants. (Acts 63rd Leg., R.S., Ch. 513, Sec. 19 (part).)

17       Sec. 1025.102. RESTRICTION ON POLITICAL SUBDIVISION  
18 TAXATION AND DEBT. A political subdivision located wholly or  
19 partly within the district may not impose a tax on district  
20 residents or issue bonds or other obligations for hospital purposes  
21 or to provide medical care for district residents. (Acts 63rd Leg.,  
22 R.S., Ch. 513, Sec. 19 (part).)

23       Sec. 1025.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
24 The board shall manage, control, and administer the hospital system  
25 and the district's money and resources. (Acts 63rd Leg., R.S., Ch.  
26 513, Sec. 5 (part).)

27       Sec. 1025.104. HOSPITAL SYSTEM. (a) The district shall

1 provide for the establishment of a hospital system by:

2 (1) purchasing, constructing, acquiring, repairing,  
3 or renovating buildings and equipment;

4 (2) equipping the buildings; and

5 (3) administering the buildings and equipment for  
6 hospital purposes.

7 (b) The hospital system may include:

8 (1) domiciliary care and treatment of the sick,  
9 injured, or geriatric;

10 (2) outpatient clinics;

11 (3) dispensaries;

12 (4) convalescent home facilities;

13 (5) necessary nurses;

14 (6) domiciliaries and training centers;

15 (7) blood banks;

16 (8) community mental health centers;

17 (9) research centers or laboratories; and

18 (10) any other facilities the board considers  
19 necessary for hospital care. (Acts 63rd Leg., R.S., Ch. 513, Secs.  
20 2 (part), 10(a) (part).)

21 Sec. 1025.105. RULES. The board may adopt rules governing  
22 the operation of the hospital, the hospital system, and the  
23 district's staff and employees. (Acts 63rd Leg., R.S., Ch. 513,  
24 Sec. 5 (part).)

25 Sec. 1025.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
26 board may prescribe:

27 (1) the method and manner of making purchases and

1 expenditures by and for the district; and

2 (2) all accounting and control procedures. (Acts 63rd  
3 Leg., R.S., Ch. 513, Sec. 10(b) (part).)

4 Sec. 1025.107. DISTRICT PROPERTY, FACILITIES, AND  
5 EQUIPMENT. (a) The board shall determine the type, number, and  
6 location of buildings required to maintain an adequate hospital  
7 system.

8 (b) The board may lease all or part of the district's  
9 buildings and other facilities on terms considered to be in the best  
10 interest of the district's inhabitants. The term of the lease may  
11 not exceed 25 years.

12 (c) The district may acquire equipment for use in the  
13 district's hospital system and mortgage or pledge the property as  
14 security for the payment of the purchase price. A contract entered  
15 into under this subsection must provide that the entire obligation  
16 be retired not later than the fifth anniversary of the date of the  
17 contract.

18 (d) The district may sell or otherwise dispose of any  
19 property, including equipment, on terms the board finds are in the  
20 best interest of the district's inhabitants. (Acts 63rd Leg.,  
21 R.S., Ch. 513, Secs. 10(a) (part), (b) (part).)

22 Sec. 1025.108. EMINENT DOMAIN. (a) The district may  
23 exercise the power of eminent domain to acquire a fee simple or  
24 other interest in any type of property located in district  
25 territory if the interest is necessary or convenient for the  
26 district to exercise a power, right, or privilege conferred by this  
27 chapter.

1           (b) The district must exercise the power of eminent domain  
2 in the manner provided by Chapter 21, Property Code, except the  
3 district is not required to deposit in the trial court money or a  
4 bond as provided by Section 21.021(a), Property Code.

5           (c) In a condemnation proceeding brought by the district,  
6 the district is not required to:

7                 (1) pay in advance or provide a bond or other security  
8 for costs in the trial court;

9                 (2) provide a bond for the issuance of a temporary  
10 restraining order or a temporary injunction; or

11                (3) provide a bond for costs or a supersedeas bond on  
12 an appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 513, Sec.  
13 14.)

14           Sec. 1025.109. GIFTS AND ENDOWMENTS. The board may accept  
15 for the district a gift or endowment to be held in trust and  
16 administered by the board for the purposes and under the  
17 directions, limitations, or other provisions prescribed in writing  
18 by the donor that are not inconsistent with the proper management  
19 and objectives of the district. (Acts 63rd Leg., R.S., Ch. 513,  
20 Sec. 18.)

21           Sec. 1025.110. CONSTRUCTION CONTRACTS. A construction  
22 contract that involves the expenditure of more than \$10,000 may be  
23 made only after advertising in the manner provided by Chapter 252  
24 and Subchapter C, Chapter 262, Local Government Code. (Acts 63rd  
25 Leg., R.S., Ch. 513, Sec. 10(b) (part).)

26           Sec. 1025.111. OPERATING AND MANAGEMENT CONTRACTS. The  
27 board may enter into an operating or management contract relating

1 to a district facility. (Acts 63rd Leg., R.S., Ch. 513, Sec. 10(a)  
2 (part).)

3 Sec. 1025.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
4 CARE AND TREATMENT. (a) The board may contract with a county or  
5 municipality located outside the district's boundaries for the care  
6 and treatment of a sick or injured person of that county or  
7 municipality.

8 (b) The board may contract with this state or a federal  
9 agency for the treatment of a sick or injured person. (Acts 63rd  
10 Leg., R.S., Ch. 513, Sec. 5 (part).)

11 Sec. 1025.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
12 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
13 political subdivision or governmental agency for the district  
14 to provide investigatory or other services as to the medical,  
15 hospital, or welfare needs of district inhabitants. (Acts 63rd  
16 Leg., R.S., Ch. 513, Sec. 5 (part).)

17 Sec. 1025.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
18 When a patient who resides in the district is admitted to a district  
19 facility, the district administrator may have an inquiry made into  
20 the circumstances of:

- 21 (1) the patient; and  
22 (2) the patient's relatives who are legally liable for  
23 the patient's support.

24 (b) If the district administrator determines that the  
25 patient or those relatives cannot pay all or part of the costs of  
26 the care and treatment in the hospital, the amount of the costs that  
27 cannot be paid becomes a charge against the district.



1 (c) If the district administrator determines that the  
2 patient or those relatives can pay for all or part of the costs of  
3 the patient's care and treatment, the patient or those relatives  
4 shall be ordered to pay the district a specified amount each week  
5 for the patient's care and support. The amount ordered must be  
6 proportionate to the person's financial ability.

7 (d) The district administrator may collect the amount from  
8 the patient's estate, or from any relative who is legally liable for  
9 the patient's support, in the manner provided by law for the  
10 collection of expenses of the last illness of a deceased person.

11 (e) If there is a dispute as to the ability to pay, or doubt  
12 in the mind of the district administrator, the board shall hold a  
13 hearing and, after calling witnesses, shall:

14 (1) resolve the dispute or doubt; and

15 (2) issue any appropriate orders.

16 (f) A final order of the board may be appealed to the  
17 district court. The substantial evidence rule applies to the  
18 appeal. (Acts 63rd Leg., R.S., Ch. 513, Sec. 17.)

19 Sec. 1025.115. AUTHORITY TO SUE AND BE SUED. The district,  
20 through the board, may sue and be sued. (Acts 63rd Leg., R.S., Ch.  
21 513, Sec. 5 (part).)

22 [Sections 1025.116-1025.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Sec. 1025.151. BUDGET. (a) The district administrator  
25 shall prepare an annual budget for approval by the board.

26 (b) The proposed budget must contain a complete financial  
27 statement of:

- 1 (1) the outstanding obligations of the district;
- 2 (2) the cash on hand in each district fund;
- 3 (3) the money received by the district from all
- 4 sources during the previous year;
- 5 (4) the money available to the district from all
- 6 sources during the ensuing year;
- 7 (5) the balances expected at the end of the year in
- 8 which the budget is being prepared;
- 9 (6) the estimated revenue and balances available to
- 10 cover the proposed budget; and
- 11 (7) the estimated tax rate required. (Acts 63rd Leg.,
- 12 R.S., Ch. 513, Sec. 6 (part).)

13 Sec. 1025.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

14 The board shall hold a public hearing on the proposed annual budget.

15 (b) Notice of the hearing must be published one time at

16 least 10 days before the date of the hearing.

17 (c) Any district resident is entitled to be present and

18 participate at the hearing.

19 (d) At the conclusion of the hearing, the board shall adopt

20 a budget by acting on the budget proposed by the district

21 administrator. The board may make any changes in the proposed

22 budget that the board judges to be in the interests of the taxpayers

23 and that the law warrants. (Acts 63rd Leg., R.S., Ch. 513, Sec. 6

24 (part).)

25 Sec. 1025.153. AMENDMENTS TO BUDGET. The budget may be

26 amended as required by circumstances. The board must approve all

27 amendments. (Acts 63rd Leg., R.S., Ch. 513, Sec. 6 (part).)

1           Sec. 1025.154. RESTRICTION ON EXPENDITURES. Money may be  
2 spent only for an expense included in the budget or an amendment to  
3 the budget. (Acts 63rd Leg., R.S., Ch. 513, Sec. 6 (part).)

4           Sec. 1025.155. FISCAL YEAR. (a) The district operates on a  
5 fiscal year established by the board.

6           (b) The fiscal year may not be changed:

7                 (1) during a period that revenue bonds of the district  
8 are outstanding; or

9                 (2) more than once in a 24-month period. (Acts 63rd  
10 Leg., R.S., Ch. 513, Sec. 6 (part).)

11          Sec. 1025.156. AUDIT. The board shall have an audit made of  
12 the district's financial condition. (Acts 63rd Leg., R.S., Ch.  
13 513, Sec. 6 (part).)

14          Sec. 1025.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
15 The audit and other district records shall be open to inspection at  
16 the district's principal office. (Acts 63rd Leg., R.S., Ch. 513,  
17 Sec. 6 (part).)

18          Sec. 1025.158. FINANCIAL REPORT. As soon as practicable  
19 after the close of each fiscal year, the district administrator  
20 shall prepare for the board:

21                 (1) a complete sworn statement of all district money;  
22 and

23                 (2) a complete account of the disbursements of that  
24 money. (Acts 63rd Leg., R.S., Ch. 513, Sec. 6 (part).)

25          Sec. 1025.159. DEPOSITORY. (a) The board shall select one  
26 or more banks in the district to serve as a depository for district  
27 money.

1 (b) District money, other than money invested as provided by  
2 Section 1025.160(b), and money transmitted to a bank for payment of  
3 bonds or obligations issued or assumed by the district, shall be  
4 deposited as received with the depository bank and shall remain on  
5 deposit.

6 (c) This chapter, including Subsection (b), does not limit  
7 the power of the board to place a part of district money on time  
8 deposit or to purchase certificates of deposit.

9 (d) The district may not deposit money with a bank in an  
10 amount that exceeds the maximum amount secured by the Federal  
11 Deposit Insurance Corporation unless the bank first executes a bond  
12 or other security in an amount sufficient to secure from loss the  
13 district money that exceeds the amount secured by the Federal  
14 Deposit Insurance Corporation. (Acts 63rd Leg., R.S., Ch. 513,  
15 Sec. 11.)

16 Sec. 1025.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
17 Except as otherwise provided by Section 1025.107(c) and by  
18 Subchapter E, the district may not incur an obligation payable from  
19 district revenue other than the revenue on hand or to be on hand in  
20 the current and following district fiscal years.

21 (b) The board may invest operating, depreciation, or  
22 building reserves only in funds or securities specified by Chapter  
23 2256, Government Code. (Acts 63rd Leg., R.S., Ch. 513, Secs. 5  
24 (part), 10(b) (part).)

25 [Sections 1025.161-1025.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1025.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith  
2 and credit of the district for any purpose relating to:

3 (1) the purchase, construction, acquisition, repair,  
4 or renovation of buildings or improvements; and

5 (2) equipping buildings or improvements for hospital  
6 purposes. (Acts 63rd Leg., R.S., Ch. 513, Sec. 7(a) (part).)

7 Sec. 1025.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
8 the time general obligation bonds are issued by the district under  
9 Section 1025.201, the board shall impose an ad valorem tax at a rate  
10 sufficient to create an interest and sinking fund to pay the  
11 principal of and interest on the bonds as the bonds mature.

12 (b) The tax required by this section together with any other  
13 ad valorem tax the district imposes may not in any year exceed 75  
14 cents on each \$100 valuation of all taxable property in the  
15 district. (Acts 63rd Leg., R.S., Ch. 513, Sec. 7(a) (part).)

16 Sec. 1025.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
17 district may issue general obligation bonds only if the bonds are  
18 authorized by a majority of the district voters.

19 (b) The order calling the election shall provide for clerks  
20 as in county elections and must specify:

21 (1) the date of the election;

22 (2) the location of the polling places;

23 (3) the presiding and alternate election judges for  
24 each polling place;

25 (4) the amount of the bonds to be authorized; and

26 (5) the maximum maturity of the bonds.

27 (c) Notice of a bond election shall be given as provided by

1 Section 1251.003, Government Code. (Acts 63rd Leg., R.S., Ch. 513,  
2 Sec. 7(a) (part).)

3 Sec. 1025.204. MATURITY OF GENERAL OBLIGATION BONDS.  
4 District general obligation bonds must mature not later than 40  
5 years after the date of issuance. (Acts 63rd Leg., R.S., Ch. 513,  
6 Sec. 7(c) (part).)

7 Sec. 1025.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
8 The board president shall execute the general obligation bonds in  
9 the district's name.

10 (b) The board secretary shall countersign the bonds in the  
11 manner provided by Chapter 618, Government Code. (Acts 63rd Leg.,  
12 R.S., Ch. 513, Sec. 7(c) (part).)

13 Sec. 1025.206. REVENUE BONDS. (a) The board may issue  
14 revenue bonds to:

15 (1) purchase, construct, acquire, repair, renovate,  
16 or equip buildings or improvements for hospital purposes; or

17 (2) acquire sites to be used for hospital purposes.

18 (b) The bonds must be payable from and secured by a pledge of  
19 all or part of the revenue derived from the operation of the  
20 district's hospitals.

21 (c) The bonds may be additionally secured by a mortgage or  
22 deed of trust lien on all or part of district property.

23 (d) The bonds must be issued in the manner and in accordance  
24 with the procedures and requirements prescribed by Sections  
25 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
26 issuance of revenue bonds by a county hospital authority. (Acts  
27 63rd Leg., R.S., Ch. 513, Sec. 9 (part).)

1           Sec. 1025.207. REFUNDING BONDS. (a) The board may, without  
2 an election, issue refunding bonds to refund outstanding  
3 indebtedness issued or assumed by the district.

4           (b) A refunding bond may be:

5                 (1) sold, with the proceeds of the refunding bonds  
6 applied to the payment of the outstanding indebtedness; or

7                 (2) exchanged wholly or partly for not less than a  
8 similar principal amount of outstanding indebtedness. (Acts 63rd  
9 Leg., R.S., Ch. 513, Secs. 7(a) (part), 7(b) (part), 9 (part).)

10          Sec. 1025.208. BONDS EXEMPT FROM TAXATION. The following  
11 are exempt from taxation by this state or a political subdivision of  
12 this state:

13                 (1) bonds issued by the district;

14                 (2) the transfer and issuance of the bonds; and

15                 (3) profits made in the sale of the bonds. (Acts 63rd  
16 Leg., R.S., Ch. 513, Sec. 21 (part).)

17           [Sections 1025.209-1025.250 reserved for expansion]

18   SUBCHAPTER F. TAXES

19          Sec. 1025.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
20 shall impose a tax on all property in the district subject to  
21 district taxation.

22          (b) The board shall impose the tax to pay:

23                 (1) indebtedness issued or assumed by the district;

24 and

25                 (2) the maintenance and operating expenses of the  
26 district.

27          (c) The board may not impose a tax to pay the principal of or

1 interest on revenue bonds issued under this chapter. (Acts 63rd  
2 Leg., R.S., Ch. 513, Secs. 12 (part), 15(a) (part).)

3 Sec. 1025.252. TAX RATE. (a) The board may impose the tax  
4 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
5 property in the district.

6 (b) In setting the tax rate, the board shall consider the  
7 income of the district from sources other than taxation. (Acts 63rd  
8 Leg., R.S., Ch. 513, Secs. 3(b) (part), 12 (part).)

9 Sec. 1025.253. ASSESSMENT AND COLLECTION BY COUNTY TAX  
10 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
11 elects to have taxes assessed and collected under Section 1025.254.

12 (b) The tax assessor-collector of Wichita County shall  
13 assess and collect taxes imposed by the district. (Acts 63rd Leg.,  
14 R.S., Ch. 513, Secs. 15(a) (part), (b) (part).)

15 Sec. 1025.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX  
16 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes  
17 assessed and collected by a tax assessor-collector appointed by the  
18 board. An election under this subsection must be made by December 1  
19 and governs the manner in which taxes are assessed and collected,  
20 until changed by a similar resolution.

21 (b) The district tax assessor-collector must:

22 (1) reside in the district; and

23 (2) own real property subject to district taxation.

24 (c) The board shall set for the district tax  
25 assessor-collector:

26 (1) the term of employment; and

27 (2) compensation. (Acts 63rd Leg., R.S., Ch. 513,



1 Secs. 15(a) (part), (c) (part).)

2 CHAPTER 1026. FARWELL HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1026.001. DEFINITIONS

5 Sec. 1026.002. AUTHORITY FOR OPERATION

6 Sec. 1026.003. ESSENTIAL PUBLIC FUNCTION

7 Sec. 1026.004. DISTRICT TERRITORY

8 Sec. 1026.005. CORRECTION OF INVALID PROCEDURES

9 Sec. 1026.006. DISTRICT SUPPORT AND MAINTENANCE NOT  
10 STATE OBLIGATION

11 Sec. 1026.007. RESTRICTION ON STATE FINANCIAL  
12 ASSISTANCE

13 [Sections 1026.008-1026.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1026.051. BOARD ELECTION; TERMS

16 Sec. 1026.052. NOTICE OF ELECTION

17 Sec. 1026.053. BALLOT PETITION

18 Sec. 1026.054. QUALIFICATIONS FOR OFFICE

19 Sec. 1026.055. BOARD VACANCY

20 Sec. 1026.056. OFFICERS

21 Sec. 1026.057. COMPENSATION; EXPENSES

22 Sec. 1026.058. PETITION TO CHANGE NUMBER OF DIRECTORS

23 Sec. 1026.059. VOTING REQUIREMENT

24 Sec. 1026.060. DISTRICT ADMINISTRATOR; ASSISTANT  
25 ADMINISTRATOR

26 Sec. 1026.061. GENERAL DUTIES OF DISTRICT  
27 ADMINISTRATOR

- 1 Sec. 1026.062. EMPLOYEES; APPOINTMENT OF STAFF  
2 [Sections 1026.063-1026.100 reserved for expansion]  
3 SUBCHAPTER C. POWERS AND DUTIES  
4 Sec. 1026.101. DISTRICT RESPONSIBILITY  
5 Sec. 1026.102. RESTRICTION ON POLITICAL SUBDIVISION  
6 TAXATION AND DEBT  
7 Sec. 1026.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
8 Sec. 1026.104. HOSPITAL SYSTEM  
9 Sec. 1026.105. RULES  
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11 Sec. 1026.107. DISTRICT PROPERTY, FACILITIES, AND  
12 EQUIPMENT  
13 Sec. 1026.108. EMINENT DOMAIN  
14 Sec. 1026.109. GIFTS AND ENDOWMENTS  
15 Sec. 1026.110. CONSTRUCTION CONTRACTS  
16 Sec. 1026.111. OPERATING AND MANAGEMENT CONTRACTS  
17 Sec. 1026.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
18 FOR CARE AND TREATMENT  
19 Sec. 1026.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
20 FOR INVESTIGATORY OR OTHER SERVICES  
21 Sec. 1026.114. PAYMENT FOR TREATMENT; PROCEDURES  
22 Sec. 1026.115. REIMBURSEMENT FOR SERVICES  
23 Sec. 1026.116. AUTHORITY TO SUE AND BE SUED  
24 [Sections 1026.117-1026.150 reserved for expansion]  
25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
26 Sec. 1026.151. BUDGET  
27 Sec. 1026.152. NOTICE; HEARING; ADOPTION OF BUDGET

- 1 Sec. 1026.153. AMENDMENTS TO BUDGET
- 2 Sec. 1026.154. RESTRICTION ON EXPENDITURES
- 3 Sec. 1026.155. FISCAL YEAR
- 4 Sec. 1026.156. AUDIT
- 5 Sec. 1026.157. INSPECTION OF AUDIT AND DISTRICT
- 6                               RECORDS
- 7 Sec. 1026.158. FINANCIAL REPORT
- 8 Sec. 1026.159. DEPOSITORY
- 9 Sec. 1026.160. SPENDING AND INVESTMENT RESTRICTIONS
- 10           [Sections 1026.161-1026.200 reserved for expansion]
- 11                               SUBCHAPTER E. BONDS
- 12 Sec. 1026.201. GENERAL OBLIGATION BONDS
- 13 Sec. 1026.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 14 Sec. 1026.203. GENERAL OBLIGATION BOND ELECTION
- 15 Sec. 1026.204. MATURITY OF GENERAL OBLIGATION BONDS
- 16 Sec. 1026.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 17 Sec. 1026.206. REVENUE BONDS
- 18 Sec. 1026.207. REFUNDING BONDS
- 19 Sec. 1026.208. BONDS EXEMPT FROM TAXATION
- 20           [Sections 1026.209-1026.250 reserved for expansion]
- 21                               SUBCHAPTER F. TAXES
- 22 Sec. 1026.251. IMPOSITION OF AD VALOREM TAX
- 23 Sec. 1026.252. TAX RATE
- 24 Sec. 1026.253. ASSESSMENT AND COLLECTION BY SCHOOL
- 25                               DISTRICT ASSESSOR-COLLECTOR
- 26 Sec. 1026.254. ASSESSMENT AND COLLECTION BY DISTRICT
- 27                               TAX ASSESSOR-COLLECTOR

1 Sec. 1026.255. ASSESSMENT AND COLLECTION BY TAX

2 ASSESSOR-COLLECTOR OF ANOTHER

3 POLITICAL SUBDIVISION

4 CHAPTER 1026. FARWELL HOSPITAL DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 1026.001. DEFINITIONS. In this chapter:

7 (1) "Board" means the board of directors of the  
8 district.

9 (2) "Director" means a member of the board.

10 (3) "District" means the Farwell Hospital District.

11 (New.)

12 Sec. 1026.002. AUTHORITY FOR OPERATION. The district  
13 operates in accordance with Section 9, Article IX, Texas  
14 Constitution, and has the rights, powers, and duties provided by  
15 this chapter. (Acts 64th Leg., R.S., Ch. 73, Sec. 1 (part).)

16 Sec. 1026.003. ESSENTIAL PUBLIC FUNCTION. The district  
17 performs an essential public function in carrying out the purposes  
18 of this chapter. (Acts 64th Leg., R.S., Ch. 73, Sec. 21 (part).)

19 Sec. 1026.004. DISTRICT TERRITORY. The boundaries of the  
20 district are coextensive with the boundaries of the Farwell  
21 Independent School District in Parmer County, Texas, as those  
22 boundaries existed on January 1, 1975. (Acts 64th Leg., R.S., Ch.  
23 73, Sec. 1 (part).)

24 Sec. 1026.005. CORRECTION OF INVALID PROCEDURES. If a court  
25 holds that any procedure under this chapter violates the  
26 constitution of this state or of the United States, the district by  
27 resolution may provide an alternative procedure that conforms with

1 the constitution. (Acts 64th Leg., R.S., Ch. 73, Sec. 23 (part).)

2       Sec. 1026.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
3 OBLIGATION. The support and maintenance of the district may not  
4 become a charge against or obligation of this state. (Acts 64th  
5 Leg., R.S., Ch. 73, Sec. 20 (part).)

6       Sec. 1026.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
7 The legislature may not make a direct appropriation for the  
8 construction, maintenance, or improvement of a district facility.  
9 (Acts 64th Leg., R.S., Ch. 73, Sec. 20 (part).)

10       [Sections 1026.008-1026.050 reserved for expansion]

11                   SUBCHAPTER B. DISTRICT ADMINISTRATION

12       Sec. 1026.051. BOARD ELECTION; TERMS. (a) The board  
13 consists of nine directors elected from the district at large.

14       (b) Directors serve staggered two-year terms unless  
15 four-year terms are established under Section 285.081, Health and  
16 Safety Code. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(c) (part).)

17       Sec. 1026.052. NOTICE OF ELECTION. At least 30 days before  
18 the date of an election of directors, notice of the election shall  
19 be published one time in a newspaper or newspapers that  
20 individually or collectively have general circulation in the  
21 district. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(c) (part).)

22       Sec. 1026.053. BALLOT PETITION. A person who wants to have  
23 the person's name printed on the ballot as a candidate for director  
24 must file with the board secretary a petition requesting that  
25 action. The petition must be:

26               (1) signed by at least 10 qualified taxpaying voters;

27 and

1           (2) filed at least 30 days before the date of the  
2 election. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(c) (part).)

3           Sec. 1026.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
4 not be appointed or elected as a director unless the person is:

5           (1) a district resident; and

6           (2) a qualified voter.

7           (b) A person is not eligible to serve as a director if the  
8 person is:

9           (1) the district administrator;

10           (2) a district employee; or

11           (3) a member of the staff of the hospital. (Acts 64th  
12 Leg., R.S., Ch. 73, Sec. 4(d).)

13           Sec. 1026.055. BOARD VACANCY. If a vacancy occurs in the  
14 office of director, the remaining directors shall appoint a  
15 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 73, Sec.  
16 4(c) (part).)

17           Sec. 1026.056. OFFICERS. (a) The board shall elect:

18           (1) a president and a vice president from among its  
19 members; and

20           (2) a secretary, who need not be a director.

21           (b) Each officer of the board serves for a term of one year.

22           (c) The board shall fill a vacancy in a board office for the  
23 unexpired term. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(e) (part).)

24           Sec. 1026.057. COMPENSATION; EXPENSES. A director or  
25 officer serves without compensation but may be reimbursed for  
26 actual expenses incurred in the performance of official duties.

27 The expenses must be:

1 (1) reported in the district's records; and

2 (2) approved by the board. (Acts 64th Leg., R.S., Ch.  
3 73, Sec. 4(e) (part).)

4 Sec. 1026.058. PETITION TO CHANGE NUMBER OF DIRECTORS. (a)  
5 A petition to increase or decrease the number of directors by one or  
6 two directors may be presented to the board at any time.

7 (b) A petition to increase or decrease the number of  
8 directors must:

9 (1) be executed by at least 100 registered voters of  
10 the district; and

11 (2) suggest the number of directors the petitioners  
12 believe are required for the orderly administration of district  
13 affairs.

14 (c) Not later than the 90th day after the date a proper  
15 petition is presented to the board, the board shall order an  
16 election on the question of changing the number of directors to a  
17 number not to exceed the number suggested by the petition.

18 (d) The order calling the election shall provide for  
19 election officials as in county elections and must specify:

20 (1) the date of the election; and

21 (2) the location of the polling places.

22 (e) Notice of the election shall be published as provided by  
23 Section 1251.003, Government Code.

24 (f) The ballot for the election shall be printed to permit  
25 voting for or against the proposition: "Providing for an increase  
26 (decrease) in the number of directors of the Farwell Hospital  
27 District."

1 (g) If a proposition to increase the number of directors is  
2 approved by a majority of the voters participating in the election:

3 (1) each director in office shall continue to serve  
4 for the term for which the director was elected or appointed; and

5 (2) the board shall appoint any additional directors  
6 to serve until the next regular election of directors, at which time  
7 a successor shall be elected.

8 (h) If a proposition to decrease the number of directors is  
9 approved by a majority of the voters participating in the election:

10 (1) the reduction takes effect at the next regular  
11 election or election of directors; and

12 (2) not more than one position may be deleted at each  
13 election.

14 (i) Another election for the same purpose may not be held  
15 before the third anniversary of the date of an election under this  
16 section. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(f) (part).)

17 Sec. 1026.059. VOTING REQUIREMENT. A concurrence of five  
18 directors is sufficient in any matter relating to district  
19 business. (Acts 64th Leg., R.S., Ch. 73, Sec. 4(e) (part).)

20 Sec. 1026.060. DISTRICT ADMINISTRATOR; ASSISTANT  
21 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
22 district administrator.

23 (b) The board may appoint an assistant administrator.

24 (c) The district administrator and any assistant  
25 administrator serve at the will of the board and are entitled to the  
26 compensation determined by the board.

27 (d) On assuming the duties of district administrator, the



1 administrator shall execute a bond payable to the district in an  
2 amount set by the board of not less than \$5,000 that:

3 (1) is conditioned on the administrator performing the  
4 administrator's duties; and

5 (2) contains other conditions the board may require.  
6 (Acts 64th Leg., R.S., Ch. 73, Sec. 5 (part).)

7 Sec. 1026.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
8 Subject to the limitations prescribed by the board, the district  
9 administrator shall:

10 (1) supervise the work and activities of the district;  
11 and

12 (2) direct the affairs of the district. (Acts 64th  
13 Leg., R.S., Ch. 73, Sec. 5 (part).)

14 Sec. 1026.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
15 board may appoint to the staff any doctors the board considers  
16 necessary for the efficient operation of the district and may make  
17 temporary appointments as necessary.

18 (b) The district may employ fiscal agents, accountants,  
19 architects, and attorneys the board considers proper.

20 (c) The board may delegate to the district administrator the  
21 authority to hire district employees, including technicians and  
22 nurses. (Acts 64th Leg., R.S., Ch. 73, Secs. 5 (part), 16.)

23 [Sections 1026.063-1026.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 1026.101. DISTRICT RESPONSIBILITY. The district has  
26 full responsibility for operating all hospital facilities for  
27 providing hospital care for the district's needy inhabitants. (Acts

1 64th Leg., R.S., Ch. 73, Sec. 19 (part).)

2           Sec. 1026.102. RESTRICTION ON POLITICAL SUBDIVISION  
3 TAXATION AND DEBT. A political subdivision located within the  
4 district may not impose a tax or issue bonds or other obligations  
5 for hospital purposes or to provide medical care for district  
6 inhabitants. (Acts 64th Leg., R.S., Ch. 73, Sec. 19 (part).)

7           Sec. 1026.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
8 The board shall manage, control, and administer the hospital system  
9 and the district's money and resources. (Acts 64th Leg., R.S., Ch.  
10 73, Sec. 5 (part).)

11           Sec. 1026.104. HOSPITAL SYSTEM. (a) The district shall  
12 provide for the establishment of a hospital system by:

13                   (1) purchasing, constructing, acquiring, repairing,  
14 or renovating buildings and equipment;

15                   (2) equipping the buildings; and

16                   (3) administering the buildings and equipment for  
17 hospital purposes.

18           (b) The hospital system may include:

19                   (1) domiciliary care and treatment of the sick,  
20 injured, or geriatric;

21                   (2) outpatient clinics;

22                   (3) dispensaries;

23                   (4) convalescent home facilities;

24                   (5) necessary nurses;

25                   (6) domiciliaries and training centers;

26                   (7) blood banks;

27                   (8) community mental health centers;

1           (9) research centers or laboratories; and  
2           (10) any other facilities the board considers  
3 necessary for hospital or extended medical care. (Acts 64th Leg.,  
4 R.S., Ch. 73, Secs. 2 (part), 10 (part).)

5           Sec. 1026.105. RULES. The board may adopt rules governing  
6 the operation of the hospital, the hospital system, and the  
7 district's staff and employees. (Acts 64th Leg., R.S., Ch. 73, Sec.  
8 5 (part).)

9           Sec. 1026.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
10 board may prescribe:

11           (1) the method and manner of making purchases and  
12 expenditures by and for the district; and

13           (2) all accounting and control procedures. (Acts 64th  
14 Leg., R.S., Ch. 73, Sec. 10 (part).)

15           Sec. 1026.107. DISTRICT PROPERTY, FACILITIES, AND  
16 EQUIPMENT. (a) The board shall determine the type, number, and  
17 location of buildings required to maintain an adequate hospital  
18 system.

19           (b) The board may lease all or part of the district's  
20 buildings and other facilities on terms considered to be in the best  
21 interest of the district's inhabitants. The term of the lease may  
22 not exceed 25 years.

23           (c) The board may acquire equipment for use in the  
24 district's hospital system and mortgage or pledge the property as  
25 security for the payment of the purchase price. A contract entered  
26 into under this subsection must provide that the entire obligation  
27 be retired not later than the fifth anniversary of the date of the

1 contract.

2 (d) The board may sell or otherwise dispose of any property,  
3 including equipment, on terms the board finds are in the best  
4 interest of the district's inhabitants. (Acts 64th Leg., R.S., Ch.  
5 73, Sec. 10 (part).)

6 Sec. 1026.108. EMINENT DOMAIN. (a) The district may  
7 exercise the power of eminent domain to acquire a fee simple or  
8 other interest in any type of property located in district  
9 territory if the interest is necessary or convenient for the  
10 district to exercise a power, right, or privilege conferred by this  
11 chapter.

12 (b) The district must exercise the power of eminent domain  
13 in the manner provided by Chapter 21, Property Code, except the  
14 district is not required to deposit in the trial court money or a  
15 bond as provided by Section 21.021(a), Property Code.

16 (c) In a condemnation proceeding brought by the district,  
17 the district is not required to:

18 (1) pay in advance or provide a bond or other security  
19 for costs in the trial court;

20 (2) provide a bond for the issuance of a temporary  
21 restraining order or a temporary injunction; or

22 (3) provide a bond for costs or a supersedeas bond on  
23 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 73, Sec. 14.)

24 Sec. 1026.109. GIFTS AND ENDOWMENTS. The board may accept  
25 for the district a gift or endowment to be held in trust and  
26 administered by the board for the purposes and under the directors,  
27 limitations, or other provisions prescribed in writing by the donor

1 that are not inconsistent with the proper management and objectives  
2 of the district. (Acts 64th Leg., R.S., Ch. 73, Sec. 18.)

3 Sec. 1026.110. CONSTRUCTION CONTRACTS. A construction  
4 contract that involves the expenditure of more than \$10,000 may be  
5 made only after advertising in the manner provided by Chapter 252  
6 and Subchapter C, Chapter 262, Local Government Code. (Acts 64th  
7 Leg., R.S., Ch. 73, Sec. 10 (part).)

8 Sec. 1026.111. OPERATING AND MANAGEMENT CONTRACTS. The  
9 board may enter into an operating or management contract relating  
10 to a district facility. (Acts 64th Leg., R.S., Ch. 73, Sec. 10  
11 (part).)

12 Sec. 1026.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
13 CARE AND TREATMENT. (a) The board may contract with a county or  
14 municipality located outside the district's boundaries for the care  
15 and treatment of a sick or injured person of that county or  
16 municipality.

17 (b) The board may contract with this state or a federal  
18 agency for the treatment of a sick or injured person. (Acts 64th  
19 Leg., R.S., Ch. 73, Sec. 5 (part).)

20 Sec. 1026.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
21 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
22 political subdivision or governmental agency for the district to  
23 provide investigatory or other services as to the medical,  
24 hospital, or welfare needs of district inhabitants. (Acts 64th  
25 Leg., R.S., Ch. 73, Sec. 5 (part).)

26 Sec. 1026.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
27 When a patient is admitted to a district facility, the district

1 administrator may have an inquiry made into the circumstances of:

2 (1) the patient; and

3 (2) the patient's relatives who are legally liable for  
4 the patient's support.

5 (b) Except as otherwise provided by this chapter, if the  
6 district administrator determines that the patient or those  
7 relatives cannot pay all or part of the costs of the care and  
8 treatment in the hospital, the amount of the costs that cannot be  
9 paid becomes a charge against the district.

10 (c) If the district administrator determines that the  
11 patient or those relatives can pay for all or part of the costs of  
12 the patient's care and treatment, the patient or those relatives  
13 shall be ordered to pay the district a specified amount each week  
14 for the patient's care and support. The amount ordered must be  
15 proportionate to the person's financial ability.

16 (d) The district administrator may collect the amount from  
17 the patient's estate, or from any relative who is legally liable for  
18 the patient's support, in the manner provided by law for the  
19 collection of expenses of the last illness of a deceased person.

20 (e) If there is a dispute as to the ability to pay, or doubt  
21 in the mind of the district administrator, the board shall hold a  
22 hearing and, after calling witnesses, shall:

23 (1) resolve the dispute or doubt; and

24 (2) issue any appropriate orders.

25 (f) A final order of the board may be appealed to the  
26 district court. The substantial evidence rule applies to the  
27 appeal. (Acts 64th Leg., R.S., Ch. 73, Sec. 17.)

1           Sec. 1026.115. REIMBURSEMENT FOR SERVICES. If the district  
2 provides care or treatment for a sick or injured person who is not a  
3 district resident, the district may collect the reasonable value of  
4 the hospital care from a political subdivision responsible for that  
5 care. Venue in any court proceeding is in Parmer County. (Acts  
6 64th Leg., R.S., Ch. 73, Sec. 5 (part).)

7           Sec. 1026.116. AUTHORITY TO SUE AND BE SUED. The district,  
8 through the board, may sue and be sued. (Acts 64th Leg., R.S., Ch.  
9 73, Sec. 5 (part).)

10           [Sections 1026.117-1026.150 reserved for expansion]

11           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12           Sec. 1026.151. BUDGET. (a) The district administrator or,  
13 if there is none, the president of the board shall prepare an annual  
14 budget for approval by the board.

15           (b) The proposed budget must contain a complete financial  
16 statement of:

17                   (1) the outstanding obligations of the district;

18                   (2) the cash on hand in each district fund;

19                   (3) the money received by the district from all  
20 sources during the previous year;

21                   (4) the money available to the district from all  
22 sources during the ensuing year;

23                   (5) the balances expected at the end of the year in  
24 which the budget is being prepared;

25                   (6) the estimated revenue and balances available to  
26 cover the proposed budget; and

27                   (7) the estimated tax rate required. (Acts 64th Leg.,

1 R.S., Ch. 73, Sec. 6 (part).)

2 Sec. 1026.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
3 The board shall hold a public hearing on the proposed annual budget.

4 (b) Notice of the hearing must be published one time at  
5 least 10 days before the date of the hearing.

6 (c) Any district taxpayer is entitled to be present and  
7 participate in the hearing.

8 (d) At the conclusion of the hearing, the board shall adopt  
9 a budget by acting on the proposed budget. The board may make  
10 changes in the proposed budget that the board judges to be in the  
11 interest of the taxpayers and that the law warrants. (Acts 64th  
12 Leg., R.S., Ch. 73, Sec. 6 (part).)

13 Sec. 1026.153. AMENDMENTS TO BUDGET. The budget may be  
14 amended as required by circumstances. The board must approve all  
15 amendments. (Acts 64th Leg., R.S., Ch. 73, Sec. 6 (part).)

16 Sec. 1026.154. RESTRICTION ON EXPENDITURES. Money may be  
17 spent only for an expense included in the budget or an amendment to  
18 the budget. (Acts 64th Leg., R.S., Ch. 73, Sec. 6 (part).)

19 Sec. 1026.155. FISCAL YEAR. (a) The district operates on a  
20 fiscal year established by the board.

21 (b) The fiscal year may not be changed more than once in a  
22 24-month period. (Acts 64th Leg., R.S., Ch. 73, Sec. 6 (part).)

23 Sec. 1026.156. AUDIT. The board shall have an audit made of  
24 the district's financial condition. (Acts 64th Leg., R.S., Ch. 73,  
25 Sec. 6 (part).)

26 Sec. 1026.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
27 The audit and other district records shall be open to inspection at



1 the district's principal office. (Acts 64th Leg., R.S., Ch. 73,  
2 Sec. 6 (part).)

3 Sec. 1026.158. FINANCIAL REPORT. As soon as practicable  
4 after the close of each fiscal year, the district administrator  
5 shall prepare for the board:

6 (1) a complete sworn statement of all district money;  
7 and

8 (2) a complete account of the disbursements of that  
9 money. (Acts 64th Leg., R.S., Ch. 73, Sec. 6 (part).)

10 Sec. 1026.159. DEPOSITORY. (a) The board shall select one  
11 or more banks inside or outside the district to serve as a  
12 depository for district money.

13 (b) District money, other than money invested as provided by  
14 Section 1026.160(b) and money transmitted to a bank for payment of  
15 bonds or obligations issued by the district, shall be deposited as  
16 received with the depository bank and shall remain on deposit.

17 (c) This chapter, including Subsection (b), does not limit  
18 the power of the board to place a part of district money on time  
19 deposit or to purchase certificates of deposit. (Acts 64th Leg.,  
20 R.S., Ch. 73, Sec. 11.)

21 Sec. 1026.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
22 Except as otherwise provided by Section 1026.107(c) and by  
23 Subchapter E, the district may not incur an obligation payable from  
24 district revenue other than the revenue on hand or to be on hand in  
25 the current and following district fiscal years.

26 (b) The board may invest operating, depreciation, or  
27 building reserves only in funds or securities specified by Chapter

1 2256, Government Code. (Acts 64th Leg., R.S., Ch. 73, Secs. 5  
2 (part), 10 (part).)

3 [Sections 1026.161-1026.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1026.201. GENERAL OBLIGATION BONDS. The board may  
6 issue and sell general obligation bonds in the name and on the faith  
7 and credit of the district for any purpose relating to:

8 (1) the purchase, construction, acquisition, repair,  
9 or renovation of buildings and improvements; and

10 (2) equipping buildings or improvements for hospital  
11 purposes. (Acts 64th Leg., R.S., Ch. 73, Sec. 7 (part).)

12 Sec. 1026.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
13 the time general obligation bonds are issued by the district under  
14 Section 1026.201, the board shall impose an ad valorem tax at a rate  
15 sufficient to create an interest and sinking fund to pay the  
16 principal of and interest on the bonds as the bonds mature.

17 (b) The tax required by this section may not in any year  
18 exceed 75 cents on each \$100 valuation of all taxable property in  
19 the district. (Acts 64th Leg., R.S., Ch. 73, Sec. 7 (part).)

20 Sec. 1026.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
21 district may issue general obligation bonds only if the bonds are  
22 authorized by a majority of the district voters voting at an  
23 election held for that purpose.

24 (b) The order calling the election shall provide for clerks  
25 as in county elections and must specify:

26 (1) the date of the election;

27 (2) the location of the polling places;

1           (3) the presiding and alternate election judge for  
2 each polling place;

3           (4) the amount of the bonds to be authorized; and

4           (5) the maximum maturity of the bonds.

5           (c) Notice of a bond election shall be published in a  
6 newspaper as provided by Section 1251.003, Government Code. (Acts  
7 64th Leg., R.S., Ch. 73, Sec. 7 (part).)

8           Sec. 1026.204. MATURITY OF GENERAL OBLIGATION BONDS.  
9 District general obligation bonds must mature not later than 40  
10 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 73,  
11 Sec. 7 (part).)

12           Sec. 1026.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
13 The board president shall execute the general obligation bonds in  
14 the district's name.

15           (b) The board secretary shall countersign the bonds in the  
16 manner provided by Chapter 618, Government Code. (Acts 64th Leg.,  
17 R.S., Ch. 73, Sec. 7 (part).)

18           Sec. 1026.206. REVENUE BONDS. (a) The board may issue  
19 revenue bonds to:

20           (1) purchase, construct, acquire, repair, renovate,  
21 or equip buildings or improvements for hospital purposes; or

22           (2) acquire sites to be used for hospital purposes.

23           (b) The bonds must be payable from and secured by a pledge of  
24 all or part of the revenue derived from the operation of the  
25 district's hospitals.

26           (c) The bonds may be additionally secured by a mortgage or  
27 deed of trust lien on all or part of district property.

1 (d) The bonds must be issued in the manner and in accordance  
2 with the procedures and requirements prescribed by Sections  
3 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
4 issuance of revenue bonds by a county hospital authority. (Acts  
5 64th Leg., R.S., Ch. 73, Sec. 9 (part).)

6 Sec. 1026.207. REFUNDING BONDS. (a) The board may, without  
7 an election, issue refunding bonds to refund outstanding  
8 indebtedness issued or assumed by the district.

9 (b) A refunding bond may be:

10 (1) sold, with the proceeds of the refunding bond  
11 applied to the payment of outstanding indebtedness; or

12 (2) exchanged wholly or partly for not less than a  
13 similar principal amount of outstanding indebtedness. (Acts 64th  
14 Leg., R.S., Ch. 73, Secs. 7 (part), 9 (part).)

15 Sec. 1026.208. BONDS EXEMPT FROM TAXATION. The following  
16 are exempt from taxation by this state or a political subdivision of  
17 this state:

18 (1) bonds issued by the district;

19 (2) the transfer and issuance of the bonds; and

20 (3) profits made in the sale of the bonds. (Acts 64th  
21 Leg., R.S., Ch. 73, Sec. 21 (part).)

22 [Sections 1026.209-1026.250 reserved for expansion]

23 SUBCHAPTER F. TAXES

24 Sec. 1026.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
25 shall impose a tax on all property in the district subject to  
26 district taxation.

27 (b) The board shall impose the tax to pay:

- 1           (1) indebtedness issued by the district; and  
2           (2) the maintenance and operating expenses of the  
3 district.

4           (c) The district may not impose a tax to pay the principal of  
5 or interest on revenue bonds issued under this chapter. (Acts 64th  
6 Leg., R.S., Ch. 73, Secs. 12 (part), 15(a) (part).)

7           Sec. 1026.252. TAX RATE. (a) The board may impose the tax  
8 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
9 property in the district.

10          (b) In setting the tax rate, the board shall consider the  
11 income of the district from sources other than taxation. (Acts 64th  
12 Leg., R.S., Ch. 73, Secs. 3 (part), 12 (part).)

13          Sec. 1026.253. ASSESSMENT AND COLLECTION BY SCHOOL DISTRICT  
14 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
15 elects to have taxes assessed and collected under Section 1026.254  
16 or 1026.255.

17          (b) The tax assessor-collector of the Farwell Independent  
18 School District shall assess and collect taxes imposed by the  
19 district. (Acts 64th Leg., R.S., Ch. 73, Secs. 15(a) (part), (b)  
20 (part).)

21          Sec. 1026.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX  
22 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes  
23 assessed and collected by a tax assessor-collector appointed by the  
24 board. An election under this subsection must be made by December 1  
25 and governs the manner in which taxes are assessed and collected,  
26 until changed by a similar resolution.

27          (b) The district tax assessor-collector must:

- 1 (1) reside in the district; and
- 2 (2) own real property subject to district taxation.

3 (c) The board shall set for the district tax  
 4 assessor-collector:

- 5 (1) the term of employment; and
- 6 (2) compensation. (Acts 64th Leg., R.S., Ch. 73,  
 7 Secs. 15(a) (part), (c) (part).)

8 Sec. 1026.255. ASSESSMENT AND COLLECTION BY TAX  
 9 ASSESSOR-COLLECTOR OF ANOTHER POLITICAL SUBDIVISION. (a) The  
 10 board may elect to have district taxes assessed and collected by the  
 11 tax assessor-collector of a political subdivision located wholly or  
 12 partly in the district. An election under this subsection must be  
 13 made by December 1 and governs the manner in which taxes are  
 14 assessed and collected, until changed by a similar resolution.

15 (b) The tax assessor-collector of the political subdivision  
 16 shall assess and collect the appropriate district taxes in  
 17 accordance with the board's election under Subsection (a). (Acts  
 18 64th Leg., R.S., Ch. 73, Secs. 15(a) (part), (d) (part).)

19 CHAPTER 1027. FISHER COUNTY HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

- 21 Sec. 1027.001. DEFINITIONS
- 22 Sec. 1027.002. AUTHORITY FOR OPERATION
- 23 Sec. 1027.003. ESSENTIAL PUBLIC FUNCTION
- 24 Sec. 1027.004. DISTRICT TERRITORY
- 25 Sec. 1027.005. CORRECTION OF INVALID PROCEDURES
- 26 Sec. 1027.006. DISTRICT SUPPORT AND MAINTENANCE NOT

27 STATE OBLIGATION

1 [Sections 1027.007-1027.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1027.051. BOARD ELECTION; TERM

4 Sec. 1027.052. CHANGE IN ELECTION FORMAT

5 Sec. 1027.053. NOTICE OF ELECTION

6 Sec. 1027.054. QUALIFICATIONS FOR OFFICE

7 Sec. 1027.055. BOARD VACANCY

8 Sec. 1027.056. OFFICERS

9 Sec. 1027.057. COMPENSATION; EXPENSES

10 Sec. 1027.058. VOTING REQUIREMENT

11 Sec. 1027.059. DISTRICT ADMINISTRATOR

12 Sec. 1027.060. GENERAL DUTIES OF DISTRICT

13 ADMINISTRATOR

14 Sec. 1027.061. APPOINTMENT AND RECRUITMENT OF STAFF

15 AND EMPLOYEES

16 [Sections 1027.062-1027.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 1027.101. DISTRICT RESPONSIBILITY AND AUTHORITY

19 Sec. 1027.102. RESTRICTION ON POLITICAL SUBDIVISION

20 TAXATION AND DEBT

21 Sec. 1027.103. MANAGEMENT, CONTROL, AND ADMINISTRATION

22 Sec. 1027.104. HOSPITAL SYSTEM

23 Sec. 1027.105. RULES

24 Sec. 1027.106. PURCHASING AND ACCOUNTING PROCEDURES

25 Sec. 1027.107. PROVISION OF CERTAIN HEALTH SERVICES

26 Sec. 1027.108. DISTRICT PROPERTY, FACILITIES, AND

27 EQUIPMENT

- 1 Sec. 1027.109. EMINENT DOMAIN
- 2 Sec. 1027.110. GIFTS AND ENDOWMENTS
- 3 Sec. 1027.111. CONSTRUCTION CONTRACTS
- 4 Sec. 1027.112. OPERATING AND MANAGEMENT CONTRACTS
- 5 Sec. 1027.113. CONTRACTS FOR CARE AND TREATMENT
- 6 Sec. 1027.114. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 7                               FOR INVESTIGATORY OR OTHER SERVICES
- 8 Sec. 1027.115. PAYMENT FOR TREATMENT; PROCEDURES
- 9 Sec. 1027.116. AUTHORITY TO SUE AND BE SUED
- 10 Sec. 1027.117. AUTHORITY TO PROVIDE HEALTH CARE
- 11                               SERVICES
- 12               [Sections 1027.118-1027.150 reserved for expansion]
- 13               SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 14 Sec. 1027.151. BUDGET
- 15 Sec. 1027.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 16 Sec. 1027.153. AMENDMENTS TO BUDGET
- 17 Sec. 1027.154. FISCAL YEAR
- 18 Sec. 1027.155. AUDIT
- 19 Sec. 1027.156. INSPECTION OF AUDIT AND DISTRICT
- 20                               RECORDS
- 21 Sec. 1027.157. FINANCIAL REPORT
- 22 Sec. 1027.158. DEPOSITORY
- 23 Sec. 1027.159. SPENDING AND INVESTMENT RESTRICTIONS
- 24 Sec. 1027.160. AUTHORITY TO BORROW MONEY IN EMERGENCY;
- 25                               SECURITY
- 26               [Sections 1027.161-1027.200 reserved for expansion]



1 SUBCHAPTER E. BONDS

2 Sec. 1027.201. GENERAL OBLIGATION BONDS

3 Sec. 1027.202. TAX TO PAY GENERAL OBLIGATION BONDS

4 Sec. 1027.203. GENERAL OBLIGATION BOND ELECTION

5 Sec. 1027.204. REVENUE BONDS

6 Sec. 1027.205. REFUNDING BONDS

7 Sec. 1027.206. MATURITY OF BONDS

8 Sec. 1027.207. EXECUTION OF BONDS

9 Sec. 1027.208. BONDS EXEMPT FROM TAXATION

10 [Sections 1027.209-1027.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1027.251. IMPOSITION OF AD VALOREM TAX

13 Sec. 1027.252. TAX RATE

14 Sec. 1027.253. TAX ASSESSOR-COLLECTOR

15 [Sections 1027.254-1027.300 reserved for expansion]

16 SUBCHAPTER G. DISSOLUTION

17 Sec. 1027.301. DISSOLUTION; ELECTION

18 Sec. 1027.302. NOTICE OF ELECTION

19 Sec. 1027.303. BALLOT

20 Sec. 1027.304. ELECTION RESULTS

21 Sec. 1027.305. SALE OR TRANSFER OF ASSETS AND

22 LIABILITIES

23 CHAPTER 1027. FISHER COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1027.001. DEFINITIONS. In this chapter:

26 (1) "Board" means the board of directors of the

27 district.

1           (2) "Director" means a member of the board.

2           (3) "District" means the Fisher County Hospital  
3 District. (New.)

4           Sec. 1027.002. AUTHORITY FOR OPERATION. The district  
5 operates in accordance with Section 9, Article IX, Texas  
6 Constitution, and has the rights, powers, and duties provided by  
7 this chapter. (Acts 63rd Leg., R.S., Ch. 448, Sec. 1 (part).)

8           Sec. 1027.003. ESSENTIAL PUBLIC FUNCTION. The district  
9 performs an essential public function in carrying out the purposes  
10 of this chapter. (Acts 63rd Leg., R.S., Ch. 448, Sec. 22 (part).)

11          Sec. 1027.004. DISTRICT TERRITORY. The boundaries of the  
12 district are coextensive with the boundaries of Fisher County,  
13 Texas. (Acts 63rd Leg., R.S., Ch. 448, Sec. 1 (part).)

14          Sec. 1027.005. CORRECTION OF INVALID PROCEDURES. If a  
15 court holds that any procedure under this chapter violates the  
16 constitution of this state or of the United States, the district by  
17 resolution may provide an alternative procedure that conforms to  
18 the constitution. (Acts 63rd Leg., R.S., Ch. 448, Sec. 24 (part).)

19          Sec. 1027.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
20 OBLIGATION. The support or maintenance of the district may not  
21 become a charge against or obligation of this state. (Acts 63rd  
22 Leg., R.S., Ch. 448, Sec. 21 (part).)

23           [Sections 1027.007-1027.050 reserved for expansion]

24                   SUBCHAPTER B. DISTRICT ADMINISTRATION

25          Sec. 1027.051. BOARD ELECTION; TERM. (a) The board  
26 consists of five directors elected from the district at large  
27 unless the board changes the method for electing directors under

1 Section 1027.052.

2 (b) Unless four-year terms are established under Section  
3 285.081, Health and Safety Code:

4 (1) directors serve staggered two-year terms; and

5 (2) three directors are elected in one year and two  
6 directors are elected the following year.

7 (c) An election shall be held on the uniform election date  
8 in May of each year to elect the appropriate number of directors.

9 (d) The board shall announce the election results. (Acts  
10 63rd Leg., R.S., Ch. 448, Secs. 4(a) (part), (c) (part), (f), (i)  
11 (part); Acts 64th Leg., R.S., Ch. 313, Sec. 2.)

12 Sec. 1027.052. CHANGE IN ELECTION FORMAT. (a) On its own  
13 initiative or on receipt of a petition signed by a number of  
14 district residents equal to at least 10 percent of the district's  
15 registered voters, the board by order shall seek input from  
16 district residents to determine whether to change the method of  
17 electing directors under this chapter to one of the following  
18 methods:

19 (1) four single-member districts and one at-large  
20 member;

21 (2) five single-member districts;

22 (3) four single-member districts, with each district  
23 coextensive with a county commissioner's precinct, and one at-large  
24 member; or

25 (4) cumulative voting.

26 (b) Not later than the 30th day after the date the board  
27 enters the order, the board shall establish an advisory committee

1 composed of district residents to advise and assist the board in  
2 making the determination required by Subsection (a). Committee  
3 members must represent all segments of the district's population.

4 (c) Not later than the 60th day after the date the advisory  
5 committee is established, the committee shall hold a public hearing  
6 regarding the proposed change in the election format. Not later  
7 than the 30th day after the date the public hearing is held, the  
8 committee shall submit a recommendation to the board that includes  
9 comments and concerns raised by district residents regarding any  
10 proposed change in the election format.

11 (d) After reviewing the advisory committee recommendation,  
12 the board may adopt an order changing the method by which directors  
13 are elected.

14 (e) A change in the election format adopted by the board  
15 under this section shall be implemented at the next general  
16 directors' election for which the change can be implemented  
17 consistently with the Election Code and federal law. (Acts 63rd  
18 Leg., R.S., Ch. 448, Sec. 4A.)

19 Sec. 1027.053. NOTICE OF ELECTION. (a) At least 35 days  
20 before the date of an election of directors, notice of the election  
21 shall be published one time in a newspaper of general circulation in  
22 the district.

23 (b) The election notice shall state:

24 (1) the purpose of the election;

25 (2) the date of the election; and

26 (3) the location of the polling places. (Acts 63rd  
27 Leg., R.S., Ch. 448, Sec. 4(c) (part).)

1           Sec. 1027.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
2 not serve as a director unless the person is:

3                   (1) a district resident; and

4                   (2) a qualified voter.

5           (b) A person is not eligible to serve as a director if the  
6 person is:

7                   (1) the district administrator; or

8                   (2) a district employee. (Acts 63rd Leg., R.S., Ch.  
9 448, Sec. 4(b) (part).)

10           Sec. 1027.055. BOARD VACANCY. If a vacancy occurs in the  
11 office of director, the remaining directors shall appoint a  
12 director for the unexpired term. (Acts 63rd Leg., R.S., Ch. 448,  
13 Sec. 4(a) (part).)

14           Sec. 1027.056. OFFICERS. (a) The board shall elect:

15                   (1) a president and a vice president from among its  
16 members; and

17                   (2) a secretary, who need not be a director.

18           (b) Each officer of the board serves for a term of one year.

19           (c) The board shall fill a vacancy in a board office for the  
20 unexpired term. (Acts 63rd Leg., R.S., Ch. 448, Sec. 4(j) (part).)

21           Sec. 1027.057. COMPENSATION; EXPENSES. A director or  
22 officer serves without compensation but may be reimbursed for  
23 actual expenses incurred in the performance of official duties.  
24 The expenses must be:

25                   (1) reported in the district's records; and

26                   (2) approved by the board. (Acts 63rd Leg., R.S., Ch.  
27 448, Sec. 4(j) (part).)

1           Sec. 1027.058. VOTING REQUIREMENT. A concurrence of three  
2 directors is sufficient in any matter relating to district  
3 business. (Acts 63rd Leg., R.S., Ch. 448, Sec. 4(j) (part).)

4           Sec. 1027.059. DISTRICT ADMINISTRATOR. (a) The board shall  
5 appoint a qualified person as district administrator.

6           (b) The district administrator serves at the will of the  
7 board and is entitled to the compensation determined by the board.

8           (c) On assuming the duties of district administrator, the  
9 administrator shall execute a bond payable to the district in an  
10 amount set by the board that:

11                 (1) is conditioned on the administrator performing the  
12 administrator's duties; and

13                 (2) contains other conditions the board may require.

14           (d) The cost of the bond is the responsibility of the  
15 district. (Acts 63rd Leg., R.S., Ch. 448, Sec. 5(b) (part).)

16           Sec. 1027.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
17 Subject to the limitations prescribed by the board, the district  
18 administrator shall:

19                 (1) supervise the work and activities of the district;  
20 and

21                 (2) direct the affairs of the district. (Acts 63rd  
22 Leg., R.S., Ch. 448, Sec. 5(b) (part).)

23           Sec. 1027.061. APPOINTMENT AND RECRUITMENT OF STAFF AND  
24 EMPLOYEES. (a) The board may appoint to the staff any doctors the  
25 board considers necessary for the efficient operation of the  
26 district and may make temporary appointments as necessary.

27           (b) The board shall determine the type, number, and location

1 of district employees required to maintain an adequate hospital  
2 system. The board may employ fiscal agents, accountants,  
3 architects, attorneys, and other employees the board considers  
4 proper.

5 (c) The board may delegate to the district administrator the  
6 authority to:

7 (1) hire district employees, including medical  
8 practitioners, technicians, and nurses; and

9 (2) incur reasonable and necessary expenses relating  
10 to the search, recruitment, and hiring of medical practitioners and  
11 district employees, including contracting with a private entity  
12 such as a professional recruiting service. (Acts 63rd Leg., R.S.,  
13 Ch. 448, Secs. 5(c), 10(a) (part), 17.)

14 [Sections 1027.062-1027.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 1027.101. DISTRICT RESPONSIBILITY AND AUTHORITY. The  
17 district has full responsibility for:

18 (1) operating hospital facilities and furnishing  
19 medical and hospital care for the district's needy residents; and

20 (2) providing hospital care for the district's  
21 indigent residents. (Acts 63rd Leg., R.S., Ch. 448, Secs. 2 (part),  
22 20 (part).)

23 Sec. 1027.102. RESTRICTION ON POLITICAL SUBDIVISION  
24 TAXATION AND DEBT. A political subdivision located within the  
25 district may not impose a tax or issue bonds or other obligations  
26 for hospital purposes or to provide medical care. (Acts 63rd Leg.,  
27 R.S., Ch. 448, Sec. 20 (part).)

1           Sec. 1027.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

2   (a) The board shall manage, control, and administer the hospital  
3 system and the district's money and resources.

4           (b) Unless specifically stated otherwise in this chapter,  
5 the board has the power to do anything which, in their opinion, is  
6 necessary for the good maintenance, operation, and welfare of the  
7 district and the district's employees, patients, and property.  
8 (Acts 63rd Leg., R.S., Ch. 448, Secs. 5(a) (part), 21 (part).)

9           Sec. 1027.104. HOSPITAL SYSTEM. (a) The district shall  
10 provide for the establishment of a hospital system by:

11           (1) purchasing, constructing, acquiring, repairing,  
12 or renovating buildings and equipment;

13           (2) equipping the buildings; and

14           (3) administering the buildings and equipment for  
15 hospital purposes.

16           (b) The hospital system may include:

17           (1) facilities for domiciliary care of the sick,  
18 injured, or geriatric;

19           (2) facilities for outpatient clinics;

20           (3) dispensaries;

21           (4) convalescent home facilities;

22           (5) necessary nurses' domiciliaries and training  
23 centers;

24           (6) blood banks;

25           (7) research centers and laboratories; and

26           (8) ambulance and other facilities or services the  
27 board considers necessary for hospital care. (Acts 63rd Leg.,



1 R.S., Ch. 448, Secs. 2 (part), 10(a) (part).)

2       Sec. 1027.105. RULES. The board may adopt rules governing  
3 the operation of the hospital, the hospital system, and the  
4 district's staff and employees. (Acts 63rd Leg., R.S., Ch. 448,  
5 Sec. 5(a) (part).)

6       Sec. 1027.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
7 board may prescribe:

8           (1) the method and manner of making purchases and  
9 expenditures by and for the district; and

10           (2) all accounting and control procedures. (Acts 63rd  
11 Leg., R.S., Ch. 448, Sec. 11 (part).)

12       Sec. 1027.107. PROVISION OF CERTAIN HEALTH SERVICES. In  
13 the geographic service area designated by the board, the district  
14 may operate or provide for:

15           (1) the operation of a mobile emergency medical  
16 service; and

17           (2) home health services, long-term care services,  
18 skilled nursing care services, intermediate nursing care services,  
19 assisted living services, hospice care, or other health-related  
20 services. (Acts 63rd Leg., R.S., Ch. 448, Sec. 2 (part).)

21       Sec. 1027.108. DISTRICT PROPERTY, FACILITIES, AND  
22 EQUIPMENT. (a) The board shall determine the type of equipment and  
23 the type, number, and location of buildings required to maintain an  
24 adequate hospital system.

25           (b) The board may lease all or part of the district's  
26 buildings and other facilities on terms considered to be in the best  
27 interest of the district's inhabitants. The term of the lease may

1 not exceed 25 years.

2 (c) The district may acquire equipment for use in the  
3 district's hospital system and mortgage or pledge the property as  
4 security for the payment of the purchase price. A contract entered  
5 into under this subsection must provide that the entire obligation  
6 be retired not later than the fifth anniversary of the date of the  
7 contract.

8 (d) The district may sell or otherwise dispose of any  
9 property, including equipment, on terms the board finds are in the  
10 best interest of the district's inhabitants. The board may not sell  
11 or dispose of any real property unless the board affirmatively  
12 finds that the real property is not needed for the operation of the  
13 hospital system. (Acts 63rd Leg., R.S., Ch. 448, Secs. 10(a)  
14 (part), (b) (part), 11 (part).)

15 Sec. 1027.109. EMINENT DOMAIN. (a) The district may  
16 exercise the power of eminent domain to acquire a fee simple or  
17 other interest in any type of property located in district  
18 territory if the interest is necessary for the district to exercise  
19 a power, right, or privilege conferred by this chapter.

20 (b) The district must exercise the power of eminent domain  
21 in the manner provided by Chapter 21, Property Code, except the  
22 district is not required to deposit in the trial court money or a  
23 bond as provided by Section 21.021(a), Property Code.

24 (c) In a condemnation proceeding brought by the district,  
25 the district is not required to:

26 (1) pay in advance or provide a bond or other security  
27 for costs in the trial court;

1           (2) provide a bond for the issuance of a temporary  
2 restraining order or a temporary injunction; or

3           (3) provide a bond for costs or a supersedeas bond on  
4 an appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 448, Sec.  
5 15.)

6           Sec. 1027.110. GIFTS AND ENDOWMENTS. The board may accept  
7 for the district a gift or endowment to be held in trust and  
8 administered by the board for the purposes and under the  
9 directions, limitations, or other provisions prescribed in writing  
10 by the donor that are not inconsistent with the proper management  
11 and objective of the district. (Acts 63rd Leg., R.S., Ch. 448, Sec.  
12 19.)

13           Sec. 1027.111. CONSTRUCTION CONTRACTS. A construction  
14 contract that involves the expenditure of more than \$10,000 may be  
15 made only after advertising in the manner provided by Chapter 252,  
16 Local Government Code. (Acts 63rd Leg., R.S., Ch. 448, Sec. 11  
17 (part).)

18           Sec. 1027.112. OPERATING AND MANAGEMENT CONTRACTS. The  
19 board may enter into an operating or management contract relating  
20 to a district facility. (Acts 63rd Leg., R.S., Ch. 448, Sec. 10(b)  
21 (part).)

22           Sec. 1027.113. CONTRACTS FOR CARE AND TREATMENT. (a) The  
23 board may contract with a political subdivision of this state or a  
24 public or private hospital, private corporation, partnership, or  
25 cooperative, located inside or outside the district, for the care  
26 and treatment of a sick or injured person of the political  
27 subdivision.

1           (b) The board may contract with this state or a federal  
2 agency for the treatment of a sick or injured person. (Acts 63rd  
3 Leg., R.S., Ch. 448, Sec. 5(d) (part).)

4           Sec. 1027.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
5 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
6 political subdivision or governmental agency for the district to  
7 provide investigatory or other services as to the medical,  
8 hospital, or welfare needs of district inhabitants. (Acts 63rd  
9 Leg., R.S., Ch. 448, Sec. 5(d) (part).)

10          Sec. 1027.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
11 When a patient who resides in the district is admitted to a district  
12 facility, the district administrator may have an inquiry made into  
13 the circumstances of:

14                 (1) the patient; and

15                 (2) the patient's relatives who are legally liable for  
16 the patient's support.

17          (b) If the district administrator determines that the  
18 patient or those relatives cannot pay all or part of the costs of  
19 the care and treatment in the hospital, the amount of the costs that  
20 cannot be paid becomes a charge against the district.

21          (c) If the district administrator determines that the  
22 patient or those relatives can pay for all or part of the costs of  
23 the patient's care and treatment, the patient or those relatives  
24 shall be ordered to pay the district a specified amount each week  
25 for the patient's care and support. The amount ordered must be  
26 proportionate to the person's financial ability.

27          (d) The district administrator may collect the amount from

1 the patient's estate, or from any relative who is legally liable for  
2 the patient's support, in the manner provided by law for the  
3 collection of expenses of the last illness of a deceased person.

4 (e) If there is a dispute as to the ability to pay, or doubt  
5 in the mind of the district administrator, the board shall hold a  
6 hearing and, after calling witnesses, shall:

7 (1) resolve the dispute or doubt; and

8 (2) issue any appropriate orders.

9 (f) The final order of the board may be appealed to the  
10 district court. The substantial evidence rule applies to the  
11 appeal. (Acts 63rd Leg., R.S., Ch. 448, Sec. 18.)

12 Sec. 1027.116. AUTHORITY TO SUE AND BE SUED. The district,  
13 through the board, may sue and be sued. (Acts 63rd Leg., R.S., Ch.  
14 448, Sec. 5(a) (part).)

15 Sec. 1027.117. AUTHORITY TO PROVIDE HEALTH CARE SERVICES.

16 (a) In this section, "health care services" includes:

17 (1) home health care services;

18 (2) respiratory or physical therapy services;

19 (3) mobile emergency medical services; and

20 (4) clinic services.

21 (b) This chapter does not limit the district in providing  
22 health care services to any ill or injured person, regardless of  
23 whether the person is a district resident. (Acts 63rd Leg., R.S.,  
24 Ch. 448, Sec. 5(e).)

25 [Sections 1027.118-1027.150 reserved for expansion]

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 1027.151. BUDGET. (a) The district administrator

1 shall prepare an annual budget for approval by the board.

2 (b) The proposed budget must contain a complete financial  
3 statement of:

4 (1) the outstanding obligations of the district;

5 (2) the amount of cash on hand in each district fund;

6 (3) the amount of money received by the district from  
7 all sources during the previous year;

8 (4) the amount of money available to the district from  
9 all sources during the ensuing year;

10 (5) the amount of the balances expected at the end of  
11 the year in which the budget is being prepared;

12 (6) the estimated amount of revenue and balances  
13 available to cover the proposed budget; and

14 (7) the estimated tax rate required. (Acts 63rd Leg.,  
15 R.S., Ch. 448, Sec. 6(a) (part).)

16 Sec. 1027.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
17 The board shall hold a public hearing on the proposed annual budget.

18 (b) At least 10 days before the date of the hearing, notice  
19 of the hearing shall be published one time in a newspaper or  
20 newspapers that individually or collectively have general  
21 circulation in the district.

22 (c) Any property tax payer of the district is entitled to be  
23 present and participate at the hearing in accordance with the rules  
24 of decorum and procedures prescribed by the board.

25 (d) At the conclusion of the hearing, the board shall adopt  
26 a final budget by acting on the budget proposed by the district  
27 administrator. The board may make any changes in the proposed

1 budget that the board judges to be in the interests of the taxpayers  
2 and that the law warrants. (Acts 63rd Leg., R.S., Ch. 448, Secs.  
3 6(b), (c) (part).)

4 Sec. 1027.153. AMENDMENTS TO BUDGET. The budget may be  
5 amended as required by circumstances. The board must approve all  
6 amendments. (Acts 63rd Leg., R.S., Ch. 448, Sec. 6(c) (part).)

7 Sec. 1027.154. FISCAL YEAR. (a) The district operates on a  
8 fiscal year established by the board.

9 (b) The fiscal year may not be changed more than once in a  
10 24-month period. (Acts 63rd Leg., R.S., Ch. 448, Sec. 6(a) (part).)

11 Sec. 1027.155. AUDIT. (a) The board shall have an  
12 independent audit made of the district's financial condition for  
13 the fiscal year.

14 (b) As soon as it is completed, the audit shall be filed at  
15 the district's office. (Acts 63rd Leg., R.S., Ch. 448, Sec. 6(a)  
16 (part).)

17 Sec. 1027.156. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
18 The audit and other district records shall be open to inspection at  
19 the district's principal office. (Acts 63rd Leg., R.S., Ch. 448,  
20 Sec. 6(a) (part).)

21 Sec. 1027.157. FINANCIAL REPORT. As soon as practicable  
22 after the close of each fiscal year, the district administrator  
23 shall prepare for the board:

24 (1) a complete sworn statement of all district money;  
25 and

26 (2) a complete account of the disbursements of that  
27 money. (Acts 63rd Leg., R.S., Ch. 448, Sec. 6(c) (part).)

1           Sec. 1027.158. DEPOSITORY. (a) The board shall select one  
2 or more banks inside or outside the district to serve as a  
3 depository for district money.

4           (b) District money, other than money invested as provided by  
5 Section 1027.159(b), and money transmitted to a bank for payment of  
6 bonds or obligations issued or assumed by the district, shall be  
7 deposited as received with the depository bank and shall remain on  
8 deposit.

9           (c) This chapter, including Subsection (b), does not limit  
10 the power of the board to place a part of district money on time  
11 deposit or to purchase certificates of deposit.

12           (d) The district may not deposit money with a bank in an  
13 amount that exceeds the maximum amount secured by the Federal  
14 Deposit Insurance Corporation unless the bank first executes a bond  
15 or other security in an amount sufficient to secure from loss the  
16 district money that exceeds the amount secured by the Federal  
17 Deposit Insurance Corporation. (Acts 63rd Leg., R.S., Ch. 448,  
18 Sec. 12.)

19           Sec. 1027.159. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
20 Except as otherwise provided by Section 1027.108(c) and by  
21 Subchapter E, the district may not incur an obligation payable from  
22 district revenue other than the revenue on hand or to be on hand in  
23 the current and following district fiscal years.

24           (b) The board may invest operating, depreciation, or  
25 building fund reserves only in funds or securities specified by  
26 Chapter 2256, Government Code. (Acts 63rd Leg., R.S., Ch. 448,  
27 Secs. 5(a) (part), 11 (part).)



1           Sec. 1027.160. AUTHORITY TO BORROW MONEY IN EMERGENCY;  
2 SECURITY. (a) The board may borrow money at a rate not to exceed  
3 the maximum annual percentage rate allowed by law for district  
4 obligations at the time the loan is made if the board declares that:

5                   (1) money is not available to meet authorized  
6 obligations of the district; and

7                   (2) an emergency exists.

8           (b) To secure a loan, the board may pledge:

9                   (1) district revenue that is not pledged to pay the  
10 district's bonded indebtedness;

11                   (2) district taxes to be imposed by the district  
12 during the 12-month period following the date of the pledge that are  
13 not pledged to pay the principal of or interest on district bonds;  
14 or

15                   (3) district bonds that have been authorized but not  
16 sold. (Acts 63rd Leg., R.S., Ch. 448, Sec. 17A.)

17           [Sections 1027.161-1027.200 reserved for expansion]

18                                   SUBCHAPTER E. BONDS

19           Sec. 1027.201. GENERAL OBLIGATION BONDS. The board may  
20 issue and sell general obligation bonds in the name and on the faith  
21 and credit of the district for any purpose designed to provide,  
22 improve, or expand the district's health care services, including:

23                   (1) the purchase, construction, acquisition, repair,  
24 or renovation of buildings or improvements;

25                   (2) equipping buildings or improvements for hospital  
26 purposes; and

27                   (3) the acquisition and operation of a mobile

1 emergency medical service. (Acts 63rd Leg., R.S., Ch. 448, Sec. 7  
2 (part).)

3       Sec. 1027.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
4 the time general obligation bonds are issued by the district under  
5 Section 1027.201, the board shall impose an ad valorem tax at a rate  
6 sufficient to create an interest and sinking fund to pay the  
7 principal of and interest on the bonds as the bonds mature.

8       (b) The tax required by this section together with any other  
9 tax the district imposes may not in any year exceed the tax rate  
10 approved by the voters at the election authorizing the imposition  
11 of the tax. (Acts 63rd Leg., R.S., Ch. 448, Sec. 7 (part).)

12       Sec. 1027.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
13 district may issue general obligation bonds only if the bonds are  
14 authorized by a majority of the district voters voting at an  
15 election held for that purpose.

16       (b) The order calling the election shall provide for clerks  
17 as in county elections and must specify:

- 18               (1) the date of the election;  
19               (2) the location of the polling places;  
20               (3) the presiding and alternate election judges for  
21 each polling place;  
22               (4) the amount of the bonds to be authorized;  
23               (5) the maximum maturity of the bonds; and  
24               (6) the maximum interest rate of the bonds.

25       (c) Notice of a bond election shall be given as provided by  
26 Section 1251.003, Government Code. (Acts 63rd Leg., R.S., Ch. 448,  
27 Sec. 7 (part).)

1           Sec. 1027.204. REVENUE BONDS. (a) The board may issue  
2 revenue bonds to:

3                   (1) purchase, construct, acquire, repair, renovate,  
4 or equip buildings or improvements for hospital purposes; or

5                   (2) acquire sites to be used for hospital purposes.

6           (b) The bonds must be payable from and secured by a pledge of  
7 all or part of the revenue derived from the operation of the  
8 district's hospitals.

9           (c) The bonds may be additionally secured by a mortgage or  
10 deed of trust lien on all or part of district property.

11           (d) The bonds must be issued in the manner and in accordance  
12 with the procedures and requirements prescribed by Sections  
13 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
14 issuance of revenue bonds by a county hospital authority. (Acts  
15 63rd Leg., R.S., Ch. 448, Sec. 8(b) (part).)

16           Sec. 1027.205. REFUNDING BONDS. (a) The board may issue  
17 refunding bonds to refund outstanding indebtedness issued or  
18 assumed by the district.

19           (b) A refunding bond may be:

20                   (1) sold, with the proceeds of the refunding bonds  
21 applied to the payment of outstanding indebtedness; or

22                   (2) exchanged wholly or partly for not less than a  
23 similar principal amount of outstanding indebtedness. (Acts 63rd  
24 Leg., R.S., Ch. 448, Secs. 8(a) (part), (b) (part).)

25           Sec. 1027.206. MATURITY OF BONDS. District bonds must  
26 mature not later than 40 years after the date of issuance. (Acts  
27 63rd Leg., R.S., Ch. 448, Sec. 9 (part).)

1           Sec. 1027.207. EXECUTION OF BONDS. (a) The board president  
2 shall execute district bonds in the district's name.

3           (b) The board secretary shall countersign the bonds in the  
4 manner provided by Chapter 618, Government Code. (Acts 63rd Leg.,  
5 R.S., Ch. 448, Sec. 9 (part).)

6           Sec. 1027.208. BONDS EXEMPT FROM TAXATION. The following  
7 are exempt from taxation by this state or a political subdivision of  
8 this state:

9           (1) bonds issued by the district;

10           (2) the transfer and issuance of the bonds; and

11           (3) profits made in the sale of the bonds. (Acts 63rd  
12 Leg., R.S., Ch. 448, Sec. 22 (part).)

13           [Sections 1027.209-1027.250 reserved for expansion]

14   SUBCHAPTER F. TAXES

15           Sec. 1027.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
16 annually shall impose a tax on all property in the district subject  
17 to district taxation.

18           (b) The board shall impose the tax to:

19           (1) pay the interest on and create a sinking fund for  
20 bonds and other obligations issued or assumed by the district for  
21 hospital purposes;

22           (2) provide for the operation and maintenance of the  
23 district and hospital system, based on the final budget;

24           (3) make improvements and additions to the hospital  
25 system; and

26           (4) acquire necessary sites for the hospital system by  
27 purchase, lease, or condemnation. (Acts 63rd Leg., R.S., Ch. 448,

1 Secs. 3(b) (part), 13(a) (part).)

2       Sec. 1027.252. TAX RATE. (a) The board may impose the tax  
3 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
4 property in the district.

5       (b) In setting the tax rate, the board shall consider the  
6 income of the district from sources other than taxation. (Acts 63rd  
7 Leg., R.S., Ch. 448, Secs. 3(b) (part), 13(a) (part), (b) (part).)

8       Sec. 1027.253. TAX ASSESSOR-COLLECTOR. The board may  
9 provide for the appointment of a tax assessor-collector for the  
10 district or may contract for the assessment and collection of taxes  
11 as provided by the Tax Code. (Acts 63rd Leg., R.S., Ch. 448, Sec.  
12 16(c).)

13       [Sections 1027.254-1027.300 reserved for expansion]

14                                       SUBCHAPTER G. DISSOLUTION

15       Sec. 1027.301. DISSOLUTION; ELECTION. (a) The district  
16 may be dissolved and its assets and obligations sold or transferred  
17 to another person only on approval of a majority of the district  
18 voters voting in an election held for that purpose.

19       (b) The board may order an election on the question of  
20 dissolving the district and disposing of the district's assets and  
21 obligations.

22       (c) The board shall order an election if the board receives  
23 a petition requesting an election that is signed by at least 300  
24 registered district voters according to the most recent official  
25 list of registered voters.

26       (d) The order calling the election must state:

27               (1) the nature of the election, including the

1 proposition to appear on the ballot;

2 (2) the date of the election;

3 (3) the hours during which the polls will be open; and

4 (4) the location of the polling places.

5 (e) Section 41.001(a), Election Code, does not apply to an  
6 election ordered under this section. (Acts 63rd Leg., R.S., Ch.  
7 448, Secs. 23A(a), (b), (c) (part), (d), (f) (part).)

8 Sec. 1027.302. NOTICE OF ELECTION. (a) The board shall  
9 give notice of an election under this subchapter by publishing once  
10 a week for two consecutive weeks a substantial copy of the election  
11 order in a newspaper with general circulation in the district.

12 (b) The first publication of the notice must appear at least  
13 35 days before the date set for the election. (Acts 63rd Leg.,  
14 R.S., Ch. 448, Sec. 23A(e).)

15 Sec. 1027.303. BALLOT. The ballot for an election under  
16 this subchapter must be printed to permit voting for or against the  
17 proposition: "The dissolution of the Fisher County Hospital  
18 District and the \_\_\_\_\_ (transfer or sale, as appropriate) of  
19 its assets and liabilities in the following manner: \_\_\_\_\_."  
20 (Acts 63rd Leg., R.S., Ch. 448, Sec. 23A(g).)

21 Sec. 1027.304. ELECTION RESULTS. (a) If the board finds  
22 the election results favor the proposition to dissolve the  
23 district, the board shall:

24 (1) issue an order declaring the district dissolved;  
25 and

26 (2) proceed with the sale or transfer of the district's  
27 assets and liabilities according to the plan proposed on the

1 ballot.

2 (b) If the board finds the election results do not favor the  
3 proposition to dissolve the district, the board shall continue to  
4 administer the district and another dissolution election may not be  
5 held before the first anniversary of the date of the election in  
6 which voters disapproved the proposition. (Acts 63rd Leg., R.S.,  
7 Ch. 448, Sec. 23A(h) (part).)

8 Sec. 1027.305. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

9 (a) The district may not be dissolved unless the board provides for  
10 the sale or transfer of the district's assets and liabilities to  
11 another person.

12 (b) The dissolution of the district and the sale or transfer  
13 of the district's assets or liabilities may not:

14 (1) contravene a trust indenture or bond resolution  
15 relating to the district's outstanding bonds; or

16 (2) diminish or impair the rights of a holder of an  
17 outstanding bond, warrant, or other obligation of the district.

18 (c) The sale or transfer of the district's assets and  
19 liabilities must satisfy the debt and bond obligations of the  
20 district in a manner that protects the interests of district  
21 residents, including the residents' collective property rights in  
22 the district's assets.

23 (d) The district may transfer or sell the district's assets  
24 only for due compensation, unless the transfer or sale is made to  
25 another governmental agency serving the district and using the  
26 transferred or purchased assets for the benefit of the residents  
27 formerly in the district.

1           (e) A grant from federal funds is an obligation to be repaid  
2 in full. (Acts 63rd Leg., R.S., Ch. 448, Secs. 23A(i), (j), (k).)

3           CHAPTER 1028. FOARD COUNTY HOSPITAL DISTRICT

4                   SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1028.001. DEFINITIONS

6 Sec. 1028.002. AUTHORITY FOR OPERATION

7 Sec. 1028.003. ESSENTIAL PUBLIC FUNCTION

8 Sec. 1028.004. DISTRICT TERRITORY

9 Sec. 1028.005. DISTRICT SUPPORT AND MAINTENANCE NOT

10                   STATE OBLIGATION

11 Sec. 1028.006. RESTRICTION ON STATE FINANCIAL

12                   ASSISTANCE

13           [Sections 1028.007-1028.050 reserved for expansion]

14                   SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1028.051. BOARD ELECTION; TERMS

16 Sec. 1028.052. NOTICE OF ELECTION

17 Sec. 1028.053. BALLOT PETITION

18 Sec. 1028.054. QUALIFICATIONS FOR OFFICE

19 Sec. 1028.055. BOND

20 Sec. 1028.056. BOARD VACANCY

21 Sec. 1028.057. OFFICERS

22 Sec. 1028.058. COMPENSATION; EXPENSES

23 Sec. 1028.059. VOTING REQUIREMENT

24 Sec. 1028.060. DISTRICT ADMINISTRATOR

25 Sec. 1028.061. GENERAL DUTIES OF DISTRICT

26                   ADMINISTRATOR



- 1 Sec. 1028.062. ASSISTANT DISTRICT ADMINISTRATOR;  
2 ATTORNEY
- 3 Sec. 1028.063. EMPLOYEES; APPOINTMENT OF STAFF
- 4 Sec. 1028.064. RETIREMENT BENEFITS
- 5 [Sections 1028.065-1028.100 reserved for expansion]
- 6 SUBCHAPTER C. POWERS AND DUTIES
- 7 Sec. 1028.101. DISTRICT RESPONSIBILITY
- 8 Sec. 1028.102. RESTRICTION ON COUNTY TAXATION AND DEBT
- 9 Sec. 1028.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 10 Sec. 1028.104. RULES
- 11 Sec. 1028.105. PURCHASING AND ACCOUNTING PROCEDURES
- 12 Sec. 1028.106. MOBILE EMERGENCY MEDICAL SERVICE
- 13 Sec. 1028.107. DISTRICT PROPERTY, FACILITIES, AND  
14 EQUIPMENT
- 15 Sec. 1028.108. EMINENT DOMAIN
- 16 Sec. 1028.109. COST OF RELOCATING OR ALTERING PROPERTY
- 17 Sec. 1028.110. GIFTS AND ENDOWMENTS
- 18 Sec. 1028.111. CONSTRUCTION CONTRACTS
- 19 Sec. 1028.112. OPERATING AND MANAGEMENT CONTRACTS
- 20 Sec. 1028.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
21 FOR SERVICES
- 22 Sec. 1028.114. PAYMENT FOR TREATMENT; PROCEDURES
- 23 Sec. 1028.115. REIMBURSEMENT FOR SERVICES
- 24 Sec. 1028.116. AUTHORITY TO SUE AND BE SUED
- 25 [Sections 1028.117-1028.150 reserved for expansion]
- 26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 27 Sec. 1028.151. BUDGET

- 1 Sec. 1028.152. NOTICE; HEARING; ADOPTION OF BUDGET  
2 Sec. 1028.153. AMENDMENTS TO BUDGET  
3 Sec. 1028.154. RESTRICTION ON EXPENDITURES  
4 Sec. 1028.155. FISCAL YEAR  
5 Sec. 1028.156. ANNUAL AUDIT  
6 Sec. 1028.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
7 RECORDS  
8 Sec. 1028.158. FINANCIAL REPORT  
9 Sec. 1028.159. DEPOSITORY  
10 Sec. 1028.160. SPENDING AND INVESTMENT RESTRICTIONS  
11 [Sections 1028.161-1028.200 reserved for expansion]  
12 SUBCHAPTER E. BONDS  
13 Sec. 1028.201. GENERAL OBLIGATION BONDS  
14 Sec. 1028.202. TAX TO PAY GENERAL OBLIGATION BONDS  
15 Sec. 1028.203. GENERAL OBLIGATION BOND ELECTION  
16 Sec. 1028.204. REVENUE BONDS  
17 Sec. 1028.205. REFUNDING BONDS  
18 Sec. 1028.206. MATURITY OF BONDS  
19 Sec. 1028.207. EXECUTION OF BONDS  
20 Sec. 1028.208. BONDS EXEMPT FROM TAXATION  
21 [Sections 1028.209-1028.250 reserved for expansion]  
22 SUBCHAPTER F. TAXES  
23 Sec. 1028.251. IMPOSITION OF AD VALOREM TAX  
24 Sec. 1028.252. TAX RATE  
25 Sec. 1028.253. TAX ASSESSOR-COLLECTOR  
26 CHAPTER 1028. FOARD COUNTY HOSPITAL DISTRICT  
27 SUBCHAPTER A. GENERAL PROVISIONS

1           Sec. 1028.001. DEFINITIONS. In this chapter:

2           (1) "Board" means the board of directors of the  
3 district.

4           (2) "Director" means a member of the board.

5           (3) "District" means the Foard County Hospital  
6 District. (Acts 68th Leg., R.S., Ch. 680, Sec. 1.01.)

7           Sec. 1028.002. AUTHORITY FOR OPERATION. The district  
8 operates and is financed as provided by Section 9, Article IX, Texas  
9 Constitution, and by this chapter. (Acts 68th Leg., R.S., Ch. 680,  
10 Sec. 1.02.)

11          Sec. 1028.003. ESSENTIAL PUBLIC FUNCTION. The district is  
12 a public entity performing an essential public function. (Acts  
13 68th Leg., R.S., Ch. 680, Sec. 7.11 (part).)

14          Sec. 1028.004. DISTRICT TERRITORY. The boundaries of the  
15 district are coextensive with the boundaries of Foard County,  
16 Texas. (Acts 68th Leg., R.S., Ch. 680, Sec. 1.03.)

17          Sec. 1028.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
18 OBLIGATION. The state may not become obligated for the support or  
19 maintenance of the district. (Acts 68th Leg., R.S., Ch. 680, Sec.  
20 9.01 (part).)

21          Sec. 1028.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
22 The legislature may not make a direct appropriation for the  
23 construction, maintenance, or improvement of a district facility.  
24 (Acts 68th Leg., R.S., Ch. 680, Sec. 9.01 (part).)

25           [Sections 1028.007-1028.050 reserved for expansion]

26                   SUBCHAPTER B. DISTRICT ADMINISTRATION

27          Sec. 1028.051. BOARD ELECTION; TERMS. (a) The district is

1 governed by a board of seven directors elected from the district at  
2 large.

3 (b) Directors serve staggered two-year terms unless  
4 four-year terms are established under Section 285.081, Health and  
5 Safety Code. (Acts 68th Leg., R.S., Ch. 680, Secs. 4.01(a),  
6 4.03(a), (c).)

7 Sec. 1028.052. NOTICE OF ELECTION. At least 50 days before  
8 the date of an election of directors, notice of the election shall  
9 be published one time in a newspaper with general circulation in the  
10 district. (Acts 68th Leg., R.S., Ch. 680, Sec. 4.04.)

11 Sec. 1028.053. BALLOT PETITION. A person who wants to have  
12 the person's name printed on the ballot as a candidate for director  
13 must file with the board secretary a petition requesting that  
14 action. The petition must be:

15 (1) signed by at least 15 registered voters of the  
16 district, as determined by the most recent official lists of  
17 registered voters; and

18 (2) filed not later than the 46th day before the date  
19 of the election. (Acts 68th Leg., R.S., Ch. 680, Sec. 4.05.)

20 Sec. 1028.054. QUALIFICATIONS FOR OFFICE. (a) To be  
21 eligible to be a candidate for or to serve as a director, a person  
22 must be:

23 (1) a district resident; and

24 (2) a qualified voter.

25 (b) A district employee may not serve as a director. (Acts  
26 68th Leg., R.S., Ch. 680, Sec. 4.06.)

27 Sec. 1028.055. BOND. (a) Before assuming the duties of

1 office, each director must execute a bond for \$5,000 that is:

2 (1) payable to the district; and

3 (2) conditioned on the faithful performance of the  
4 director's duties.

5 (b) The board may pay for a director's bond with district  
6 money.

7 (c) Each director's bond shall be kept in the district's  
8 permanent records. (Acts 68th Leg., R.S., Ch. 680, Sec. 4.07.)

9 Sec. 1028.056. BOARD VACANCY. If a vacancy occurs in the  
10 office of director, the remaining directors shall appoint a  
11 director for the unexpired term. (Acts 68th Leg., R.S., Ch. 680,  
12 Sec. 4.08.)

13 Sec. 1028.057. OFFICERS. (a) The board shall elect a  
14 president and a vice president from among its members.

15 (b) The board shall appoint a secretary, who need not be a  
16 director.

17 (c) Each officer of the board serves for a term of one year.

18 (d) The board shall fill a vacancy in a board office for the  
19 unexpired term. (Acts 68th Leg., R.S., Ch. 680, Secs. 4.09, 4.10.)

20 Sec. 1028.058. COMPENSATION; EXPENSES. A director or  
21 officer serves without compensation but may be reimbursed for  
22 actual expenses incurred in the performance of official duties.  
23 The expenses must be:

24 (1) reported in the district's records; and

25 (2) approved by the board. (Acts 68th Leg., R.S., Ch.  
26 680, Sec. 4.11.)

27 Sec. 1028.059. VOTING REQUIREMENT. A concurrence of a

1 majority of the directors voting is necessary in any matter  
2 relating to district business. (Acts 68th Leg., R.S., Ch. 680, Sec.  
3 4.12.)

4 Sec. 1028.060. DISTRICT ADMINISTRATOR. (a) The board may  
5 appoint a qualified person as district administrator.

6 (b) The district administrator serves at the will of the  
7 board and is entitled to the compensation determined by the board.

8 (c) Before assuming the duties of district administrator,  
9 the administrator must execute a bond in an amount set by the board  
10 of not less than \$5,000 that is:

11 (1) payable to the district; and

12 (2) conditioned on the faithful performance of the  
13 administrator's duties under this chapter.

14 (d) The board may pay for the bond with district money.  
15 (Acts 68th Leg., R.S., Ch. 680, Secs. 4.13(a) (part), (b) (part),  
16 (c) (part), (d).)

17 Sec. 1028.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
18 Subject to the limitations prescribed by the board, the district  
19 administrator shall:

20 (1) supervise the work and activities of the district;  
21 and

22 (2) direct the general affairs of the district. (Acts  
23 68th Leg., R.S., Ch. 680, Sec. 4.16.)

24 Sec. 1028.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.  
25 (a) The board may appoint qualified persons as:

26 (1) the assistant district administrator; and

27 (2) the attorney for the district.

1 (b) The assistant district administrator and the attorney  
2 for the district serve at the will of the board and are entitled to  
3 the compensation determined by the board. (Acts 68th Leg., R.S.,  
4 Ch. 680, Secs. 4.13(a) (part), (b) (part), (c) (part).)

5 Sec. 1028.063. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
6 board may appoint to the staff any doctors the board considers  
7 necessary for the efficient operation of the district and may make  
8 temporary appointments as necessary.

9 (b) The district may employ technicians, nurses, fiscal  
10 agents, accountants, architects, additional attorneys, and other  
11 necessary employees.

12 (c) The board may delegate to the district administrator the  
13 authority to employ persons for the district. (Acts 68th Leg.,  
14 R.S., Ch. 680, Secs. 4.14, 4.15.)

15 Sec. 1028.064. RETIREMENT BENEFITS. The board may provide  
16 retirement benefits for district employees by:

17 (1) establishing or administering a retirement  
18 program; or

19 (2) participating in:

20 (A) the Texas County and District Retirement  
21 System; or

22 (B) another statewide retirement system in which  
23 the district is eligible to participate. (Acts 68th Leg., R.S., Ch.  
24 680, Sec. 4.17.)

25 [Sections 1028.065-1028.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1028.101. DISTRICT RESPONSIBILITY. The district has

1 full responsibility for:

2 (1) operating hospital facilities; and

3 (2) providing medical and hospital care for the  
4 district's needy inhabitants. (Acts 68th Leg., R.S., Ch. 680, Sec.  
5 5.02 (part).)

6 Sec. 1028.102. RESTRICTION ON COUNTY TAXATION AND DEBT.  
7 Foard County may not impose a tax or issue bonds or other  
8 obligations for hospital purposes or to provide medical care for  
9 district residents. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.01(b).)

10 Sec. 1028.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
11 The board shall manage, control, and administer the hospital system  
12 and the district's money and resources. (Acts 68th Leg., R.S., Ch.  
13 680, Sec. 5.03.)

14 Sec. 1028.104. RULES. The board may adopt rules governing:

15 (1) the operation of the hospital and hospital system;  
16 and

17 (2) the duties, functions, and responsibilities of  
18 district staff and employees. (Acts 68th Leg., R.S., Ch. 680, Sec.  
19 5.04.)

20 Sec. 1028.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
21 board may prescribe:

22 (1) the method of making purchases and expenditures by  
23 and for the district; and

24 (2) accounting and control procedures for the  
25 district. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.05.)

26 Sec. 1028.106. MOBILE EMERGENCY MEDICAL SERVICE. The  
27 district may operate or provide for the operation of a mobile



1 emergency medical service. (Acts 68th Leg., R.S., Ch. 680, Sec.  
2 5.02 (part).)

3 Sec. 1028.107. DISTRICT PROPERTY, FACILITIES, AND  
4 EQUIPMENT. (a) The board shall determine:

5 (1) the type, number, and location of buildings  
6 required to maintain an adequate hospital system; and

7 (2) the type of equipment necessary for hospital care.

8 (b) The board may:

9 (1) acquire property, including facilities and  
10 equipment, for the district for use in the hospital system; and

11 (2) mortgage or pledge the property as security for  
12 payment of the purchase price.

13 (c) The board may lease hospital facilities for the  
14 district.

15 (d) The board may sell or otherwise dispose of property,  
16 including facilities or equipment, for the district. (Acts 68th  
17 Leg., R.S., Ch. 680, Sec. 5.06.)

18 Sec. 1028.108. EMINENT DOMAIN. (a) The district may  
19 exercise the power of eminent domain to acquire a fee simple or  
20 other interest in property located in district territory if the  
21 interest is necessary for the district to exercise a right or  
22 authority conferred by this chapter.

23 (b) The district must exercise the power of eminent domain  
24 in the manner provided by Chapter 21, Property Code, except the  
25 district is not required to deposit in the trial court money or a  
26 bond as provided by Section 21.021(a), Property Code.

27 (c) In a condemnation proceeding brought by the district,

1 the district is not required to:

2 (1) pay in advance or provide a bond or other security  
3 for costs in the trial court;

4 (2) provide a bond for the issuance of a temporary  
5 restraining order or a temporary injunction; or

6 (3) provide a bond for costs or a supersedeas bond on  
7 an appeal or writ of error. (Acts 68th Leg., R.S., Ch. 680, Sec.  
8 5.09.)

9 Sec. 1028.109. COST OF RELOCATING OR ALTERING PROPERTY. In  
10 exercising the power of eminent domain, if the board requires  
11 relocating, raising, lowering, rerouting, changing the grade of, or  
12 altering the construction of any railroad, highway, pipeline, or  
13 electric transmission, telegraph, or telephone line, conduit,  
14 pole, or facility, the district must bear the actual cost of  
15 relocating, raising, lowering, rerouting, changing the grade, or  
16 altering the construction to provide comparable replacement  
17 without enhancement of facilities, after deducting the net salvage  
18 value derived from the old facility. (Acts 68th Leg., R.S., Ch.  
19 680, Sec. 5.10.)

20 Sec. 1028.110. GIFTS AND ENDOWMENTS. The board may accept  
21 for the district a gift or endowment to be held in trust for any  
22 purpose and under any direction, limitation, or other provision  
23 prescribed in writing by the donor that is consistent with the  
24 proper management of the district. (Acts 68th Leg., R.S., Ch. 680,  
25 Sec. 5.14.)

26 Sec. 1028.111. CONSTRUCTION CONTRACTS. (a) The board may  
27 enter into construction contracts for the district.

1           (b) The board may enter into a construction contract that  
2 involves the expenditure of more than the amount provided by  
3 Section 271.024, Local Government Code, only after competitive  
4 bidding as provided by Subchapter B, Chapter 271, Local Government  
5 Code. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.07(a).)

6           Sec. 1028.112. OPERATING AND MANAGEMENT CONTRACTS. The  
7 board may enter into an operating or management contract relating  
8 to a hospital facility for the district. (Acts 68th Leg., R.S., Ch.  
9 680, Sec. 5.08.)

10          Sec. 1028.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
11 SERVICES. The board may contract with a political subdivision of  
12 this state or with a state or federal agency for the district to:

- 13           (1) furnish a mobile emergency medical service; or  
14           (2) provide for the investigatory or welfare needs of  
15 district inhabitants. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.13.)

16          Sec. 1028.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
17 When a person who resides in the district is admitted as a patient  
18 to a district facility, the district administrator may have an  
19 inquiry made into the financial circumstances of:

- 20           (1) the patient; and  
21           (2) a relative of the patient who is legally  
22 responsible for the patient's support.

23          (b) To the extent that the patient or a relative of the  
24 patient who is legally responsible for the patient's support cannot  
25 pay for care and treatment provided by the district, the district  
26 shall supply the care and treatment without charging the patient or  
27 the patient's relative.

1 (c) On determining that the patient or a relative legally  
2 responsible for the patient's support can pay for all or part of the  
3 care and treatment provided by the district, the district  
4 administrator shall report that determination to the board, and the  
5 board shall issue an order directing the patient or the relative to  
6 pay the district a specified amount each week. The amount must be  
7 based on the person's ability to pay.

8 (d) The district administrator may collect money owed to the  
9 district from the patient's estate or from that of a relative who  
10 was legally responsible for the patient's support in the manner  
11 provided by law for the collection of expenses in the last illness  
12 of a deceased person.

13 (e) If there is a dispute relating to a person's ability to  
14 pay or if the district administrator has any doubt concerning a  
15 person's ability to pay, the board shall:

- 16 (1) call witnesses;
- 17 (2) hear and resolve the question; and
- 18 (3) issue a final order.

19 (f) The final order of the board may be appealed to a  
20 district court in Foard County. The substantial evidence rule  
21 applies to the appeal. (Acts 68th Leg., R.S., Ch. 680, Sec. 5.11.)

22 Sec. 1028.115. REIMBURSEMENT FOR SERVICES. (a) The board  
23 shall require a county or municipality located outside the district  
24 to reimburse the district for the district's care and treatment of a  
25 sick or injured person of that county or municipality.

26 (b) The board shall require the sheriff of Foard County to  
27 reimburse the district for the district's care and treatment of a

1 person who is confined in a jail facility of Foard County and is not  
2 a district resident.

3 (c) On behalf of the district, the board may contract with  
4 the state or federal government for that government to reimburse  
5 the district for treatment of a sick or injured person. (Acts 68th  
6 Leg., R.S., Ch. 680, Sec. 5.12.)

7 Sec. 1028.116. AUTHORITY TO SUE AND BE SUED. The board may  
8 sue and be sued on behalf of the district. (Acts 68th Leg., R.S.,  
9 Ch. 680, Sec. 5.15.)

10 [Sections 1028.117-1028.150 reserved for expansion]

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Sec. 1028.151. BUDGET. (a) The district administrator  
13 shall prepare a proposed annual budget for the district.

14 (b) The proposed budget must contain a complete financial  
15 statement, including a statement of:

- 16 (1) the outstanding obligations of the district;
- 17 (2) the amount of cash on hand in each district fund;
- 18 (3) the amount of money received by the district from  
19 all sources during the previous year;
- 20 (4) the amount of money available to the district from  
21 all sources during the ensuing year;
- 22 (5) the amount of the balances expected at the end of  
23 the year in which the budget is being prepared;
- 24 (6) the estimated amount of revenue and balances  
25 available to cover the proposed budget; and
- 26 (7) the estimated tax rate required. (Acts 68th Leg.,  
27 R.S., Ch. 680, Sec. 6.04.)

1           Sec. 1028.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

2 The board shall hold a public hearing on the proposed annual budget.

3           (b) The board shall publish notice of the hearing in a  
4 newspaper with general circulation in the district not later than  
5 the 10th day before the date of the hearing.

6           (c) Any district resident is entitled to be present and  
7 participate at the hearing.

8           (d) At the conclusion of the hearing, the board shall adopt  
9 a budget by acting on the budget proposed by the district  
10 administrator. The board may make any changes in the proposed  
11 budget that the board judges to be in the interests of the  
12 taxpayers.

13           (e) The budget is effective only after adoption by the  
14 board. (Acts 68th Leg., R.S., Ch. 680, Sec. 6.05.)

15           Sec. 1028.153. AMENDMENTS TO BUDGET. After the budget is  
16 adopted, the budget may be amended on the board's approval. (Acts  
17 68th Leg., R.S., Ch. 680, Sec. 6.06.)

18           Sec. 1028.154. RESTRICTION ON EXPENDITURES. Money may be  
19 spent only for an expense included in the budget or an amendment to  
20 the budget. (Acts 68th Leg., R.S., Ch. 680, Sec. 6.07.)

21           Sec. 1028.155. FISCAL YEAR. (a) The district operates on a  
22 fiscal year established by the board.

23           (b) The fiscal year may not be changed:

24                   (1) during a period that revenue bonds of the district  
25 are outstanding; or

26                   (2) more than once in a 24-month period. (Acts 68th  
27 Leg., R.S., Ch. 680, Sec. 6.01.)

1           Sec. 1028.156. ANNUAL AUDIT. The board annually shall have  
2 an audit made of the district's financial condition. (Acts 68th  
3 Leg., R.S., Ch. 680, Sec. 6.02.)

4           Sec. 1028.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
5 RECORDS. The annual audit and other district records shall be open  
6 to inspection during regular business hours at the district's  
7 principal office. (Acts 68th Leg., R.S., Ch. 680, Sec. 6.03.)

8           Sec. 1028.158. FINANCIAL REPORT. As soon as practicable  
9 after the close of the fiscal year, the district administrator  
10 shall prepare for the board:

11                   (1) a sworn statement of the amount of district money;  
12 and

13                   (2) an account of the disbursements of that money.  
14 (Acts 68th Leg., R.S., Ch. 680, Sec. 6.08.)

15           Sec. 1028.159. DEPOSITORY. (a) The board shall select at  
16 least one bank to serve as a depository for district money.

17           (b) District money, other than money invested as provided by  
18 Section 1028.160(b) and money transmitted to a bank for payment of  
19 bonds or obligations issued or assumed by the district, shall be  
20 deposited as received with the depository bank and shall remain on  
21 deposit. This subsection does not limit the power of the board to  
22 place a part of district money on time deposit or to purchase  
23 certificates of deposit.

24           (c) The district may not deposit money with a bank in an  
25 amount that exceeds the maximum amount secured by the Federal  
26 Deposit Insurance Corporation unless the bank first executes a bond  
27 or other security in an amount sufficient to secure from loss the

1 district money that exceeds the amount secured by the Federal  
2 Deposit Insurance Corporation. (Acts 68th Leg., R.S., Ch. 680,  
3 Sec. 6.10.)

4 Sec. 1028.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
5 Except as provided by Sections 1028.111, 1028.201, 1028.204, and  
6 1028.205, the district may not incur a debt payable from district  
7 revenue other than the revenue on hand or to be on hand in the  
8 current and immediately following district fiscal years.

9 (b) The board may invest operating, depreciation, or  
10 building reserves only in funds or securities specified by Chapter  
11 2256, Government Code. (Acts 68th Leg., R.S., Ch. 680, Sec. 6.09.)

12 [Sections 1028.161-1028.200 reserved for expansion]

13 SUBCHAPTER E. BONDS

14 Sec. 1028.201. GENERAL OBLIGATION BONDS. If authorized by  
15 an election, the board may issue and sell general obligation bonds  
16 in the name and on the faith and credit of the district to:

17 (1) purchase, construct, acquire, repair, or renovate  
18 buildings or improvements;

19 (2) equip buildings or improvements for hospital  
20 purposes; or

21 (3) acquire and operate a mobile emergency medical  
22 service. (Acts 68th Leg., R.S., Ch. 680, Sec. 7.01.)

23 Sec. 1028.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
24 the time general obligation bonds are issued by the district under  
25 Section 1028.201, the board shall impose an ad valorem tax at a rate  
26 sufficient to create an interest and sinking fund to pay the  
27 principal of and interest on the bonds as the bonds mature.



1           (b) The tax required by this section together with any other  
2 ad valorem tax the district imposes may not in any year exceed the  
3 limit approved by the voters at the election authorizing the  
4 imposition of the tax. (Acts 68th Leg., R.S., Ch. 680, Sec. 7.02.)

5           Sec. 1028.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
6 district may issue general obligation bonds only if the bonds are  
7 authorized by a majority of the district voters.

8           (b) The board may order a bond election.

9           (c) The order calling the election must specify:

- 10                   (1) the nature and date of the election;  
11                   (2) the hours during which the polls will be open;  
12                   (3) the location of the polling places;  
13                   (4) the amount of the bonds to be authorized; and  
14                   (5) the maximum maturity of the bonds.

15           (d) Notice of a bond election shall be given as provided by  
16 Section 1251.003, Government Code.

17           (e) The board shall declare the results of the election.  
18 (Acts 68th Leg., R.S., Ch. 680, Sec. 7.03.)

19           Sec. 1028.204. REVENUE BONDS. (a) The board may issue  
20 revenue bonds to:

- 21                   (1) purchase, construct, acquire, repair, equip, or  
22 renovate buildings or improvements for hospital purposes;  
23                   (2) acquire sites to be used for hospital purposes; or  
24                   (3) acquire and operate a mobile emergency medical  
25 service to assist the district in carrying out its hospital  
26 purposes.

27           (b) The bonds must be payable from and secured by a pledge of

1 all or part of the revenue derived from the operation of the  
2 district's hospital system.

3 (c) The bonds may be additionally secured by a mortgage or  
4 deed of trust lien on all or part of district property.

5 (d) The bonds must be issued in the manner provided by  
6 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
7 Code, for issuance of revenue bonds by a county hospital authority.  
8 (Acts 68th Leg., R.S., Ch. 680, Sec. 7.04.)

9 Sec. 1028.205. REFUNDING BONDS. (a) The board may issue  
10 refunding bonds to refund outstanding indebtedness issued or  
11 assumed by the district.

12 (b) A refunding bond may be:

13 (1) sold, with the proceeds of the refunding bond  
14 applied to the payment of the outstanding indebtedness; or

15 (2) exchanged wholly or partly for not less than a  
16 similar principal amount of outstanding indebtedness. (Acts 68th  
17 Leg., R.S., Ch. 680, Secs. 7.05(a), (c) (part).)

18 Sec. 1028.206. MATURITY OF BONDS. District bonds must  
19 mature not later than 50 years after the date of issuance. (Acts  
20 68th Leg., R.S., Ch. 680, Sec. 7.06 (part).)

21 Sec. 1028.207. EXECUTION OF BONDS. (a) The board president  
22 shall execute district bonds in the district's name.

23 (b) The board secretary shall countersign the bonds in the  
24 manner provided by Chapter 618, Government Code. (Acts 68th Leg.,  
25 R.S., Ch. 680, Sec. 7.07.)

26 Sec. 1028.208. BONDS EXEMPT FROM TAXATION. The following  
27 are exempt from taxation by this state or a political subdivision of

1 this state:

- 2 (1) bonds issued by the district;
  - 3 (2) any transaction relating to the bonds; and
  - 4 (3) profits made in the sale of the bonds. (Acts 68th
- 5 Leg., R.S., Ch. 680, Sec. 7.11 (part).)

6 [Sections 1028.209-1028.250 reserved for expansion]

7 SUBCHAPTER F. TAXES

8 Sec. 1028.251. IMPOSITION OF AD VALOREM TAX. (a) The board

9 may impose a tax on all property in the district subject to district

10 taxation.

11 (b) The tax may be used to pay:

- 12 (1) indebtedness issued or assumed by the district;
  - 13 and
  - 14 (2) the maintenance and operating expenses of the
- 15 district.

16 (c) The district may not impose a tax to pay the principal of

17 or interest on revenue bonds issued under this chapter. (Acts 68th

18 Leg., R.S., Ch. 680, Secs. 8.01 (a) (part), (c), (d), 8.02(b).)

19 Sec. 1028.252. TAX RATE. (a) The board may impose the tax

20 at a rate not to exceed the limit approved by the voters at the

21 election authorizing the imposition of the tax.

22 (b) The tax rate for all purposes may not exceed 75 cents on

23 each \$100 valuation of all taxable property in the district.

24 (c) In setting the tax rate, the board shall consider the

25 income of the district from sources other than taxation. (Acts 68th

26 Leg., R.S., Ch. 680, Secs. 8.01(a) (part), (b), 8.03 (part).)

27 Sec. 1028.253. TAX ASSESSOR-COLLECTOR. The board may

1 provide for the appointment of a tax assessor-collector for the  
2 district or may contract for the assessment and collection of taxes  
3 as provided by the Tax Code. (Acts 68th Leg., R.S., Ch. 680, Sec.  
4 8.04(b).)

5 CHAPTER 1029. FOLLETT HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1029.001. DEFINITIONS

8 Sec. 1029.002. AUTHORITY FOR OPERATION

9 Sec. 1029.003. POLITICAL SUBDIVISION

10 Sec. 1029.004. DISTRICT TERRITORY

11 [Sections 1029.005-1029.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1029.051. BOARD ELECTION; TERM

14 Sec. 1029.052. BOARD VACANCY

15 Sec. 1029.053. OFFICERS

16 Sec. 1029.054. COMPENSATION; EXPENSES

17 Sec. 1029.055. EMPLOYEES

18 Sec. 1029.056. MAINTENANCE OF RECORDS; PUBLIC

19 INSPECTION

20 Sec. 1029.057. SEAL

21 [Sections 1029.058-1029.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 1029.101. DISTRICT RESPONSIBILITY

24 Sec. 1029.102. RESTRICTION ON POLITICAL SUBDIVISION

25 TAXATION AND DEBT

26 Sec. 1029.103. MANAGEMENT AND CONTROL

27 Sec. 1029.104. HOSPITAL SYSTEM

- 1 Sec. 1029.105. RULES
- 2 Sec. 1029.106. PURCHASING AND ACCOUNTING PROCEDURES
- 3 Sec. 1029.107. EMINENT DOMAIN
- 4 Sec. 1029.108. GIFTS AND ENDOWMENTS
- 5 Sec. 1029.109. PAYMENT FOR TREATMENT; PROCEDURES
- 6 Sec. 1029.110. AUTHORITY TO SUE AND BE SUED
- 7 [Sections 1029.111-1029.150 reserved for expansion]
- 8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 9 Sec. 1029.151. BUDGET
- 10 Sec. 1029.152. PROPOSED BUDGET: NOTICE AND HEARING
- 11 Sec. 1029.153. FISCAL YEAR
- 12 Sec. 1029.154. ANNUAL AUDIT
- 13 Sec. 1029.155. DEPOSITORY OR TREASURER
- 14 [Sections 1029.156-1029.200 reserved for expansion]
- 15 SUBCHAPTER E. BONDS
- 16 Sec. 1029.201. GENERAL OBLIGATION BONDS
- 17 Sec. 1029.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 18 Sec. 1029.203. GENERAL OBLIGATION BOND ELECTION
- 19 Sec. 1029.204. MATURITY OF GENERAL OBLIGATION BONDS
- 20 Sec. 1029.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 21 Sec. 1029.206. REFUNDING BONDS
- 22 [Sections 1029.207-1029.250 reserved for expansion]
- 23 SUBCHAPTER F. TAXES
- 24 Sec. 1029.251. IMPOSITION OF AD VALOREM TAX
- 25 Sec. 1029.252. TAX RATE
- 26 Sec. 1029.253. TAX ASSESSOR-COLLECTOR

1                   CHAPTER 1029. FOLLETT HOSPITAL DISTRICT

2                   SUBCHAPTER A. GENERAL PROVISIONS

3           Sec. 1029.001. DEFINITIONS. In this chapter:

4           (1) "Board" means the board of directors of the  
5 district.

6           (2) "Director" means a member of the board.

7           (3) "District" means the Follett Hospital District.  
8 (New.)

9           Sec. 1029.002. AUTHORITY FOR OPERATION. The district  
10 operates and is financed in accordance with Section 9, Article IX,  
11 Texas Constitution. (Acts 64th Leg., R.S., Ch. 668, Sec. 1 (part).)

12           Sec. 1029.003. POLITICAL SUBDIVISION. The district is a  
13 political subdivision of this state. (Acts 64th Leg., R.S., Ch.  
14 668, Sec. 16 (part).)

15           Sec. 1029.004. DISTRICT TERRITORY. The district is  
16 composed of the territory described by Section 1, Chapter 668, Acts  
17 of the 64th Legislature, Regular Session, 1975. (New.)

18           [Sections 1029.005-1029.050 reserved for expansion]

19                   SUBCHAPTER B. DISTRICT ADMINISTRATION

20           Sec. 1029.051. BOARD ELECTION; TERM. (a) The board  
21 consists of six directors elected from the district at large.

22           (b) Unless four-year terms are established under Section  
23 285.081, Health and Safety Code:

24           (1) directors serve staggered two-year terms, with  
25 three directors elected each year; and

26           (2) a directors' election shall be held on the uniform  
27 election date in May of each year. (Acts 64th Leg., R.S., Ch. 668,

1 Secs. 3(d) (part), 3A(a).)

2       Sec. 1029.052. BOARD VACANCY. If a vacancy occurs in the  
3 office of director, the remaining directors shall appoint a  
4 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 668,  
5 Sec. 3A(b).)

6       Sec. 1029.053. OFFICERS. (a) The board shall elect a  
7 president, vice president, and secretary-treasurer from among its  
8 members.

9       (b) Each officer of the board serves until the next  
10 directors' election. (Acts 64th Leg., R.S., Ch. 668, Sec. 4(a)  
11 (part).)

12       Sec. 1029.054. COMPENSATION; EXPENSES. A director serves  
13 without compensation but may be reimbursed for actual expenses  
14 incurred in the performance of official duties on approval of the  
15 expenses by the entire board. (Acts 64th Leg., R.S., Ch. 668, Sec.  
16 4(b).)

17       Sec. 1029.055. EMPLOYEES. The board may employ a general  
18 manager, attorneys, financial advisors, bookkeepers, and  
19 architects. (Acts 64th Leg., R.S., Ch. 668, Sec. 7(a) (part).)

20       Sec. 1029.056. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
21 All district records, including books, accounts, notices, minutes,  
22 and all other matters of the district and the operation of its  
23 facilities, shall be:

- 24               (1) maintained at the district office; and  
25               (2) open to public inspection at reasonable hours.  
26 (Acts 64th Leg., R.S., Ch. 668, Sec. 7(b).)

27       Sec. 1029.057. SEAL. The board may adopt a seal for the

1 district. (Acts 64th Leg., R.S., Ch. 668, Sec. 7(a) (part).)

2 [Sections 1029.058-1029.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 1029.101. DISTRICT RESPONSIBILITY. The district has  
5 full responsibility for:

6 (1) operating all hospital facilities; and

7 (2) providing hospital care for the district's needy  
8 inhabitants. (Acts 64th Leg., R.S., Ch. 668, Sec. 12(a) (part).)

9 Sec. 1029.102. RESTRICTION ON POLITICAL SUBDIVISION  
10 TAXATION AND DEBT. (a) A political subdivision within the  
11 district, other than the district, may not impose a tax or issue  
12 bonds or other obligations for hospital purposes or to provide  
13 medical care for district inhabitants.

14 (b) A governmental entity other than the district may not  
15 impose a tax or issue bonds or other obligations on property in the  
16 district for hospital purposes or to provide medical care for needy  
17 district inhabitants. (Acts 64th Leg., R.S., Ch. 668, Sec. 12(a)  
18 (part).)

19 Sec. 1029.103. MANAGEMENT AND CONTROL. The board has full  
20 management and control of all district business, including the  
21 power to:

22 (1) negotiate and contract with any person;

23 (2) purchase or lease land; and

24 (3) construct, equip, operate, and maintain a hospital  
25 system. (Acts 64th Leg., R.S., Ch. 668, Sec. 4(a) (part).)

26 Sec. 1029.104. HOSPITAL SYSTEM. The district shall  
27 provide for the establishment of a hospital system to provide



1 medical and hospital care to the district's residents. (Acts 64th  
2 Leg., R.S., Ch. 668, Sec. 2 (part).)

3       Sec. 1029.105. RULES. (a) The board may adopt rules  
4 governing the operation of the district, including district  
5 facilities.

6       (b) On approval by the board, the rules may be published in  
7 booklet form at district expense and made available to any resident  
8 on request. (Acts 64th Leg., R.S., Ch. 668, Sec. 7(c).)

9       Sec. 1029.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
10 The board may prescribe the method and manner of making purchases  
11 and expenditures for the district.

12       (b) The board shall prescribe:

13               (1) all accounting and control procedures; and

14               (2) the method of purchasing necessary supplies,  
15 materials, and equipment. (Acts 64th Leg., R.S., Ch. 668, Sec. 7(a)  
16 (part).)

17       Sec. 1029.107. EMINENT DOMAIN. (a) The district may  
18 exercise the power of eminent domain to acquire a fee simple or  
19 other interest in any type of property located in district  
20 territory if the interest is necessary or convenient for the  
21 district to exercise a right, power, privilege, or function  
22 conferred on the district by this chapter.

23       (b) The district must exercise the power of eminent domain  
24 in the manner provided by Chapter 21, Property Code, except the  
25 district is not required to deposit in the trial court money or a  
26 bond as provided by Section 21.021(a), Property Code.

27       (c) In a condemnation proceeding, the district is not

1 required to:

2 (1) pay in advance or provide a bond or other security  
3 for costs in the trial court;

4 (2) provide a bond for the issuance of a temporary  
5 restraining order or a temporary injunction; or

6 (3) provide a bond for costs or a supersedeas bond on  
7 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 668, Sec. 9.)

8 Sec. 1029.108. GIFTS AND ENDOWMENTS. The board may accept  
9 for the district a gift or endowment to be held in trust and  
10 administered by the board for the purposes and under the  
11 directions, limitations, or other provisions prescribed in writing  
12 by the donor that are not inconsistent with the proper management  
13 and objectives of the district. (Acts 64th Leg., R.S., Ch. 668,  
14 Sec. 14.)

15 Sec. 1029.109. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
16 When a patient from Lipscomb County is admitted to a district  
17 facility, the board shall have an inquiry made into the  
18 circumstances of:

19 (1) the patient; and

20 (2) the patient's relatives who are legally liable for  
21 the patient's support.

22 (b) If an agent designated by the district determines that  
23 the patient or those relatives cannot pay all or part of the costs  
24 of the care and treatment in the hospital, the expense of that care  
25 becomes a charge against the district.

26 (c) If an agent designated by the district determines that  
27 the patient or those relatives are liable to pay for all or part of

1 the costs of the patient's care and treatment, the patient or those  
2 relatives shall be ordered to pay the district's treasurer a  
3 specified amount each week for the patient's support. The amount  
4 ordered must be proportionate to the person's financial ability and  
5 may not exceed the actual per capita cost of maintenance.

6 (d) The district may collect the amount from the patient's  
7 estate, or from any relative who is legally liable for the patient's  
8 support, in the manner provided by law for the collection of  
9 expenses of the last illness of a deceased person.

10 (e) If there is a dispute as to the ability to pay, the board  
11 shall hold a hearing and, after calling witnesses, shall resolve  
12 the dispute.

13 (f) Either party to the dispute may appeal the district's  
14 determination to the district court. (Acts 64th Leg., R.S., Ch.  
15 668, Sec. 13.)

16 Sec. 1029.110. AUTHORITY TO SUE AND BE SUED. The district  
17 may sue and be sued in its own name in any court of this state.  
18 (Acts 64th Leg., R.S., Ch. 668, Sec. 16 (part).)

19 [Sections 1029.111-1029.150 reserved for expansion]

20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

21 Sec. 1029.151. BUDGET. The board annually shall have a  
22 budget prepared for the next fiscal year that includes:

- 23 (1) proposed expenditures and disbursements;  
24 (2) estimated receipts and collections; and  
25 (3) the amount of taxes required to be imposed for the  
26 year. (Acts 64th Leg., R.S., Ch. 668, Sec. 8(b) (part).)

27 Sec. 1029.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)

1 The board shall hold a public hearing on the proposed budget.

2 (b) Notice of the hearing must be published at least once in  
3 a newspaper of general circulation in the district not later than  
4 the 10th day before the date of the hearing.

5 (c) Any district resident is entitled to:

6 (1) appear at the time and place designated in the  
7 notice; and

8 (2) be heard regarding any item included in the  
9 proposed budget. (Acts 64th Leg., R.S., Ch. 668, Sec. 8(b) (part).)

10 Sec. 1029.153. FISCAL YEAR. The district operates on a  
11 fiscal year that begins on October 1 and ends on September 30.  
12 (Acts 64th Leg., R.S., Ch. 668, Sec. 8(a) (part).)

13 Sec. 1029.154. ANNUAL AUDIT. (a) The board annually shall  
14 have an independent audit made of the district's books and records  
15 for the fiscal year.

16 (b) Not later than December 31 of each year, the audit shall  
17 be filed:

18 (1) with the comptroller; and

19 (2) at the district office. (Acts 64th Leg., R.S., Ch.  
20 668, Sec. 8(a) (part).)

21 Sec. 1029.155. DEPOSITORY OR TREASURER. (a) The board by  
22 resolution shall designate a bank or banks in the district as the  
23 district's depository or treasurer. A designated bank serves for  
24 two years and until a successor is designated.

25 (b) All income received by the district shall be deposited  
26 with the district depository.

27 (c) All district money shall be secured in the manner

1 provided for securing county funds. (Acts 64th Leg., R.S., Ch. 668,  
2 Secs. 5(b) (part), 10.)

3 [Sections 1029.156-1029.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1029.201. GENERAL OBLIGATION BONDS. The board may  
6 issue and sell general obligation bonds in the name and on the faith  
7 and credit of the district for any purpose relating to:

8 (1) the purchase, construction, acquisition, repair,  
9 or renovation of buildings or improvements; and

10 (2) equipping buildings or improvements for hospital  
11 purposes. (Acts 64th Leg., R.S., Ch. 668, Sec. 6(a) (part).)

12 Sec. 1029.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)  
13 The board shall impose an ad valorem tax at a rate sufficient to  
14 create an interest and sinking fund to pay the principal of and  
15 interest on general obligation bonds issued under Section 1029.201.

16 (b) The tax required by this section together with any other  
17 ad valorem tax the district imposes may not in any year exceed 75  
18 cents on each \$100 valuation of all taxable property in the  
19 district. (Acts 64th Leg., R.S., Ch. 668, Sec. 6(a) (part).)

20 Sec. 1029.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
21 district may issue general obligation bonds only if the bonds are  
22 authorized by a majority of the district voters voting at an  
23 election.

24 (b) The board may order the election on its own motion.

25 (c) The order calling the election must specify:

26 (1) the location of the polling places;

27 (2) the presiding election officers;

- 1 (3) the purpose of the bond issuance;
- 2 (4) the amount of the bonds to be authorized; and
- 3 (5) the maximum interest rate provided by law.

4 (d) Notice of a bond election shall be given by publishing a  
5 substantial copy of the order calling the election in a newspaper of  
6 general circulation in the district once each week for two  
7 consecutive weeks before the date of the election. The first  
8 publication must occur at least 20 days before the date of the  
9 election. (Acts 64th Leg., R.S., Ch. 668, Sec. 6(b) (part).)

10 Sec. 1029.204. MATURITY OF GENERAL OBLIGATION BONDS.  
11 District general obligation bonds must mature not later than 40  
12 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 668,  
13 Sec. 6(b) (part).)

14 Sec. 1029.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
15 The board president shall execute the general obligation bonds in  
16 the district's name.

17 (b) The board secretary shall countersign the bonds. (Acts  
18 64th Leg., R.S., Ch. 668, Sec. 6(a) (part).)

19 Sec. 1029.206. REFUNDING BONDS. (a) The board may, without  
20 an election, issue refunding bonds to refund outstanding bonds  
21 issued or assumed by the district.

22 (b) A refunding bond may be:

23 (1) sold, with the proceeds of the refunding bond  
24 applied to the payment of the bonds to be refunded; or

25 (2) exchanged wholly or partly for not less than a  
26 similar amount of outstanding bonds and the unpaid matured interest  
27 on the bonds. (Acts 64th Leg., R.S., Ch. 668, Secs. 6(b) (part),

1 (c) (part).)

2 [Sections 1029.207-1029.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1029.251. IMPOSITION OF AD VALOREM TAX. (a) On final  
5 approval of the annual budget, the board shall impose a tax on all  
6 property in the district subject to district taxation.

7 (b) The board shall impose the tax to:

8 (1) pay the interest on and create a sinking fund for  
9 bonds issued or assumed by the district for hospital purposes;

10 (2) provide for operation and maintenance of the  
11 hospital system;

12 (3) make improvements and additions to the hospital  
13 system; and

14 (4) acquire necessary sites by purchase, lease, or  
15 condemnation. (Acts 64th Leg., R.S., Ch. 668, Secs. 5(a) (part),  
16 (b) (part), 8(b) (part).)

17 Sec. 1029.252. TAX RATE. The board may impose the tax at a  
18 rate not to exceed 75 cents on each \$100 valuation of all taxable  
19 property in the district. (Acts 64th Leg., R.S., Ch. 668, Sec. 5(a)  
20 (part).)

21 Sec. 1029.253. TAX ASSESSOR-COLLECTOR. (a) Except as  
22 provided by Subsection (b), the tax assessor-collector of Lipscomb  
23 County shall assess and collect taxes imposed by the district.

24 (b) By majority vote the board may appoint a district tax  
25 assessor-collector under Section 285.041, Health and Safety Code.  
26 (Acts 64th Leg., R.S., Ch. 668, Secs. 5(b) (part), (c) (part), 8(b)  
27 (part).)

1                   CHAPTER 1030. FRIIO HOSPITAL DISTRICT  
2                   SUBCHAPTER A. GENERAL PROVISIONS  
3 Sec. 1030.001. DEFINITIONS  
4 Sec. 1030.002. AUTHORITY FOR OPERATION  
5 Sec. 1030.003. ESSENTIAL PUBLIC FUNCTION  
6 Sec. 1030.004. DISTRICT TERRITORY  
7 Sec. 1030.005. DISTRICT SUPPORT AND MAINTENANCE NOT  
8                   STATE OBLIGATION  
9 Sec. 1030.006. RESTRICTION ON STATE FINANCIAL  
10                  ASSISTANCE  
11                  [Sections 1030.007-1030.050 reserved for expansion]  
12                  SUBCHAPTER B. DISTRICT ADMINISTRATION  
13 Sec. 1030.051. BOARD ELECTION; TERM  
14 Sec. 1030.052. NOTICE OF ELECTION  
15 Sec. 1030.053. BALLOT PETITION  
16 Sec. 1030.054. QUALIFICATIONS FOR OFFICE  
17 Sec. 1030.055. BOND; RECORD OF BOND  
18 Sec. 1030.056. BOARD VACANCY  
19 Sec. 1030.057. OFFICERS  
20 Sec. 1030.058. COMPENSATION; EXPENSES  
21 Sec. 1030.059. VOTING REQUIREMENT  
22 Sec. 1030.060. DISTRICT ADMINISTRATOR  
23 Sec. 1030.061. GENERAL DUTIES OF DISTRICT  
24                  ADMINISTRATOR  
25 Sec. 1030.062. ASSISTANT DISTRICT ADMINISTRATOR;  
26                  ATTORNEY



- 1 Sec. 1030.063. APPOINTMENT AND RECRUITMENT OF STAFF  
2 AND EMPLOYEES  
3 Sec. 1030.064. HEALTH EDUCATION  
4 Sec. 1030.065. RETIREMENT BENEFITS  
5 [Sections 1030.066-1030.100 reserved for expansion]  
6 SUBCHAPTER C. POWERS AND DUTIES  
7 Sec. 1030.101. DISTRICT RESPONSIBILITY  
8 Sec. 1030.102. RESTRICTION ON GOVERNMENTAL ENTITY  
9 TAXATION AND DEBT  
10 Sec. 1030.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
11 Sec. 1030.104. RULES  
12 Sec. 1030.105. PURCHASING AND ACCOUNTING PROCEDURES  
13 Sec. 1030.106. DISTRICT PROPERTY, FACILITIES, AND  
14 EQUIPMENT  
15 Sec. 1030.107. EMINENT DOMAIN  
16 Sec. 1030.108. COST OF RELOCATING OR ALTERING PROPERTY  
17 Sec. 1030.109. GIFTS AND ENDOWMENTS  
18 Sec. 1030.110. CONSTRUCTION CONTRACTS  
19 Sec. 1030.111. OPERATING AND MANAGEMENT CONTRACTS  
20 Sec. 1030.112. CONTRACTS FOR SERVICES  
21 Sec. 1030.113. PROVISION OF CERTAIN HEALTH SERVICES  
22 Sec. 1030.114. MEDICAL CLINICS  
23 Sec. 1030.115. PAYMENT FOR TREATMENT; PROCEDURES  
24 Sec. 1030.116. REIMBURSEMENT FOR SERVICES  
25 Sec. 1030.117. AUTHORITY TO SUE AND BE SUED  
26 [Sections 1030.118-1030.150 reserved for expansion]

1                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2   Sec. 1030.151.   BUDGET

3   Sec. 1030.152.   NOTICE; HEARING; ADOPTION OF BUDGET

4   Sec. 1030.153.   AMENDMENTS TO BUDGET

5   Sec. 1030.154.   RESTRICTION ON EXPENDITURES

6   Sec. 1030.155.   FISCAL YEAR

7   Sec. 1030.156.   ANNUAL AUDIT

8   Sec. 1030.157.   INSPECTION OF ANNUAL AUDIT AND DISTRICT

9                   RECORDS

10   Sec. 1030.158.   FINANCIAL REPORT

11   Sec. 1030.159.   DEPOSITORY

12   Sec. 1030.160.   SPENDING AND INVESTMENT RESTRICTIONS

13                   [Sections 1030.161-1030.200 reserved for expansion]

14                   SUBCHAPTER E. BONDS

15   Sec. 1030.201.   GENERAL OBLIGATION BONDS

16   Sec. 1030.202.   TAX TO PAY GENERAL OBLIGATION BONDS

17   Sec. 1030.203.   GENERAL OBLIGATION BOND ELECTION

18   Sec. 1030.204.   REVENUE BONDS

19   Sec. 1030.205.   REFUNDING BONDS

20   Sec. 1030.206.   MATURITY OF BONDS

21   Sec. 1030.207.   EXECUTION OF BONDS

22   Sec. 1030.208.   BONDS EXEMPT FROM TAXATION

23                   [Sections 1030.209-1030.250 reserved for expansion]

24                   SUBCHAPTER F. TAXES

25   Sec. 1030.251.   IMPOSITION OF AD VALOREM TAX

26   Sec. 1030.252.   TAX RATE

27   Sec. 1030.253.   TAX ASSESSOR-COLLECTOR

1 [Sections 1030.254-1030.300 reserved for expansion]

2 SUBCHAPTER G. DISSOLUTION

3 Sec. 1030.301. DISSOLUTION; ELECTION

4 Sec. 1030.302. NOTICE OF ELECTION

5 Sec. 1030.303. BALLOT

6 Sec. 1030.304. ELECTION RESULTS

7 Sec. 1030.305. DISPOSITION OR TRANSFER OF DISTRICT

8 ASSETS; DECLARATION OF DISSOLUTION

9 CHAPTER 1030. FRIO HOSPITAL DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1030.001. DEFINITIONS. In this chapter:

12 (1) "Board" means the board of directors of the  
13 district.

14 (2) "Director" means a member of the board.

15 (3) "District" means the Frio Hospital District.  
16 (Acts 71st Leg., R.S., Ch. 220, Sec. 1.01.)

17 Sec. 1030.002. AUTHORITY FOR OPERATION. The district  
18 operates and is financed as provided by Section 9, Article IX, Texas  
19 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 220,  
20 Sec. 1.02.)

21 Sec. 1030.003. ESSENTIAL PUBLIC FUNCTION. The district is  
22 a public entity performing an essential public function. (Acts  
23 71st Leg., R.S., Ch. 220, Sec. 7.11 (part).)

24 Sec. 1030.004. DISTRICT TERRITORY. The boundaries of the  
25 district are coextensive with the boundaries of Frio County, Texas,  
26 except that a portion of the southern boundary follows the boundary  
27 of the Frio River beginning at the intersection of the south county

1 line and the Frio River to the point at which the boundary  
2 intersects the Leona River and follows the Leona River to the west  
3 county line. (Acts 71st Leg., R.S., Ch. 220, Sec. 1.03.)

4 Sec. 1030.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
5 OBLIGATION. The state may not become obligated for the support or  
6 maintenance of the district. (Acts 71st Leg., R.S., Ch. 220, Sec.  
7 10.01 (part).)

8 Sec. 1030.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
9 The legislature may not make a direct appropriation for the  
10 construction, maintenance, or improvement of a district facility.  
11 (Acts 71st Leg., R.S., Ch. 220, Sec. 10.01 (part).)

12 [Sections 1030.007-1030.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1030.051. BOARD ELECTION; TERM. (a) The district is  
15 governed by a board of seven directors.

16 (b) Two directors are elected from each commissioners  
17 precinct and one director is elected from the district at large.  
18 The portion of Precinct 4 that is in the district is combined with  
19 Precinct 1 to represent one precinct.

20 (c) Unless four-year terms are established under Section  
21 285.081, Health and Safety Code:

22 (1) directors serve staggered two-year terms; and

23 (2) an election shall be held on the uniform election  
24 date in May of each year to elect the appropriate number of  
25 directors. (Acts 71st Leg., R.S., Ch. 220, Secs. 4.01(a), 4.03(a),  
26 (d) (part).)

27 Sec. 1030.052. NOTICE OF ELECTION. At least 35 days before

1 the date of an election of directors, notice of the election shall  
2 be published one time in a newspaper with general circulation in the  
3 district. (Acts 71st Leg., R.S., Ch. 220, Sec. 4.04.)

4 Sec. 1030.053. BALLOT PETITION. A person who wants to have  
5 the person's name printed on the ballot as a candidate for director  
6 must file with the board secretary a petition requesting that  
7 action. The petition must:

8 (1) be signed by at least 10 registered voters of the  
9 district as determined by the most recent official list of  
10 registered voters;

11 (2) be filed not later than the 31st day before the  
12 date of the election; and

13 (3) specify the commissioners precinct the candidate  
14 wants to represent or specify that the candidate wants to represent  
15 the district at large. (Acts 71st Leg., R.S., Ch. 220, Sec. 4.05.)

16 Sec. 1030.054. QUALIFICATIONS FOR OFFICE. (a) To be  
17 eligible to be a candidate for or to serve as a director, a person  
18 must be:

19 (1) a district resident; and

20 (2) a qualified voter.

21 (b) In addition to Subsection (a), a person who is elected  
22 from a commissioners precinct or who is appointed to fill a vacancy  
23 for a commissioners precinct must be a resident of that  
24 commissioners precinct.

25 (c) A district employee may not serve as a director. (Acts  
26 71st Leg., R.S., Ch. 220, Sec. 4.06.)

27 Sec. 1030.055. BOND; RECORD OF BOND. (a) Before assuming

1 the duties of office, each director must execute a bond for \$5,000  
2 that is:

- 3 (1) payable to the district; and
- 4 (2) conditioned on the faithful performance of the  
5 director's duties.

6 (b) The board may pay for a director's bond with district  
7 money.

8 (c) Each director's bond shall be kept in the district's  
9 permanent records. (Acts 71st Leg., R.S., Ch. 220, Sec. 4.07.)

10 Sec. 1030.056. BOARD VACANCY. If a vacancy occurs in the  
11 office of director, the remaining directors shall appoint a  
12 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 220,  
13 Sec. 4.08.)

14 Sec. 1030.057. OFFICERS. (a) The board shall elect a  
15 president and a vice president from among its members.

16 (b) The board shall appoint a secretary, who need not be a  
17 director.

18 (c) Each officer of the board serves for a term of one year.

19 (d) The board shall fill a vacancy in a board office for the  
20 unexpired term. (Acts 71st Leg., R.S., Ch. 220, Secs. 4.09, 4.10.)

21 Sec. 1030.058. COMPENSATION; EXPENSES. A director or  
22 officer serves without compensation but may be reimbursed for  
23 actual expenses incurred in the performance of official duties.  
24 The expenses must be:

- 25 (1) reported in the district's records; and
- 26 (2) approved by the board. (Acts 71st Leg., R.S., Ch.  
27 220, Sec. 4.11.)

1           Sec. 1030.059. VOTING REQUIREMENT. A concurrence of a  
2 majority of the directors voting is necessary in any matter  
3 relating to district business. (Acts 71st Leg., R.S., Ch. 220, Sec.  
4 4.12.)

5           Sec. 1030.060. DISTRICT ADMINISTRATOR. (a) The board may  
6 appoint a qualified person as district administrator.

7           (b) The district administrator serves at the will of the  
8 board and is entitled to the compensation determined by the board.

9           (c) Before assuming the duties of district administrator,  
10 the administrator must execute a bond in an amount determined by the  
11 board of not less than \$5,000 that is:

12                   (1) payable to the district; and

13                   (2) conditioned on the faithful performance of the  
14 administrator's duties under this chapter.

15           (d) The board may pay for the bond with district money.  
16 (Acts 71st Leg., R.S., Ch. 220, Secs. 4.13(a) (part), (b) (part),  
17 (c) (part), (d).)

18           Sec. 1030.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
19 Subject to the limitations prescribed by the board, the district  
20 administrator shall:

21                   (1) supervise the work and activities of the district;  
22 and

23                   (2) direct the general affairs of the district. (Acts  
24 71st Leg., R.S., Ch. 220, Sec. 4.16.)

25           Sec. 1030.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

26 (a) The board may appoint qualified persons as:

27                   (1) the assistant district administrator; and

1           (2) the attorney for the district.

2           (b) The assistant district administrator and the attorney  
3 for the district serve at the will of the board and are entitled to  
4 the compensation determined by the board. (Acts 71st Leg., R.S.,  
5 Ch. 220, Secs. 4.13(a) (part), (b) (part), (c) (part).)

6           Sec. 1030.063. APPOINTMENT AND RECRUITMENT OF STAFF AND  
7 EMPLOYEES. (a) The district may employ doctors, nurses,  
8 technicians, allied health personnel, administrative personnel,  
9 fiscal agents, accountants, architects, additional attorneys, and  
10 other employees necessary to carry out the district's duties and  
11 responsibilities under this chapter.

12           (b) The board may appoint to the staff any doctors the board  
13 considers necessary for the efficient operation of the district and  
14 may make temporary appointments as necessary.

15           (c) The board may delegate to the district administrator the  
16 authority to employ persons for the district.

17           (d) The board may spend money to recruit physicians and  
18 other needed medical professionals. (Acts 71st Leg., R.S., Ch.  
19 220, Secs. 4.14, 4.15, 5.02 (part), 5.05(c).)

20           Sec. 1030.064. HEALTH EDUCATION. The board may provide  
21 scholarships and student loans to educate county residents in  
22 health care-related fields. (Acts 71st Leg., R.S., Ch. 220, Sec.  
23 5.02 (part).)

24           Sec. 1030.065. RETIREMENT BENEFITS. The board may provide  
25 retirement benefits for district employees by:

26           (1) establishing or administering a retirement  
27 program; or



1           (2) participating in:

2                   (A) the Texas County and District Retirement  
3 System; or

4                   (B) another statewide retirement system in which  
5 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.  
6 220, Sec. 4.17.)

7           [Sections 1030.066-1030.100 reserved for expansion]

8                   SUBCHAPTER C. POWERS AND DUTIES

9           Sec. 1030.101. DISTRICT RESPONSIBILITY. The district has  
10 full responsibility for:

11                   (1) operating hospital facilities; and

12                   (2) providing medical and hospital care for the  
13 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 220, Sec.  
14 5.02 (part).)

15           Sec. 1030.102. RESTRICTION ON GOVERNMENTAL ENTITY TAXATION  
16 AND DEBT. Frio County or another governmental entity located  
17 within the district may not impose a tax or issue bonds or other  
18 obligations for hospital purposes or to provide medical care for  
19 district residents. (Acts 71st Leg., R.S., Ch. 220, Sec. 5.01(b).)

20           Sec. 1030.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
21 The board shall manage, control, and administer the hospital system  
22 and the district's money and resources. (Acts 71st Leg., R.S., Ch.  
23 220, Sec. 5.03.)

24           Sec. 1030.104. RULES. The board may adopt rules governing:

25                   (1) the operation of the hospital and hospital system;

26 and

27                   (2) the duties, functions, and responsibilities of

1 district staff and employees. (Acts 71st Leg., R.S., Ch. 220, Sec.  
2 5.04.)

3 Sec. 1030.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
4 board may prescribe:

5 (1) the method of making purchases and expenditures by  
6 and for the district; and

7 (2) accounting and control procedures for the  
8 district. (Acts 71st Leg., R.S., Ch. 220, Secs. 5.05(a), (b).)

9 Sec. 1030.106. DISTRICT PROPERTY, FACILITIES, AND  
10 EQUIPMENT. (a) The board shall determine:

11 (1) the type, number, and location of buildings  
12 required to maintain an adequate hospital system; and

13 (2) the type of equipment necessary for hospital care.

14 (b) The board may:

15 (1) acquire property, including facilities and  
16 equipment, for the district for use in the hospital system; and

17 (2) mortgage or pledge the property as security for  
18 payment of the purchase price.

19 (c) The board may lease hospital facilities for the  
20 district.

21 (d) The board may sell or otherwise dispose of property,  
22 including facilities or equipment, for the district. (Acts 71st  
23 Leg., R.S., Ch. 220, Sec. 5.06.)

24 Sec. 1030.107. EMINENT DOMAIN. (a) The district may  
25 exercise the power of eminent domain to acquire a fee simple or  
26 other interest in property located in district territory if the  
27 interest is necessary for the district to exercise a right or

1 authority conferred by this chapter.

2 (b) The district must exercise the power of eminent domain  
3 in the manner provided by Chapter 21, Property Code, except the  
4 district is not required to deposit in the trial court money or a  
5 bond as provided by Section 21.021(a), Property Code.

6 (c) In a condemnation proceeding brought by the district,  
7 the district is not required to:

8 (1) pay in advance or provide a bond or other security  
9 for costs in the trial court;

10 (2) provide a bond for the issuance of a temporary  
11 restraining order or a temporary injunction; or

12 (3) provide a bond for costs or a supersedeas bond on  
13 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 220, Sec.  
14 5.09.)

15 Sec. 1030.108. COST OF RELOCATING OR ALTERING PROPERTY. In  
16 exercising the power of eminent domain, if the board requires  
17 relocating, raising, lowering, rerouting, changing the grade of, or  
18 altering the construction of any railroad, highway, pipeline, or  
19 electric transmission and electric distribution, telegraph, or  
20 telephone line, conduit, pole, or facility, the district must bear  
21 the actual cost of relocating, raising, lowering, rerouting,  
22 changing the grade, or altering the construction to provide  
23 comparable replacement, without enhancement of facilities, after  
24 deducting the net salvage value derived from the old  
25 facility. (Acts 71st Leg., R.S., Ch. 220, Sec. 5.10.)

26 Sec. 1030.109. GIFTS AND ENDOWMENTS. The board may accept  
27 for the district a gift or endowment to be held in trust for any

1 purpose and under any direction, limitation, or other provision  
2 prescribed in writing by the donor that is consistent with the  
3 proper management of the district. (Acts 71st Leg., R.S., Ch. 220,  
4 Sec. 5.14.)

5 Sec. 1030.110. CONSTRUCTION CONTRACTS. (a) The board may  
6 enter into construction contracts for the district.

7 (b) The board may enter into a construction contract that  
8 involves the expenditure of more than the amount provided by  
9 Section 271.024, Local Government Code, only after competitive  
10 bidding as provided by Subchapter B, Chapter 271, Local Government  
11 Code. (Acts 71st Leg., R.S., Ch. 220, Sec. 5.07(a).)

12 Sec. 1030.111. OPERATING AND MANAGEMENT CONTRACTS. The  
13 board may enter into an operating or management contract relating  
14 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.  
15 220, Sec. 5.08.)

16 Sec. 1030.112. CONTRACTS FOR SERVICES. (a) The board may  
17 contract with a public or private hospital, a political subdivision  
18 of this state, or a state or federal agency for the district to  
19 provide a mobile emergency medical service or other health care  
20 services needed to provide for the investigatory or welfare needs  
21 of district inhabitants.

22 (b) The board may contract with any person to receive or  
23 supply the services the board considers necessary for the effective  
24 operation of the district. (Acts 71st Leg., R.S., Ch. 220, Sec.  
25 5.13.)

26 Sec. 1030.113. PROVISION OF CERTAIN HEALTH SERVICES. The  
27 district may:

1           (1) operate or provide for the operation of a mobile  
2 emergency medical service;

3           (2) operate or provide for home health services,  
4 long-term care, skilled nursing care, intermediate nursing care, or  
5 hospice care; and

6           (3) establish any other needed medical service  
7 considered beneficial to the delivery of health care to district  
8 residents. (Acts 71st Leg., R.S., Ch. 220, Sec. 5.02 (part).)

9           Sec. 1030.114. MEDICAL CLINICS. The district may establish  
10 and operate medical clinics for the benefit of the hospital. (Acts  
11 71st Leg., R.S., Ch. 220, Sec. 5.02 (part).)

12           Sec. 1030.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
13 When an individual who resides in the district is admitted as a  
14 patient to a district facility, the district administrator may have  
15 an inquiry made into the financial circumstances of:

16           (1) the patient; and

17           (2) a relative of the patient who is legally  
18 responsible for the patient's support.

19           (b) To the extent that the patient or a relative of the  
20 patient who is legally responsible for the patient's support cannot  
21 pay for care and treatment provided by the district, the district  
22 shall supply the care and treatment without charging the patient or  
23 the patient's relative.

24           (c) On determining that the patient or a relative legally  
25 responsible for the patient's support can pay for all or part of the  
26 care and treatment provided by the district, the district  
27 administrator shall report that determination to the board, and the

1 board shall issue an order directing the patient or the relative to  
2 pay the district a specified amount each week. The amount must be  
3 based on the individual's ability to pay.

4 (d) The district administrator may collect money owed to the  
5 district from the patient's estate or from that of a relative who  
6 was legally responsible for the patient's support in the manner  
7 provided by law for the collection of expenses in the last illness  
8 of a deceased person.

9 (e) If there is a dispute relating to an individual's  
10 ability to pay or if the district administrator has any doubt  
11 concerning an individual's ability to pay, the board shall:

- 12 (1) call witnesses;
- 13 (2) hear and resolve the question; and
- 14 (3) issue a final order.

15 (f) A final order of the board may be appealed to a district  
16 court in Frio County. The substantial evidence rule applies to the  
17 appeal. (Acts 71st Leg., R.S., Ch. 220, Secs. 5.11(b), (c), (d),  
18 (e), (f).)

19 Sec. 1030.116. REIMBURSEMENT FOR SERVICES. (a) The board  
20 shall require a county, municipality, or public hospital located  
21 outside the district to reimburse the district for the district's  
22 care and treatment of a sick or injured person of that county,  
23 municipality, or public hospital, as provided by Chapter 61, Health  
24 and Safety Code.

25 (b) The board shall require the sheriff of Frio County to  
26 reimburse the district for the district's care and treatment of a  
27 person who is confined in a jail facility of Frio County and is not a

1 district resident.

2 (c) On behalf of the district, the board may contract with  
3 the state or federal government for that government to reimburse  
4 the district for treatment of a sick or injured person. (Acts 71st  
5 Leg., R.S., Ch. 220, Sec. 5.12.)

6 Sec. 1030.117. AUTHORITY TO SUE AND BE SUED. The board may  
7 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,  
8 Ch. 220, Sec. 5.15.)

9 [Sections 1030.118-1030.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1030.151. BUDGET. (a) The district administrator  
12 shall prepare a proposed annual budget for the district.

13 (b) The proposed budget must contain a complete financial  
14 statement, including a statement of:

15 (1) the outstanding obligations of the district;  
16 (2) the amount of cash on hand in each district fund;  
17 (3) the amount of money received by the district from  
18 all sources during the previous year;

19 (4) the amount of money available to the district from  
20 all sources during the ensuing year;

21 (5) the amount of the balances expected at the end of  
22 the year in which the budget is being prepared;

23 (6) the estimated amount of revenue and balances  
24 available to cover the proposed budget; and

25 (7) the estimated tax rate required. (Acts 71st Leg.,  
26 R.S., Ch. 220, Sec. 6.04.)

27 Sec. 1030.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

1 The board shall hold a public hearing on the proposed annual budget.

2 (b) The board shall publish notice of the hearing in a  
3 newspaper with general circulation in the district not later than  
4 the 10th day before the date of the hearing.

5 (c) Any district resident is entitled to be present and  
6 participate at the hearing.

7 (d) At the conclusion of the hearing, the board shall adopt  
8 a budget by acting on the budget proposed by the district  
9 administrator. The board may make any changes in the proposed  
10 budget that the board judges to be in the interests of the  
11 taxpayers.

12 (e) The budget is effective only after adoption by the  
13 board. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.05.)

14 Sec. 1030.153. AMENDMENTS TO BUDGET. After adoption, the  
15 annual budget may be amended on the board's approval. (Acts 71st  
16 Leg., R.S., Ch. 220, Sec. 6.06.)

17 Sec. 1030.154. RESTRICTION ON EXPENDITURES. Money may be  
18 spent only for an expense included in the budget or an amendment to  
19 the budget. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.07.)

20 Sec. 1030.155. FISCAL YEAR. (a) The district operates  
21 according to a fiscal year established by the board.

22 (b) The fiscal year may not be changed:

23 (1) when revenue bonds of the district are  
24 outstanding; or

25 (2) more than once in a 24-month period. (Acts 71st  
26 Leg., R.S., Ch. 220, Sec. 6.01.)

27 Sec. 1030.156. ANNUAL AUDIT. (a) The board annually shall



1 have an audit made of the district's financial condition.

2 (b) The board shall retain the services of a qualified  
3 independent certified public accounting firm to prepare the annual  
4 audit of the district's financial condition.

5 (c) The firm shall prepare and submit the audit to the board  
6 not later than the 90th day following the close of the district's  
7 fiscal year.

8 (d) The district is not subject to audit by the Frio County  
9 auditor. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.02.)

10 Sec. 1030.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
11 RECORDS. The annual audit and other district records shall be open  
12 to inspection during regular business hours at the district's  
13 principal office. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.03.)

14 Sec. 1030.158. FINANCIAL REPORT. As soon as practicable  
15 after the close of the fiscal year, the district administrator  
16 shall prepare for the board:

17 (1) a sworn statement of the amount of district money;  
18 and

19 (2) an account of the disbursements of that money.  
20 (Acts 71st Leg., R.S., Ch. 220, Sec. 6.08.)

21 Sec. 1030.159. DEPOSITORY. (a) The board shall select at  
22 least one bank to serve as a depository for district money.

23 (b) District money, other than money invested as provided by  
24 Section 1030.160(b) and money transmitted to a bank for payment of  
25 bonds or obligations issued or assumed by the district, shall be  
26 deposited as received with the depository bank and must remain on  
27 deposit. This subsection does not limit the power of the board to

1 place a part of district money on time deposit or to purchase  
2 certificates of deposit.

3 (c) The district may not deposit money with a bank in an  
4 amount that exceeds the maximum amount secured by the Federal  
5 Deposit Insurance Corporation unless the bank first executes a bond  
6 or other security in an amount sufficient to secure from loss the  
7 district money that exceeds the amount secured by the Federal  
8 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 220,  
9 Sec. 6.10.)

10 Sec. 1030.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
11 Except as provided by Sections 1030.110, 1030.201, 1030.204, and  
12 1030.205, the district may not incur a debt payable from district  
13 revenue other than the revenue on hand or to be on hand in the  
14 current and immediately following district fiscal years.

15 (b) The board may invest operating, depreciation, or  
16 building reserves only in funds or securities specified by Chapter  
17 2256, Government Code. (Acts 71st Leg., R.S., Ch. 220, Sec. 6.09.)

18 [Sections 1030.161-1030.200 reserved for expansion]

19 SUBCHAPTER E. BONDS

20 Sec. 1030.201. GENERAL OBLIGATION BONDS. If authorized by  
21 an election, the board may issue and sell general obligation bonds  
22 in the name and on the faith and credit of the district to:

23 (1) purchase, construct, acquire, repair, or renovate  
24 buildings or improvements;

25 (2) equip buildings or improvements for hospital  
26 purposes; or

27 (3) acquire and operate a mobile emergency medical

1 service. (Acts 71st Leg., R.S., Ch. 220, Sec. 7.01.)

2           Sec. 1030.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
3 the time general obligation bonds are issued by the district under  
4 Section 1030.201, the board shall impose an ad valorem tax at a rate  
5 sufficient to create an interest and sinking fund to pay the  
6 principal of and interest on the bonds as the bonds mature.

7           (b) The tax required by this section together with any other  
8 ad valorem tax the district imposes may not in any year exceed the  
9 limit approved by the voters at the election authorizing the  
10 imposition of the tax. (Acts 71st Leg., R.S., Ch. 220, Sec. 7.02.)

11           Sec. 1030.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
12 district may issue general obligation bonds only if the bonds are  
13 authorized by a majority of the district voters voting at an  
14 election held for that purpose.

15           (b) The board may order a bond election.

16           (c) The order calling the election must specify:

- 17                   (1) the nature and date of the election;  
18                   (2) the hours during which the polls will be open;  
19                   (3) the location of the polling places;  
20                   (4) the amount of the bonds to be authorized; and  
21                   (5) the maximum maturity of the bonds.

22           (d) Notice of a bond election shall be given as provided by  
23 Section 1251.003, Government Code.

24           (e) The board shall declare the results of the election.  
25 (Acts 71st Leg., R.S., Ch. 220, Sec. 7.03.)

26           Sec. 1030.204. REVENUE BONDS. (a) The board may issue  
27 revenue bonds to:

1           (1) purchase, construct, acquire, repair, equip, or  
2 renovate buildings or improvements for hospital purposes;

3           (2) acquire sites to be used for hospital purposes; or

4           (3) acquire and operate a mobile emergency medical  
5 service to assist the district in carrying out its hospital  
6 purposes.

7           (b) The bonds must be payable from and secured by a pledge of  
8 all or part of the revenue derived from the operation of the  
9 district's hospital system.

10          (c) The bonds may be additionally secured by a mortgage or  
11 deed of trust lien on all or part of district property.

12          (d) The bonds must be issued in the manner provided by  
13 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
14 Code, for issuance of revenue bonds by a county hospital authority.  
15 (Acts 71st Leg., R.S., Ch. 220, Sec. 7.04.)

16          Sec. 1030.205. REFUNDING BONDS. (a) The board may issue  
17 refunding bonds to refund outstanding indebtedness issued or  
18 assumed by the district.

19          (b) Refunding bonds may be:

20           (1) sold, with the proceeds of the refunding bonds  
21 applied to the payment of the outstanding indebtedness; or

22           (2) exchanged wholly or partly for not less than a  
23 similar principal amount of outstanding indebtedness. (Acts 71st  
24 Leg., R.S., Ch. 220, Secs. 7.05(a), (c) (part).)

25          Sec. 1030.206. MATURITY OF BONDS. District bonds must  
26 mature not later than 50 years after the date of issuance. (Acts  
27 71st Leg., R.S., Ch. 220, Sec. 7.06 (part).)

1           Sec. 1030.207. EXECUTION OF BONDS. (a) The board president  
2 shall execute the district's bonds in the district's name.

3           (b) The board secretary shall countersign the bonds in the  
4 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,  
5 R.S., Ch. 220, Sec. 7.07.)

6           Sec. 1030.208. BONDS EXEMPT FROM TAXATION. The following  
7 are exempt from taxation by this state or a political subdivision of  
8 this state:

- 9           (1) bonds issued by the district;  
10           (2) any transaction relating to the bonds; and  
11           (3) profits made in the sale of the bonds. (Acts 71st  
12 Leg., R.S., Ch. 220, Sec. 7.11 (part).)

13           [Sections 1030.209-1030.250 reserved for expansion]

14   SUBCHAPTER F. TAXES

15           Sec. 1030.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
16 may impose a tax on all property in the district subject to district  
17 taxation.

18           (b) The tax may be used to pay:

- 19           (1) indebtedness issued or assumed by the district;  
20 and  
21           (2) the maintenance and operating expenses of the  
22 district.

23           (c) The district may not impose a tax to pay the principal of  
24 or interest on revenue bonds issued under this chapter. (Acts 71st  
25 Leg., R.S., Ch. 220, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

26           Sec. 1030.252. TAX RATE. (a) The board may impose the tax  
27 at a rate not to exceed the limit approved by the voters at the

1 election authorizing the imposition of the tax.

2 (b) The tax rate for all purposes may not exceed 30 cents on  
3 each \$100 valuation of all taxable property in the district.

4 (c) In setting the tax rate, the board shall consider the  
5 income of the district from sources other than taxation. (Acts 71st  
6 Leg., R.S., Ch. 220, Secs. 8.01(a) (part), (b), 8.03 (part).)

7 Sec. 1030.253. TAX ASSESSOR-COLLECTOR. The board may  
8 provide for the appointment of a tax assessor-collector for the  
9 district or may contract for the assessment and collection of taxes  
10 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 220, Sec.  
11 8.04(b).)

12 [Sections 1030.254-1030.300 reserved for expansion]

13 SUBCHAPTER G. DISSOLUTION

14 Sec. 1030.301. DISSOLUTION; ELECTION. (a) The district  
15 may be dissolved on approval of a majority of the district voters  
16 voting in an election held for that purpose.

17 (b) A majority of the board may order that a dissolution  
18 election be held.

19 (c) The order calling the election must state:

20 (1) the name of the election, including the  
21 proposition to appear on the ballot;

22 (2) the date of the election;

23 (3) the hours during which the polls will be open; and

24 (4) the location of the polling places.

25 (d) Section 41.001(a), Election Code, does not apply to an  
26 election ordered under this section. (Acts 71st Leg., R.S., Ch.  
27 220, Secs. 9.01, 9.02, 9.03, 9.05(b).)

1           Sec. 1030.302. NOTICE OF ELECTION. (a) The board shall  
2 give notice of an election under this subchapter by publishing once  
3 a week for two consecutive weeks a substantial copy of the election  
4 order in a newspaper with general circulation in the district.

5           (b) The first publication of the notice must appear at least  
6 35 days before the date set for the election. (Acts 71st Leg.,  
7 R.S., Ch. 220, Sec. 9.04.)

8           Sec. 1030.303. BALLOT. The ballot for an election under  
9 this subchapter must be printed to permit voting for or against the  
10 proposition: "The dissolution of the Frio Hospital District."  
11 (Acts 71st Leg., R.S., Ch. 220, Sec. 9.06.)

12           Sec. 1030.304. ELECTION RESULTS. (a) If the board finds  
13 the election results favor the proposition to dissolve the  
14 district, the board shall issue an order disposing of or  
15 transferring the district's assets.

16           (b) If the board finds the election results do not favor the  
17 proposition to dissolve the district, another dissolution election  
18 may not be held before the first anniversary of the date of the  
19 election in which voters disapproved the proposition. (Acts 71st  
20 Leg., R.S., Ch. 220, Secs. 9.07(b) (part), (c).)

21           Sec. 1030.305. DISPOSITION OR TRANSFER OF DISTRICT ASSETS;  
22 DECLARATION OF DISSOLUTION. (a) A board order issued under Section  
23 1030.304 that disposes of district assets must satisfy the  
24 district's debts and bond obligations in a manner that protects the  
25 interests of citizens in the district, including the citizens'  
26 collective property rights in the district's assets and property.

27           (b) In connection with an election in favor of dissolution,

1 the board may not dispose of or transfer the district's assets  
2 except for due compensation unless:

3 (1) the assets are transferred to another governmental  
4 agency, such as a county, embracing the district; and

5 (2) the transferred assets are to be used for the  
6 benefit of citizens formerly in the district.

7 (c) A grant from federal funds, however dispensed, is an  
8 obligation to be repaid in satisfaction.

9 (d) On completion of the requirements of this section, the  
10 board shall declare the district dissolved. (Acts 71st Leg., R.S.,  
11 Ch. 220, Sec. 9.07(b) (part).)

12 CHAPTER 1031. GARZA COUNTY HEALTH CARE DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 1031.001. DEFINITIONS

15 Sec. 1031.002. AUTHORITY FOR OPERATION

16 Sec. 1031.003. POLITICAL SUBDIVISION

17 Sec. 1031.004. DISTRICT TERRITORY

18 Sec. 1031.005. CORRECTION OF INVALID PROCEDURES

19 Sec. 1031.006. PUBLIC PURPOSE; TAX EXEMPTION

20 [Sections 1031.007-1031.050 reserved for expansion]

21 SUBCHAPTER B. DISTRICT ADMINISTRATION

22 Sec. 1031.051. BOARD ELECTION; TERM

23 Sec. 1031.052. NOTICE OF ELECTION

24 Sec. 1031.053. QUALIFICATIONS FOR OFFICE

25 Sec. 1031.054. BOND; RECORD OF BOND AND OATH OR

26 AFFIRMATION OF OFFICE

27 Sec. 1031.055. BOARD VACANCY



- 1 Sec. 1031.056. OFFICERS
- 2 Sec. 1031.057. COMPENSATION; EXPENSES
- 3 Sec. 1031.058. VOTING REQUIREMENT
- 4 Sec. 1031.059. MEETINGS
- 5 Sec. 1031.060. DISTRICT ADMINISTRATOR
- 6 Sec. 1031.061. EMPLOYMENT AND RECRUITMENT OF STAFF AND
- 7                               EMPLOYEES
- 8 Sec. 1031.062. PERSONNEL CONTRACTS
- 9 Sec. 1031.063. RETIREMENT BENEFITS
- 10 Sec. 1031.064. MAINTENANCE OF RECORDS; PUBLIC
- 11                               INSPECTION
- 12 Sec. 1031.065. SEAL
- 13               [Sections 1031.066-1031.100 reserved for expansion]
- 14                               SUBCHAPTER C. POWERS AND DUTIES
- 15 Sec. 1031.101. DISTRICT RESPONSIBILITY
- 16 Sec. 1031.102. RESTRICTION ON COUNTY OR MUNICIPALITY
- 17                               TAXATION
- 18 Sec. 1031.103. MANAGEMENT AND CONTROL
- 19 Sec. 1031.104. RULES
- 20 Sec. 1031.105. PURCHASING AND ACCOUNTING PROCEDURES
- 21 Sec. 1031.106. DISTRICT PROPERTY, FACILITIES, AND
- 22                               EQUIPMENT
- 23 Sec. 1031.107. COMPETITIVE BIDDING
- 24 Sec. 1031.108. EMERGENCY MEDICAL SERVICES
- 25 Sec. 1031.109. GIFTS AND ENDOWMENTS
- 26 Sec. 1031.110. PAYMENT FOR TREATMENT; PROCEDURES
- 27 Sec. 1031.111. NONINDIGENT RESIDENTS

1 Sec. 1031.112. AUTHORITY TO SUE AND BE SUED

2 [Sections 1031.113-1031.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 1031.151. BUDGET

5 Sec. 1031.152. PROPOSED BUDGET: NOTICE AND HEARING

6 Sec. 1031.153. FISCAL YEAR

7 Sec. 1031.154. ANNUAL AUDIT

8 Sec. 1031.155. DEPOSITORY OR TREASURER

9 Sec. 1031.156. AUTHORITY TO BORROW MONEY; SECURITY

10 [Sections 1031.157-1031.200 reserved for expansion]

11 SUBCHAPTER E. BONDS

12 Sec. 1031.201. GENERAL OBLIGATION BONDS

13 Sec. 1031.202. TAX TO PAY GENERAL OBLIGATION BONDS

14 Sec. 1031.203. GENERAL OBLIGATION BOND ELECTION

15 Sec. 1031.204. REVENUE BONDS

16 Sec. 1031.205. REFUNDING BONDS

17 Sec. 1031.206. MATURITY OF BONDS

18 Sec. 1031.207. EXECUTION OF BONDS

19 [Sections 1031.208-1031.250 reserved for expansion]

20 SUBCHAPTER F. TAXES

21 Sec. 1031.251. IMPOSITION OF AD VALOREM TAX

22 Sec. 1031.252. TAX RATE

23 Sec. 1031.253. ELECTION TO INCREASE MAXIMUM TAX RATE

24 Sec. 1031.254. TAX ASSESSOR-COLLECTOR

25 [Sections 1031.255-1031.300 reserved for expansion]

26 SUBCHAPTER G. DISSOLUTION

27 Sec. 1031.301. DISSOLUTION; ELECTION

1 Sec. 1031.302. NOTICE OF ELECTION  
2 Sec. 1031.303. BALLOT  
3 Sec. 1031.304. ELECTION RESULTS  
4 Sec. 1031.305. TRANSFER, SALE, OR ADMINISTRATION OF  
5 ASSETS  
6 Sec. 1031.306. SALE OR TRANSFER OF ASSETS AND  
7 LIABILITIES  
8 Sec. 1031.307. IMPOSITION OF TAX AND RETURN OF SURPLUS  
9 TAXES  
10 Sec. 1031.308. REPORT; DISSOLUTION ORDER  
11 CHAPTER 1031. GARZA COUNTY HEALTH CARE DISTRICT  
12 SUBCHAPTER A. GENERAL PROVISIONS  
13 Sec. 1031.001. DEFINITIONS. In this chapter:  
14 (1) "Board" means the board of directors of the  
15 district.  
16 (2) "Director" means a member of the board.  
17 (3) "District" means the Garza County Health Care  
18 District. (New.)  
19 Sec. 1031.002. AUTHORITY FOR OPERATION. The district  
20 operates in accordance with and has the powers and responsibilities  
21 provided by Section 9, Article IX, Texas Constitution. (Acts 60th  
22 Leg., R.S., Ch. 502, Sec. 1 (part).)  
23 Sec. 1031.003. POLITICAL SUBDIVISION. The district is a  
24 political subdivision of this state. (Acts 60th Leg., R.S., Ch.  
25 502, Sec. 16 (part).)  
26 Sec. 1031.004. DISTRICT TERRITORY. The boundaries of the  
27 district are coextensive with the boundaries of Garza County.

1 (Acts 60th Leg., R.S., Ch. 502, Sec. 1 (part).)

2 Sec. 1031.005. CORRECTION OF INVALID PROCEDURES. If a  
3 court holds that any procedure under this chapter violates the  
4 constitution of this state or of the United States, the district by  
5 resolution may provide an alternative procedure that conforms with  
6 the constitution. (Acts 60th Leg., R.S., Ch. 502, Sec. 17 (part).)

7 Sec. 1031.006. PUBLIC PURPOSE; TAX EXEMPTION. All property  
8 owned by the district:

9 (1) shall be held for public purposes; and

10 (2) is exempt from taxation of every character. (Acts  
11 60th Leg., R.S., Ch. 502, Sec. 16 (part).)

12 [Sections 1031.007-1031.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1031.051. BOARD ELECTION; TERM. (a) The board  
15 consists of five directors elected from the district at large.

16 (b) Unless four-year terms are established under Section  
17 285.081, Health and Safety Code:

18 (1) directors serve staggered two-year terms; and

19 (2) an election shall be held on the uniform election  
20 date in May of each year to elect the appropriate number of  
21 directors. (Acts 60th Leg., R.S., Ch. 502, Secs. 3(a) (part), (d)  
22 (part).)

23 Sec. 1031.052. NOTICE OF ELECTION. At least 10 days before  
24 the date of an election of directors, notice of the election shall  
25 be published one time in a newspaper of general circulation in Garza  
26 County. (Acts 60th Leg., R.S., Ch. 502, Sec. 3(d) (part).)

27 Sec. 1031.053. QUALIFICATIONS FOR OFFICE. To be eligible

1 to serve as a director, a person must:

2 (1) be a district resident; and

3 (2) have resided in the district for at least six  
4 months immediately preceding the date on which the person:

5 (A) files for election; or

6 (B) is appointed or elected as provided by  
7 Section 1031.055, if filling a vacancy in the office of director.  
8 (Acts 60th Leg., R.S., Ch. 502, Sec. 3(a) (part).)

9 Sec. 1031.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
10 OF OFFICE. (a) Each director may be required to execute a good and  
11 sufficient bond for \$1,000 that is:

12 (1) payable to the district; and

13 (2) conditioned on the faithful performance of the  
14 director's duties.

15 (b) The board may pay for a director's bond with district  
16 money.

17 (c) Each director's bond and constitutional oath or  
18 affirmation of office shall be deposited with the district's  
19 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 502,  
20 Sec. 3(a) (part).)

21 Sec. 1031.055. BOARD VACANCY. (a) If a vacancy occurs in  
22 the office of director, the remaining directors shall appoint a  
23 director for the unexpired term.

24 (b) If the number of directors is reduced to fewer than  
25 three for any reason, the remaining directors shall immediately  
26 call a special election to fill the vacancies. If the remaining  
27 directors do not call the election, a district court, on

1 application of a district voter or taxpayer, may order the  
2 directors to hold the election. (Acts 60th Leg., R.S., Ch. 502,  
3 Sec. 3(c) (part).)

4 Sec. 1031.056. OFFICERS. The board shall:

5 (1) elect a president from among its members; and

6 (2) appoint a secretary from among its members. (Acts  
7 60th Leg., R.S., Ch. 502, Sec. 3(c) (part).)

8 Sec. 1031.057. COMPENSATION; EXPENSES. A director serves  
9 without compensation but may be reimbursed for actual expenses  
10 incurred in the performance of official duties on approval of the  
11 expenses by the board. (Acts 60th Leg., R.S., Ch. 502, Sec. 4  
12 (part).)

13 Sec. 1031.058. VOTING REQUIREMENT. A concurrence of three  
14 directors is sufficient in any matter relating to district  
15 business. (Acts 60th Leg., R.S., Ch. 502, Sec. 3(c) (part).)

16 Sec. 1031.059. MEETINGS. (a) A board meeting may be called  
17 by the president or any three directors.

18 (b) Notice of the time and place of a board meeting must be  
19 given to each director at least 72 hours before the time of the  
20 meeting.

21 (c) This section does not prevent the board by resolution  
22 from establishing a regular time and place for meetings for which  
23 special notice is not required. (Acts 60th Leg., R.S., Ch. 502,  
24 Sec. 3(c) (part).)

25 Sec. 1031.060. DISTRICT ADMINISTRATOR. (a) The board  
26 shall appoint a district administrator.

27 (b) The district administrator may not receive an

1 employment contract for a specified term and may be terminated at  
2 any time by the board.

3 (c) The district administrator may be required to execute a  
4 good and sufficient bond for \$10,000 that is:

5 (1) payable to the district; and

6 (2) conditioned on the faithful performance of the  
7 administrator's duties.

8 (d) The district administrator's bond shall be deposited  
9 with the district's depository bank for safekeeping.

10 (e) The board may pay for the bond with district money.  
11 (Acts 60th Leg., R.S., Ch. 502, Sec. 3(b).)

12 Sec. 1031.061. EMPLOYMENT AND RECRUITMENT OF STAFF AND  
13 EMPLOYEES. (a) The board may employ a general manager and other  
14 necessary professional and clerical personnel.

15 (b) The board may spend district money to recruit  
16 physicians, nurses, and other trained medical personnel. The board  
17 may pay the tuition or other expenses of a full-time medical student  
18 or other student in a health occupation who:

19 (1) is enrolled in and is in good standing at an  
20 accredited medical school, college, or university; and

21 (2) contractually agrees to become a district employee  
22 or independent contractor in return for that assistance. (Acts  
23 60th Leg., R.S., Ch. 502, Secs. 8(a) (part), (i).)

24 Sec. 1031.062. PERSONNEL CONTRACTS. (a) The board may  
25 contract to provide administrative and other personnel for the  
26 operation of the health care facilities.

27 (b) The term of the contract may not exceed five years.

1 (Acts 60th Leg., R.S., Ch. 502, Sec. 8(e).)

2 Sec. 1031.063. RETIREMENT BENEFITS. The board may provide  
3 retirement benefits for district employees by:

4 (1) establishing or administering a retirement  
5 program; or

6 (2) participating in:

7 (A) the Texas County and District Retirement  
8 System; or

9 (B) another statewide retirement system in which  
10 the district is eligible to participate. (Acts 60th Leg., R.S., Ch.  
11 502, Sec. 8(h).)

12 Sec. 1031.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
13 Except as provided by Sections 1031.054 and 1031.060, all district  
14 records, including books, accounts, notices, minutes, and all other  
15 matters of the district and the operation of its facilities, shall  
16 be:

17 (1) maintained at the district office; and

18 (2) open to public inspection at the district office  
19 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 502, Sec.  
20 8(b).)

21 Sec. 1031.065. SEAL. The board may adopt a seal for the  
22 district. (Acts 60th Leg., R.S., Ch. 502, Sec. 8(a) (part).)

23 [Sections 1031.066-1031.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 1031.101. DISTRICT RESPONSIBILITY. The district has  
26 full responsibility for providing medical, hospital, and health  
27 care for the district's needy and indigent residents. (Acts 60th



1 Leg., R.S., Ch. 502, Secs. 2 (part), 12 (part).)

2           Sec. 1031.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
3 TAXATION. Garza County or a municipality in Garza County may not  
4 impose a tax for health care purposes. (Acts 60th Leg., R.S., Ch.  
5 502, Sec. 12 (part).)

6           Sec. 1031.103. MANAGEMENT AND CONTROL. The management and  
7 control of the district is vested in the board. (Acts 60th Leg.,  
8 R.S., Ch. 502, Sec. 4 (part).)

9           Sec. 1031.104. RULES. (a) The board may adopt rules  
10 governing the operation of the district, including district  
11 facilities.

12           (b) On approval by the board, the rules may be published in  
13 booklet form at district expense and made available to any taxpayer  
14 on request. (Acts 60th Leg., R.S., Ch. 502, Sec. 8(c).)

15           Sec. 1031.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
16 The board may prescribe the method and manner of making purchases  
17 and expenditures by and for the district.

18           (b) The board shall prescribe:

19                   (1) all accounting and control procedures; and

20                   (2) the method of purchasing necessary supplies,  
21 materials, and equipment. (Acts 60th Leg., R.S., Ch. 502, Sec. 8(a)  
22 (part).)

23           Sec. 1031.106. DISTRICT PROPERTY, FACILITIES, AND  
24 EQUIPMENT. (a) The board may:

25                   (1) purchase or lease property, including facilities  
26 or equipment, for the district to use in the health care system; and

27                   (2) mortgage or pledge the property as security for

1 the payment of the purchase price.

2 (b) The board may lease district health care facilities to  
3 individuals, corporations, or other legal entities for a term not  
4 to exceed 20 years.

5 (c) The board may sell or otherwise dispose of the  
6 district's property, including facilities or equipment. (Acts 60th  
7 Leg., R.S., Ch. 502, Secs. 8(d), (f), (g).)

8 Sec. 1031.107. COMPETITIVE BIDDING. The district may not  
9 enter into a contract that requires the district to spend at least  
10 \$15,000 and creates or imposes any type of obligation or liability  
11 on the district, unless the district first submits the contract to  
12 competitive bids. (Acts 60th Leg., R.S., Ch. 502, Sec. 6(g).)

13 Sec. 1031.108. EMERGENCY MEDICAL SERVICES. The board may  
14 spend district money to support emergency medical services in Garza  
15 County. (Acts 60th Leg., R.S., Ch. 502, Sec. 8(k).)

16 Sec. 1031.109. GIFTS AND ENDOWMENTS. The board may accept  
17 for the district a gift or endowment to be held in trust and  
18 administered by the board for the purposes and under the  
19 directions, limitations, or other provisions prescribed in writing  
20 by the donor that are not inconsistent with the proper management  
21 and objectives of the district. (Acts 60th Leg., R.S., Ch. 502,  
22 Sec. 14.)

23 Sec. 1031.110. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
24 When a patient who claims to be indigent is admitted to a district  
25 facility, the board shall have an inquiry made into the  
26 circumstances of:

27 (1) the patient; and

1           (2) the patient's relatives who are legally liable for  
2 the patient's support.

3           (b) If an agent designated by the district to handle the  
4 inquiry determines that the patient or those relatives cannot pay  
5 all or part of the costs of the care and treatment in the health care  
6 facility, the amount of the costs that cannot be paid becomes a  
7 charge against the district.

8           (c) If it is determined that the patient or those relatives  
9 are liable to pay for all or part of the costs of the patient's care  
10 and treatment, the patient or those relatives shall be ordered to  
11 pay to the district's depository or treasurer a specified amount  
12 each week for the patient's support. The amount ordered must be  
13 proportionate to the person's financial ability and may not exceed  
14 the actual per capita cost of maintenance.

15           (d) The district may collect the amount from the patient's  
16 estate, or from any relative who is legally liable for the patient's  
17 support, in the manner provided by law for the collection of  
18 expenses of the last illness of a deceased person.

19           (e) If there is a dispute as to the ability to pay, or doubt  
20 in the mind of the designated district agent, the board shall hold a  
21 hearing and, after calling witnesses, shall:

22                 (1) resolve the dispute or doubt; and

23                 (2) issue an appropriate order.

24           (f) The order may be appealed to the district court. (Acts  
25 60th Leg., R.S., Ch. 502, Sec. 13.)

26           Sec. 1031.111. NONINDIGENT RESIDENTS. The board may  
27 provide access to medical care to a nonindigent resident of Garza

1 County if the nonindigent resident is charged the reasonable and  
2 customary cost of services. (Acts 60th Leg., R.S., Ch. 502, Sec.  
3 8(1).)

4 Sec. 1031.112. AUTHORITY TO SUE AND BE SUED. As a  
5 governmental agency, the district may sue and be sued in its own  
6 name in any court of this state. (Acts 60th Leg., R.S., Ch. 502,  
7 Sec. 16 (part).)

8 [Sections 1031.113-1031.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 1031.151. BUDGET. The board annually shall require a  
11 budget to be prepared for the next fiscal year that includes:

- 12 (1) proposed expenditures and disbursements;  
13 (2) estimated receipts and collections; and  
14 (3) the amount of taxes required to be imposed for the  
15 year. (Acts 60th Leg., R.S., Ch. 502, Sec. 9(b) (part).)

16 Sec. 1031.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
17 The board shall hold a public hearing on the proposed annual budget.

18 (b) Notice of the hearing must be published in a newspaper  
19 of general circulation in Garza County in accordance with Chapter  
20 551, Government Code.

21 (c) Any district resident is entitled to:

22 (1) appear at the time and place designated in the  
23 notice; and

24 (2) be heard regarding any item included in the  
25 proposed budget. (Acts 60th Leg., R.S., Ch. 502, Sec. 9(b) (part).)

26 Sec. 1031.153. FISCAL YEAR. The district operates on a  
27 fiscal year that begins on October 1 and ends on September 30.

1 (Acts 60th Leg., R.S., Ch. 502, Sec. 9(a) (part).)

2       Sec. 1031.154. ANNUAL AUDIT. The board annually shall have  
3 an independent audit made of the district's books and records for  
4 the fiscal year. (Acts 60th Leg., R.S., Ch. 502, Sec. 9(a) (part).)

5       Sec. 1031.155. DEPOSITORY OR TREASURER. (a) The board by  
6 resolution shall designate a bank or banks as the district's  
7 depository or treasurer. A designated bank serves for two years and  
8 until a successor is designated.

9       (b) All district money shall be secured in the manner  
10 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 502,  
11 Sec. 10.)

12       Sec. 1031.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
13 The board may borrow money at a rate not to exceed the maximum  
14 annual percentage rate allowed by law for district obligations at  
15 the time the loan is made.

16       (b) To secure a loan, the board may pledge:

17               (1) district revenue that is not pledged to pay the  
18 district's bonded indebtedness;

19               (2) a district tax to be imposed by the district during  
20 the 12-month period following the date of the pledge that is not  
21 pledged to pay the principal of or interest on district bonds; or

22               (3) district bonds that have been authorized but not  
23 sold.

24       (c) A loan for which taxes or bonds are pledged must mature  
25 not later than the first anniversary of the date the loan is made. A  
26 loan for which district revenue is pledged must mature not later  
27 than the fifth anniversary of the date the loan is made. (Acts 60th

1 Leg., R.S., Ch. 502, Sec. 16A.)

2 [Sections 1031.157-1031.200 reserved for expansion]

3 SUBCHAPTER E. BONDS

4 Sec. 1031.201. GENERAL OBLIGATION BONDS. The board may  
5 issue general obligation bonds in the name and on the faith and  
6 credit of the district to:

7 (1) purchase, construct, acquire, repair, or renovate  
8 buildings or improvements;

9 (2) equip buildings or improvements for health care  
10 purposes; or

11 (3) acquire and operate a mobile emergency medical or  
12 air ambulance service. (Acts 60th Leg., R.S., Ch. 502, Sec. 6(a).)

13 Sec. 1031.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
14 the time general obligation bonds are issued by the district under  
15 Section 1031.201, the board shall impose an ad valorem tax at a rate  
16 sufficient to create an interest and sinking fund to pay the  
17 principal of and interest on the bonds as the bonds mature.

18 (b) The tax required by this section together with any  
19 maintenance and operation tax the district imposes may not exceed  
20 the tax rate approved by the voters at the election authorizing the  
21 imposition of the tax. (Acts 60th Leg., R.S., Ch. 502, Sec. 6(b)  
22 (part).)

23 Sec. 1031.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
24 district may issue general obligation bonds only if the bonds are  
25 authorized by a majority of the district voters voting at an  
26 election held for that purpose.

27 (b) The board may order a bond election. The election shall

1 be conducted as provided by Chapter 1251, Government Code.

2 (c) The board shall declare the results of the election.  
3 (Acts 60th Leg., R.S., Ch. 502, Sec. 6(b) (part).)

4 Sec. 1031.204. REVENUE BONDS. (a) The district may issue  
5 revenue bonds for any health care purpose, including a purpose  
6 described by Section 1031.201, only if the bonds are authorized by a  
7 majority of the district voters voting at an election held for that  
8 purpose.

9 (b) The bonds must be payable from and secured by a pledge of  
10 all or part of the revenue derived from the operation of the  
11 district's health care system.

12 (c) The bonds may be additionally secured by a mortgage or  
13 deed of trust lien on all or part of district property.

14 (d) The bonds must be issued in the manner provided by  
15 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
16 Code, for issuance of revenue bonds by a county hospital authority.  
17 (Acts 60th Leg., R.S., Ch. 502, Sec. 6(c).)

18 Sec. 1031.205. REFUNDING BONDS. (a) The board may, without  
19 an election, issue refunding bonds in the manner provided by this  
20 subchapter to refund outstanding bonds issued by the district.

21 (b) A refunding bond may be:

22 (1) sold, with the proceeds of the refunding bond  
23 applied to the payment of the bonds to be refunded; or

24 (2) exchanged wholly or partly for not less than a  
25 similar principal amount of the outstanding bonds and the unpaid  
26 matured interest on the bonds. (Acts 60th Leg., R.S., Ch. 502, Sec.  
27 6(f) (part).)

1           Sec. 1031.206. MATURITY OF BONDS. District bonds must  
2 mature not later than the 40th anniversary of the date of issuance.  
3 (Acts 60th Leg., R.S., Ch. 502, Sec. 6(e) (part).)

4           Sec. 1031.207. EXECUTION OF BONDS. (a) The board president  
5 shall execute the district's bonds in the district's name.

6           (b) The board secretary shall countersign the bonds. (Acts  
7 60th Leg., R.S., Ch. 502, Sec. 6(d) (part).)

8           [Sections 1031.208-1031.250 reserved for expansion]

9   SUBCHAPTER F. TAXES

10          Sec. 1031.251. IMPOSITION OF AD VALOREM TAX. (a) On final  
11 approval of the annual budget, the board shall impose a tax on all  
12 property in the district subject to district taxation.

13          (b) The tax may be used to:

14                 (1) pay the interest on and create a sinking fund for  
15 warrants issued by the district for health care purposes;

16                 (2) pay for the maintenance and operation expenses of  
17 the district and health care system;

18                 (3) pay for indebtedness issued or assumed by the  
19 district;

20                 (4) make improvements and additions to the health care  
21 system; and

22                 (5) acquire necessary sites for the health care system  
23 by purchase, lease, or condemnation.

24          (c) The district may not impose a tax to pay the principal of  
25 or interest on revenue bonds issued under this chapter. (Acts 60th  
26 Leg., R.S., Ch. 502, Secs. 5(a), (b) (part), (c), 9(b) (part).)

27          Sec. 1031.252. TAX RATE. (a) The board may impose the tax



1 at a rate not to exceed the limit approved by the voters at the  
2 election authorizing the imposition of the tax.

3 (b) The tax rate for all purposes may not exceed 75 cents on  
4 each \$100 valuation of all taxable property in the district. (Acts  
5 60th Leg., R.S., Ch. 502, Sec. 5(b) (part).)

6 Sec. 1031.253. ELECTION TO INCREASE MAXIMUM TAX RATE. The  
7 board may call an election to increase the maximum tax rate of the  
8 district to a specified rate allowed by law on each \$100 valuation  
9 of the taxable property in the district if the board determines that  
10 an increase is necessary to carry out the purposes for which the  
11 initial tax rate was authorized. (Acts 60th Leg., R.S., Ch. 502,  
12 Sec. 7 (part).)

13 Sec. 1031.254. TAX ASSESSOR-COLLECTOR. (a) The board may  
14 provide for the appointment of a tax assessor-collector for the  
15 district or may contract for the assessment and collection of taxes  
16 as provided by the Tax Code.

17 (b) The tax assessor-collector shall assess and collect  
18 taxes imposed by the district. (Acts 60th Leg., R.S., Ch. 502, Secs.  
19 5(b) (part), 9(b) (part).)

20 [Sections 1031.255-1031.300 reserved for expansion]

21 SUBCHAPTER G. DISSOLUTION

22 Sec. 1031.301. DISSOLUTION; ELECTION. (a) The district  
23 may be dissolved only on approval of a majority of the district  
24 voters voting in an election held for that purpose.

25 (b) The board may order an election on the question of  
26 dissolving the district and disposing of the district's assets and  
27 obligations.

1 (c) The board shall order an election if the board receives  
2 a petition requesting an election that is signed by at least 10  
3 percent of the registered voters in the district.

4 (d) The order calling the election must state:

5 (1) the nature of the election, including the  
6 proposition to appear on the ballot;

7 (2) the date of the election;

8 (3) the hours during which the polls will be open; and

9 (4) the location of the polling places.

10 (e) Section 41.001(a), Election Code, does not apply to an  
11 election ordered under this section. (Acts 60th Leg., R.S., Ch.  
12 502, Secs. 16B(a), (b), (c) (part).)

13 Sec. 1031.302. NOTICE OF ELECTION. (a) The board shall  
14 give notice of an election under this subchapter by publishing once  
15 a week for two consecutive weeks a substantial copy of the election  
16 order in a newspaper with general circulation in the district.

17 (b) The first publication of the notice must appear not  
18 later than the 35th day before the date set for the election. (Acts  
19 60th Leg., R.S., Ch. 502, Sec. 16B(d) (part).)

20 Sec. 1031.303. BALLOT. The ballot for an election under  
21 this subchapter must be printed to permit voting for or against the  
22 proposition: "The dissolution of the Garza County Health Care  
23 District." (Acts 60th Leg., R.S., Ch. 502, Sec. 16B(d) (part).)

24 Sec. 1031.304. ELECTION RESULTS. (a) If a majority of the  
25 votes in an election under this subchapter favor dissolution, the  
26 board shall find that the district is dissolved.

27 (b) If a majority of the votes in the election do not favor

1 dissolution, the board shall continue to administer the district  
2 and another election on the question of dissolution may not be held  
3 before the first anniversary of the date of the most recent election  
4 to dissolve the district. (Acts 60th Leg., R.S., Ch. 502, Sec.  
5 16B(e).)

6 Sec. 1031.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

7 (a) If a majority of the votes in the election held under this  
8 subchapter favor dissolution, the board shall:

9 (1) transfer the land, buildings, improvements,  
10 equipment, and other assets that belong to the district to Garza  
11 County or another governmental entity in Garza County;

12 (2) sell the assets and liabilities to another person;  
13 or

14 (3) administer the property, assets, and debts until  
15 all money has been disposed of and all district debts have been paid  
16 or settled.

17 (b) If the board makes the transfer under Subsection (a)(1),  
18 the county or entity assumes all debts and obligations of the  
19 district at the time of the transfer, and the district is dissolved.

20 (c) If Subsections (a)(1) and (2) do not apply and the board  
21 administers the property, assets, and debts of the district under  
22 Subsection (a)(3), the district is dissolved when all money has  
23 been disposed of and all district debts have been paid or settled.  
24 (Acts 60th Leg., R.S., Ch. 502, Secs. 16B(f), (g), (m) (part).)

25 Sec. 1031.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

26 (a) The dissolution of the district and the sale or transfer of the  
27 district's assets and liabilities to another person may not

1 contravene a trust indenture or bond resolution relating to the  
2 district's outstanding bonds. The dissolution and sale or transfer  
3 does not diminish or impair the rights of a holder of an outstanding  
4 bond, warrant, or other obligation of the district.

5 (b) The sale or transfer of the district's assets and  
6 liabilities must satisfy the debt and bond obligations of the  
7 district in a manner that protects the interests of the residents of  
8 the district, including the residents' collective property rights  
9 in the district's assets.

10 (c) The district may not transfer or dispose of the  
11 district's assets except for due compensation unless:

12 (1) the transfer is made to another governmental  
13 entity that serves the district; and

14 (2) the transferred assets are to be used for the  
15 benefit of the district's residents.

16 (d) A grant from federal funds is an obligation to be repaid  
17 in satisfaction. (Acts 60th Leg., R.S., Ch. 502, Secs. 16B(m)  
18 (part), (n).)

19 Sec. 1031.307. IMPOSITION OF TAX AND RETURN OF SURPLUS  
20 TAXES. (a) After the board finds that the district is dissolved,  
21 the board shall:

22 (1) determine the debt owed by the district; and

23 (2) impose on the property included in the district's  
24 tax rolls a tax that is in proportion of the debt to the property  
25 value.

26 (b) On the payment of all outstanding debts and obligations  
27 of the district, the board shall order the secretary to return to

1 each district taxpayer the taxpayer's pro rata share of all unused  
2 tax money.

3 (c) A taxpayer may request that the taxpayer's share of  
4 surplus tax money be credited to the taxpayer's county taxes. If a  
5 taxpayer requests the credit, the board shall direct the secretary  
6 to transmit the money to the county tax assessor-collector. (Acts  
7 60th Leg., R.S., Ch. 502, Secs. 16B(h), (i), (j).)

8 Sec. 1031.308. REPORT; DISSOLUTION ORDER. (a) After the  
9 district has paid all district debts and has disposed of all  
10 district money and other assets as prescribed by this subchapter,  
11 the board shall file a written report with the Commissioners Court  
12 of Garza County summarizing the board's actions in dissolving the  
13 district.

14 (b) Not later than the 10th day after the date the  
15 Commissioners Court of Garza County receives the report and  
16 determines that the requirements of this subchapter have been  
17 fulfilled, the commissioners court shall enter an order dissolving  
18 the district and releasing the board from any further duty or  
19 obligation. (Acts 60th Leg., R.S., Ch. 502, Secs. 16B(k), (l).)

20 CHAPTER 1032. GONZALES HEALTHCARE SYSTEMS

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 1032.001. DEFINITIONS

23 Sec. 1032.002. AUTHORITY FOR OPERATION

24 Sec. 1032.003. ESSENTIAL PUBLIC FUNCTION

25 Sec. 1032.004. DISTRICT TERRITORY

26 Sec. 1032.005. DISTRICT SUPPORT AND MAINTENANCE NOT

27 STATE OBLIGATION

- 1 Sec. 1032.006. RESTRICTION ON STATE FINANCIAL  
2 ASSISTANCE  
3 [Sections 1032.007-1032.050 reserved for expansion]  
4 SUBCHAPTER B. DISTRICT ADMINISTRATION  
5 Sec. 1032.051. BOARD ELECTION; TERM  
6 Sec. 1032.052. NOTICE OF ELECTION  
7 Sec. 1032.053. BALLOT PETITION  
8 Sec. 1032.054. QUALIFICATIONS FOR OFFICE  
9 Sec. 1032.055. BOARD VACANCY  
10 Sec. 1032.056. OFFICERS  
11 Sec. 1032.057. COMPENSATION; EXPENSES  
12 Sec. 1032.058. VOTING REQUIREMENT  
13 Sec. 1032.059. DISTRICT ADMINISTRATOR; ASSISTANT  
14 ADMINISTRATOR  
15 Sec. 1032.060. GENERAL DUTIES OF DISTRICT  
16 ADMINISTRATOR  
17 Sec. 1032.061. EMPLOYEES; APPOINTMENT OF STAFF  
18 [Sections 1032.062-1032.100 reserved for expansion]  
19 SUBCHAPTER C. POWERS AND DUTIES  
20 Sec. 1032.101. DISTRICT RESPONSIBILITY  
21 Sec. 1032.102. RESTRICTION ON POLITICAL SUBDIVISION  
22 TAXATION AND DEBT  
23 Sec. 1032.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
24 Sec. 1032.104. HOSPITAL SYSTEM  
25 Sec. 1032.105. RULES  
26 Sec. 1032.106. PURCHASING AND ACCOUNTING PROCEDURES

- 1 Sec. 1032.107. DISTRICT PROPERTY, FACILITIES, AND
- 2                                   EQUIPMENT
- 3 Sec. 1032.108. EMINENT DOMAIN
- 4 Sec. 1032.109. GIFTS AND ENDOWMENTS
- 5 Sec. 1032.110. CONSTRUCTION CONTRACTS
- 6 Sec. 1032.111. OPERATING AND MANAGEMENT CONTRACTS
- 7 Sec. 1032.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 8                                   FOR CARE AND TREATMENT
- 9 Sec. 1032.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 10                                  FOR INVESTIGATORY OR OTHER SERVICES
- 11 Sec. 1032.114. PAYMENT FOR TREATMENT; PROCEDURES
- 12 Sec. 1032.115. AUTHORITY TO SUE AND BE SUED
- 13                   [Sections 1032.116-1032.150 reserved for expansion]
- 14                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 15 Sec. 1032.151. BUDGET
- 16 Sec. 1032.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 17 Sec. 1032.153. AMENDMENTS TO BUDGET
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- 19 Sec. 1032.155. FISCAL YEAR
- 20 Sec. 1032.156. ANNUAL AUDIT
- 21 Sec. 1032.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
- 22                                   RECORDS
- 23 Sec. 1032.158. FINANCIAL REPORT
- 24 Sec. 1032.159. DEPOSITORY
- 25 Sec. 1032.160. SPENDING AND INVESTMENT RESTRICTIONS
- 26                   [Sections 1032.161-1032.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

- 2 Sec. 1032.201. GENERAL OBLIGATION BONDS
- 3 Sec. 1032.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 4 Sec. 1032.203. GENERAL OBLIGATION BOND ELECTION
- 5 Sec. 1032.204. MATURITY OF GENERAL OBLIGATION BONDS
- 6 Sec. 1032.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 7 Sec. 1032.206. REVENUE BONDS
- 8 Sec. 1032.207. REFUNDING BONDS
- 9 Sec. 1032.208. BONDS EXEMPT FROM TAXATION

10 [Sections 1032.209-1032.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

- 12 Sec. 1032.251. IMPOSITION OF AD VALOREM TAX
- 13 Sec. 1032.252. TAX RATE
- 14 Sec. 1032.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
- 15 ASSESSOR-COLLECTOR
- 16 Sec. 1032.254. ASSESSMENT AND COLLECTION BY DISTRICT
- 17 TAX ASSESSOR-COLLECTOR

18 CHAPTER 1032. GONZALES HEALTHCARE SYSTEMS

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 1032.001. DEFINITIONS. In this chapter:

- 21 (1) "Board" means the board of directors of the
- 22 district.
- 23 (2) "Director" means a member of the board.
- 24 (3) "District" means Gonzales Healthcare Systems.

25 (New.)

26 Sec. 1032.002. AUTHORITY FOR OPERATION. The district  
27 operates and is administered and financed in accordance with



1 Section 9, Article IX, Texas Constitution, and has the rights,  
2 powers, and duties provided by this chapter. (Acts 64th Leg., R.S.,  
3 Ch. 191, Sec. 1 (part).)

4 Sec. 1032.003. ESSENTIAL PUBLIC FUNCTION. The district  
5 performs an essential public function in carrying out the purposes  
6 of this chapter. (Acts 64th Leg., R.S., Ch. 191, Sec. 21 (part).)

7 Sec. 1032.004. DISTRICT TERRITORY. The boundaries of the  
8 district are coextensive with the boundaries of Gonzales County  
9 except the district does not include the territory of the following  
10 districts that lie within the county as those districts existed on  
11 January 1, 1975:

12 (1) Nixon Hospital District of Gonzales and Wilson  
13 Counties;

14 (2) DeWitt Medical District;

15 (3) Yoakum Hospital District; and

16 (4) Shiner Independent School District of Shiner and  
17 Lavaca Counties. (Acts 64th Leg., R.S., Ch. 191, Sec. 1 (part).)

18 Sec. 1032.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
19 OBLIGATION. The support and maintenance of the district may not  
20 become a charge against or obligation of this state. (Acts 64th  
21 Leg., R.S., Ch. 191, Sec. 20 (part).)

22 Sec. 1032.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
23 The legislature may not make a direct appropriation for the  
24 construction, maintenance, or improvement of a district facility.  
25 (Acts 64th Leg., R.S., Ch. 191, Sec. 20 (part).)

26 [Sections 1032.007-1032.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

1                   Sec. 1032.051. BOARD ELECTION; TERM.     (a)     The board  
2 consists of nine directors elected as follows:  
3

4                   (1)     four directors, each of whom is elected from the  
5 county commissioners precinct represented by the director; and

6                   (2)     five directors from the district at large.

7                   (b)     Directors serve staggered two-year terms unless  
8 four-year terms are established under Section 285.081, Health and  
9 Safety Code. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(c) (part).)

10                  Sec. 1032.052. NOTICE OF ELECTION. At least 45 days before  
11 the date of an election of directors, notice of the election shall  
12 be published one time in a newspaper or newspapers that  
13 individually or collectively have general circulation in the  
14 district. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(c) (part).)

15                  Sec. 1032.053. BALLOT PETITION. A person who wants to have  
16 the person's name printed on the ballot as a candidate for director  
17 must file with the board secretary a petition requesting that  
18 action. The petition must be:

19                   (1)     signed by at least 10 voters; and

20                   (2)     filed at least 45 days before the date of the  
21 election. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(c) (part).)

22                  Sec. 1032.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
23 not be elected or appointed as a director unless the person is:

24                   (1)     a district resident; and

25                   (2)     a qualified voter.

26                  (b)     A person is not eligible to serve as a director if the  
27 person is:

1 (1) the district administrator; or

2 (2) a district employee. (Acts 64th Leg., R.S., Ch.  
3 191, Sec. 4(d).)

4 Sec. 1032.055. BOARD VACANCY. If a vacancy occurs in the  
5 office of director, the remaining directors shall appoint a  
6 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 191,  
7 Sec. 4(c) (part).)

8 Sec. 1032.056. OFFICERS. (a) The board shall elect:

9 (1) a president and a vice president from among its  
10 members; and

11 (2) a secretary, who need not be a director.

12 (b) Each officer of the board serves for a term of one year.

13 (c) The board shall fill a vacancy in a board office for the  
14 unexpired term. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(e) (part).)

15 Sec. 1032.057. COMPENSATION; EXPENSES. A director or  
16 officer serves without compensation but may be reimbursed for  
17 actual expenses incurred in the performance of official duties.  
18 The expenses must be:

19 (1) reported in the district's records; and

20 (2) approved by the board. (Acts 64th Leg., R.S., Ch.  
21 191, Sec. 4(e) (part).)

22 Sec. 1032.058. VOTING REQUIREMENT. A concurrence of five  
23 directors is sufficient in any matter relating to district  
24 business. (Acts 64th Leg., R.S., Ch. 191, Sec. 4(e) (part).)

25 Sec. 1032.059. DISTRICT ADMINISTRATOR; ASSISTANT  
26 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
27 district administrator.

1 (b) The board may appoint an assistant administrator.

2 (c) The district administrator and any assistant  
3 administrator serve at the will of the board and are entitled to the  
4 compensation determined by the board.

5 (d) On assuming the duties of district administrator, the  
6 administrator shall execute a bond payable to the district in an  
7 amount set by the board of not less than \$5,000 that:

8 (1) is conditioned on the administrator performing the  
9 administrator's duties; and

10 (2) contains other conditions the board may require.  
11 (Acts 64th Leg., R.S., Ch. 191, Sec. 5 (part).)

12 Sec. 1032.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
13 Subject to the limitations prescribed by the board, the district  
14 administrator shall:

15 (1) supervise the work and activities of the district;  
16 and

17 (2) direct the affairs of the district. (Acts 64th  
18 Leg., R.S., Ch. 191, Sec. 5 (part).)

19 Sec. 1032.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
20 board may appoint to the staff any doctors the board considers  
21 necessary for the efficient operation of the district and may make  
22 temporary appointments as necessary.

23 (b) The district may employ fiscal agents, accountants,  
24 architects, and attorneys the board considers proper.

25 (c) The board may delegate to the district administrator the  
26 authority to hire district employees, including technicians and  
27 nurses. (Acts 64th Leg., R.S., Ch. 191, Secs. 5 (part), 16.)

1 [Sections 1032.062-1032.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1032.101. DISTRICT RESPONSIBILITY. The district has  
4 full responsibility for operating all hospital facilities for  
5 providing medical and hospital care for the district's needy  
6 inhabitants. (Acts 64th Leg., R.S., Ch. 191, Sec. 19 (part).)

7 Sec. 1032.102. RESTRICTION ON POLITICAL SUBDIVISION  
8 TAXATION AND DEBT. A political subdivision located wholly or  
9 partly within the district may not impose a tax or issue bonds or  
10 other obligations for hospital purposes or to provide medical care  
11 for district residents. (Acts 64th Leg., R.S., Ch. 191, Sec. 19  
12 (part).)

13 Sec. 1032.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
14 The board shall manage, control, and administer the hospital system  
15 and the district's money and resources. (Acts 64th Leg., R.S., Ch.  
16 191, Sec. 5 (part).)

17 Sec. 1032.104. HOSPITAL SYSTEM. (a) The district shall  
18 provide for the establishment of a hospital system by:

19 (1) purchasing, constructing, acquiring, repairing,  
20 or renovating buildings and equipment;

21 (2) equipping the buildings; and

22 (3) administering the buildings and equipment for  
23 hospital purposes.

24 (b) The hospital system may include any facilities the board  
25 considers necessary for hospital care. (Acts 64th Leg., R.S., Ch.  
26 191, Secs. 2 (part), 10(a) (part).)

27 Sec. 1032.105. RULES. The board may adopt rules governing

1 the operation of the hospital, the hospital system, and the  
2 district's staff and employees. (Acts 64th Leg., R.S., Ch. 191,  
3 Sec. 5 (part).)

4 Sec. 1032.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
5 board may prescribe:

6 (1) the method and manner of making purchases and  
7 expenditures by and for the district; and

8 (2) all accounting and control procedures. (Acts 64th  
9 Leg., R.S., Ch. 191, Sec. 10(b) (part).)

10 Sec. 1032.107. DISTRICT PROPERTY, FACILITIES, AND  
11 EQUIPMENT. (a) The board shall determine the type, number, and  
12 location of buildings required to maintain an adequate hospital  
13 system.

14 (b) The board may lease all or part of the district's  
15 buildings and other facilities on terms considered to be in the best  
16 interest of the district's inhabitants.

17 (c) The district may acquire equipment for use in the  
18 district's hospital system and mortgage or pledge the property as  
19 security for the payment of the purchase price.

20 (d) The district may sell or otherwise dispose of any  
21 property, including equipment, on terms the board finds are in the  
22 best interest of the district's inhabitants. (Acts 64th Leg.,  
23 R.S., Ch. 191, Secs. 10(a) (part), (b) (part).)

24 Sec. 1032.108. EMINENT DOMAIN. (a) The district may  
25 exercise the power of eminent domain to acquire a fee simple or  
26 other interest in any type of property located in district  
27 territory if the interest is necessary or convenient for the

1 district to exercise a power, right, or privilege conferred by this  
2 chapter.

3 (b) The district must exercise the power of eminent domain  
4 in the manner provided by Chapter 21, Property Code, except the  
5 district is not required to deposit in the trial court money or a  
6 bond as provided by Section 21.021(a), Property Code.

7 (c) In a condemnation proceeding brought by the district,  
8 the district is not required to:

9 (1) pay in advance or provide a bond or other security  
10 for costs in the trial court;

11 (2) provide a bond for the issuance of a temporary  
12 restraining order or a temporary injunction; or

13 (3) provide a bond for costs or a supersedeas bond on  
14 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 191, Sec.  
15 14.)

16 Sec. 1032.109. GIFTS AND ENDOWMENTS. The board may accept  
17 for the district a gift or endowment to be held in trust and  
18 administered by the board for the purposes and under the  
19 directions, limitations, or other provisions prescribed in writing  
20 by the donor that are not inconsistent with the proper management  
21 and objectives of the district. (Acts 64th Leg., R.S., Ch. 191,  
22 Sec. 18.)

23 Sec. 1032.110. CONSTRUCTION CONTRACTS. A construction  
24 contract that involves the expenditure of more than \$10,000 may be  
25 made only after advertising in the manner provided by Chapter 252  
26 and Subchapter C, Chapter 262, Local Government Code. (Acts 64th  
27 Leg., R.S., Ch. 191, Sec. 10(b) (part).)

1           Sec. 1032.111. OPERATING AND MANAGEMENT CONTRACTS. The  
2 board may enter into an operating or management contract relating  
3 to a district facility. (Acts 64th Leg., R.S., Ch. 191, Sec. 10(a)  
4 (part).)

5           Sec. 1032.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
6 CARE AND TREATMENT. (a) The board may contract with a county or  
7 municipality located outside the district's boundaries for the care  
8 and treatment of a sick or injured person of that county or  
9 municipality.

10           (b) The board may contract with this state or a federal  
11 agency for the treatment of a sick or injured person. (Acts 64th  
12 Leg., R.S., Ch. 191, Sec. 5 (part).)

13           Sec. 1032.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
14 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
15 political subdivision or governmental agency for the district  
16 to provide investigatory or other services for the medical,  
17 hospital, or welfare needs of district inhabitants. (Acts 64th  
18 Leg., R.S., Ch. 191, Sec. 5 (part).)

19           Sec. 1032.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
20 When a patient who resides in the district is admitted to a district  
21 facility, the district administrator may have an inquiry made into  
22 the circumstances of:

23                   (1) the patient; and

24                   (2) the patient's relatives who are legally liable for  
25 the patient's support.

26           (b) If the district administrator determines that the  
27 patient or those relatives cannot pay all or part of the costs of



1 the care and treatment in the hospital, the amount of the costs that  
2 cannot be paid becomes a charge against the district.

3 (c) If the district administrator determines that the  
4 patient or those relatives can pay for all or part of the costs of  
5 the patient's care and treatment, the patient or those relatives  
6 shall be ordered to pay the district a specified amount each week  
7 for the patient's care and support. The amount ordered must be  
8 proportionate to the person's financial ability.

9 (d) The district administrator may collect the amount from  
10 the patient's estate, or from any relative who is legally liable for  
11 the patient's support, in the manner provided by law for the  
12 collection of expenses of the last illness of a deceased person.

13 (e) If there is a dispute as to the ability to pay, or doubt  
14 in the mind of the district administrator, the board shall hold a  
15 hearing and, after calling witnesses, shall:

16 (1) resolve the dispute or doubt; and

17 (2) issue any appropriate orders.

18 (f) A final order of the board may be appealed to the  
19 district court. The substantial evidence rule applies to the  
20 appeal. (Acts 64th Leg., R.S., Ch. 191, Sec. 17.)

21 Sec. 1032.115. AUTHORITY TO SUE AND BE SUED. The district,  
22 through the board, may sue and be sued. (Acts 64th Leg., R.S., Ch.  
23 191, Sec. 5 (part).)

24 [Sections 1032.116-1032.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 1032.151. BUDGET. (a) The district administrator  
27 shall prepare an annual budget for approval by the board.

1 (b) The proposed budget must contain a complete financial  
2 statement of:

3 (1) the outstanding obligations of the district;

4 (2) the cash on hand in each district fund;

5 (3) the money received by the district from all  
6 sources during the previous year;

7 (4) the money available to the district from all  
8 sources during the ensuing year;

9 (5) the balances expected at the end of the year in  
10 which the budget is being prepared;

11 (6) the estimated revenue and balances available to  
12 cover the proposed budget; and

13 (7) the estimated tax rate required. (Acts 64th Leg.,  
14 R.S., Ch. 191, Sec. 6 (part).)

15 Sec. 1032.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
16 The board shall hold a public hearing on the proposed annual budget.

17 (b) Notice of the hearing must be published one time at  
18 least 10 days before the date of the hearing.

19 (c) Any district resident is entitled to be present and  
20 participate at the hearing.

21 (d) At the conclusion of the hearing, the board shall adopt  
22 a budget by acting on the budget proposed by the district  
23 administrator. The board may make any changes in the proposed  
24 budget that the board judges to be in the interests of the taxpayers  
25 and that the law warrants. (Acts 64th Leg., R.S., Ch. 191, Sec. 6  
26 (part).)

27 Sec. 1032.153. AMENDMENTS TO BUDGET. The budget may be

1 amended as required by circumstances. The board must approve all  
2 amendments. (Acts 64th Leg., R.S., Ch. 191, Sec. 6 (part).)

3       Sec. 1032.154. RESTRICTION ON EXPENDITURES. Money may be  
4 spent only for an expense included in the budget or an amendment to  
5 the budget. (Acts 64th Leg., R.S., Ch. 191, Sec. 6 (part).)

6       Sec. 1032.155. FISCAL YEAR. (a) The district operates on a  
7 fiscal year established by the board.

8       (b) The fiscal year may not be changed:

9               (1) during a period that revenue bonds of the district  
10 are outstanding; or

11               (2) more than once in a 24-month period. (Acts 64th  
12 Leg., R.S., Ch. 191, Sec. 6 (part).)

13       Sec. 1032.156. ANNUAL AUDIT. The board annually shall have  
14 an audit made of the district's financial condition. (Acts 64th  
15 Leg., R.S., Ch. 191, Sec. 6 (part).)

16       Sec. 1032.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
17 RECORDS. The annual audit and other district records shall be open  
18 to inspection at the district's principal office. (Acts 64th Leg.,  
19 R.S., Ch. 191, Sec. 6 (part).)

20       Sec. 1032.158. FINANCIAL REPORT. As soon as practicable  
21 after the close of each fiscal year, the district administrator  
22 shall prepare for the board:

23               (1) a complete sworn statement of all district money;  
24 and

25               (2) a complete account of the disbursements of that  
26 money. (Acts 64th Leg., R.S., Ch. 191, Sec. 6 (part).)

27       Sec. 1032.159. DEPOSITORY. (a) The board shall select one

1 or more banks inside or outside the district to serve as a  
2 depository for district money.

3 (b) District money, other than money invested as provided by  
4 Section 1032.160(b), and money transmitted to a bank for payment of  
5 bonds or obligations issued or assumed by the district, shall be  
6 deposited as received with the depository bank and shall remain on  
7 deposit.

8 (c) This chapter, including Subsection (b), does not limit  
9 the power of the board to place a part of district money on time  
10 deposit or to purchase certificates of deposit.

11 (d) The district may not deposit money with a bank in an  
12 amount that exceeds the maximum amount secured by the Federal  
13 Deposit Insurance Corporation unless the bank first executes a bond  
14 or other security in an amount sufficient to secure from loss the  
15 district money that exceeds the amount secured by the Federal  
16 Deposit Insurance Corporation. (Acts 64th Leg., R.S., Ch. 191,  
17 Sec. 11.)

18 Sec. 1032.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
19 Except as otherwise provided by Section 1032.107(c) and by  
20 Subchapter E, the district may not incur an obligation payable from  
21 district revenue other than the revenue on hand or to be on hand in  
22 the current and following district fiscal years.

23 (b) The board may invest operating, depreciation, or  
24 building reserves only in funds or securities specified by Chapter  
25 2256, Government Code. (Acts 64th Leg., R.S., Ch. 191, Secs. 5  
26 (part), 10(b) (part).)

27 [Sections 1032.161-1032.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

2 Sec. 1032.201. GENERAL OBLIGATION BONDS. The board may  
3 issue and sell general obligation bonds in the name and on the faith  
4 and credit of the district for any purpose relating to:

5 (1) the purchase, construction, acquisition, repair,  
6 or renovation of buildings or improvements; and

7 (2) equipping buildings or improvements for hospital  
8 purposes. (Acts 64th Leg., R.S., Ch. 191, Sec. 7(a) (part).)

9 Sec. 1032.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
10 the time general obligation bonds are issued by the district under  
11 Section 1032.201, the board shall impose an ad valorem tax at a rate  
12 sufficient to create an interest and sinking fund to pay the  
13 principal of and interest on the bonds as the bonds mature.

14 (b) The tax required by this section together with any other  
15 ad valorem tax the district imposes may not in any year exceed 75  
16 cents on each \$100 valuation of all taxable property in the  
17 district. (Acts 64th Leg., R.S., Ch. 191, Sec. 7(a) (part).)

18 Sec. 1032.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
19 district may issue general obligation bonds only if the bonds are  
20 authorized by a majority of the district voters.

21 (b) The order calling the election shall provide for clerks  
22 as in county elections and must specify:

23 (1) the date of the election;

24 (2) the location of the polling places;

25 (3) the presiding and alternate election judges for  
26 each polling place;

27 (4) the amount of the bonds to be authorized; and

1           (5) the maximum maturity of the bonds.

2           (c) Notice of a bond election shall be given as provided by  
3 Section 1251.003, Government Code. (Acts 64th Leg., R.S., Ch. 191,  
4 Sec. 7(a) (part).)

5           Sec. 1032.204. MATURITY OF GENERAL OBLIGATION BONDS.  
6 District general obligation bonds must mature not later than 50  
7 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 191,  
8 Sec. 7(c) (part).)

9           Sec. 1032.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
10 The board president shall execute the general obligation bonds in  
11 the district's name.

12           (b) The board secretary shall countersign the bonds in the  
13 manner provided by Chapter 618, Government Code. (Acts 64th Leg.,  
14 R.S., Ch. 191, Sec. 7(c) (part).)

15           Sec. 1032.206. REVENUE BONDS. (a) The board may issue  
16 revenue bonds to:

17           (1) purchase, construct, acquire, repair, renovate,  
18 or equip buildings or improvements for hospital purposes; or

19           (2) acquire sites to be used for hospital purposes.

20           (b) The bonds must be payable from and secured by a pledge of  
21 all or part of the revenue derived from the operation of the  
22 district's hospitals.

23           (c) The bonds may be additionally secured by a mortgage or  
24 deed of trust lien on all or part of district property.

25           (d) The bonds must be issued in the manner and in accordance  
26 with the procedures and requirements prescribed by Sections  
27 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for

1 issuance of revenue bonds by a county hospital authority. (Acts  
2 64th Leg., R.S., Ch. 191, Sec. 9 (part).)

3 Sec. 1032.207. REFUNDING BONDS. (a) The board may, without  
4 an election, issue refunding bonds to refund outstanding  
5 indebtedness issued or assumed by the district.

6 (b) A refunding bond may be:

7 (1) sold, with the proceeds of the refunding bond  
8 applied to the payment of the outstanding indebtedness; or

9 (2) exchanged wholly or partly for not less than a  
10 similar principal amount of outstanding indebtedness. (Acts 64th  
11 Leg., R.S., Ch. 191, Secs. 7(a) (part), (b) (part), 9 (part).)

12 Sec. 1032.208. BONDS EXEMPT FROM TAXATION. The following  
13 are exempt from taxation by this state or a political subdivision of  
14 this state:

15 (1) bonds issued by the district;

16 (2) the transfer and issuance of the bonds; and

17 (3) profits made in the sale of the bonds. (Acts 64th  
18 Leg., R.S., Ch. 191, Sec. 21 (part).)

19 [Sections 1032.209-1032.250 reserved for expansion]

20 SUBCHAPTER F. TAXES

21 Sec. 1032.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
22 shall impose a tax on all property in the district subject to  
23 district taxation.

24 (b) The board shall impose the tax to pay:

25 (1) indebtedness issued or assumed by the district;

26 and

27 (2) the maintenance and operating expenses of the

1 district.

2 (c) The board may not impose a tax to pay the principal of or  
3 interest on revenue bonds issued under this chapter. (Acts 64th  
4 Leg., R.S., Ch. 191, Secs. 12(a) (part), 15(a) (part).)

5 Sec. 1032.252. TAX RATE. (a) The board may impose the tax  
6 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
7 property in the district.

8 (b) In setting the tax rate, the board shall consider the  
9 income of the district from sources other than taxation. (Acts 64th  
10 Leg., R.S., Ch. 191, Secs. 3(b) (part), 12(a) (part), (b) (part).)

11 Sec. 1032.253. ASSESSMENT AND COLLECTION BY COUNTY TAX  
12 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
13 elects to have taxes assessed and collected under Section 1032.254.

14 (b) The tax assessor-collector of Gonzales County shall  
15 assess and collect taxes imposed by the district. (Acts 64th Leg.,  
16 R.S., Ch. 191, Secs. 15(a) (part), (b) (part).)

17 Sec. 1032.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX  
18 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes  
19 assessed and collected by a tax assessor-collector appointed by the  
20 board. An election under this subsection must be made by December 1  
21 and governs the manner in which taxes are assessed and collected,  
22 until changed by a similar resolution.

23 (b) The district tax assessor-collector must reside in the  
24 district.

25 (c) The board shall set for the district tax  
26 assessor-collector:

27 (1) the term of employment; and



1           (2) compensation. (Acts 64th Leg., R.S., Ch. 191,  
2 Secs. 15(a) (part), (c) (part).)

3           CHAPTER 1033. GRAPELAND HOSPITAL DISTRICT

4                           OF HOUSTON COUNTY, TEXAS

5                           SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 1033.001. DEFINITIONS

7 Sec. 1033.002. AUTHORITY FOR CREATION

8 Sec. 1033.003. DISTRICT TERRITORY

9 Sec. 1033.004. DISTRICT SUPPORT AND MAINTENANCE NOT

10                           STATE OBLIGATION

11 Sec. 1033.005. RESTRICTION ON STATE FINANCIAL

12                           ASSISTANCE

13           [Sections 1033.006-1033.050 reserved for expansion]

14                           SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1033.051. BOARD ELECTION; TERM

16 Sec. 1033.052. QUALIFICATIONS FOR OFFICE

17 Sec. 1033.053. BOND; RECORD OF BOND AND OATH OR

18                           AFFIRMATION OF OFFICE

19 Sec. 1033.054. BOARD VACANCY

20 Sec. 1033.055. OFFICERS

21 Sec. 1033.056. COMPENSATION; EXPENSES

22 Sec. 1033.057. DISTRICT ADMINISTRATOR

23 Sec. 1033.058. EMPLOYEES; APPOINTMENT AND DISMISSAL OF STAFF

24 Sec. 1033.059. MAINTENANCE OF RECORDS; PUBLIC

25                           INSPECTION

26           [Sections 1033.060-1033.100 reserved for expansion]

- 1                               SUBCHAPTER C. POWERS AND DUTIES
- 2   Sec. 1033.101.   DISTRICT RESPONSIBILITY
- 3   Sec. 1033.102.   RESTRICTION ON POLITICAL SUBDIVISION
- 4                               TAXATION AND DEBT
- 5   Sec. 1033.103.   MANAGEMENT AND CONTROL OF DISTRICT
- 6   Sec. 1033.104.   HOSPITAL SYSTEM
- 7   Sec. 1033.105.   RULES
- 8   Sec. 1033.106.   PURCHASING AND ACCOUNTING PROCEDURES
- 9   Sec. 1033.107.   EMINENT DOMAIN
- 10   Sec. 1033.108.   GIFTS AND ENDOWMENTS
- 11   Sec. 1033.109.   CONTRACTS WITH POLITICAL SUBDIVISIONS
- 12                               FOR HOSPITAL CARE
- 13   Sec. 1033.110.   PAYMENT FOR TREATMENT; PROCEDURES
- 14               [Sections 1033.111-1033.150 reserved for expansion]
- 15                               SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 16   Sec. 1033.151.   BUDGET
- 17   Sec. 1033.152.   PROPOSED BUDGET; NOTICE AND HEARING
- 18   Sec. 1033.153.   FISCAL YEAR
- 19   Sec. 1033.154.   ANNUAL AUDIT
- 20   Sec. 1033.155.   DEPOSITORY
- 21               [Sections 1033.156-1033.200 reserved for expansion]
- 22                               SUBCHAPTER E. BONDS
- 23   Sec. 1033.201.   BONDS
- 24   Sec. 1033.202.   TAX TO PAY BONDS
- 25   Sec. 1033.203.   BOND ELECTION
- 26   Sec. 1033.204.   MATURITY OF BONDS
- 27   Sec. 1033.205.   EXECUTION OF BONDS

1 [Sections 1033.206-1033.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1033.251. IMPOSITION OF AD VALOREM TAX

4 Sec. 1033.252. TAX RATE

5 Sec. 1033.253. TAX ASSESSOR AND COLLECTOR

6 [Sections 1033.254-1033.300 reserved for expansion]

7 SUBCHAPTER G. DISSOLUTION

8 Sec. 1033.301. DISSOLUTION; ELECTION

9 Sec. 1033.302. BALLOT

10 Sec. 1033.303. ELECTION RESULTS

11 Sec. 1033.304. TRANSFER OF DISTRICT ASSETS

12 CHAPTER 1033. GRAPELAND HOSPITAL DISTRICT

13 OF HOUSTON COUNTY, TEXAS

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 1033.001. DEFINITIONS. In this chapter:

16 (1) "Board" means the board of directors of the  
17 district.

18 (2) "Director" means a member of the board.

19 (3) "District" means the Grapeland Hospital District  
20 of Houston County, Texas. (New.)

21 Sec. 1033.002. AUTHORITY FOR CREATION. The district is  
22 created under the authority of Section 9, Article IX, Texas  
23 Constitution. (Acts 62nd Leg., R.S., Ch. 455, Sec. 1.)

24 Sec. 1033.003. DISTRICT TERRITORY. The boundaries of the  
25 district are coextensive with the boundaries of the Grapeland  
26 Independent School District as those boundaries existed on May 26,  
27 1971. (Acts 62nd Leg., R.S., Ch. 455, Sec. 2.)

1           Sec. 1033.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
2 OBLIGATION. The support and maintenance of the district's hospital  
3 system and any indebtedness incurred by the district under this  
4 chapter may not become a charge against or obligation of this state.  
5 (Acts 62nd Leg., R.S., Ch. 455, Sec. 18 (part).)

6           Sec. 1033.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
7 The legislature may not make a direct appropriation for the  
8 construction, maintenance, or improvement of a district facility.  
9 (Acts 62nd Leg., R.S., Ch. 455, Sec. 18 (part).)

10           [Sections 1033.006-1033.050 reserved for expansion]

11                           SUBCHAPTER B. DISTRICT ADMINISTRATION

12           Sec. 1033.051. BOARD ELECTION; TERM. (a) The board  
13 consists of seven directors elected from the district at large.

14           (b) Directors serve staggered two-year terms unless  
15 four-year terms are established under Section 285.081, Health and  
16 Safety Code. (Acts 62nd Leg., R.S., Ch. 455, Secs. 5(a), (d), (e),  
17 (g).)

18           Sec. 1033.052. QUALIFICATIONS FOR OFFICE. To qualify for  
19 election to the board, a person must:

- 20                   (1) be at least 18 years of age;
- 21                   (2) have been a district resident for at least two  
22 years; and
- 23                   (3) be a qualified property taxpaying voter of the  
24 district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 5(b).)

25           Sec. 1033.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
26 OF OFFICE. (a) Each director shall execute a good and sufficient  
27 commercial bond for \$1,000 that is:

1           (1) payable to the district; and

2           (2) conditioned on the faithful performance of the  
3 director's duties.

4           (b) The district shall pay for a director's bond.

5           (c) Each director's bond and constitutional oath or  
6 affirmation of office shall be deposited with the district's  
7 depository for safekeeping. (Acts 62nd Leg., R.S., Ch. 455, Sec.  
8 6(a).)

9           Sec. 1033.054. BOARD VACANCY. If a vacancy occurs in the  
10 office of director, a majority of the directors shall appoint a  
11 director for the unexpired term. (Acts 62nd Leg., R.S., Ch. 455,  
12 Sec. 5(h).)

13           Sec. 1033.055. OFFICERS. The board shall elect from among  
14 its members a president, a secretary, and a treasurer at the first  
15 meeting after each directors' election. (Acts 62nd Leg., R.S., Ch.  
16 455, Sec. 6(b).)

17           Sec. 1033.056. COMPENSATION; EXPENSES. A director serves  
18 without compensation but is entitled to reimbursement for necessary  
19 expenses incurred in the performance of official duties. (Acts  
20 62nd Leg., R.S., Ch. 455, Sec. 6(c).)

21           Sec. 1033.057. DISTRICT ADMINISTRATOR. (a) The board may  
22 employ a district administrator to manage the operations of the  
23 hospital system.

24           (b) The district administrator may employ necessary  
25 personnel to perform the services provided by the hospital system.  
26 (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(e) (part).)

27           Sec. 1033.058. EMPLOYEES; APPOINTMENT AND DISMISSAL OF

1 STAFF. (a) The board may appoint to or dismiss from the staff any  
2 doctors the board considers necessary for the efficient operation  
3 of the district and make temporary appointments as necessary.

4 (b) The board may employ an attorney, general manager,  
5 bookkeeper, architect, and other employees necessary for the  
6 efficient operation of the district. (Acts 62nd Leg., R.S., Ch.  
7 455, Secs. 12(e) (part), (h).)

8 Sec. 1033.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
9 The board shall:

10 (1) maintain all district records, including books,  
11 accounts, notices, minutes, and other matters of the district and  
12 the district's operation at the district office; and

13 (2) make those records available for public inspection  
14 at reasonable times. (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(b).)

15 [Sections 1033.060-1033.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 1033.101. DISTRICT RESPONSIBILITY. The district shall  
18 provide all necessary medical and hospital care for the district's  
19 needy inhabitants. (Acts 62nd Leg., R.S., Ch. 455, Sec. 3 (part).)

20 Sec. 1033.102. RESTRICTION ON POLITICAL SUBDIVISION  
21 TAXATION AND DEBT. A political subdivision of this state, other  
22 than the district, may not impose a tax or issue bonds or other  
23 obligations to provide hospital service or medical care in the  
24 district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 3 (part).)

25 Sec. 1033.103. MANAGEMENT AND CONTROL OF DISTRICT. The  
26 board has full power to manage and control the district. (Acts 62nd  
27 Leg., R.S., Ch. 455, Sec. 12(a) (part).)

1           Sec. 1033.104. HOSPITAL SYSTEM. The district has the  
2 responsibility to establish a hospital or hospital system within  
3 its boundaries to provide hospital and medical care to the  
4 district's residents. (Acts 62nd Leg., R.S., Ch. 455, Sec. 3  
5 (part).)

6           Sec. 1033.105. RULES. (a) The board shall adopt rules for  
7 the efficient operation of the district, including district  
8 facilities.

9           (b) The board shall:

10                 (1) publish the rules in book form; and

11                 (2) provide copies to interested persons on request at  
12 district expense. (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(c).)

13           Sec. 1033.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
14 board may prescribe the method of making purchases and expenditures  
15 and the manner of accounting and control used by the district.  
16 (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(e) (part).)

17           Sec. 1033.107. EMINENT DOMAIN. (a) The district may  
18 exercise the power of eminent domain to acquire a fee simple or  
19 other interest in real, personal, or mixed property located in  
20 district territory if the interest is necessary or convenient for  
21 the district to exercise a power or duty conferred on the district  
22 by this chapter.

23           (b) The district must exercise the power of eminent domain  
24 in the manner provided by Chapter 21, Property Code, except that the  
25 district is not required to deposit in the trial court money or a  
26 bond as provided by Section 21.021(a), Property Code.

27           (c) In a condemnation proceeding, the district is not

1 required to:

2 (1) pay in advance or provide a bond or other security  
3 for costs in the trial court; or

4 (2) provide a bond for costs or a supersedeas bond on  
5 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 455, Sec.  
6 15.)

7 Sec. 1033.108. GIFTS AND ENDOWMENTS. The board may accept  
8 for the district a gift or endowment to be held in trust and  
9 administered by the board under the directions, limitations, or  
10 other provisions prescribed in writing by the donor that are not  
11 inconsistent with the proper management of the district. (Acts  
12 62nd Leg., R.S., Ch. 455, Sec. 12(f).)

13 Sec. 1033.109. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR  
14 HOSPITAL CARE. The board may contract with a political subdivision  
15 to provide hospital care for needy persons who reside outside the  
16 district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 12(g).)

17 Sec. 1033.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A  
18 person who resides in the district is entitled to receive necessary  
19 medical and hospital care from the district regardless of whether  
20 the person has the ability to pay for the care and may apply to  
21 receive this care without cost.

22 (b) The board or the district administrator shall employ a  
23 person to investigate the ability of the patient and any relative  
24 who is liable for the patient's support to pay for the medical and  
25 hospital care received by the patient.

26 (c) If the investigator determines that the patient or  
27 relative legally liable for the patient's support cannot pay all or



1 part of the costs of the patient's care, the expense of the care  
2 becomes a charge against the district.

3 (d) If the patient or a relative of the patient legally  
4 liable for the patient's support can pay for all or part of the  
5 costs of the patient's care, the board shall order the patient or  
6 relative to pay to the treasurer each week an amount specified in  
7 the order. The amount must be proportionate to the person's ability  
8 to pay.

9 (e) The district may collect the amount from the patient's  
10 estate, or from any relative who is liable for the patient's  
11 support, in the manner provided by law for the collection of  
12 expenses of the last illness of a deceased person.

13 (f) If there is a dispute as to the ability to pay, or doubt  
14 in the mind of the investigator, the board shall hold a hearing and,  
15 after calling witnesses, shall:

- 16 (1) determine the question; and  
17 (2) make the proper order based on the board's  
18 findings.

19 (g) A party to the hearing who is not satisfied with the  
20 result of the order may appeal to the district court. The appeal is  
21 de novo. (Acts 62nd Leg., R.S., Ch. 455, Sec. 14.)

22 [Sections 1033.111-1033.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Sec. 1033.151. BUDGET. The board shall prepare a budget  
25 that includes:

- 26 (1) proposed expenditures and disbursements;  
27 (2) estimated receipts and collections for the next

1 fiscal year; and

2 (3) the amount of taxes required to be imposed to meet  
3 the proposed budget. (Acts 62nd Leg., R.S., Ch. 455, Sec. 13(b).)

4 Sec. 1033.152. PROPOSED BUDGET; NOTICE AND HEARING. (a)  
5 The board shall hold a public hearing on the proposed budget.

6 (b) Notice of the hearing must be published at least once in  
7 a newspaper of general circulation in the district not later than  
8 the 11th day before the date of the hearing.

9 (c) Any person is entitled to:

10 (1) appear at the hearing; and

11 (2) be heard regarding any item in the proposed  
12 budget. (Acts 62nd Leg., R.S., Ch. 455, Secs. 13(c), (d).)

13 Sec. 1033.153. FISCAL YEAR. The district's fiscal year is  
14 from October 1 to September 30. (Acts 62nd Leg., R.S., Ch. 455,  
15 Sec. 13(a).)

16 Sec. 1033.154. ANNUAL AUDIT. (a) The board annually shall  
17 require an independent audit of the district's books and records.

18 (b) Not later than December 1 of each year, the board shall  
19 file a copy of the audit with:

20 (1) the comptroller; and

21 (2) the district. (Acts 62nd Leg., R.S., Ch. 455, Sec.  
22 12(d).)

23 Sec. 1033.155. DEPOSITORY. (a) The board by resolution  
24 shall designate a bank in Houston County as the district's  
25 depository. A designated bank serves for two years and until a  
26 successor is designated.

27 (b) All district money shall be deposited in the depository

1 and secured in the manner provided for securing county funds. (Acts  
2 62nd Leg., R.S., Ch. 455, Sec. 16.)

3 [Sections 1033.156-1033.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 1033.201. BONDS. The district may issue bonds to:

6 (1) purchase, construct, acquire, repair, or renovate  
7 buildings or improvements; and

8 (2) equip buildings for hospital purposes. (Acts 62nd  
9 Leg., R.S., Ch. 455, Secs. 9(a) (part), 10(a) (part).)

10 Sec. 1033.202. TAX TO PAY BONDS. The board may issue bonds  
11 under Section 1033.201 only if the board imposes an ad valorem tax  
12 at a rate sufficient to create an interest and sinking fund to pay  
13 the principal of and interest on the bonds as the bonds mature.  
14 (Acts 62nd Leg., R.S., Ch. 455, Sec. 10(c).)

15 Sec. 1033.203. BOND ELECTION. (a) The board may issue  
16 bonds under Section 1033.201 only if the bonds are authorized by a  
17 majority of district voters voting in an election held for that  
18 purpose. The total face value of the bonds may not exceed the  
19 amount specified in the election order.

20 (b) The board may order a bond election at any time.

21 (c) The order calling an election must include:

22 (1) the time of the election;

23 (2) the location of the polling places;

24 (3) the form of the ballots;

25 (4) the presiding judge for each polling place;

26 (5) the purpose of the bond issuance;

27 (6) the amount of the bonds to be authorized;

1 (7) the maximum interest rate of the bonds; and

2 (8) the maximum maturity of the bonds.

3 (d) A substantial copy of the election order shall be  
4 published in a newspaper of general circulation in the district  
5 once a week for two consecutive weeks before the date of the  
6 election. The first notice must be published not later than the  
7 15th day before the date of the election.

8 (e) A copy of the election results must be filed with the  
9 county clerk and become a public record. (Acts 62nd Leg., R.S., Ch.  
10 455, Secs. 4(b), (c), (d) (part), 9(a) (part), (b), (d), 10(a)  
11 (part).)

12 Sec. 1033.204. MATURITY OF BONDS. District bonds must  
13 mature not later than 40 years after the date of issuance. (Acts  
14 62nd Leg., R.S., Ch. 455, Sec. 9(c).)

15 Sec. 1033.205. EXECUTION OF BONDS. (a) The board president  
16 shall execute the district's bonds in the district's name.

17 (b) The board secretary shall countersign the bonds. (Acts  
18 62nd Leg., R.S., Ch. 455, Sec. 10(b) (part).)

19 [Sections 1033.206-1033.250 reserved for expansion]

20 SUBCHAPTER F. TAXES

21 Sec. 1033.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
22 shall impose a tax on all property in the district subject to  
23 district taxation.

24 (b) The tax may be used only to:

25 (1) pay the interest on and create a sinking fund for  
26 bonds issued under this chapter;

27 (2) provide for the operation and maintenance of the

1 district and the hospital system;

2 (3) make improvements and additions to the hospital  
3 system; and

4 (4) acquire sites for additions to the hospital  
5 system. (Acts 62nd Leg., R.S., Ch. 455, Secs. 8(a) (part), (c).)

6 Sec. 1033.252. TAX RATE. The board may impose the tax at a  
7 rate not to exceed 75 cents on each \$100 valuation of all taxable  
8 property in the district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 8(a)  
9 (part).)

10 Sec. 1033.253. TAX ASSESSOR AND COLLECTOR. The tax  
11 assessor-collector of Houston County shall collect taxes for the  
12 district. (Acts 62nd Leg., R.S., Ch. 455, Sec. 8(d) (part).)

13 [Sections 1033.254-1033.300 reserved for expansion]

14 SUBCHAPTER G. DISSOLUTION

15 Sec. 1033.301. DISSOLUTION; ELECTION. (a) The district  
16 may be dissolved as provided by this subchapter.

17 (b) The board may order an election on the question of  
18 dissolving the district and transferring the district's assets and  
19 obligations to a governmental entity in Houston County as specified  
20 in the election order.

21 (c) The board shall order an election if the board receives  
22 a petition requesting an election that is signed by at least 20  
23 percent of the registered voters in the district.

24 (d) The order calling the election must designate the  
25 governmental entity in Houston County to which the district's  
26 assets and obligations will be transferred.

27 (e) Section 41.001(a), Election Code, does not apply to an

1 election ordered under this section. (Acts 62nd Leg., R.S., Ch.  
2 455, Secs. 18A(a), (b), (c) (part).)

3 Sec. 1033.302. BALLOT. The ballot for an election under  
4 this subchapter must be printed to permit voting for or against the  
5 proposition: "The dissolution of the Grapeland Hospital District  
6 and the transfer of the existing district assets to and the  
7 assumption of debts and bond obligations by \_\_\_\_\_ (name of  
8 governmental entity as specified in the election order)." (Acts  
9 62nd Leg., R.S., Ch. 455, Sec. 18A(d) (part).)

10 Sec. 1033.303. ELECTION RESULTS. (a) If a majority of the  
11 votes in an election under this subchapter favor dissolution and  
12 transfer of the district's assets and obligations, the board shall:

- 13 (1) declare that the district is dissolved; and  
14 (2) transfer the district's assets and obligations to  
15 a governmental entity as provided by Section 1033.304.

16 (b) If a majority of the votes in the election do not favor  
17 dissolution and transfer of the district's assets and obligations,  
18 the board shall continue to administer the district and another  
19 election on the question of dissolution may not be held before the  
20 first anniversary of the date of the most recent election to  
21 dissolve the district and transfer the district's assets and  
22 obligations. (Acts 62nd Leg., R.S., Ch. 455, Sec. 18A(e).)

23 Sec. 1033.304. TRANSFER OF DISTRICT ASSETS. (a) If a  
24 majority of the votes in the election favor dissolution and  
25 transfer of the district's assets and obligations, the board shall  
26 transfer to the governmental entity specified in the election order  
27 the land, buildings, improvements, equipment, and other assets that

1 belong to the district.

2 (b) The governmental entity assumes all debts and  
3 obligations of the district at the time of the transfer. (Acts 62nd  
4 Leg., R.S., Ch. 455, Secs. 18A(f).)

5 CHAPTER 1036. HAMILTON COUNTY HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1036.001. DEFINITIONS

8 Sec. 1036.002. AUTHORITY FOR OPERATION

9 Sec. 1036.003. ESSENTIAL PUBLIC FUNCTION

10 Sec. 1036.004. DISTRICT TERRITORY

11 Sec. 1036.005. DISTRICT SUPPORT AND MAINTENANCE NOT

12 STATE OBLIGATION

13 Sec. 1036.006. RESTRICTION ON STATE FINANCIAL

14 ASSISTANCE

15 [Sections 1036.007-1036.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT ADMINISTRATION

17 Sec. 1036.051. BOARD ELECTION; TERM

18 Sec. 1036.052. NOTICE OF ELECTION

19 Sec. 1036.053. BALLOT PETITION

20 Sec. 1036.054. QUALIFICATIONS FOR OFFICE

21 Sec. 1036.055. BOARD VACANCY

22 Sec. 1036.056. OFFICERS

23 Sec. 1036.057. COMPENSATION; EXPENSES

24 Sec. 1036.058. VOTING REQUIREMENT

25 Sec. 1036.059. DISTRICT ADMINISTRATOR

26 Sec. 1036.060. GENERAL DUTIES OF DISTRICT

27 ADMINISTRATOR

- 1 Sec. 1036.061. ASSISTANT DISTRICT ADMINISTRATOR;  
2 ATTORNEY
- 3 Sec. 1036.062. EMPLOYEES; APPOINTMENT OF STAFF
- 4 Sec. 1036.063. RETIREMENT BENEFITS
- 5 [Sections 1036.064-1036.100 reserved for expansion]
- 6 SUBCHAPTER C. POWERS AND DUTIES
- 7 Sec. 1036.101. DISTRICT RESPONSIBILITY
- 8 Sec. 1036.102. RESTRICTION ON COUNTY TAXATION AND DEBT
- 9 Sec. 1036.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 10 Sec. 1036.104. RULES
- 11 Sec. 1036.105. PURCHASING AND ACCOUNTING PROCEDURES
- 12 Sec. 1036.106. MOBILE EMERGENCY MEDICAL SERVICE
- 13 Sec. 1036.107. DISTRICT PROPERTY, FACILITIES, AND  
14 EQUIPMENT
- 15 Sec. 1036.108. EMINENT DOMAIN
- 16 Sec. 1036.109. COST OF RELOCATING OR ALTERING PROPERTY
- 17 Sec. 1036.110. GIFTS AND ENDOWMENTS
- 18 Sec. 1036.111. CONSTRUCTION CONTRACTS
- 19 Sec. 1036.112. OPERATING AND MANAGEMENT CONTRACTS
- 20 Sec. 1036.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
21 FOR SERVICES
- 22 Sec. 1036.114. PAYMENT FOR TREATMENT; PROCEDURES
- 23 Sec. 1036.115. REIMBURSEMENT FOR SERVICES
- 24 Sec. 1036.116. AUTHORITY TO SUE AND BE SUED
- 25 [Sections 1036.117-1036.150 reserved for expansion]
- 26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 27 Sec. 1036.151. BUDGET



- 1 Sec. 1036.152. NOTICE; HEARING; ADOPTION OF BUDGET  
2 Sec. 1036.153. AMENDMENT OF BUDGET  
3 Sec. 1036.154. RESTRICTION ON EXPENDITURES  
4 Sec. 1036.155. FISCAL YEAR  
5 Sec. 1036.156. ANNUAL AUDIT  
6 Sec. 1036.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
7 RECORDS  
8 Sec. 1036.158. FINANCIAL REPORT  
9 Sec. 1036.159. DEPOSITORY  
10 Sec. 1036.160. SPENDING AND INVESTMENT RESTRICTIONS  
11 [Sections 1036.161-1036.200 reserved for expansion]  
12 SUBCHAPTER E. BONDS  
13 Sec. 1036.201. GENERAL OBLIGATION BONDS  
14 Sec. 1036.202. TAX TO PAY GENERAL OBLIGATION BONDS  
15 Sec. 1036.203. BOND ELECTION  
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17 Sec. 1036.205. REFUNDING BONDS  
18 Sec. 1036.206. ADDITIONAL MEANS OF SECURING REPAYMENT  
19 OF BONDS  
20 Sec. 1036.207. MATURITY OF BONDS  
21 Sec. 1036.208. EXECUTION OF BONDS  
22 Sec. 1036.209. BONDS EXEMPT FROM TAXATION  
23 [Sections 1036.210-1036.250 reserved for expansion]  
24 SUBCHAPTER F. TAXES  
25 Sec. 1036.251. IMPOSITION OF AD VALOREM TAX  
26 Sec. 1036.252. TAX RATE  
27 Sec. 1036.253. TAX ASSESSOR-COLLECTOR

1           CHAPTER 1036. HAMILTON COUNTY HOSPITAL DISTRICT

2                   SUBCHAPTER A. GENERAL PROVISIONS

3           Sec. 1036.001. DEFINITIONS. In this chapter:

4                   (1) "Board" means the board of directors of the  
5 district.

6                   (2) "Director" means a member of the board.

7                   (3) "District" means the Hamilton County Hospital  
8 District. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 1.01.)

9           Sec. 1036.002. AUTHORITY FOR OPERATION. The district  
10 operates and is financed as provided by Section 9, Article IX, Texas  
11 Constitution, and by this chapter. (Acts 70th Leg., 2nd C.S., Ch.  
12 42, Sec. 1.02.)

13           Sec. 1036.003. ESSENTIAL PUBLIC FUNCTION. The district is  
14 a public entity performing an essential public function. (Acts  
15 70th Leg., 2nd C.S., Ch. 42, Sec. 7.11 (part).)

16           Sec. 1036.004. DISTRICT TERRITORY. The boundaries of the  
17 district are coextensive with the boundaries of Commissioners  
18 Precincts 1, 2, and 4 of Hamilton County as those boundaries existed  
19 on June 14, 1989. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 1.03.)

20           Sec. 1036.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
21 OBLIGATION. This state may not become obligated for the support or  
22 maintenance of the district. (Acts 70th Leg., 2nd C.S., Ch. 42,  
23 Sec. 9.01 (part).)

24           Sec. 1036.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
25 The legislature may not make a direct appropriation for the  
26 construction, maintenance, or improvement of a district facility.  
27 (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 9.01 (part).)

1 [Sections 1036.007-1036.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1036.051. BOARD ELECTION; TERM. (a) The district is  
4 governed by a board of five directors.

5 (b) One director is elected from each commissioners  
6 precinct included in the district and two directors are elected  
7 from the district at large.

8 (c) Unless four-year terms are established under Section  
9 285.081, Health and Safety Code:

10 (1) directors serve staggered two-year terms; and

11 (2) an election shall be held on the uniform election  
12 date in May of each year to elect the appropriate number of  
13 directors. (Acts 70th Leg., 2nd C.S., Ch. 42, Secs. 4.01(a),  
14 4.03(a), (d).)

15 Sec. 1036.052. NOTICE OF ELECTION. At least 35 days before  
16 the date of an election of directors, notice of the election shall  
17 be published one time in a newspaper with general circulation in the  
18 district. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 4.04.)

19 Sec. 1036.053. BALLOT PETITION. A person who wants to have  
20 the person's name printed on the ballot as a candidate for director  
21 must file with the board secretary a petition requesting that  
22 action. The petition must:

23 (1) be signed by at least 10 registered voters of the  
24 district, as determined by the most recent official lists of  
25 registered voters;

26 (2) be filed not later than the 31st day before the  
27 date of the election; and

1           (3) specify the commissioners precinct the candidate  
2 wants to represent or specify that the candidate wants to represent  
3 the district at large. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.  
4 4.05.)

5           Sec. 1036.054. QUALIFICATIONS FOR OFFICE. (a) To be  
6 eligible to be a candidate for or to serve as a director, a person  
7 must be:

8           (1) a district resident; and

9           (2) a qualified voter.

10          (b) A person who is elected from a commissioners precinct or  
11 who is appointed to fill a vacancy for a commissioners precinct must  
12 be a resident of that commissioners precinct.

13          (c) A district employee may not serve as a director. (Acts  
14 70th Leg., 2nd C.S., Ch. 42, Sec. 4.06.)

15          Sec. 1036.055. BOARD VACANCY. If a vacancy occurs in the  
16 office of director, the remaining directors shall appoint a  
17 director for the unexpired term. (Acts 70th Leg., 2nd C.S., Ch. 42,  
18 Sec. 4.07.)

19          Sec. 1036.056. OFFICERS. (a) The board shall elect a  
20 president and a vice president from among its members.

21          (b) The board shall appoint a secretary, who need not be a  
22 director.

23          (c) Each officer of the board serves for a term of one year.

24          (d) The board shall fill a vacancy in a board office for the  
25 unexpired term. (Acts 70th Leg., 2nd C.S., Ch. 42, Secs. 4.08,  
26 4.09.)

27          Sec. 1036.057. COMPENSATION; EXPENSES. A director or

1 officer serves without compensation but may be reimbursed for  
2 actual expenses incurred in the performance of official duties.  
3 The expenses must be:

- 4 (1) reported in the district's records; and
- 5 (2) approved by the board. (Acts 70th Leg., 2nd C.S.,  
6 Ch. 42, Sec. 4.10.)

7 Sec. 1036.058. VOTING REQUIREMENT. A concurrence of a  
8 majority of the directors voting is necessary in any matter  
9 relating to district business. (Acts 70th Leg., 2nd C.S., Ch. 42,  
10 Sec. 4.11.)

11 Sec. 1036.059. DISTRICT ADMINISTRATOR. (a) The board may  
12 appoint a qualified person as district administrator.

13 (b) The district administrator serves at the will of the  
14 board and is entitled to the compensation determined by the board.

15 (c) Before assuming the duties of district administrator,  
16 the administrator must execute a bond in the amount determined by  
17 the board of not less than \$5,000 that is:

- 18 (1) payable to the district; and
- 19 (2) conditioned on the faithful performance of the  
20 administrator's duties under this chapter.

21 (d) The board may pay for the bond with district money.  
22 (Acts 70th Leg., 2nd C.S., Ch. 42, Secs. 4.12(a) (part), (b) (part),  
23 (c) (part), (d).)

24 Sec. 1036.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
25 Subject to the limitations prescribed by the board, the district  
26 administrator shall:

- 27 (1) supervise the work and activities of the district;

1 and

2 (2) direct the general affairs of the district. (Acts  
3 70th Leg., 2nd C.S., Ch. 42, Sec. 4.15.)

4 Sec. 1036.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

5 (a) The board may appoint qualified persons as:

6 (1) the assistant district administrator; and

7 (2) the attorney for the district.

8 (b) The assistant district administrator and the attorney  
9 for the district serve at the will of the board and are entitled to  
10 the compensation determined by the board. (Acts 70th Leg., 2nd  
11 C.S., Ch. 42, Secs. 4.12(a) (part), (b) (part), (c) (part).)

12 Sec. 1036.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
13 board may appoint to the staff any doctors the board considers  
14 necessary for the efficient operation of the district and may make  
15 temporary appointments as necessary.

16 (b) The district may employ technicians, nurses, fiscal  
17 agents, accountants, architects, additional attorneys, and other  
18 necessary employees.

19 (c) The board may delegate to the district administrator the  
20 authority to employ persons for the district. (Acts 70th Leg., 2nd  
21 C.S., Ch. 42, Secs. 4.13, 4.14.)

22 Sec. 1036.063. RETIREMENT BENEFITS. The board may provide  
23 retirement benefits for district employees by:

24 (1) establishing or administering a retirement  
25 program; or

26 (2) participating in:

27 (A) the Texas County and District Retirement

1 System; or

2 (B) another statewide retirement system in which  
3 the district is eligible to participate. (Acts 70th Leg., 2nd C.S.,  
4 Ch. 42, Sec. 4.16.)

5 [Sections 1036.064-1036.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Sec. 1036.101. DISTRICT RESPONSIBILITY. The district has  
8 full responsibility for:

9 (1) operating hospital facilities; and

10 (2) providing medical and hospital care for the  
11 district's needy inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 42,  
12 Sec. 5.02 (part).)

13 Sec. 1036.102. RESTRICTION ON COUNTY TAXATION AND DEBT.  
14 Hamilton County may not impose a tax or issue bonds or other  
15 obligations for hospital purposes or to provide medical care for  
16 district residents. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.  
17 5.01(b).)

18 Sec. 1036.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
19 The board shall manage, control, and administer the hospital system  
20 and the district's money and resources. (Acts 70th Leg., 2nd C.S.,  
21 Ch. 42, Sec. 5.03.)

22 Sec. 1036.104. RULES. The board may adopt rules governing:

23 (1) the operation of the hospital and hospital system;  
24 and

25 (2) the duties, functions, and responsibilities of the  
26 district staff and employees. (Acts 70th Leg., 2nd C.S., Ch. 42,  
27 Sec. 5.04.)

1           Sec. 1036.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
2 board may prescribe:

3                   (1) the method of making purchases and expenditures by  
4 and for the district; and

5                   (2) accounting and control procedures for the  
6 district. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 5.05.)

7           Sec. 1036.106. MOBILE EMERGENCY MEDICAL SERVICE. The  
8 district may operate or provide for the operation of a mobile  
9 emergency medical service. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.  
10 5.02 (part).)

11           Sec. 1036.107. DISTRICT PROPERTY, FACILITIES, AND  
12 EQUIPMENT. (a) The board shall determine:

13                   (1) the type, number, and location of buildings  
14 required to maintain an adequate hospital system; and

15                   (2) the type of equipment necessary for hospital care.

16           (b) The board may:

17                   (1) acquire property, including facilities and  
18 equipment, for the district for use in the hospital system; and

19                   (2) mortgage or pledge the property as security for  
20 the payment of the purchase price.

21           (c) The board may lease hospital facilities for the  
22 district.

23           (d) The board may sell or otherwise dispose of the property,  
24 including facilities or equipment, for the district. (Acts 70th  
25 Leg., 2nd C.S., Ch. 42, Sec. 5.06.)

26           Sec. 1036.108. EMINENT DOMAIN. (a) The district may  
27 exercise the power of eminent domain to acquire a fee simple or



1 other interest in property located in district territory if the  
2 property interest is necessary for the district to exercise a right  
3 or authority conferred by this chapter.

4 (b) The district must exercise the power of eminent domain  
5 in the manner provided by Chapter 21, Property Code, except that the  
6 district is not required to deposit in the trial court money or a  
7 bond as provided by Section 21.021(a), Property Code.

8 (c) In a condemnation proceeding brought by the district,  
9 the district is not required to:

10 (1) pay in advance or provide a bond or other security  
11 for costs in the trial court;

12 (2) provide a bond for the issuance of a temporary  
13 restraining order or a temporary injunction; or

14 (3) provide a bond for costs or a supersedeas bond on  
15 an appeal or writ of error. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.  
16 5.09.)

17 Sec. 1036.109. COST OF RELOCATING OR ALTERING PROPERTY. In  
18 exercising the power of eminent domain, if the board requires  
19 relocating, raising, lowering, rerouting, changing the grade of, or  
20 altering the construction of any railroad, highway, pipeline,  
21 electric transmission and electric distribution, telegraph, or  
22 telephone line, conduit, pole, or facility, the district must bear  
23 the actual cost of relocating, raising, lowering, rerouting,  
24 changing the grade, or altering the construction to provide  
25 comparable replacement, without enhancement of facilities, after  
26 deducting the net salvage value derived from the old facility.  
27 (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 5.10.)

1           Sec. 1036.110. GIFTS AND ENDOWMENTS. The board may accept  
2 for the district a gift or endowment to be held in trust for any  
3 purpose and under any direction, limitation, or other provision  
4 prescribed in writing by the donor that is consistent with the  
5 proper management of the district. (Acts 70th Leg., 2nd C.S., Ch.  
6 42, Sec. 5.14.)

7           Sec. 1036.111. CONSTRUCTION CONTRACTS. (a) The board may  
8 enter into construction contracts for the district.

9           (b) The board may enter into a construction contract that  
10 involves an expenditure of more than the amount prescribed by  
11 Section 271.024, Local Government Code, only after competitive  
12 bidding as provided by Subchapter B, Chapter 271, Local Government  
13 Code. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 5.07(a).)

14           Sec. 1036.112. OPERATING AND MANAGEMENT CONTRACTS. The  
15 board may enter into an operating or management contract relating  
16 to a hospital facility for the district. (Acts 70th Leg., 2nd C.S.,  
17 Ch. 42, Sec. 5.08.)

18           Sec. 1036.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
19 SERVICES. The board may contract with a political subdivision of  
20 this state or with a state or federal agency for the district to:

- 21           (1) furnish a mobile emergency medical service; or  
22           (2) provide for the investigatory or welfare needs of  
23 district inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.  
24 5.13.)

25           Sec. 1036.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
26 When a person who resides in the district is admitted as a patient  
27 to a district facility, the district administrator may have an

1 inquiry made into the financial circumstances of:

2 (1) the patient; and

3 (2) a relative of the patient who is legally  
4 responsible for the patient's support.

5 (b) To the extent that the patient or a relative of the  
6 patient who is legally responsible for the patient's support cannot  
7 pay for care and treatment provided by the district, the district  
8 shall supply the care and treatment without charging the patient or  
9 the patient's relative.

10 (c) On determining that the patient or a relative legally  
11 responsible for the patient's support can pay for all or part of the  
12 care and treatment provided by the district, the district  
13 administrator shall report that determination to the board and the  
14 board shall issue an order directing the patient or the relative to  
15 pay the district a specified amount each week. The amount must be  
16 based on the individual's ability to pay.

17 (d) The district administrator may collect the money owed to  
18 the district from the patient's estate or from that of a relative  
19 who was legally responsible for the patient's support in the manner  
20 provided by law for collection of expenses in the last illness of a  
21 deceased person.

22 (e) If there is a dispute relating to a person's ability to  
23 pay or if the district administrator has any doubt concerning a  
24 person's ability to pay, the board shall:

25 (1) call witnesses;

26 (2) hear and resolve the question; and

27 (3) issue a final order.

1 (f) The final order of the board may be appealed to a  
2 district court in Hamilton County. The substantial evidence rule  
3 applies to the appeal. (Acts 70th Leg., 2nd C.S., Ch. 42, Secs.  
4 5.11(b), (c), (d), (e), (f).)

5 Sec. 1036.115. REIMBURSEMENT FOR SERVICES. (a) The board  
6 shall require a county, municipality, or public hospital located  
7 outside the district to reimburse the district for the district's  
8 care and treatment of a sick or injured person of that county,  
9 municipality, or public hospital as provided by Chapter 61, Health  
10 and Safety Code.

11 (b) The board shall require the sheriff of Hamilton County  
12 to reimburse the district for the district's care and treatment of a  
13 person who is confined in a jail facility of Hamilton County and is  
14 not a district resident.

15 (c) On behalf of the district, the board may contract with  
16 the state or federal government for that government to reimburse  
17 the district for treatment of a sick or injured person. (Acts 70th  
18 Leg., 2nd C.S., Ch. 42, Sec. 5.12.)

19 Sec. 1036.116. AUTHORITY TO SUE AND BE SUED. The board may  
20 sue and be sued on behalf of the district. (Acts 70th Leg., 2nd  
21 C.S., Ch. 42, Sec. 5.15.)

22 [Sections 1036.117-1036.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Sec. 1036.151. BUDGET. (a) The district administrator  
25 shall prepare a proposed annual budget for the district.

26 (b) The proposed budget must contain a complete financial  
27 statement, including a statement of:

- 1 (1) the outstanding obligations of the district;
- 2 (2) the amount of cash on hand in each district fund;
- 3 (3) the amount of money received by the district from  
4 all sources during the previous year;
- 5 (4) the amount of money available to the district from  
6 all sources during the ensuing year;
- 7 (5) the amount of the balances expected at the end of  
8 the year in which the budget is being prepared;
- 9 (6) the estimated amount of revenue and balances  
10 available to cover the proposed budget; and
- 11 (7) the estimated tax rate required. (Acts 70th Leg.,  
12 2nd C.S., Ch. 42, Sec. 6.04.)

13 Sec. 1036.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
14 The board shall hold a public hearing on the proposed annual budget.

15 (b) The board shall publish notice of the hearing in a  
16 newspaper with general circulation in the district not later than  
17 the 10th day before the date of the hearing.

18 (c) Any district resident is entitled to be present and  
19 participate at the hearing.

20 (d) At the conclusion of the hearing, the board shall adopt  
21 a budget by acting on the budget proposed by the district  
22 administrator. The board may make any changes in the proposed  
23 budget that the board judges to be in the interests of the  
24 taxpayers.

25 (e) The budget is effective only after adoption by the  
26 board. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 6.05.)

27 Sec. 1036.153. AMENDMENT OF BUDGET. After adoption, the

1 annual budget may be amended on the board's approval. (Acts 70th  
2 Leg., 2nd C.S., Ch. 42, Sec. 6.06.)

3 Sec. 1036.154. RESTRICTION ON EXPENDITURES. Money may be  
4 spent only for an expense included in the budget or an amendment to  
5 the budget. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 6.07.)

6 Sec. 1036.155. FISCAL YEAR. (a) The district operates on a  
7 fiscal year established by the board.

8 (b) The fiscal year may not be changed:

9 (1) during a period that revenue bonds of the district  
10 are outstanding; or

11 (2) more than once in a 24-month period. (Acts 70th  
12 Leg., 2nd C.S., Ch. 42, Sec. 6.01.)

13 Sec. 1036.156. ANNUAL AUDIT. The board annually shall have  
14 an audit made of the district's financial condition. (Acts 70th  
15 Leg., 2nd C.S., Ch. 42, Sec. 6.02.)

16 Sec. 1036.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
17 RECORDS. The annual audit and other district records shall be open  
18 to inspection during regular business hours at the district's  
19 principal office. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 6.03.)

20 Sec. 1036.158. FINANCIAL REPORT. As soon as practicable  
21 after the close of the fiscal year, the district administrator  
22 shall prepare for the board:

23 (1) a sworn statement of the amount of district money;  
24 and

25 (2) an account of the disbursements of that money.  
26 (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 6.08.)

27 Sec. 1036.159. DEPOSITORY. (a) The board shall select at

1 least one bank to serve as a depository for district money.

2 (b) District money, other than money invested as provided by  
3 Section 1036.160(b) and money transmitted to a bank for payment of  
4 bonds or obligations issued or assumed by the district, shall be  
5 deposited as received with the depository bank and must remain on  
6 deposit. This subsection does not limit the power of the board to  
7 place a part of district money on time deposit or to purchase  
8 certificates of deposit.

9 (c) The district may not deposit money with a bank in an  
10 amount that exceeds the maximum amount secured by the Federal  
11 Deposit Insurance Corporation unless the bank first executes a bond  
12 or other security in an amount sufficient to secure from loss the  
13 district money that exceeds the amount secured by the Federal  
14 Deposit Insurance Corporation. (Acts 70th Leg., 2nd C.S., Ch. 42,  
15 Sec. 6.10.)

16 Sec. 1036.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
17 Except as provided by Sections 1036.111, 1036.201, 1036.204, and  
18 1036.205, the district may not incur a debt payable from district  
19 revenue other than the revenue on hand or to be on hand in the  
20 current and the immediately following district fiscal years.

21 (b) The board may invest operating, depreciation, or  
22 building reserves only in funds or securities specified by Chapter  
23 2256, Government Code. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.  
24 6.09.)

25 [Sections 1036.161-1036.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1036.201. GENERAL OBLIGATION BONDS. If authorized by

1 an election, the board may issue and sell general obligation bonds  
2 in the name and on the faith and credit of the district to:

3 (1) purchase, construct, acquire, repair, or renovate  
4 buildings or improvements;

5 (2) equip buildings or improvements for hospital  
6 purposes; or

7 (3) acquire and operate a mobile emergency medical  
8 service. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 7.01.)

9 Sec. 1036.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
10 the time general obligation bonds are issued by the district under  
11 Section 1036.201, the board shall impose an ad valorem tax at a rate  
12 sufficient to create an interest and sinking fund to pay the  
13 principal of and interest on the bonds as the bonds mature.

14 (b) The tax required by this section together with any other  
15 ad valorem tax the district imposes may not in any year exceed the  
16 limit approved by the voters at the election authorizing the  
17 imposition of the tax. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.  
18 7.02.)

19 Sec. 1036.203. BOND ELECTION. (a) The district may issue  
20 general obligation bonds or other bonds secured wholly or partly by  
21 an ad valorem tax, other than refunding bonds, only if the bonds are  
22 authorized by a majority of the voters voting at an election held  
23 for that purpose.

24 (b) The board may order a bond election.

25 (c) The order calling the election must specify:

26 (1) the nature and date of the election;

27 (2) the hours during which the polls will be open;



1           (3) the location of the polling places;

2           (4) the amount of the bonds to be authorized; and

3           (5) the maximum maturity of the bonds.

4           (d) Notice of a bond election shall be given as provided by  
5 Section 1251.003, Government Code.

6           (e) The board shall declare the results of the election.  
7 (Acts 70th Leg., 2nd C.S., Ch. 42, Secs. 7.03, 7.12 (part).)

8           Sec. 1036.204. REVENUE BONDS. (a) The board may issue  
9 revenue bonds to:

10           (1) purchase, construct, acquire, repair, renovate,  
11 or equip buildings or improvements for hospital purposes;

12           (2) acquire sites to be used for hospital purposes; or

13           (3) acquire and operate a mobile emergency medical  
14 service to assist the district in carrying out its hospital  
15 purposes.

16           (b) The bonds must be payable from and secured by a pledge of  
17 all or part of the revenue derived from the operation of the  
18 district's hospital system.

19           (c) The bonds may be additionally secured by a mortgage or  
20 deed of trust lien on all or part of district property.

21           (d) The bonds must be issued in the manner provided by  
22 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
23 Code, for issuance of revenue bonds by a county hospital authority.  
24 (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 7.04.)

25           Sec. 1036.205. REFUNDING BONDS. (a) The board may issue  
26 refunding bonds to refund an outstanding indebtedness issued or  
27 assumed by the district.

1 (b) Refunding bonds may be:

2 (1) sold, with the proceeds of the refunding bonds  
3 applied to the payment of the outstanding indebtedness; or

4 (2) exchanged wholly or partly for not less than a  
5 similar principal amount of outstanding indebtedness. (Acts 70th  
6 Leg., 2nd C.S., Ch. 42, Secs. 7.05(a), (c) (part).)

7 Sec. 1036.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
8 BONDS. In addition to the authority to issue general obligation  
9 bonds and revenue bonds under this subchapter, the board may  
10 provide for the security and payment of district bonds from a pledge  
11 of a combination of ad valorem taxes as authorized by Section  
12 1036.202 and revenue and other sources authorized by Section  
13 1036.204. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec. 7.12 (part).)

14 Sec. 1036.207. MATURITY OF BONDS. District bonds must  
15 mature not later than 50 years after the date of issuance. (Acts  
16 70th Leg., 2nd C.S., Ch. 42, Sec. 7.06 (part).)

17 Sec. 1036.208. EXECUTION OF BONDS. (a) The board president  
18 shall execute district bonds in the district's name.

19 (b) The board secretary shall countersign the bonds in the  
20 manner provided by Chapter 618, Government Code. (Acts 70th Leg.,  
21 2nd C.S., Ch. 42, Sec. 7.07.)

22 Sec. 1036.209. BONDS EXEMPT FROM TAXATION. The following  
23 are exempt from taxation by this state or a political subdivision of  
24 this state:

25 (1) bonds issued by the district;

26 (2) any transaction relating to the bonds; and

27 (3) profits made in the sale of the bonds. (Acts 70th

1 Leg., 2nd C.S., Ch. 42, Sec. 7.11 (part).)

2 [Sections 1036.210-1036.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1036.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
5 may impose a tax on all property in the district subject to district  
6 taxation.

7 (b) The tax may be used to pay:

8 (1) indebtedness issued or assumed by the district;

9 and

10 (2) the maintenance and operating expenses of the  
11 district.

12 (c) The district may not impose a tax to pay the principal of  
13 or interest on revenue bonds issued under this chapter. (Acts 70th  
14 Leg., 2nd C.S., Ch. 42, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

15 Sec. 1036.252. TAX RATE. (a) The board may impose the tax  
16 at a rate not to exceed the limit approved by the voters at the  
17 election authorizing the imposition of the tax.

18 (b) The tax rate for all purposes may not exceed 75 cents on  
19 each \$100 valuation of all taxable property in the district.

20 (c) In setting the tax rate, the board shall consider the  
21 income of the district from sources other than taxation. (Acts 70th  
22 Leg., 2nd C.S., Ch. 42, Secs. 8.01(a), (b), 8.03 (part).)

23 Sec. 1036.253. TAX ASSESSOR-COLLECTOR. The board may  
24 provide for the appointment of a tax assessor-collector for the  
25 district or may contract for the assessment and collection of taxes  
26 as provided by the Tax Code. (Acts 70th Leg., 2nd C.S., Ch. 42, Sec.  
27 8.04(b).)

1                   CHAPTER 1037. HAMLIN HOSPITAL DISTRICT  
2                   SUBCHAPTER A. GENERAL PROVISIONS  
3 Sec. 1037.001. DEFINITIONS  
4 Sec. 1037.002. AUTHORITY FOR CREATION  
5 Sec. 1037.003. ESSENTIAL PUBLIC FUNCTION  
6 Sec. 1037.004. DISTRICT TERRITORY  
7 Sec. 1037.005. CORRECTION OF INVALID PROCEDURES  
8 Sec. 1037.006. DISTRICT SUPPORT AND MAINTENANCE NOT  
9                   STATE OBLIGATION  
10                 [Sections 1037.007-1037.050 reserved for expansion]  
11                   SUBCHAPTER B. DISTRICT ADMINISTRATION  
12 Sec. 1037.051. BOARD ELECTION; TERM  
13 Sec. 1037.052. NOTICE OF ELECTION  
14 Sec. 1037.053. BALLOT PETITION  
15 Sec. 1037.054. QUALIFICATIONS FOR OFFICE  
16 Sec. 1037.055. BOARD VACANCY  
17 Sec. 1037.056. OFFICERS  
18 Sec. 1037.057. COMPENSATION; EXPENSES  
19 Sec. 1037.058. DISTRICT ADMINISTRATOR; ASSISTANT  
20                   ADMINISTRATOR  
21 Sec. 1037.059. GENERAL DUTIES OF DISTRICT  
22                   ADMINISTRATOR  
23 Sec. 1037.060. EMPLOYEES; APPOINTMENT OF STAFF  
24                 [Sections 1037.061-1037.100 reserved for expansion]  
25                   SUBCHAPTER C. POWERS AND DUTIES  
26 Sec. 1037.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1037.102. RESTRICTION ON POLITICAL SUBDIVISION  
2 TAXATION AND DEBT  
3 Sec. 1037.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
4 Sec. 1037.104. HOSPITAL SYSTEM  
5 Sec. 1037.105. RULES  
6 Sec. 1037.106. PURCHASING AND ACCOUNTING PROCEDURES  
7 Sec. 1037.107. DISTRICT PROPERTY, FACILITIES, AND  
8 EQUIPMENT  
9 Sec. 1037.108. EMINENT DOMAIN  
10 Sec. 1037.109. GIFTS AND ENDOWMENTS  
11 Sec. 1037.110. CONSTRUCTION CONTRACTS  
12 Sec. 1037.111. OPERATING AND MANAGEMENT CONTRACTS  
13 Sec. 1037.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
14 FOR CARE AND TREATMENT  
15 Sec. 1037.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
16 FOR INVESTIGATORY OR OTHER SERVICES  
17 Sec. 1037.114. PAYMENT FOR TREATMENT; PROCEDURES  
18 Sec. 1037.115. AUTHORITY TO SUE AND BE SUED  
19 [Sections 1037.116-1037.150 reserved for expansion]  
20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
21 Sec. 1037.151. BUDGET  
22 Sec. 1037.152. NOTICE; HEARING; ADOPTION OF BUDGET  
23 Sec. 1037.153. AMENDMENTS TO BUDGET  
24 Sec. 1037.154. FISCAL YEAR  
25 Sec. 1037.155. AUDIT  
26 Sec. 1037.156. INSPECTION OF AUDIT AND DISTRICT  
27 RECORDS

1 Sec. 1037.157. FINANCIAL REPORT

2 Sec. 1037.158. DEPOSITORY

3 Sec. 1037.159. SPENDING AND INVESTMENT RESTRICTIONS

4 [Sections 1037.160-1037.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1037.201. GENERAL OBLIGATION BONDS

7 Sec. 1037.202. TAX TO PAY GENERAL OBLIGATION BONDS

8 Sec. 1037.203. GENERAL OBLIGATION BOND ELECTION

9 Sec. 1037.204. REVENUE BONDS

10 Sec. 1037.205. REFUNDING BONDS

11 Sec. 1037.206. MATURITY OF BONDS

12 Sec. 1037.207. EXECUTION OF BONDS

13 Sec. 1037.208. BONDS EXEMPT FROM TAXATION

14 [Sections 1037.209-1037.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Sec. 1037.251. IMPOSITION OF AD VALOREM TAX

17 Sec. 1037.252. TAX RATE

18 Sec. 1037.253. TAX ASSESSOR-COLLECTOR

19 CHAPTER 1037. HAMLIN HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1037.001. DEFINITIONS. In this chapter:

22 (1) "Board" means the board of directors of the  
23 district.

24 (2) "Director" means a member of the board.

25 (3) "District" means the Hamlin Hospital District.

26 (Acts 63rd Leg., R.S., Ch. 561, Sec. 1 (part); New.)

27 Sec. 1037.002. AUTHORITY FOR CREATION. The district is

1 created under the authority of Section 9, Article IX, Texas  
2 Constitution. The district has the rights, powers, and duties  
3 conferred by this chapter and general laws relating to hospital  
4 districts. (Acts 63rd Leg., R.S., Ch. 561, Secs. 1 (part), 2  
5 (part).)

6 Sec. 1037.003. ESSENTIAL PUBLIC FUNCTION. The district  
7 performs an essential public function in carrying out the purposes  
8 of this chapter. (Acts 63rd Leg., R.S., Ch. 561, Sec. 22 (part).)

9 Sec. 1037.004. DISTRICT TERRITORY. The district is  
10 composed of the territory described by Section 1, Chapter 561, Acts  
11 of the 63rd Legislature, Regular Session, 1973. (New.)

12 Sec. 1037.005. CORRECTION OF INVALID PROCEDURES. If a  
13 court holds that any procedure under this chapter violates the  
14 constitution of this state or of the United States, the district by  
15 resolution may provide an alternative procedure that conforms with  
16 the constitution. (Acts 63rd Leg., R.S., Ch. 561, Sec. 24 (part).)

17 Sec. 1037.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
18 OBLIGATION. The support and maintenance of the district may not  
19 become a charge against or obligation of this state. (Acts 63rd  
20 Leg., R.S., Ch. 561, Sec. 21 (part).)

21 [Sections 1037.007-1037.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT ADMINISTRATION

23 Sec. 1037.051. BOARD ELECTION; TERM. (a) The board  
24 consists of seven directors elected from the district at large.

25 (b) Unless four-year terms are established under Section  
26 285.081, Health and Safety Code:

27 (1) directors serve staggered two-year terms; and

1           (2) the terms of four directors expire in odd-numbered  
2 years and the terms of three directors expire in even-numbered  
3 years.

4           (c) The election order must state the time, place, and  
5 purpose of the election. (Acts 63rd Leg., R.S., Ch. 561, Sec. 4(a)  
6 (part).)

7           Sec. 1037.052. NOTICE OF ELECTION. At least five days  
8 before the date of an election of directors, notice of the election  
9 shall be published one time in a newspaper of general circulation in  
10 the district. (Acts 63rd Leg., R.S., Ch. 561, Sec. 4(a) (part).)

11           Sec. 1037.053. BALLOT PETITION. A person who wants to have  
12 the person's name printed on the ballot as a candidate for director  
13 must file with the board secretary a petition requesting that  
14 action. The petition must be:

15           (1) signed by at least 10 registered voters; and

16           (2) filed at least 25 days before the date of the  
17 election. (Acts 63rd Leg., R.S., Ch. 561, Sec. 4(a) (part).)

18           Sec. 1037.054. QUALIFICATIONS FOR OFFICE. To be eligible  
19 to hold office as a director, a person must be a resident  
20 property-owning taxpaying voter of the district. (Acts 63rd Leg.,  
21 R.S., Ch. 561, Sec. 4(b) (part).)

22           Sec. 1037.055. BOARD VACANCY. If a vacancy occurs in the  
23 office of director, the remaining directors by majority vote shall  
24 appoint a director for the unexpired term. (Acts 63rd Leg., R.S.,  
25 Ch. 561, Sec. 4(a) (part).)

26           Sec. 1037.056. OFFICERS. (a) The board shall elect from  
27 among its members a president, vice president, secretary, and other



1 officers as in the judgment of the board are necessary.

2 (b) The president is the chief executive officer of the  
3 district and has the same right to vote as any other director.

4 (c) If the president is absent or fails and declines to act,  
5 the vice president shall perform the president's duties and  
6 exercise the president's powers under this chapter. (Acts 63rd  
7 Leg., R.S., Ch. 561, Sec. 4(b) (part).)

8 Sec. 1037.057. COMPENSATION; EXPENSES. A director serves  
9 without compensation but may receive actual expenses incurred in  
10 attending to district business on approval of the expenses by the  
11 remainder of the board. (Acts 63rd Leg., R.S., Ch. 561, Sec. 4(b)  
12 (part).)

13 Sec. 1037.058. DISTRICT ADMINISTRATOR; ASSISTANT  
14 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
15 district administrator.

16 (b) The board may appoint an assistant administrator.

17 (c) The district administrator and any assistant  
18 administrator serve at the will of the board and are entitled to the  
19 compensation determined by the board.

20 (d) On assuming the duties of district administrator, the  
21 administrator shall execute a bond payable to the district in an  
22 amount set by the board of not less than \$5,000 that:

23 (1) is conditioned on the administrator performing the  
24 administrator's duties; and

25 (2) contains other conditions the board may require.  
26 (Acts 63rd Leg., R.S., Ch. 561, Sec. 5 (part).)

27 Sec. 1037.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

1 Subject to the limitations prescribed by the board, the district  
2 administrator shall:

3 (1) supervise the work and activities of the district;  
4 and

5 (2) direct the affairs of the district. (Acts 63rd  
6 Leg., R.S., Ch. 561, Sec. 5 (part).)

7 Sec. 1037.060. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
8 board may appoint to the staff any doctors the board considers  
9 necessary for the efficient operation of the district and may make  
10 temporary appointments as necessary.

11 (b) The board shall determine the type, number, and location  
12 of district employees required to maintain an adequate hospital  
13 system. The board may employ fiscal agents, accountants,  
14 architects, attorneys, and other employees the board considers  
15 proper.

16 (c) The board may delegate to the district administrator the  
17 authority to hire district employees, including technicians and  
18 nurses. (Acts 63rd Leg., R.S., Ch. 561, Secs. 5 (part), 10(a)  
19 (part), 17.)

20 [Sections 1037.061-1037.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 1037.101. DISTRICT RESPONSIBILITY. The district has  
23 full responsibility for providing hospital care for the district's  
24 indigent residents. (Acts 63rd Leg., R.S., Ch. 561, Sec. 20  
25 (part).)

26 Sec. 1037.102. RESTRICTION ON POLITICAL SUBDIVISION  
27 TAXATION AND DEBT. A political subdivision located within the

1 district may not impose a tax or issue bonds or other obligations  
2 for hospital purposes for the area of the district or to provide  
3 medical care for district inhabitants. (Acts 63rd Leg., R.S., Ch.  
4 561, Sec. 20 (part).)

5 Sec. 1037.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

6 (a) The board shall manage, control, and administer the hospital  
7 system and the district's money and resources.

8 (b) Unless specifically stated otherwise in this chapter,  
9 the board has the power to do anything which, in their opinion, is  
10 necessary for the good maintenance, operation, and welfare of the  
11 district and the district's employees, patients, and property.  
12 (Acts 63rd Leg., R.S., Ch. 561, Secs. 5 (part), 21 (part).)

13 Sec. 1037.104. HOSPITAL SYSTEM. (a) The district shall  
14 provide for the establishment of a hospital system by:

15 (1) purchasing, constructing, acquiring, repairing,  
16 or renovating buildings and equipment;

17 (2) equipping the buildings; and

18 (3) administering the buildings and equipment for  
19 hospital purposes.

20 (b) The hospital system may include:

21 (1) facilities for domiciliary care of the sick,  
22 injured, or geriatric;

23 (2) facilities for outpatient clinics;

24 (3) dispensaries;

25 (4) convalescent home facilities;

26 (5) necessary nurses' domiciliaries and training  
27 centers;

1           (6) blood banks;  
2           (7) research centers or laboratories; and  
3           (8) ambulance and other facilities or services the  
4 board considers necessary for hospital care. (Acts 63rd Leg.,  
5 R.S., Ch. 561, Secs. 2 (part), 10(a) (part).)

6           Sec. 1037.105. RULES. The board may adopt rules governing  
7 the operation of the hospital, the hospital system, and the  
8 district's staff and employees. (Acts 63rd Leg., R.S., Ch. 561,  
9 Sec. 5 (part).)

10          Sec. 1037.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
11 board may prescribe:

12           (1) the method and manner of making purchases and  
13 expenditures by and for the district; and

14           (2) all accounting and control procedures. (Acts 63rd  
15 Leg., R.S., Ch. 561, Sec. 11 (part).)

16          Sec. 1037.107. DISTRICT PROPERTY, FACILITIES, AND  
17 EQUIPMENT. (a) The board shall determine the type of equipment and  
18 the type, number, and location of buildings required to maintain an  
19 adequate hospital system.

20           (b) The board may lease all or part of the district's  
21 buildings and other facilities on terms considered to be in the best  
22 interest of the district's inhabitants. The term of the lease may  
23 not exceed 25 years.

24           (c) The district may acquire equipment for use in the  
25 district's hospital system and mortgage or pledge the property as  
26 security for the payment of the purchase price. A contract entered  
27 into under this subsection must provide that the entire obligation

1 be retired not later than the fifth anniversary of the date of the  
2 contract.

3 (d) The district may sell or otherwise dispose of any  
4 property, including equipment, on terms the board finds are in the  
5 best interest of the district's inhabitants. The board may not sell  
6 or dispose of any real property unless the board affirmatively  
7 finds that the real property is not needed for the operation of the  
8 hospital system. (Acts 63rd Leg., R.S., Ch. 561, Secs. 10(a)  
9 (part), (b) (part), 11 (part).)

10 Sec. 1037.108. EMINENT DOMAIN. (a) The district may  
11 exercise the power of eminent domain to acquire a fee simple or  
12 other interest in any type of property located in district  
13 territory if the interest is necessary for the district to exercise  
14 a power, right, or privilege conferred by this chapter.

15 (b) The district must exercise the power of eminent domain  
16 in the manner provided by Chapter 21, Property Code, except the  
17 district is not required to deposit in the trial court money or a  
18 bond as provided by Section 21.021(a), Property Code.

19 (c) In a condemnation proceeding brought by the district,  
20 the district is not required to:

21 (1) pay in advance or provide a bond or other security  
22 for costs in the trial court;

23 (2) provide a bond for the issuance of a temporary  
24 restraining order or a temporary injunction; or

25 (3) provide a bond for costs or a supersedeas bond on  
26 any appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 561, Sec.  
27 15.)

1           Sec. 1037.109. GIFTS AND ENDOWMENTS. The board may accept  
2 for the district a gift or endowment for hospital purposes to be  
3 held in trust and administered by the board for the purposes and  
4 under the directions, limitations, or other provisions prescribed  
5 in writing by the donor that are not inconsistent with the proper  
6 management and objectives of the district. (Acts 63rd Leg., R.S.,  
7 Ch. 561, Sec. 19.)

8           Sec. 1037.110. CONSTRUCTION CONTRACTS. A construction  
9 contract that involves the expenditure of more than \$2,000 may be  
10 made only after advertising in the manner provided by Chapter 252  
11 and Subchapter C, Chapter 262, Local Government Code. (Acts 63rd  
12 Leg., R.S., Ch. 561, Sec. 11 (part).)

13           Sec. 1037.111. OPERATING AND MANAGEMENT CONTRACTS. The  
14 board may enter into an operating or management contract relating  
15 to a district facility. (Acts 63rd Leg., R.S., Ch. 561, Sec. 10(b)  
16 (part).)

17           Sec. 1037.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
18 CARE AND TREATMENT. (a) The board may contract with a county or  
19 municipality located outside the district's boundaries for the care  
20 and treatment of a sick or injured person of that county or  
21 municipality.

22           (b) The board may contract with this state or a federal  
23 agency for the treatment of a sick or injured person. (Acts 63rd  
24 Leg., R.S., Ch. 561, Sec. 5 (part).)

25           Sec. 1037.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
26 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
27 political subdivision or governmental agency for the district

1 to provide investigatory or other services for the medical,  
2 hospital, or welfare needs of district inhabitants. (Acts 63rd  
3 Leg., R.S., Ch. 561, Sec. 5 (part).)

4       Sec. 1037.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
5 When a patient who resides in the district is admitted to a district  
6 facility, the district administrator may have an inquiry made into  
7 the circumstances of:

8             (1) the patient; and

9             (2) the patient's relatives who are legally liable for  
10 the patient's support.

11       (b) If the district administrator determines that the  
12 patient or those relatives cannot pay all or part of the costs of  
13 the care and treatment in the hospital, the amount of the costs that  
14 cannot be paid becomes a charge against the district.

15       (c) If the district administrator determines that the  
16 patient or those relatives can pay for all or part of the costs of  
17 the patient's care and treatment, the patient or those relatives  
18 shall be ordered to pay the district a specified amount each week  
19 for the patient's care and support. The amount ordered must be  
20 proportionate to the person's financial ability.

21       (d) The district administrator may collect the amount from  
22 the patient's estate, or from any relative who is legally liable for  
23 the patient's support, in the manner provided by law for the  
24 collection of expenses of the last illness of a deceased person.

25       (e) If there is a dispute as to the ability to pay, or doubt  
26 in the mind of the district administrator, the board shall hold a  
27 hearing and, after calling witnesses, shall:

1 (1) resolve the dispute or doubt; and

2 (2) issue any appropriate orders.

3 (f) The final order of the board may be appealed to the  
4 district court. The substantial evidence rule applies to the  
5 appeal. (Acts 63rd Leg., R.S., Ch. 561, Sec. 18.)

6 Sec. 1037.115. AUTHORITY TO SUE AND BE SUED. The district,  
7 through the board, may sue and be sued. (Acts 63rd Leg., R.S., Ch.  
8 561, Sec. 5 (part).)

9 [Sections 1037.116-1037.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1037.151. BUDGET. (a) The district administrator  
12 shall prepare an annual budget for approval by the board.

13 (b) The proposed budget must contain a complete financial  
14 statement of:

15 (1) the outstanding obligations of the district;

16 (2) the cash on hand in each district fund;

17 (3) the money received by the district from all  
18 sources during the previous year;

19 (4) the money available to the district from all  
20 sources during the ensuing year;

21 (5) the balances expected at the end of the year in  
22 which the budget is being prepared;

23 (6) the estimated revenue and balances available to  
24 cover the proposed budget;

25 (7) the estimated tax rate required; and

26 (8) the proposed expenditures and disbursements and  
27 the estimated receipts and collections for the following fiscal



1 year. (Acts 63rd Leg., R.S., Ch. 561, Sec. 6(a) (part).)

2 Sec. 1037.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

3 The board shall hold a public hearing on the proposed annual budget.

4 (b) At least 10 days before the date of the hearing, notice  
5 of the hearing shall be published one time in a newspaper or  
6 newspapers that individually or collectively have general  
7 circulation in the district.

8 (c) Any district resident is entitled to be present and  
9 participate at the hearing in accordance with the rules of decorum  
10 and procedures prescribed by the board.

11 (d) At the conclusion of the hearing, the board shall adopt  
12 a final budget by acting on the budget proposed by the district  
13 administrator. The board may make any changes in the proposed  
14 budget that the board judges to be in the interests of the taxpayers  
15 and that the law warrants. (Acts 63rd Leg., R.S., Ch. 561, Secs.  
16 6(a) (part), (b) (part).)

17 Sec. 1037.153. AMENDMENTS TO BUDGET. The annual budget may  
18 be amended as required by circumstances. The board must approve all  
19 amendments. (Acts 63rd Leg., R.S., Ch. 561, Sec. 6(b) (part).)

20 Sec. 1037.154. FISCAL YEAR. (a) The district operates on a  
21 fiscal year established by the board.

22 (b) The fiscal year may not be changed more than once in a  
23 24-month period. (Acts 63rd Leg., R.S., Ch. 561, Sec. 6(a) (part).)

24 Sec. 1037.155. AUDIT. (a) The board shall have an  
25 independent audit made of the district's financial condition for  
26 the fiscal year.

27 (b) As soon as the audit is completed, the audit shall be

1 filed at the district's principal office. (Acts 63rd Leg., R.S.,  
2 Ch. 561, Sec. 6(a) (part).)

3 Sec. 1037.156. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
4 The audit and other district records shall be open to inspection at  
5 the district's principal office. (Acts 63rd Leg., R.S., Ch. 561,  
6 Sec. 6(a) (part).)

7 Sec. 1037.157. FINANCIAL REPORT. As soon as practicable  
8 after the close of each fiscal year, the district administrator  
9 shall prepare for the board:

10 (1) a complete sworn statement of all district money;  
11 and

12 (2) a complete account of the disbursements of that  
13 money. (Acts 63rd Leg., R.S., Ch. 561, Sec. 6(b) (part).)

14 Sec. 1037.158. DEPOSITORY. (a) The board shall select one  
15 or more banks inside or outside the district to serve as a  
16 depository for district money.

17 (b) District money, other than money invested as provided by  
18 Section 1037.159(b), and money transmitted to a bank for payment of  
19 bonds or obligations issued or assumed by the district, shall be  
20 deposited as received with the depository bank and shall remain on  
21 deposit.

22 (c) This chapter, including Subsection (b), does not limit  
23 the power of the board to place a part of district money on time  
24 deposit or to purchase certificates of deposit. (Acts 63rd Leg.,  
25 R.S., Ch. 561, Sec. 12.)

26 Sec. 1037.159. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
27 Except as otherwise provided by Section 1037.107(c) and by

1 Subchapter E, the board may not incur an obligation payable from  
2 district revenue other than the revenue on hand or to be on hand in  
3 the current and following district fiscal years.

4 (b) The board may invest operating, depreciation, or  
5 building reserves only in funds or securities specified by Chapter  
6 2256, Government Code. (Acts 63rd Leg., R.S., Ch. 561, Secs. 5  
7 (part), 11 (part).)

8 [Sections 1037.160-1037.200 reserved for expansion]

9 SUBCHAPTER E. BONDS

10 Sec. 1037.201. GENERAL OBLIGATION BONDS. The board may  
11 issue and sell general obligation bonds in the name and on the faith  
12 and credit of the district for any purpose relating to:

13 (1) the purchase, construction, acquisition, repair,  
14 or renovation of buildings or improvements; and

15 (2) equipping buildings or improvements for hospital  
16 purposes. (Acts 63rd Leg., R.S., Ch. 561, Sec. 7 (part).)

17 Sec. 1037.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
18 the time general obligation bonds are issued under Section  
19 1037.201, the board shall impose an ad valorem tax at a rate  
20 sufficient to create an interest and sinking fund to pay the  
21 principal of and interest on the bonds as the bonds mature.

22 (b) The tax required by this section together with any other  
23 ad valorem tax the district imposes may not in any year exceed the  
24 tax rate approved by the voters at the election authorizing the  
25 imposition of the tax. (Acts 63rd Leg., R.S., Ch. 561, Sec. 7  
26 (part).)

27 Sec. 1037.203. GENERAL OBLIGATION BOND ELECTION. (a) The

1 district may issue general obligation bonds only if the bonds are  
2 authorized by a majority of the district voters voting at an  
3 election held for that purpose.

4 (b) The order calling the election shall provide for clerks  
5 as in county elections and must specify:

6 (1) the date of the election;

7 (2) the location of the polling places;

8 (3) the presiding and alternate election judges for  
9 each polling place;

10 (4) the amount of the bonds to be authorized;

11 (5) the maximum maturity of the bonds; and

12 (6) the maximum interest rate of the bonds.

13 (c) Notice of a bond election shall be given as provided by  
14 Section 1251.003, Government Code. (Acts 63rd Leg., R.S., Ch. 561,  
15 Sec. 7 (part).)

16 Sec. 1037.204. REVENUE BONDS. (a) The board may, without  
17 an election, issue revenue bonds to:

18 (1) purchase, construct, acquire, repair, renovate,  
19 or equip buildings or improvements for hospital purposes; or

20 (2) acquire sites to be used for hospital purposes.

21 (b) The bonds must be payable from and secured by a pledge of  
22 all or part of the revenue derived from the operation of the  
23 district's hospitals.

24 (c) The bonds may be additionally secured by a mortgage or  
25 deed of trust lien on all or part of district property.

26 (d) The bonds must be issued in the manner and in accordance  
27 with the procedures and requirements prescribed by Sections

1 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
2 issuance of revenue bonds by a county hospital authority. (Acts  
3 63rd Leg., R.S., Ch. 561, Secs. 7 (part), 8(b) (part).)

4 Sec. 1037.205. REFUNDING BONDS. (a) The board may, without  
5 an election, issue refunding bonds to refund outstanding  
6 indebtedness issued or assumed by the district.

7 (b) A refunding bond may be:

8 (1) sold, with the proceeds of the refunding bond  
9 applied to the payment of the outstanding indebtedness; or

10 (2) exchanged wholly or partly for not less than a  
11 similar principal amount of outstanding indebtedness. (Acts 63rd  
12 Leg., R.S., Ch. 561, Secs. 7 (part), 8(a) (part), (b) (part).)

13 Sec. 1037.206. MATURITY OF BONDS. District bonds must  
14 mature not later than 40 years after the date of issuance. (Acts  
15 63rd Leg., R.S., Ch. 561, Sec. 9 (part).)

16 Sec. 1037.207. EXECUTION OF BONDS. (a) The board president  
17 shall execute the district's bonds in the district's name.

18 (b) The board secretary shall countersign the bonds in the  
19 manner provided by Chapter 618, Government Code. (Acts 63rd Leg.,  
20 R.S., Ch. 561, Sec. 9 (part).)

21 Sec. 1037.208. BONDS EXEMPT FROM TAXATION. The following  
22 are exempt from taxation by this state or a political subdivision of  
23 this state:

24 (1) bonds issued by the district;

25 (2) the transfer and issuance of the bonds; and

26 (3) profits made in the sale of the bonds. (Acts 63rd  
27 Leg., R.S., Ch. 561, Sec. 22 (part).)

1 [Sections 1037.209-1037.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1037.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
4 shall impose a tax on all property in the district subject to  
5 district taxation.

6 (b) The board shall impose the tax to:

7 (1) pay the interest on and create a sinking fund for  
8 bonds and other obligations issued or assumed by the district for  
9 hospital purposes;

10 (2) provide for the operation and maintenance of the  
11 district and hospital system, based on the final budget;

12 (3) make improvements and additions to the hospital  
13 system; and

14 (4) acquire necessary sites for the hospital system by  
15 purchase, lease, or condemnation. (Acts 63rd Leg., R.S., Ch. 561,  
16 Secs. 3 (part), 13 (part).)

17 Sec. 1037.252. TAX RATE. (a) The board may impose the tax  
18 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
19 property in the district.

20 (b) In setting the tax rate, the board shall consider the  
21 income of the district from sources other than taxation. (Acts 63rd  
22 Leg., R.S., Ch. 561, Secs. 3 (part), 13 (part).)

23 Sec. 1037.253. TAX ASSESSOR-COLLECTOR. (a) The board  
24 shall appoint a tax assessor-collector to assess and collect taxes  
25 imposed by the district.

26 (b) The district tax assessor-collector must reside in the  
27 district.

1 (c) The board shall set for the district tax  
2 assessor-collector:

3 (1) the term of employment; and

4 (2) compensation. (Acts 63rd Leg., R.S., Ch. 561,  
5 Sec. 16 (part).)

6 CHAPTER 1038. HARDEMAN COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1038.001. DEFINITIONS

9 Sec. 1038.002. AUTHORITY FOR OPERATION

10 Sec. 1038.003. ESSENTIAL PUBLIC FUNCTION

11 Sec. 1038.004. DISTRICT TERRITORY

12 Sec. 1038.005. DISTRICT SUPPORT AND MAINTENANCE NOT

13 STATE OBLIGATION

14 Sec. 1038.006. RESTRICTION ON STATE FINANCIAL

15 ASSISTANCE

16 Sec. 1038.007. ELECTION DATE

17 [Sections 1038.008-1038.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1038.051. BOARD ELECTION; TERM

20 Sec. 1038.052. NOTICE OF ELECTION

21 Sec. 1038.053. QUALIFICATIONS FOR OFFICE

22 Sec. 1038.054. BOND; RECORD OF BOND AND OATH OR

23 AFFIRMATION OF OFFICE

24 Sec. 1038.055. BOARD VACANCY

25 Sec. 1038.056. OFFICERS

26 Sec. 1038.057. COMPENSATION; EXPENSES

27 Sec. 1038.058. VOTING REQUIREMENT

- 1 Sec. 1038.059. DISTRICT ADMINISTRATOR
- 2 Sec. 1038.060. GENERAL DUTIES OF DISTRICT
- 3 ADMINISTRATOR
- 4 Sec. 1038.061. ATTORNEY; ASSISTANT DISTRICT
- 5 ADMINISTRATOR
- 6 Sec. 1038.062. APPOINTMENT AND RECRUITMENT OF STAFF
- 7 AND EMPLOYEES
- 8 Sec. 1038.063. PERSONNEL CONTRACTS
- 9 Sec. 1038.064. RETIREMENT BENEFITS
- 10 [Sections 1038.065-1038.100 reserved for expansion]
- 11 SUBCHAPTER C. POWERS AND DUTIES
- 12 Sec. 1038.101. DISTRICT RESPONSIBILITY
- 13 Sec. 1038.102. RESTRICTION ON POLITICAL SUBDIVISION
- 14 TAXATION AND DEBT
- 15 Sec. 1038.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 16 Sec. 1038.104. HOSPITAL SYSTEM
- 17 Sec. 1038.105. RULES
- 18 Sec. 1038.106. PURCHASING AND ACCOUNTING PROCEDURES
- 19 Sec. 1038.107. DISTRICT PROPERTY, FACILITIES, AND
- 20 EQUIPMENT
- 21 Sec. 1038.108. EMINENT DOMAIN
- 22 Sec. 1038.109. COST OF RELOCATING OR ALTERING PROPERTY
- 23 Sec. 1038.110. GIFTS AND ENDOWMENTS
- 24 Sec. 1038.111. CONSTRUCTION CONTRACTS
- 25 Sec. 1038.112. OPERATING AND MANAGEMENT CONTRACTS
- 26 Sec. 1038.113. INTERLOCAL AGREEMENT



- 1 Sec. 1038.114. CONTRACTS WITH GOVERNMENTAL ENTITIES  
2 FOR CARE AND TREATMENT  
3 Sec. 1038.115. CONTRACTS WITH GOVERNMENTAL ENTITIES  
4 FOR INVESTIGATORY OR OTHER SERVICES  
5 Sec. 1038.116. PAYMENT FOR TREATMENT; PROCEDURES  
6 Sec. 1038.117. NONPROFIT CORPORATION  
7 Sec. 1038.118. AUTHORITY TO SUE AND BE SUED  
8 [Sections 1038.119-1038.150 reserved for expansion]  
9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
10 Sec. 1038.151. BUDGET  
11 Sec. 1038.152. NOTICE; HEARING; ADOPTION OF BUDGET  
12 Sec. 1038.153. AMENDMENTS TO BUDGET  
13 Sec. 1038.154. RESTRICTION ON EXPENDITURES  
14 Sec. 1038.155. FISCAL YEAR  
15 Sec. 1038.156. ANNUAL AUDIT  
16 Sec. 1038.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
17 RECORDS  
18 Sec. 1038.158. FINANCIAL REPORT  
19 Sec. 1038.159. DEPOSITORY  
20 Sec. 1038.160. SPENDING AND INVESTMENT RESTRICTIONS  
21 Sec. 1038.161. AUTHORITY TO BORROW MONEY; SECURITY  
22 [Sections 1038.162-1038.200 reserved for expansion]  
23 SUBCHAPTER E. BONDS  
24 Sec. 1038.201. GENERAL OBLIGATION BONDS  
25 Sec. 1038.202. TAX TO PAY GENERAL OBLIGATION BONDS  
26 Sec. 1038.203. BOND ELECTION  
27 Sec. 1038.204. MATURITY OF GENERAL OBLIGATION BONDS

- 1 Sec. 1038.205. EXECUTION OF GENERAL OBLIGATION BONDS  
2 Sec. 1038.206. REVENUE BONDS  
3 Sec. 1038.207. REFUNDING BONDS  
4 Sec. 1038.208. ADDITIONAL MEANS OF SECURING REPAYMENT  
5 OF BONDS  
6 Sec. 1038.209. USE OF BOND PROCEEDS  
7 Sec. 1038.210. BONDS EXEMPT FROM TAXATION  
8 [Sections 1038.211-1038.250 reserved for expansion]  
9 SUBCHAPTER F. TAXES  
10 Sec. 1038.251. IMPOSITION OF AD VALOREM TAX  
11 Sec. 1038.252. TAX RATE  
12 Sec. 1038.253. TAX ASSESSOR-COLLECTOR  
13 [Sections 1038.254-1038.300 reserved for expansion]  
14 SUBCHAPTER G. DISSOLUTION  
15 Sec. 1038.301. DISSOLUTION; ELECTION  
16 Sec. 1038.302. NOTICE OF ELECTION  
17 Sec. 1038.303. BALLOT  
18 Sec. 1038.304. ELECTION RESULTS  
19 Sec. 1038.305. TRANSFER OR ADMINISTRATION OF ASSETS  
20 Sec. 1038.306. SALE OR TRANSFER OF ASSETS AND  
21 LIABILITIES  
22 Sec. 1038.307. IMPOSITION OF TAX AND RETURN OF SURPLUS  
23 TAXES  
24 Sec. 1038.308. REPORT; DISSOLUTION ORDER  
25 CHAPTER 1038. HARDEMAN COUNTY HOSPITAL DISTRICT  
26 SUBCHAPTER A. GENERAL PROVISIONS  
27 Sec. 1038.001. DEFINITIONS. In this chapter:

1           (1) "Board" means the board of directors of the  
2 district.

3           (2) "Director" means a member of the board.

4           (3) "District" means the Hardeman County Hospital  
5 District. (New.)

6           Sec. 1038.002. AUTHORITY FOR OPERATION. The district  
7 operates and is administered and financed in accordance with  
8 Section 9, Article IX, Texas Constitution, and has the rights,  
9 powers, and duties provided by this chapter. (Acts 66th Leg., R.S.,  
10 Ch. 214, Sec. 1 (part).)

11          Sec. 1038.003. ESSENTIAL PUBLIC FUNCTION. The district  
12 performs an essential public function in carrying out the purposes  
13 of this chapter. (Acts 66th Leg., R.S., Ch. 214, Sec. 20 (part).)

14          Sec. 1038.004. DISTRICT TERRITORY. The boundaries of the  
15 district are coextensive with the boundaries of County  
16 Commissioners Precincts Nos. 1, 2, and 4 of Hardeman County, Texas,  
17 as those boundaries existed on May 17, 1979. (Acts 66th Leg., R.S.,  
18 Ch. 214, Sec. 1 (part).)

19          Sec. 1038.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
20 OBLIGATION. The support and maintenance of the district may not  
21 become a charge against or obligation of this state. (Acts 66th  
22 Leg., R.S., Ch. 214, Sec. 19 (part).)

23          Sec. 1038.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
24 The legislature may not make a direct appropriation for the  
25 construction, maintenance, or improvement of a district facility.  
26 (Acts 66th Leg., R.S., Ch. 214, Sec. 19 (part).)

27          Sec. 1038.007. ELECTION DATE. Except as provided by

1 Section 1038.051, Section 41.001(a), Election Code, does not apply  
2 to an election held under this chapter. (Acts 66th Leg., R.S., Ch.  
3 214, Secs. 3(a) (part), 6(a) (part), 21A(c) (part).)

4 [Sections 1038.008-1038.050 reserved for expansion]

5 SUBCHAPTER B. DISTRICT ADMINISTRATION

6 Sec. 1038.051. BOARD ELECTION; TERM. (a) The board  
7 consists of seven directors elected from the district at large.

8 (b) The board shall declare the results of the election.

9 (c) Directors serve staggered two-year terms unless  
10 four-year terms are established under Section 285.081, Health and  
11 Safety Code.

12 (d) Section 41.001, Election Code, applies to an election  
13 held under this section. (Acts 66th Leg., R.S., Ch. 214, Secs. 3(d)  
14 (part), (f) (part).)

15 Sec. 1038.052. NOTICE OF ELECTION. At least 30 days before  
16 the date of an election of directors, the board shall publish notice  
17 of the election one time in a newspaper or newspapers that  
18 individually or collectively have general circulation in the  
19 district. (Acts 66th Leg., R.S., Ch. 214, Sec. 3(f) (part).)

20 Sec. 1038.053. QUALIFICATIONS FOR OFFICE. (a) A person may  
21 not be elected or appointed as a director unless the person is:

22 (1) a district resident; and

23 (2) a qualified voter.

24 (b) A person is not eligible to serve as a director if the  
25 person is:

26 (1) the district administrator;

27 (2) the attorney for the district; or

1           (3) a district employee. (Acts 66th Leg., R.S., Ch.  
2 214, Sec. 3(h).)

3           Sec. 1038.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
4 OF OFFICE. (a) Each director may be required to execute a good and  
5 sufficient bond for \$5,000 that is:

6           (1) approved by the Commissioners Court of Hardeman  
7 County;

8           (2) payable to the district; and

9           (3) conditioned on the faithful performance of the  
10 director's duties.

11          (b) The district may provide for a director's bond with  
12 district money.

13          (c) Each director's bond and constitutional oath or  
14 affirmation of office shall be kept in the district's permanent  
15 records. (Acts 66th Leg., R.S., Ch. 214, Secs. 3(a) (part), (g).)

16          Sec. 1038.055. BOARD VACANCY. If a vacancy occurs in the  
17 office of director, the remaining directors shall appoint a  
18 director for the unexpired term. (Acts 66th Leg., R.S., Ch. 214,  
19 Sec. 3(f) (part).)

20          Sec. 1038.056. OFFICERS. (a) The board shall elect:

21           (1) a president and a vice president from among its  
22 members; and

23           (2) a secretary, who need not be a director.

24          (b) Each officer of the board serves for a term of one year.

25          (c) The board shall fill a vacancy in a board office for the  
26 unexpired term. (Acts 66th Leg., R.S., Ch. 214, Sec. 3(i) (part).)

27          Sec. 1038.057. COMPENSATION; EXPENSES. A director or

1 officer serves without compensation but may be reimbursed for  
2 actual expenses incurred in the performance of official duties.

3 The expenses must be:

- 4           (1) reported in the district's records; and  
5           (2) approved by the board. (Acts 66th Leg., R.S., Ch.  
6 214, Sec. 3(i) (part).)

7           Sec. 1038.058. VOTING REQUIREMENT. A concurrence of four  
8 directors is sufficient in any matter relating to district  
9 business. (Acts 66th Leg., R.S., Ch. 214, Sec. 3(i) (part).)

10           Sec. 1038.059. DISTRICT ADMINISTRATOR. (a) The board may  
11 appoint a qualified person as district administrator.

12           (b) The district administrator serves at the will of the  
13 board and is entitled to the compensation determined by the board.

14           (c) On assuming the duties of district administrator, the  
15 administrator may execute a bond payable to the district in an  
16 amount set by the board of not less than \$5,000 that:

17           (1) is conditioned on the administrator performing the  
18 administrator's duties; and

19           (2) contains other conditions the board may require.

20           (d) The board may pay for the bond with district money.  
21 (Acts 66th Leg., R.S., Ch. 214, Sec. 4(a) (part).)

22           Sec. 1038.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
23 Subject to the limitations prescribed by the board, the district  
24 administrator shall:

25           (1) supervise the work and activities of the district;  
26 and

27           (2) direct the affairs of the district. (Acts 66th

1 Leg., R.S., Ch. 214, Sec. 4(a) (part).)

2 Sec. 1038.061. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR.

3 (a) The board may appoint qualified persons as:

4 (1) the attorney for the district; and

5 (2) the assistant district administrator.

6 (b) The attorney for the district and the assistant district  
7 administrator serve at the will of the board and are entitled to the  
8 compensation determined by the board. (Acts 66th Leg., R.S., Ch.  
9 214, Sec. 4(a) (part).)

10 Sec. 1038.062. APPOINTMENT AND RECRUITMENT OF STAFF AND  
11 EMPLOYEES. (a) The board may appoint to the staff any doctors the  
12 board considers necessary for the efficient operation of the  
13 district and may make temporary appointments as necessary.

14 (b) The district may employ fiscal agents, accountants,  
15 architects, and attorneys the board considers proper.

16 (c) The board may delegate to the district administrator the  
17 authority to employ district employees, including technicians and  
18 nurses.

19 (d) The board may spend district money to recruit  
20 physicians, nurses, and other trained medical personnel. The board  
21 may pay the tuition or other expenses of a full-time medical student  
22 or other student in a health occupation who:

23 (1) is enrolled in and is in good standing at an  
24 accredited medical school, college, or university; and

25 (2) contractually agrees to become a district employee  
26 or independent contractor in return for that assistance. (Acts  
27 66th Leg., R.S., Ch. 214, Secs. 4(a) (part), (h), 15.)

1           Sec. 1038.063. PERSONNEL CONTRACTS. (a) The board may  
2 contract to provide administrative or other personnel for the  
3 operation of the hospital facilities.

4           (b) The term of the contract may not exceed 25 years. (Acts  
5 66th Leg., R.S., Ch. 214, Sec. 4(e).)

6           Sec. 1038.064. RETIREMENT BENEFITS. The board may provide  
7 retirement benefits for district employees by:

8           (1) establishing or administering a retirement  
9 program; or

10          (2) participating in:

11           (A) the Texas County and District Retirement  
12 System; or

13           (B) another statewide retirement system in which  
14 the district is eligible to participate. (Acts 66th Leg., R.S., Ch.  
15 214, Sec. 4(g).)

16           [Sections 1038.065-1038.100 reserved for expansion]

17           SUBCHAPTER C. POWERS AND DUTIES

18          Sec. 1038.101. DISTRICT RESPONSIBILITY. The district has  
19 full responsibility for:

20           (1) operating all hospital facilities; and

21           (2) providing medical and hospital care for the  
22 district's needy inhabitants. (Acts 66th Leg., R.S., Ch. 214, Sec.  
23 18 (part).)

24          Sec. 1038.102. RESTRICTION ON POLITICAL SUBDIVISION  
25 TAXATION AND DEBT. A political subdivision located wholly or partly  
26 within the district may not impose a tax or issue bonds or other  
27 obligations for hospital purposes or to provide medical care for



1 district residents. (Acts 66th Leg., R.S., Ch. 214, Sec. 18  
2 (part).)

3       Sec. 1038.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
4 The board shall manage, control, and administer the hospital system  
5 and the district's money and resources. (Acts 66th Leg., R.S., Ch.  
6 214, Sec. 4(a) (part).)

7       Sec. 1038.104. HOSPITAL SYSTEM. (a) The district shall  
8 provide for the establishment of a hospital system by:

9           (1) purchasing, constructing, acquiring, repairing,  
10 or renovating buildings and equipment;

11           (2) equipping the buildings; and

12           (3) administering the system for hospital purposes.

13       (b) The hospital system may include any facilities the board  
14 considers necessary for hospital care. (Acts 66th Leg., R.S., Ch.  
15 214, Secs. 2 (part), 9(a) (part).)

16       Sec. 1038.105. RULES. The board may adopt rules governing  
17 the operation of the hospital, the hospital system, and the  
18 district's staff and employees. (Acts 66th Leg., R.S., Ch. 214,  
19 Sec. 4(a) (part).)

20       Sec. 1038.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
21 board may prescribe:

22           (1) the method and manner of making purchases and  
23 expenditures by and for the district; and

24           (2) all accounting and control procedures. (Acts 66th  
25 Leg., R.S., Ch. 214, Sec. 9(b) (part).)

26       Sec. 1038.107. DISTRICT PROPERTY, FACILITIES, AND  
27 EQUIPMENT. (a) The board shall determine the type, number, and

1 location of buildings required to maintain an adequate hospital  
2 system.

3 (b) The board may:

4 (1) purchase or lease property, including facilities  
5 or equipment, for the district to use in the hospital system; and

6 (2) mortgage or pledge the property as security for  
7 the payment of the purchase price.

8 (c) The board may lease district hospital facilities to  
9 individuals, corporations, or other legal entities.

10 (d) The board may sell or otherwise dispose of the  
11 district's property. (Acts 66th Leg., R.S., Ch. 214, Secs. 4(b),  
12 (f), 9(a) (part), (b) (part).)

13 Sec. 1038.108. EMINENT DOMAIN. (a) The district may  
14 exercise the power of eminent domain to acquire a fee simple or  
15 other interest in any type of property located in district  
16 territory if the interest is necessary or convenient for the  
17 district to exercise a power, right, or privilege conferred by this  
18 chapter.

19 (b) The district must exercise the power of eminent domain  
20 in the manner provided by Chapter 21, Property Code, except the  
21 district is not required to deposit in the trial court money or a  
22 bond as provided by Section 21.021, Property Code.

23 (c) In a condemnation proceeding brought by the district,  
24 the district is not required to:

25 (1) pay in advance or provide a bond or other security  
26 for costs in the trial court;

27 (2) provide a bond for the issuance of a temporary

1 restraining order or a temporary injunction; or

2 (3) provide a bond for costs or a supersedeas bond on  
3 an appeal or writ of error. (Acts 66th Leg., R.S., Ch. 214, Sec.  
4 13(a).)

5 Sec. 1038.109. COST OF RELOCATING OR ALTERING PROPERTY. In  
6 exercising the power of eminent domain, if the board requires  
7 relocating, raising, lowering, rerouting, changing the grade of, or  
8 altering the construction of any railroad, electric transmission,  
9 telegraph or telephone line, conduit, pole, or facility, or  
10 pipeline, the district must bear the actual cost of relocating,  
11 raising, lowering, rerouting, changing the grade, or altering the  
12 construction to provide comparable replacement without enhancement  
13 of facilities, after deducting the net salvage value derived from  
14 the old facility. (Acts 66th Leg., R.S., Ch. 214, Sec. 13(b).)

15 Sec. 1038.110. GIFTS AND ENDOWMENTS. The board may accept  
16 for the district a gift or endowment to be held in trust for the  
17 purposes and under the directions, limitations, or other provisions  
18 prescribed in writing by the donor that are consistent with the  
19 proper management and objectives of the district. (Acts 66th Leg.,  
20 R.S., Ch. 214, Sec. 17.)

21 Sec. 1038.111. CONSTRUCTION CONTRACTS. A construction  
22 contract that requires the expenditure of more than the amount  
23 provided by Section 271.024, Local Government Code, may be made  
24 only after competitive bidding as provided by Subchapter B, Chapter  
25 271, Local Government Code. (Acts 66th Leg., R.S., Ch. 214, Sec.  
26 9(b) (part).)

27 Sec. 1038.112. OPERATING AND MANAGEMENT CONTRACTS. The

1 board may enter into an operating or management contract relating  
2 to a district facility. (Acts 66th Leg., R.S., Ch. 214, Sec. 9(a)  
3 (part).)

4 Sec. 1038.113. INTERLOCAL AGREEMENT. The board may enter  
5 into an interlocal agreement with another political subdivision to  
6 operate the district. (Acts 66th Leg., R.S., Ch. 214, Sec. 4(d).)

7 Sec. 1038.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
8 CARE AND TREATMENT. (a) The board may contract with a county or  
9 municipality located outside the district's boundaries to  
10 reimburse the district for the care and treatment of a sick or  
11 injured person of that county or municipality.

12 (b) The district may contract with this state or a federal  
13 agency for reimbursement for the treatment of a sick or injured  
14 person. (Acts 66th Leg., R.S., Ch. 214, Sec. 4(c) (part).)

15 Sec. 1038.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
16 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
17 political subdivision or governmental agency as to the district to  
18 provide investigatory or other services as to facilities for the  
19 medical care, hospital, or welfare needs of district inhabitants.  
20 (Acts 66th Leg., R.S., Ch. 214, Sec. 4(c) (part).)

21 Sec. 1038.116. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
22 When a patient who resides in the district is admitted to a district  
23 facility, the district administrator may have an inquiry made into  
24 the circumstances of:

25 (1) the patient; and

26 (2) the patient's relatives who are legally liable for  
27 the patient's support.

1           (b) If the district administrator determines that the  
2 patient or those relatives cannot pay all or part of the costs of  
3 the care and treatment in the hospital, the amount of the costs that  
4 cannot be paid becomes a charge against the district.

5           (c) If the district administrator determines that the  
6 patient or those relatives can pay for all or part of the costs of  
7 the patient's care and treatment, the patient or those relatives  
8 shall be ordered to pay the district a specified amount each week  
9 for the patient's care and support. The amount ordered must be  
10 proportionate to the person's financial ability.

11           (d) The district administrator may collect the amount from  
12 the patient's estate, or from any relative who is legally liable for  
13 the patient's support, in the manner provided by law for the  
14 collection of expenses of the last illness of a deceased person.

15           (e) If there is a dispute as to the ability to pay, or doubt  
16 in the mind of the district administrator, the board shall hold a  
17 hearing and, after calling witnesses, shall:

18                   (1) resolve the dispute or doubt; and

19                   (2) issue a final order.

20           (f) A final order of the board may be appealed to the  
21 district court. The substantial evidence rule applies to the  
22 appeal. (Acts 66th Leg., R.S., Ch. 214, Sec. 16.)

23           Sec. 1038.117. NONPROFIT CORPORATION. (a) The district  
24 may create and sponsor a nonprofit corporation under the Business  
25 Organizations Code and may contribute money to or solicit money for  
26 the corporation.

27           (a-1) On or before December 31, 2009, the district may

1 create and sponsor a nonprofit corporation under the Texas  
2 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
3 Texas Civil Statutes) or the Business Organizations Code, as  
4 applicable, and may contribute money to or solicit money for the  
5 corporation.

6 (b) The corporation may use district money only to provide  
7 health care or other services the district is authorized to provide  
8 under this chapter.

9 (c) The corporation may invest the corporation's money in  
10 any manner in which the district may invest the district's money,  
11 including investing money as authorized by Chapter 2256, Government  
12 Code.

13 (d) The board shall establish controls to ensure that the  
14 corporation uses its money as required by this section.

15 (e) This subsection and Subsection (a-1) expire December  
16 31, 2009. (Acts 66th Leg., R.S., Ch. 214, Sec. 4(j).)

17 Sec. 1038.118. AUTHORITY TO SUE AND BE SUED. The district,  
18 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.  
19 214, Sec. 4(a) (part).)

20 [Sections 1038.119-1038.150 reserved for expansion]

21 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

22 Sec. 1038.151. BUDGET. (a) The district administrator  
23 shall prepare an annual budget for approval by the board.

24 (b) The proposed budget must contain a complete financial  
25 statement of:

26 (1) the outstanding obligations of the district;

27 (2) the cash on hand in each district fund;

1           (3) the money received by the district from all  
2 sources during the previous year;

3           (4) the money available to the district from all  
4 sources during the ensuing year;

5           (5) the balances expected at the end of the year in  
6 which the budget is being prepared;

7           (6) the estimated revenue and balances available to  
8 cover the proposed budget; and

9           (7) the estimated tax rate required. (Acts 66th Leg.,  
10 R.S., Ch. 214, Sec. 5 (part).)

11           Sec. 1038.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
12 The board shall hold a public hearing on the proposed annual budget.

13           (b) The board shall publish notice of the hearing in  
14 accordance with Subchapter C, Chapter 551, Government Code.

15           (c) Any district resident is entitled to be present and  
16 participate at the hearing.

17           (d) At the conclusion of the hearing, the board shall adopt  
18 a budget by acting on the budget proposed by the district  
19 administrator. The board may make any changes in the proposed  
20 budget that the board judges to be in the interests of the taxpayers  
21 and that the law warrants. (Acts 66th Leg., R.S., Ch. 214, Sec. 5  
22 (part).)

23           Sec. 1038.153. AMENDMENTS TO BUDGET. The budget may be  
24 amended as required by circumstances. The board must approve all  
25 amendments. (Acts 66th Leg., R.S., Ch. 214, Sec. 5 (part).)

26           Sec. 1038.154. RESTRICTION ON EXPENDITURES. Money may be  
27 spent only for an expense included in the budget or an amendment to

1 the budget. (Acts 66th Leg., R.S., Ch. 214, Sec. 5 (part).)

2       Sec. 1038.155. FISCAL YEAR. (a) The district operates on a  
3 fiscal year established by the board.

4       (b) The fiscal year may not be changed:

5           (1) during a period that revenue bonds of the district  
6 are outstanding; or

7           (2) more than once in a 24-month period. (Acts 66th  
8 Leg., R.S., Ch. 214, Sec. 5 (part).)

9       Sec. 1038.156. ANNUAL AUDIT. The board annually shall have  
10 an audit made of the district's financial condition. (Acts 66th  
11 Leg., R.S., Ch. 214, Sec. 5 (part).)

12       Sec. 1038.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
13 RECORDS. The annual audit and other district records shall be open  
14 to inspection at the district's principal office. (Acts 66th Leg.,  
15 R.S., Ch. 214, Sec. 5 (part).)

16       Sec. 1038.158. FINANCIAL REPORT. As soon as practicable  
17 after the close of each fiscal year, the district administrator  
18 shall prepare for the board:

19           (1) a complete sworn statement of all district money;  
20 and

21           (2) a complete account of the disbursements of that  
22 money. (Acts 66th Leg., R.S., Ch. 214, Sec. 5 (part).)

23       Sec. 1038.159. DEPOSITORY. (a) The board shall select one  
24 or more banks inside or outside the district to serve as a  
25 depository for district money.

26       (b) District money, other than money invested as provided by  
27 Section 1038.160(b) and money transmitted to a bank for payment of



1 bonds or obligations issued or assumed by the district, shall be  
2 deposited as received with the depository bank and shall remain on  
3 deposit.

4 (c) This chapter, including Subsection (b), does not limit  
5 the power of the board to place a part of district money on time  
6 deposit or to purchase certificates of deposit.

7 (d) The district may not deposit money with a bank in an  
8 amount that exceeds the maximum amount secured by the Federal  
9 Deposit Insurance Corporation unless the bank first executes a bond  
10 or other security in an amount sufficient to secure from loss the  
11 district money that exceeds the amount secured by the Federal  
12 Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch. 214,  
13 Sec. 10.)

14 Sec. 1038.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
15 Except as otherwise provided by this chapter, the district may not  
16 incur an obligation payable from district revenue other than the  
17 revenue on hand or to be on hand in the current and following  
18 district fiscal years.

19 (b) The board shall invest operating, depreciation, or  
20 building reserves in accordance with Chapter 2256, Government Code.  
21 (Acts 66th Leg., R.S., Ch. 214, Secs. 4(a) (part), 9(b) (part).)

22 Sec. 1038.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
23 The board may borrow money for district obligations at the time the  
24 loan is made.

25 (b) To secure a loan, the board may pledge:

26 (1) district revenue that is not pledged to pay the  
27 district's bonded indebtedness;

1           (2) a district tax to be imposed by the district in the  
2 next 12-month period that is not pledged to pay the principal of or  
3 interest on district bonds; or

4           (3) district bonds that have been authorized but not  
5 sold.

6           (c) A loan for which taxes or bonds are pledged must mature  
7 not later than the first anniversary of the date the loan is made. A  
8 loan for which district revenue is pledged must mature not later  
9 than the fifth anniversary of the date the loan is made. (Acts 66th  
10 Leg., R.S., Ch. 214, Sec. 14A.)

11           [Sections 1038.162-1038.200 reserved for expansion]

12   SUBCHAPTER E. BONDS

13           Sec. 1038.201. GENERAL OBLIGATION BONDS. The board may  
14 issue and sell general obligation bonds in the name and on the faith  
15 and credit of the district for any purpose relating to:

16           (1) the purchase, construction, acquisition, repair,  
17 or renovation of buildings or improvements; and

18           (2) equipping buildings or improvements for hospital  
19 purposes. (Acts 66th Leg., R.S., Ch. 214, Sec. 6(a) (part).)

20           Sec. 1038.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
21 the time general obligation bonds are issued by the district under  
22 Section 1038.201, the board shall impose an ad valorem tax at a rate  
23 sufficient to create an interest and sinking fund to pay the  
24 principal of and interest on the bonds as the bonds mature.

25           (b) The tax required by this section together with any other  
26 ad valorem tax the district imposes may not in any year exceed the  
27 limit approved by the voters at the election authorizing the

1 imposition of the tax. (Acts 66th Leg., R.S., Ch. 214, Sec. 6(a)  
2 (part).)

3 Sec. 1038.203. BOND ELECTION. (a) The district may issue  
4 bonds, other than refunding bonds, wholly or partly secured by an ad  
5 valorem tax only if the bonds are authorized by a majority of the  
6 district voters voting at an election held in the district.

7 (b) Except as otherwise provided by this chapter, the  
8 election shall be conducted in accordance with Chapter 1251,  
9 Government Code. (Acts 66th Leg., R.S., Ch. 214, Secs. 6(a) (part),  
10 8A (part).)

11 Sec. 1038.204. MATURITY OF GENERAL OBLIGATION BONDS.  
12 District general obligation bonds must mature not later than 40  
13 years after the date of issuance. (Acts 66th Leg., R.S., Ch. 214,  
14 Sec. 6(c) (part).)

15 Sec. 1038.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
16 The board president shall execute the general obligation bonds in  
17 the district's name.

18 (b) The board secretary shall countersign the bonds in the  
19 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,  
20 R.S., Ch. 214, Sec. 6(c) (part).)

21 Sec. 1038.206. REVENUE BONDS. (a) The board may issue  
22 revenue bonds to:

23 (1) purchase, construct, acquire, repair, equip, or  
24 renovate buildings or improvements for hospital purposes; or

25 (2) acquire sites to be used for hospital purposes.

26 (b) The bonds must be payable from and secured by a pledge of  
27 all or part of the revenue derived from the operation of the

1 district's hospitals.

2 (c) The bonds may be additionally secured by a mortgage or  
3 deed of trust lien on all or part of district property.

4 (d) The bonds must be issued in the manner and in accordance  
5 with the procedures and requirements prescribed by Sections  
6 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
7 issuance of revenue bonds by a county hospital authority. (Acts  
8 66th Leg., R.S., Ch. 214, Sec. 8 (part).)

9 Sec. 1038.207. REFUNDING BONDS. (a) The board may, without  
10 an election, issue refunding bonds to refund outstanding  
11 indebtedness issued or assumed by the district.

12 (b) Refunding bonds may be:

13 (1) sold, with the proceeds of the refunding bonds  
14 applied to the payment of the outstanding indebtedness; or

15 (2) exchanged wholly or partly for not less than a  
16 similar principal amount of outstanding indebtedness.

17 (c) A refunding bond must mature not later than the 40th  
18 anniversary of the date of issuance. (Acts 66th Leg., R.S., Ch.  
19 214, Secs. 6(a) (part), (b) (part), 8 (part), 14B(b) (part).)

20 Sec. 1038.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
21 BONDS. In addition to the authority to issue general obligation  
22 bonds and revenue bonds under this subchapter, the board may  
23 provide for the security and payment of district bonds from a pledge  
24 of a combination of ad valorem taxes as authorized by Section  
25 1038.202 and revenue and other sources as authorized by Section  
26 1038.206. (Acts 66th Leg., R.S., Ch. 214, Sec. 8A (part).)

27 Sec. 1038.209. USE OF BOND PROCEEDS. The district may use

1 the proceeds of bonds issued under this subchapter to pay:

2 (1) any expense the board determines is reasonable and  
3 necessary to issue, sell, and deliver the bonds;

4 (2) interest payments on the bonds during a period of  
5 acquisition or construction of a project or facility to be provided  
6 through the bonds, not to exceed five years;

7 (3) costs related to the operation and maintenance of  
8 a project or facility to be provided through the bonds:

9 (A) during an estimated period of acquisition or  
10 construction, not to exceed five years; and

11 (B) for one year after the project or facility is  
12 acquired or constructed;

13 (4) costs related to the financing of the bond funds,  
14 including debt service reserve and contingency funds;

15 (5) costs related to the bond issuance;

16 (6) costs related to the acquisition of land or  
17 interests in land for a project or facility to be provided through  
18 the bonds; and

19 (7) costs of construction of a project or facility to  
20 be provided through the bonds, including the payment of related  
21 professional services and expenses. (Acts 66th Leg., R.S., Ch.  
22 214, Sec. 8B.)

23 Sec. 1038.210. BONDS EXEMPT FROM TAXATION. The following  
24 are exempt from taxation by this state or a political subdivision of  
25 this state:

26 (1) bonds issued by the district;

27 (2) the transfer and issuance of the bonds; and

1           (3) profits made in the sale of the bonds. (Acts 66th  
2 Leg., R.S., Ch. 214, Sec. 20 (part).)

3           [Sections 1038.211-1038.250 reserved for expansion]

4                               SUBCHAPTER F. TAXES

5           Sec. 1038.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
6 may impose a tax on all property in the district subject to district  
7 taxation.

8           (b) The tax may be used to pay:

9           (1) indebtedness issued or assumed by the district;  
10 and

11           (2) the maintenance and operating expenses of the  
12 district.

13           (c) The board may not impose a tax to pay the principal of or  
14 interest on revenue bonds issued under this chapter. (Acts 66th  
15 Leg., R.S., Ch. 214, Secs. 11(a) (part), 14(a) (part), (c), (d).)

16           Sec. 1038.252. TAX RATE. (a) The board may impose the tax  
17 at a rate not to exceed the limit approved by the voters at the  
18 election authorizing the imposition of the tax.

19           (b) The tax rate for all purposes may not exceed 75 cents on  
20 each \$100 valuation of all taxable property in the district.

21           (c) In setting the tax rate, the board shall consider the  
22 income of the district from sources other than taxation. (Acts 66th  
23 Leg., R.S., Ch. 214, Secs. 11(a) (part), (b) (part), 14(b).)

24           Sec. 1038.253. TAX ASSESSOR-COLLECTOR. The board may  
25 provide for the appointment of a tax assessor-collector for the  
26 district or may contract for the assessment and collection of taxes  
27 as provided by the Tax Code. (Acts 66th Leg., R.S., Ch. 214, Sec.

1 14(f).)

2 [Sections 1038.254-1038.300 reserved for expansion]

3 SUBCHAPTER G. DISSOLUTION

4 Sec. 1038.301. DISSOLUTION; ELECTION. (a) The district  
5 may be dissolved only on approval of a majority of the district  
6 voters voting in an election held for that purpose.

7 (b) The board may order an election on the question of  
8 dissolving the district and disposing of the district's assets and  
9 obligations.

10 (c) The board shall order an election if the board receives  
11 a petition requesting an election that is signed by a number of  
12 district residents equal to at least 15 percent of the registered  
13 voters in the district.

14 (d) The order calling the election must state:

15 (1) the nature of the election, including the  
16 proposition to appear on the ballot;

17 (2) the date of the election;

18 (3) the hours during which the polls will be open; and

19 (4) the location of the polling places. (Acts 66th  
20 Leg., R.S., Ch. 214, Secs. 21A(a), (b), (c) (part).)

21 Sec. 1038.302. NOTICE OF ELECTION. (a) The board shall  
22 give notice of an election under this subchapter by publishing once  
23 a week for two consecutive weeks the election order in a newspaper  
24 with general circulation in the district.

25 (b) The first publication of the notice must appear not  
26 later than the 35th day before the date set for the election. (Acts  
27 66th Leg., R.S., Ch. 214, Sec. 21A(d) (part).)

1           Sec. 1038.303. BALLOT. The ballot for an election under  
2 this subchapter must be printed to permit voting for or against the  
3 proposition: "The dissolution of the Hardeman County Hospital  
4 District." (Acts 66th Leg., R.S., Ch. 214, Sec. 21A(d) (part).)

5           Sec. 1038.304. ELECTION RESULTS. (a) If a majority of the  
6 votes in an election under this subchapter favor dissolution, the  
7 board shall find that the district is dissolved.

8           (b) If a majority of the votes in the election do not favor  
9 dissolution, the board shall continue to administer the district  
10 and another election on the question of dissolution may not be held  
11 before the first anniversary of the date of the most recent election  
12 to dissolve the district. (Acts 66th Leg., R.S., Ch. 214, Sec.  
13 21A(e).)

14           Sec. 1038.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
15 If a majority of the votes in the election held under this  
16 subchapter favor dissolution, the board shall:

17                   (1) transfer the land, buildings, improvements,  
18 equipment, and other assets that belong to the district to Hardeman  
19 County or another governmental agency in Hardeman County; or

20                   (2) administer the property, assets, and debts until  
21 all money has been disposed of and all district debts have been paid  
22 or settled.

23           (b) If the board makes the transfer under Subsection (a)(1),  
24 the county or agency assumes all debts and obligations of the  
25 district at the time of the transfer and the district is dissolved.  
26 (Acts 66th Leg., R.S., Ch. 214, Secs. 21A(f), (g).)

27           Sec. 1038.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.



1 (a) The district may not be dissolved unless the board provides for  
2 the sale or transfer of the district's assets and liabilities to  
3 another person.

4 (b) The dissolution of the district and the sale or transfer  
5 of the district's assets or liabilities may not contravene a trust  
6 indenture or bond resolution relating to the district's outstanding  
7 bonds. The dissolution and sale or transfer does not diminish or  
8 impair the rights of a holder of an outstanding bond, warrant, or  
9 other obligation of the district.

10 (c) The sale or transfer of the district's assets and  
11 liabilities must satisfy the debt and bond obligations of the  
12 district in a manner that protects the interests of district  
13 residents, including the residents' collective property rights in  
14 the district's assets.

15 (d) The district may not transfer or dispose of the  
16 district's assets except for due compensation unless:

17 (1) the transfer is made to another governmental  
18 agency that serves the district; and

19 (2) the transferred assets are to be used for the  
20 benefit of the district's residents.

21 (e) A grant from federal funds is an obligation to be repaid  
22 in satisfaction. (Acts 66th Leg., R.S., Ch. 214, Secs. 21A(m),  
23 (n).)

24 Sec. 1038.307. IMPOSITION OF TAX AND RETURN OF SURPLUS  
25 TAXES. (a) After the board finds that the district is dissolved,  
26 the board shall:

27 (1) determine the debt owed by the district; and

1           (2) impose on the property included in the district's  
2 tax rolls a tax that is in proportion of the debt to the property  
3 value.

4           (b) On the payment of all outstanding debts and obligations  
5 of the district, the board shall order the secretary to return to  
6 each district taxpayer the taxpayer's pro rata share of all unused  
7 tax money.

8           (c) A taxpayer may request that the taxpayer's share of  
9 surplus tax money be credited to the taxpayer's county taxes. If a  
10 taxpayer requests the credit, the board shall direct the secretary  
11 to transmit the money to the county tax assessor-collector. (Acts  
12 66th Leg., R.S., Ch. 214, Secs. 21A(h), (i), (j).)

13           Sec. 1038.308. REPORT; DISSOLUTION ORDER. (a) After the  
14 district has paid all district debts and has disposed of all  
15 district money and other assets as prescribed by this subchapter,  
16 the board shall file a written report with the Commissioners Court  
17 of Hardeman County summarizing the board's actions in dissolving  
18 the district.

19           (b) Not later than the 10th day after the date the  
20 Commissioners Court of Hardeman County receives the report and  
21 determines that the requirements of this subchapter have been  
22 fulfilled, the commissioners court shall enter an order dissolving  
23 the district and releasing the board from any further duty or  
24 obligation. (Acts 66th Leg., R.S., Ch. 214, Secs. 21A(k), (l).)

25           CHAPTER 1039. HEMPHILL COUNTY HOSPITAL DISTRICT

26                   SUBCHAPTER A. GENERAL PROVISIONS

27           Sec. 1039.001. DEFINITIONS

- 1 Sec. 1039.002. AUTHORITY FOR OPERATION  
2 Sec. 1039.003. ESSENTIAL PUBLIC FUNCTION  
3 Sec. 1039.004. DISTRICT TERRITORY  
4 Sec. 1039.005. DISTRICT SUPPORT AND MAINTENANCE NOT  
5 STATE OBLIGATION  
6 Sec. 1039.006. RESTRICTION ON STATE FINANCIAL  
7 ASSISTANCE  
8 [Sections 1039.007-1039.050 reserved for expansion]  
9 SUBCHAPTER B. DISTRICT ADMINISTRATION  
10 Sec. 1039.051. BOARD ELECTION; TERM  
11 Sec. 1039.052. ALTERNATIVE DIRECTOR ELECTION  
12 Sec. 1039.053. NOTICE OF ELECTION  
13 Sec. 1039.054. QUALIFICATIONS FOR OFFICE  
14 Sec. 1039.055. BOARD VACANCY  
15 Sec. 1039.056. OFFICERS  
16 Sec. 1039.057. COMPENSATION; EXPENSES  
17 Sec. 1039.058. VOTING REQUIREMENT  
18 Sec. 1039.059. DISTRICT ADMINISTRATOR; ASSISTANT  
19 ADMINISTRATOR  
20 Sec. 1039.060. GENERAL DUTIES OF DISTRICT  
21 ADMINISTRATOR  
22 Sec. 1039.061. EMERGENCY ACTION  
23 Sec. 1039.062. EMPLOYEES; APPOINTMENT OF STAFF  
24 [Sections 1039.063-1039.100 reserved for expansion]  
25 SUBCHAPTER C. POWERS AND DUTIES  
26 Sec. 1039.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1039.102. RESTRICTION ON POLITICAL SUBDIVISION  
2 TAXATION AND DEBT  
3 Sec. 1039.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
4 Sec. 1039.104. HOSPITAL SYSTEM  
5 Sec. 1039.105. RULES  
6 Sec. 1039.106. PURCHASING AND ACCOUNTING PROCEDURES  
7 Sec. 1039.107. DISTRICT PROPERTY, FACILITIES,  
8 EQUIPMENT, AND SERVICES  
9 Sec. 1039.108. EMINENT DOMAIN  
10 Sec. 1039.109. COST OF RELOCATING OR ALTERING PROPERTY  
11 Sec. 1039.110. GIFTS AND ENDOWMENTS  
12 Sec. 1039.111. CONSTRUCTION CONTRACTS  
13 Sec. 1039.112. OPERATING AND MANAGEMENT CONTRACTS  
14 Sec. 1039.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
15 FOR TREATMENT  
16 Sec. 1039.114. CONTRACTS WITH GOVERNMENTAL ENTITIES  
17 FOR INVESTIGATORY OR OTHER SERVICES  
18 Sec. 1039.115. JOINT OWNERSHIP ARRANGEMENT  
19 Sec. 1039.116. PAYMENT FOR TREATMENT; PROCEDURES  
20 Sec. 1039.117. AUTHORITY TO SUE AND BE SUED  
21 Sec. 1039.118. ELECTION DATE  
22 [Sections 1039.119-1039.150 reserved for expansion]  
23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
24 Sec. 1039.151. BUDGET  
25 Sec. 1039.152. NOTICE; HEARING; ADOPTION OF BUDGET  
26 Sec. 1039.153. AMENDMENTS TO BUDGET  
27 Sec. 1039.154. RESTRICTION ON EXPENDITURES

1 Sec. 1039.155. FISCAL YEAR

2 Sec. 1039.156. ANNUAL AUDIT

3 Sec. 1039.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT

4 RECORDS

5 Sec. 1039.158. DEPOSITORY

6 Sec. 1039.159. SPENDING AND INVESTMENT RESTRICTIONS

7 Sec. 1039.160. TAX EXEMPTION

8 [Sections 1039.161-1039.200 reserved for expansion]

9 SUBCHAPTER E. BONDS

10 Sec. 1039.201. GENERAL OBLIGATION BONDS

11 Sec. 1039.202. TAX TO PAY GENERAL OBLIGATION BONDS

12 Sec. 1039.203. GENERAL OBLIGATION BOND ELECTION

13 Sec. 1039.204. REVENUE BONDS

14 Sec. 1039.205. REFUNDING BONDS

15 Sec. 1039.206. MATURITY OF BONDS

16 Sec. 1039.207. EXECUTION OF BONDS

17 Sec. 1039.208. BONDS EXEMPT FROM TAXATION

18 [Sections 1039.209-1039.250 reserved for expansion]

19 SUBCHAPTER F. TAXES

20 Sec. 1039.251. IMPOSITION OF AD VALOREM TAX

21 Sec. 1039.252. TAX RATE

22 Sec. 1039.253. TAX ASSESSOR-COLLECTOR

23 CHAPTER 1039. HEMPHILL COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1039.001. DEFINITIONS. In this chapter:

26 (1) "Board" means the board of directors of the

27 district.

1           (2) "Director" means a member of the board.

2           (3) "District" means the Hemphill County Hospital  
3 District. (New.)

4           Sec. 1039.002. AUTHORITY FOR OPERATION. The district  
5 operates and is administered and financed in accordance with  
6 Section 9, Article IX, Texas Constitution, and has the rights,  
7 powers, and duties provided by this chapter. (Acts 66th Leg., R.S.,  
8 Ch. 424, Sec. 1 (part).)

9           Sec. 1039.003. ESSENTIAL PUBLIC FUNCTION. The district  
10 performs an essential public function in carrying out the purposes  
11 of this chapter. (Acts 66th Leg., R.S., Ch. 424, Sec. 22 (part).)

12           Sec. 1039.004. DISTRICT TERRITORY. The boundaries of the  
13 district are coextensive with the boundaries of Hemphill County,  
14 Texas. (Acts 66th Leg., R.S., Ch. 424, Sec. 1 (part).)

15           Sec. 1039.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
16 OBLIGATION. The support and maintenance of the district may not  
17 become a charge against or obligation of this state. (Acts 66th  
18 Leg., R.S., Ch. 424, Sec. 21 (part).)

19           Sec. 1039.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
20 The legislature may not make a direct appropriation for the  
21 construction, maintenance, or improvement of a district facility.  
22 (Acts 66th Leg., R.S., Ch. 424, Sec. 21 (part).)

23           [Sections 1039.007-1039.050 reserved for expansion]

24           SUBCHAPTER B. DISTRICT ADMINISTRATION

25           Sec. 1039.051. BOARD ELECTION; TERM. (a) Except as  
26 provided by Section 1039.052, the board consists of five directors  
27 elected from the district at large.

1 (b) Directors serve staggered two-year terms unless  
2 four-year terms are established under Section 285.081, Health and  
3 Safety Code. (Acts 66th Leg., R.S., Ch. 424, Sec. 4(c) (part).)

4 Sec. 1039.052. ALTERNATIVE DIRECTOR ELECTION. (a) As an  
5 alternative to electing directors at large, the board may:

6 (1) provide for all or some directors to be elected  
7 from single-member districts; and

8 (2) devise and implement for the directors' election a  
9 plan of apportionment as determined to be in the best interest of  
10 the district and district inhabitants.

11 (b) Before implementing the apportionment plan, the plan  
12 must be approved by a majority of the district voters voting at an  
13 election held for that purpose.

14 (c) The election must be held in the same manner as an  
15 election required for the issuance of bonds. (Acts 66th Leg., R.S.,  
16 Ch. 424, Sec. 3(f).)

17 Sec. 1039.053. NOTICE OF ELECTION. At least 30 days before  
18 the date of an election of directors, notice of the election shall  
19 be published one time in a newspaper or newspapers that  
20 individually or collectively have general circulation in the  
21 district. (Acts 66th Leg., R.S., Ch. 424, Sec. 4(c) (part).)

22 Sec. 1039.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
23 not be elected or appointed as a director unless the person is:

24 (1) a district resident; and

25 (2) a qualified voter.

26 (b) A person is not eligible to serve as a director if the  
27 person is:

1 (1) the district administrator; or

2 (2) a district employee. (Acts 66th Leg., R.S., Ch.  
3 424, Sec. 4(d).)

4 Sec. 1039.055. BOARD VACANCY. If a vacancy occurs in the  
5 office of director, the remaining directors shall appoint a  
6 director for the unexpired term. (Acts 66th Leg., R.S., Ch. 424,  
7 Sec. 4(c) (part).)

8 Sec. 1039.056. OFFICERS. (a) The board shall elect:

9 (1) a president and a vice president from among its  
10 members; and

11 (2) a secretary, who need not be a director.

12 (b) Each officer of the board serves for a term of one year.

13 (c) The board shall fill a vacancy in a board office for the  
14 unexpired term. (Acts 66th Leg., R.S., Ch. 424, Sec. 4(e) (part).)

15 Sec. 1039.057. COMPENSATION; EXPENSES. A director or  
16 officer serves without compensation but may be reimbursed for  
17 actual expenses incurred in the performance of official duties.  
18 The expenses must be:

19 (1) reported in the district's records; and

20 (2) approved by the board. (Acts 66th Leg., R.S., Ch.  
21 424, Sec. 4(e) (part).)

22 Sec. 1039.058. VOTING REQUIREMENT. A concurrence of three  
23 directors is sufficient in any matter relating to district  
24 business. (Acts 66th Leg., R.S., Ch. 424, Sec. 4(e) (part).)

25 Sec. 1039.059. DISTRICT ADMINISTRATOR; ASSISTANT  
26 ADMINISTRATOR. (a) The board shall appoint a qualified person to  
27 serve as district administrator of the hospital system and



1 ancillary health care system.

2 (b) The board may appoint an assistant administrator.

3 (c) The district administrator and any assistant  
4 administrator serve at the will of the board and are entitled to the  
5 compensation determined by the board.

6 (d) On assuming the duties of district administrator, the  
7 administrator shall execute a bond payable to the district in an  
8 amount set by the board of not less than \$5,000 that:

9 (1) is conditioned on the administrator performing the  
10 administrator's duties; and

11 (2) contains other conditions the board may require.  
12 (Acts 66th Leg., R.S., Ch. 424, Sec. 5(c) (part).)

13 Sec. 1039.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
14 Subject to the limitations prescribed by the board, the district  
15 administrator shall:

16 (1) supervise the work and activities of the district;  
17 and

18 (2) direct the affairs of the district. (Acts 66th  
19 Leg., R.S., Ch. 424, Sec. 5(c) (part).)

20 Sec. 1039.061. EMERGENCY ACTION. (a) In an emergency, the  
21 district administrator may take any lawful action necessary to  
22 preserve district assets or protect patient health and safety.

23 (b) As soon as practicable after an emergency action is  
24 taken, the district administrator shall report the action to the  
25 board, and the board shall amend the annual budget to reflect any  
26 costs of the action. (Acts 66th Leg., R.S., Ch. 424, Sec. 6A.)

27 Sec. 1039.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The

1 board may appoint to the staff any doctors the board considers  
2 necessary for the efficient operation of the hospital system and  
3 the ancillary health care system and may make temporary  
4 appointments as necessary.

5 (b) The district may employ fiscal agents, accountants,  
6 architects, and additional attorneys the board considers proper.

7 (c) The board may delegate to the district administrator the  
8 authority to hire employees, including technicians and nurses, for  
9 the district, the hospital system, and the ancillary health care  
10 system. (Acts 66th Leg., R.S., Ch. 424, Secs. 5(d), (e), 17.)

11 [Sections 1039.063-1039.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 1039.101. DISTRICT RESPONSIBILITY. The district has  
14 full responsibility for operating all hospital facilities for  
15 providing medical and hospital care for the district's needy  
16 inhabitants. (Acts 66th Leg., R.S., Ch. 424, Sec. 20 (part).)

17 Sec. 1039.102. RESTRICTION ON POLITICAL SUBDIVISION  
18 TAXATION AND DEBT. A political subdivision located wholly or  
19 partly within the district may not impose a tax or issue bonds or  
20 other obligations for hospital purposes or to provide medical care  
21 for district residents. (Acts 66th Leg., R.S., Ch. 424, Sec. 20  
22 (part).)

23 Sec. 1039.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
24 The board shall manage, control, and administer the hospital system  
25 and ancillary health care system and the district's money and  
26 resources. (Acts 66th Leg., R.S., Ch. 424, Sec. 5(a) (part).)

27 Sec. 1039.104. HOSPITAL SYSTEM. (a) The district shall

1 provide for the establishment of a hospital system by:

2 (1) purchasing, constructing, acquiring, repairing,  
3 or renovating buildings and equipment;

4 (2) equipping the buildings; and

5 (3) administering the system for hospital purposes.

6 (b) The hospital system and ancillary health care system may  
7 include equipment, facilities, and services the board considers  
8 necessary for hospital care and ancillary health care, including:

9 (1) domiciliary care and treatment of sick or injured  
10 patients;

11 (2) geriatric services;

12 (3) outpatient clinics;

13 (4) rural health clinics;

14 (5) convalescent home facilities;

15 (6) physician's offices;

16 (7) home health services;

17 (8) long-term care;

18 (9) skilled nursing care;

19 (10) intermediate nursing care;

20 (11) assisted living facilities;

21 (12) hospice care;

22 (13) ambulatory surgery centers;

23 (14) urgent care facilities; and

24 (15) operation of a mobile emergency medical service.

25 (Acts 66th Leg., R.S., Ch. 424, Secs. 2 (part), 11(a) (part).)

26 Sec. 1039.105. RULES. The board may adopt rules governing  
27 the operation of the district, the hospital system and ancillary

1 health care system, and the district's staff and employees. (Acts  
2 66th Leg., R.S., Ch. 424, Sec. 5(b) (part).)

3       Sec. 1039.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
4 board may prescribe:

5           (1) the method of making purchases and expenditures by  
6 and for the district; and

7           (2) all accounting and control procedures. (Acts 66th  
8 Leg., R.S., Ch. 424, Sec. 11(d) (part).)

9       Sec. 1039.107. DISTRICT PROPERTY, FACILITIES, EQUIPMENT,  
10 AND SERVICES. (a) The board shall determine the type, number, and  
11 location, either inside or outside the district, of facilities and  
12 services required to maintain an adequate hospital system and  
13 ancillary health care system.

14       (b) The board may:

15           (1) acquire by lease, purchase, or lease to purchase  
16 property, including facilities, supplies, and equipment, for the  
17 district for use in the hospital system and ancillary health care  
18 system; and

19           (2) mortgage or pledge the property as security for  
20 the payment of the purchase price.

21       (c) The board may lease, sell, or otherwise dispose of all  
22 or part of the district's property of any nature, including the  
23 district's hospital, ancillary health care or other facilities,  
24 buildings, supplies, or equipment, to a public or private entity on  
25 terms the board finds are in the best interest of the district's  
26 inhabitants. (Acts 66th Leg., R.S., Ch. 424, Secs. 11(a) (part),  
27 (c), (e) (part).)

1           Sec. 1039.108. EMINENT DOMAIN. (a) The district may  
2 exercise the power of eminent domain to acquire a fee simple or  
3 other interest in any type of property located in district  
4 territory if the interest is necessary or convenient for the  
5 district to exercise a right, power, or privilege conferred by this  
6 chapter.

7           (b) The district must exercise the power of eminent domain  
8 in the manner provided by Chapter 21, Property Code, except the  
9 district is not required to deposit in the trial court money or a  
10 bond as provided by Section 21.021(a), Property Code.

11           (c) In a condemnation proceeding brought by the district,  
12 the district is not required to:

13                   (1) pay in advance or provide a bond or other security  
14 for costs in the trial court;

15                   (2) provide a bond for the issuance of a temporary  
16 restraining order or a temporary injunction; or

17                   (3) provide a bond for costs or a supersedeas bond on  
18 an appeal or writ of error. (Acts 66th Leg., R.S., Ch. 424, Sec.  
19 15(a).)

20           Sec. 1039.109. COST OF RELOCATING OR ALTERING PROPERTY. In  
21 exercising the power of eminent domain, if the board requires  
22 relocating, raising, lowering, rerouting, changing the grade, or  
23 altering the construction of any railroad, electric transmission,  
24 telegraph or telephone line, conduit, pole, or facility, or  
25 pipeline, the district must bear the actual cost of relocating,  
26 raising, lowering, rerouting, changing the grade, or altering the  
27 construction to provide comparable replacement without enhancement

1 of facilities, after deducting the net salvage value derived from  
2 the old facility. (Acts 66th Leg., R.S., Ch. 424, Sec. 15(b).)

3       Sec. 1039.110. GIFTS AND ENDOWMENTS. The board may accept  
4 for the district a gift or endowment to be held in trust and  
5 administered by the board for the purposes and under the  
6 directions, limitations, or other provisions prescribed in writing  
7 by the donor that are not inconsistent with the proper management  
8 and objectives of the district. (Acts 66th Leg., R.S., Ch. 424,  
9 Sec. 19.)

10       Sec. 1039.111. CONSTRUCTION CONTRACTS. A construction  
11 contract must be made in the manner provided by Subchapter B,  
12 Chapter 271, Local Government Code. (Acts 66th Leg., R.S., Ch. 424,  
13 Sec. 11(d) (part).)

14       Sec. 1039.112. OPERATING AND MANAGEMENT CONTRACTS. The  
15 board may enter into an operating or management contract with one or  
16 more public or private entities relating to a district facility or  
17 service. (Acts 66th Leg., R.S., Ch. 424, Sec. 11(b) (part).)

18       Sec. 1039.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
19 TREATMENT. The board may contract with a county, a municipality,  
20 this state, or a federal agency for the treatment of a sick or  
21 injured person. (Acts 66th Leg., R.S., Ch. 424, Sec. 5(f) (part).)

22       Sec. 1039.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
23 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
24 political subdivision or governmental agency for the district  
25 to provide investigatory or other services as to the medical,  
26 hospital, or welfare needs of district inhabitants. (Acts 66th  
27 Leg., R.S., Ch. 424, Sec. 5(f) (part).)

1           Sec. 1039.115. JOINT OWNERSHIP ARRANGEMENT. The board may  
2 enter into a joint ownership arrangement for the district with a  
3 public or private entity to provide management or operating  
4 services if the board determines that the joint ownership  
5 arrangement is in the district's best interest and does not violate  
6 Section 52, Article III, Texas Constitution. (Acts 66th Leg.,  
7 R.S., Ch. 424, Sec. 11(b) (part).)

8           Sec. 1039.116. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
9 When a patient who resides in the district is admitted to a district  
10 facility, the district administrator may have an inquiry made into  
11 the circumstances of:

12                   (1) the patient; and

13                   (2) the patient's relatives who are legally liable for  
14 the patient's support.

15           (b) If the district administrator determines that the  
16 patient or those relatives cannot pay all or part of the costs of  
17 the care and treatment in the hospital, the amount of the costs that  
18 cannot be paid becomes a charge against the district.

19           (c) If the district administrator determines that the  
20 patient or those relatives can pay for all or part of the costs of  
21 the patient's care and treatment, the patient or those relatives  
22 shall be ordered to pay the district a specified amount each week  
23 for the patient's care and support. The amount ordered must be  
24 proportionate to the person's financial ability.

25           (d) The district administrator may collect the amount from  
26 the patient's estate, or from any relative who is legally liable for  
27 the patient's support, in the manner provided by law for the

1 collection of expenses of the last illness of a deceased person.

2 (e) If there is a dispute as to the ability to pay, or doubt  
3 in the mind of the district administrator, the board shall hold a  
4 hearing and, after calling witnesses, shall:

5 (1) resolve the dispute or doubt; and

6 (2) issue a final order.

7 (f) A final order of the board may be appealed to the  
8 district court. The substantial evidence rule applies to the  
9 appeal. (Acts 66th Leg., R.S., Ch. 424, Secs. 18(b), (c), (d), (e),  
10 (f).)

11 Sec. 1039.117. AUTHORITY TO SUE AND BE SUED. The district,  
12 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.  
13 424, Sec. 5(b) (part).)

14 Sec. 1039.118. ELECTION DATE. Notwithstanding Section  
15 41.001(a), Election Code, the board may choose the date for an  
16 election held under this chapter. (Acts 66th Leg., R.S., Ch. 424,  
17 Sec. 3(e).)

18 [Sections 1039.119-1039.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Sec. 1039.151. BUDGET. (a) The district administrator  
21 shall prepare an annual budget for approval by the board.

22 (b) The budget must contain a complete financial statement  
23 of:

24 (1) the outstanding obligations of the district;

25 (2) the cash on hand in each district fund;

26 (3) the money received by the district from all  
27 sources during the previous year;



1           (4) the money available to the district from all  
2 sources during the ensuing year;

3           (5) the balances expected at the end of the year in  
4 which the budget is being prepared;

5           (6) the estimated revenue and balances available to  
6 cover the proposed budget; and

7           (7) the estimated tax rate required. (Acts 66th Leg.,  
8 R.S., Ch. 424, Secs. 6(c), (d).)

9           Sec. 1039.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
10 The board shall hold a public hearing on the proposed annual budget.

11           (b) Notice of the hearing must be published one time in a  
12 newspaper of general circulation in the district at least 10 days  
13 before the date of the hearing.

14           (c) Any district resident may be present and participate at  
15 the hearing.

16           (d) At the conclusion of the hearing, the board shall adopt  
17 a budget by acting on the budget proposed by the district  
18 administrator. The board may make any changes in the proposed  
19 budget that the board judges to be in the interests of the taxpayers  
20 and that the law warrants. (Acts 66th Leg., R.S., Ch. 424, Secs.  
21 6(e), (f) (part).)

22           Sec. 1039.153. AMENDMENTS TO BUDGET. The budget may be  
23 amended as required by circumstances. The board must approve all  
24 amendments. (Acts 66th Leg., R.S., Ch. 424, Sec. 6(f) (part).)

25           Sec. 1039.154. RESTRICTION ON EXPENDITURES. Money may be  
26 spent only for an expense included in the budget or an amendment to  
27 the budget. (Acts 66th Leg., R.S., Ch. 424, Sec. 6(f) (part).)

1           Sec. 1039.155. FISCAL YEAR. (a) The district operates on a  
2 fiscal year established by the board.

3           (b) The fiscal year may not be changed more than once in a  
4 24-month period. (Acts 66th Leg., R.S., Ch. 424, Sec. 6(a).)

5           Sec. 1039.156. ANNUAL AUDIT. (a) As soon as practicable  
6 after the end of each district fiscal year, the board shall have an  
7 audit made of the district's finances that contains a detailed  
8 accounting of disbursements.

9           (b) The board shall select a qualified independent  
10 accounting firm to perform the audit. (Acts 66th Leg., R.S., Ch.  
11 424, Sec. 6(b) (part).)

12           Sec. 1039.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
13 RECORDS. The annual audit and other district records shall be open  
14 to inspection at the district's principal office. (Acts 66th Leg.,  
15 R.S., Ch. 424, Sec. 6(b) (part).)

16           Sec. 1039.158. DEPOSITORY. (a) The board shall select one  
17 or more banks inside or outside the district to serve as a  
18 depository for district money.

19           (b) District money, other than money invested as provided by  
20 Section 1039.159(b) and money transmitted to a bank for payment of  
21 bonds or obligations issued or assumed by the district, shall be  
22 deposited as received with the depository bank and shall remain on  
23 deposit.

24           (c) This chapter, including Subsection (b), does not limit  
25 the power of the board to place a part of district money on time  
26 deposit or to purchase certificates of deposit of a state or  
27 national bank that is a member of the Federal Deposit Insurance

1 Corporation.

2 (d) The district may not deposit money with a bank in an  
3 amount that exceeds the maximum amount insured by the Federal  
4 Deposit Insurance Corporation unless the bank first executes a bond  
5 or provides other security in an amount sufficient to secure from  
6 loss the district money that exceeds the amount insured by the  
7 Federal Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch.  
8 424, Sec. 12.)

9 Sec. 1039.159. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
10 Except as otherwise provided by Section 1039.107(c) and by  
11 Subchapter E, the district may not incur an obligation payable from  
12 district revenue other than the revenue on hand or to be on hand in  
13 the current and following district fiscal years.

14 (b) The board may invest operating, depreciation, or  
15 building reserves only in funds or securities specified by  
16 Subchapter A, Chapter 2256, Government Code. (Acts 66th Leg.,  
17 R.S., Ch. 424, Secs. 5(a) (part), 11(e) (part).)

18 Sec. 1039.160. TAX EXEMPTION. All property owned by the  
19 district is exempt from taxation by this state or a political  
20 subdivision of this state. (Acts 66th Leg., R.S., Ch. 424, Sec. 22  
21 (part).)

22 [Sections 1039.161-1039.200 reserved for expansion]

23 SUBCHAPTER E. BONDS

24 Sec. 1039.201. GENERAL OBLIGATION BONDS. The board may  
25 issue and sell general obligation bonds in the name and on the faith  
26 and credit of the district for:

27 (1) the purchase, construction, acquisition, repair,

1 or renovation of buildings or improvements; and

2 (2) equipping buildings or improvements for hospital  
3 and ancillary health care purposes. (Acts 66th Leg., R.S., Ch. 424,  
4 Sec. 7(a) (part).)

5 Sec. 1039.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
6 the time general obligation bonds are issued by the district under  
7 Section 1039.201, the board shall impose an ad valorem tax at a rate  
8 sufficient to create an interest and sinking fund to pay the  
9 principal of and interest on the bonds as the bonds mature.

10 (b) The tax required by this section together with any other  
11 ad valorem tax the district imposes may not in any year exceed 75  
12 cents on each \$100 valuation of all taxable property in the  
13 district. (Acts 66th Leg., R.S., Ch. 424, Sec. 7(a) (part).)

14 Sec. 1039.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
15 district may issue bonds payable from taxes only if the bonds are  
16 authorized by a majority of the district voters.

17 (b) The order calling the election shall provide for clerks  
18 as in county elections and must specify:

- 19 (1) the date of the election;  
20 (2) the location of the polling places;  
21 (3) the presiding and alternate election judges for  
22 each polling place;  
23 (4) the amount of the bonds to be authorized; and  
24 (5) the maximum maturity of the bonds.

25 (c) Notice of a bond election shall be given by publishing a  
26 copy of the election order in a newspaper of general circulation in  
27 the district once a week for two consecutive weeks. The first

1 publication must appear at least 30 days before the date of the  
2 election. (Acts 66th Leg., R.S., Ch. 424, Sec. 7(a) (part).)

3 Sec. 1039.204. REVENUE BONDS. (a) The board may issue  
4 revenue bonds to:

5 (1) purchase, construct, acquire, repair, renovate,  
6 or equip buildings or improvements for hospital and ancillary  
7 health care purposes; or

8 (2) acquire sites to be used for hospital and  
9 ancillary health care purposes.

10 (b) The bonds must be payable from and secured by a pledge of  
11 all or part of the revenue derived from the operation of the  
12 district's hospital, hospital system, or ancillary health care  
13 system.

14 (c) The bonds may be additionally secured by a mortgage or  
15 deed of trust lien on all or part of district property.

16 (d) The bonds must be issued in the manner and in accordance  
17 with the procedures and requirements prescribed by Sections  
18 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
19 issuance of revenue bonds by a county hospital authority. (Acts  
20 66th Leg., R.S., Ch. 424, Sec. 8 (part).)

21 Sec. 1039.205. REFUNDING BONDS. (a) The board may, without  
22 an election, issue refunding bonds payable from taxes or revenue to  
23 refund outstanding indebtedness issued, incurred, or assumed by the  
24 district.

25 (b) A refunding bond may be:

26 (1) sold, with the proceeds of the refunding bonds  
27 applied to the payment of the indebtedness to be refunded; or

1           (2) exchanged wholly or partly for not less than the  
2 principal amount of outstanding indebtedness. (Acts 66th Leg.,  
3 R.S., Ch. 424, Secs. 7(a) (part), 8 (part), 9 (part).)

4           Sec. 1039.206. MATURITY OF BONDS. District bonds payable  
5 from taxes or revenue must mature not later than 40 years after the  
6 date of issuance. (Acts 66th Leg., R.S., Ch. 424, Sec. 10 (part).)

7           Sec. 1039.207. EXECUTION OF BONDS. (a) The board president  
8 shall execute, in the district's name, district bonds payable from  
9 taxes or revenue.

10          (b) The board secretary shall countersign the bonds in the  
11 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,  
12 R.S., Ch. 424, Sec. 10 (part).)

13          Sec. 1039.208. BONDS EXEMPT FROM TAXATION. The following  
14 are exempt from taxation by this state or a political subdivision of  
15 this state:

16               (1) bonds issued by the district;

17               (2) the transfer and issuance of the bonds; and

18               (3) profits made in the sale of the bonds. (Acts 66th  
19 Leg., R.S., Ch. 424, Sec. 22 (part).)

20           [Sections 1039.209-1039.250 reserved for expansion]

21                               SUBCHAPTER F. TAXES

22          Sec. 1039.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
23 shall annually impose a tax on all property in the district subject  
24 to district taxation.

25          (b) The board shall impose the tax to pay:

26               (1) indebtedness issued or assumed by the district;

27               and

1           (2) the maintenance and operating expenses of the  
2 district.

3           (c) The district may not impose a tax to pay the principal of  
4 or interest on revenue bonds issued under this chapter. (Acts 66th  
5 Leg., R.S., Ch. 424, Secs. 13(a) (part), 16(a) (part).)

6           Sec. 1039.252. TAX RATE. (a) The board may impose the tax  
7 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
8 property in the district.

9           (b) In setting the tax rate, the board shall consider the  
10 income of the district from sources other than taxation. (Acts 66th  
11 Leg., R.S., Ch. 424, Secs. 3(b) (part), 13(a) (part), (b) (part).)

12           Sec. 1039.253. TAX ASSESSOR-COLLECTOR. The board may  
13 provide for the appointment of a tax assessor-collector for the  
14 district or may contract for the assessment and collection of taxes  
15 as provided by the Tax Code. (Acts 66th Leg., R.S., Ch. 424, Sec.  
16 16(c).)

17           CHAPTER 1040. HASKELL COUNTY HOSPITAL DISTRICT

18                   SUBCHAPTER A. GENERAL PROVISIONS

19           Sec. 1040.001. DEFINITIONS

20           Sec. 1040.002. AUTHORITY FOR OPERATION

21           Sec. 1040.003. POLITICAL SUBDIVISION

22           Sec. 1040.004. DISTRICT TERRITORY

23           Sec. 1040.005. CORRECTION OF INVALID PROCEDURES

24           [Sections 1040.006-1040.050 reserved for expansion]

25                   SUBCHAPTER B. DISTRICT ADMINISTRATION

26           Sec. 1040.051. BOARD; TERM

27           Sec. 1040.052. QUALIFICATIONS FOR OFFICE

- 1 Sec. 1040.053. BOND; RECORD OF BOND AND OATH OR  
2 AFFIRMATION OF OFFICE  
3 Sec. 1040.054. OFFICERS  
4 Sec. 1040.055. COMPENSATION; EXPENSES  
5 Sec. 1040.056. VOTING REQUIREMENT  
6 Sec. 1040.057. EMPLOYEES  
7 Sec. 1040.058. MAINTENANCE OF RECORDS; PUBLIC  
8 INSPECTION  
9 Sec. 1040.059. SEAL  
10 [Sections 1040.060-1040.100 reserved for expansion]  
11 SUBCHAPTER C. POWERS AND DUTIES  
12 Sec. 1040.101. DISTRICT RESPONSIBILITY  
13 Sec. 1040.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
14 TAXATION  
15 Sec. 1040.103. MANAGEMENT AND CONTROL  
16 Sec. 1040.104. RULES  
17 Sec. 1040.105. PURCHASING AND ACCOUNTING PROCEDURES  
18 Sec. 1040.106. EMINENT DOMAIN  
19 Sec. 1040.107. GIFTS AND ENDOWMENTS  
20 Sec. 1040.108. PAYMENT FOR TREATMENT; PROCEDURES  
21 Sec. 1040.109. AUTHORITY TO SUE AND BE SUED  
22 [Sections 1040.110-1040.150 reserved for expansion]  
23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
24 Sec. 1040.151. BUDGET  
25 Sec. 1040.152. PROPOSED BUDGET: NOTICE AND HEARING  
26 Sec. 1040.153. FISCAL YEAR  
27 Sec. 1040.154. ANNUAL AUDIT



1 Sec. 1040.155. DEPOSITORY OR TREASURER

2 [Sections 1040.156-1040.200 reserved for expansion]

3 SUBCHAPTER E. BONDS

4 Sec. 1040.201. GENERAL OBLIGATION BONDS

5 Sec. 1040.202. TAX TO PAY GENERAL OBLIGATION BONDS

6 Sec. 1040.203. GENERAL OBLIGATION BOND ELECTION

7 Sec. 1040.204. MATURITY OF GENERAL OBLIGATION BONDS

8 Sec. 1040.205. EXECUTION OF GENERAL OBLIGATION BONDS

9 Sec. 1040.206. REFUNDING BONDS

10 [Sections 1040.207-1040.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1040.251. IMPOSITION OF AD VALOREM TAX

13 Sec. 1040.252. TAX RATE

14 Sec. 1040.253. TAX ASSESSOR-COLLECTOR

15 CHAPTER 1040. HASKELL COUNTY HOSPITAL DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 1040.001. DEFINITIONS. In this chapter:

18 (1) "Board" means the board of directors of the  
19 district.

20 (2) "Director" means a member of the board.

21 (3) "District" means the Haskell County Hospital  
22 District. (New.)

23 Sec. 1040.002. AUTHORITY FOR OPERATION. The district  
24 operates in accordance with and has the powers and responsibilities  
25 provided by Section 9, Article IX, Texas Constitution. (Acts 60th  
26 Leg., R.S., Ch. 528, Sec. 1 (part).)

27 Sec. 1040.003. POLITICAL SUBDIVISION. The district is a

1 political subdivision of this state. (Acts 60th Leg., R.S., Ch.  
2 528, Sec. 18 (part).)

3       Sec. 1040.004. DISTRICT TERRITORY. The boundaries of the  
4 district are coextensive with the boundaries of Haskell County,  
5 except the district does not include any territory located in the  
6 Stamford Hospital District as the Stamford Hospital District  
7 existed on June 14, 1967. (Acts 60th Leg., R.S., Ch. 528, Sec. 1  
8 (part).)

9       Sec. 1040.005. CORRECTION OF INVALID PROCEDURES. If a  
10 court holds that any procedure under this chapter violates the  
11 constitution of this state or of the United States, the district by  
12 resolution may provide an alternative procedure that conforms with  
13 the constitution. (Acts 60th Leg., R.S., Ch. 528, Sec. 19 (part).)

14       [Sections 1040.006-1040.050 reserved for expansion]

15                   SUBCHAPTER B. DISTRICT ADMINISTRATION

16       Sec. 1040.051. BOARD; TERM. (a) The board consists of six  
17 directors appointed by the Commissioners Court of Haskell County.

18       (b) Directors serve staggered two-year terms, with three  
19 directors appointed each year. (Acts 60th Leg., R.S., Ch. 528, Sec.  
20 3 (part).)

21       Sec. 1040.052. QUALIFICATIONS FOR OFFICE. A person may not  
22 be appointed as a director unless the person:

- 23               (1) is a district resident; and  
24               (2) owns land in the district subject to taxation.  
25 (Acts 60th Leg., R.S., Ch. 528, Sec. 3 (part).)

26       Sec. 1040.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
27 OF OFFICE. (a) Each director shall execute a good and sufficient

1 bond for \$1,000 that is:

2 (1) payable to the district; and

3 (2) conditioned on the faithful performance of the  
4 director's duties.

5 (b) Each director's bond and constitutional oath or  
6 affirmation of office shall be deposited with the district's  
7 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 528,  
8 Sec. 3 (part).)

9 Sec. 1040.054. OFFICERS. The board shall elect from among  
10 its members a president, a vice president, and a secretary. (Acts  
11 60th Leg., R.S., Ch. 528, Sec. 3 (part).)

12 Sec. 1040.055. COMPENSATION; EXPENSES. A director serves  
13 without compensation but may be reimbursed for actual expenses  
14 incurred in the performance of official duties on approval of the  
15 expenses by the entire board. (Acts 60th Leg., R.S., Ch. 528, Sec.  
16 4 (part).)

17 Sec. 1040.056. VOTING REQUIREMENT. A concurrence of four  
18 directors is sufficient in any matter relating to district  
19 business. (Acts 60th Leg., R.S., Ch. 528, Sec. 3 (part).)

20 Sec. 1040.057. EMPLOYEES. The board may employ a general  
21 manager and other necessary professional and clerical personnel.  
22 (Acts 60th Leg., R.S., Ch. 528, Sec. 9 (part).)

23 Sec. 1040.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
24 Except as provided by Section 1040.053, all district records,  
25 including books, accounts, notices, minutes, and all other matters  
26 of the district and the operation of its facilities, shall be:

27 (1) maintained at the district office; and

1           (2) open to public inspection at the district office  
2 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 528, Sec. 9  
3 (part).)

4           Sec. 1040.059. SEAL. The board may adopt a seal for the  
5 district. (Acts 60th Leg., R.S., Ch. 528, Sec. 9 (part).)

6           [Sections 1040.060-1040.100 reserved for expansion]

7                           SUBCHAPTER C. POWERS AND DUTIES

8           Sec. 1040.101. DISTRICT RESPONSIBILITY. The district has  
9 full responsibility for providing medical and hospital care for the  
10 district's needy and indigent residents. (Acts 60th Leg., R.S.,  
11 Ch. 528, Secs. 2 (part), 14 (part).)

12           Sec. 1040.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
13 TAXATION. Haskell County or a municipality in Haskell County may  
14 not impose a tax for hospital purposes. (Acts 60th Leg., R.S., Ch.  
15 528, Sec. 14 (part).)

16           Sec. 1040.103. MANAGEMENT AND CONTROL. The management and  
17 control of the district is vested in the board. (Acts 60th Leg.,  
18 R.S., Ch. 528, Sec. 4 (part).)

19           Sec. 1040.104. RULES. (a) The board may adopt rules  
20 governing the operation of the district, including district  
21 facilities.

22           (b) On approval by the board, the rules may be published in  
23 booklet form at district expense and made available to any taxpayer  
24 on request. (Acts 60th Leg., R.S., Ch. 528, Sec. 9 (part).)

25           Sec. 1040.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
26 The board may prescribe the method and manner of making purchases  
27 and expenditures by and for the district.

1 (b) The board shall prescribe:

2 (1) all accounting and control procedures; and

3 (2) the method of purchasing necessary supplies,  
4 materials, and equipment. (Acts 60th Leg., R.S., Ch. 528, Sec. 9  
5 (part).)

6 Sec. 1040.106. EMINENT DOMAIN. (a) The district may  
7 exercise the power of eminent domain to acquire a fee simple or  
8 other interest in any type of property, real, personal, or mixed,  
9 located in district territory, if the interest is necessary or  
10 convenient for the district to exercise a right, power, privilege,  
11 or function conferred on the district by this chapter.

12 (b) The district must exercise the power of eminent domain  
13 in the manner provided by Chapter 21, Property Code, except the  
14 district is not required to deposit in the trial court money or a  
15 bond as provided by Section 21.021(a), Property Code.

16 (c) In a condemnation proceeding brought by the district,  
17 the district is not required to:

18 (1) pay in advance or provide bond or other security  
19 for costs in the trial court;

20 (2) provide bond for the issuance of a temporary  
21 restraining order or a temporary injunction; or

22 (3) provide a bond for costs or a supersedeas bond on  
23 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 528, Sec.  
24 11.)

25 Sec. 1040.107. GIFTS AND ENDOWMENTS. The board may accept  
26 for the district a gift or endowment to be held in trust and  
27 administered by the board for the purposes and under the

1 directions, limitations, or other provisions prescribed in writing  
2 by the donor that are not inconsistent with the proper management  
3 and objectives of the district. (Acts 60th Leg., R.S., Ch. 528,  
4 Sec. 16.)

5 Sec. 1040.108. PAYMENT FOR TREATMENT; PROCEDURES. (a)

6 When a patient is admitted to a district facility, the board shall  
7 have an inquiry made into the circumstances of:

8 (1) the patient; and

9 (2) the patient's relatives who are legally liable for  
10 the patient's support.

11 (b) If an agent designated by the district to handle the  
12 inquiry determines that the patient or those relatives cannot pay  
13 all or part of the costs of the care and treatment in the hospital,  
14 the amount of the costs that cannot be paid becomes a charge against  
15 the district.

16 (c) If it is determined that the patient or those relatives  
17 are liable to pay for all or part of the costs of the patient's care  
18 and treatment, the patient or those relatives shall be ordered to  
19 pay to the district's treasurer a specified amount each week for the  
20 patient's support. The amount ordered must be proportionate to  
21 financial ability and may not exceed the actual per capita cost of  
22 maintenance.

23 (d) The district may collect the amount from the patient's  
24 estate, or from a relative who is legally liable for the patient's  
25 support, in the manner provided by law for the collection of  
26 expenses of the last illness of a deceased person.

27 (e) If there is a dispute as to the ability to pay or doubt

1 in the mind of the district's designated agent, the board shall hold  
2 a hearing and, after calling witnesses, shall:

3 (1) resolve the dispute or doubt; and

4 (2) issue an appropriate order.

5 (f) Either party to the dispute may appeal the order to the  
6 district court. (Acts 60th Leg., R.S., Ch. 528, Sec. 15.)

7 Sec. 1040.109. AUTHORITY TO SUE AND BE SUED. As a  
8 governmental agency, the district may sue and be sued in its own  
9 name in any court in this state. (Acts 60th Leg., R.S., Ch. 528,  
10 Sec. 18 (part).)

11 [Sections 1040.110-1040.150 reserved for expansion]

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 1040.151. BUDGET. The board annually shall require a  
14 budget to be prepared for the next fiscal year that includes:

15 (1) proposed expenditures and disbursements;

16 (2) estimated receipts and collections; and

17 (3) the amount of taxes required to be imposed for the  
18 year. (Acts 60th Leg., R.S., Ch. 528, Sec. 10 (part).)

19 Sec. 1040.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
20 The board shall hold a public hearing on the proposed budget.

21 (b) Notice of the hearing must be published at least once in  
22 a newspaper of general circulation in Haskell County not later than  
23 the 10th day before the date of the hearing.

24 (c) Any district taxpayer is entitled to:

25 (1) appear at the time and place designated in the  
26 notice; and

27 (2) be heard regarding any item included in the

1 proposed budget. (Acts 60th Leg., R.S., Ch. 528, Sec. 10 (part).)

2           Sec. 1040.153. FISCAL YEAR. The district operates on a  
3 fiscal year that begins on October 1 and ends on September 30.  
4 (Acts 60th Leg., R.S., Ch. 528, Sec. 10 (part).)

5           Sec. 1040.154. ANNUAL AUDIT. (a) The board annually shall  
6 have an independent audit made of the district's books and records  
7 for the fiscal year.

8           (b) Not later than December 31 each year, the audit shall be  
9 filed:

10           (1) with the comptroller; and

11           (2) at the district office. (Acts 60th Leg., R.S., Ch.  
12 528, Sec. 10 (part).)

13           Sec. 1040.155. DEPOSITORY OR TREASURER. (a) The board by  
14 resolution shall designate a bank or banks in Haskell County as the  
15 district's depository or treasurer. A designated bank serves for  
16 two years and until a successor is designated.

17           (b) All income received by the district shall be deposited  
18 with the district depository.

19           (c) All district money shall be secured in the manner  
20 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 528,  
21 Secs. 5 (part), 12.)

22           [Sections 1040.156-1040.200 reserved for expansion]

23                           SUBCHAPTER E. BONDS

24           Sec. 1040.201. GENERAL OBLIGATION BONDS. The board may  
25 issue and sell general obligation bonds in the name and on the faith  
26 and credit of the district for any purpose relating to:

27           (1) the purchase, construction, acquisition, repair,



1 or renovation of buildings or improvements; and

2 (2) equipping buildings and improvements for hospital  
3 purposes. (Acts 60th Leg., R.S., Ch. 528, Sec. 8 (part).)

4 Sec. 1040.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)  
5 The board shall impose an ad valorem tax at a rate sufficient to  
6 create an interest and sinking fund to pay the principal of and  
7 interest on general obligation bonds issued by the district under  
8 Section 1040.201 as the bonds mature.

9 (b) The tax required by this section together with any  
10 maintenance and operation tax the district imposes may not in any  
11 year exceed 75 cents on each \$100 valuation of all taxable property  
12 in the district. (Acts 60th Leg., R.S., Ch. 528, Sec. 8 (part).)

13 Sec. 1040.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
14 district may issue general obligation bonds only if the bonds are  
15 authorized by a majority of the district voters voting at an  
16 election held for that purpose.

17 (b) The board may order the election on its own motion.

18 (c) The order calling the election must specify:

- 19 (1) the location of the polling places;  
20 (2) the presiding election officers;  
21 (3) the purpose of the bond issuance;  
22 (4) the amount of the bonds to be authorized;  
23 (5) the maximum interest rate of the bonds; and  
24 (6) the maximum maturity date of the bonds.

25 (d) Notice of a bond election shall be given by publishing a  
26 substantial copy of the order calling the election in a newspaper of  
27 general circulation in Haskell County once each week for two

1 consecutive weeks before the date of the election. The first  
2 publication must occur at least 14 days before the date of the  
3 election. (Acts 60th Leg., R.S., Ch. 528, Sec. 8 (part).)

4 Sec. 1040.204. MATURITY OF GENERAL OBLIGATION BONDS.  
5 District general obligation bonds must mature not later than 40  
6 years after the date of issuance. (Acts 60th Leg., R.S., Ch. 528,  
7 Sec. 8 (part).)

8 Sec. 1040.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
9 The board president shall execute the general obligation bonds in  
10 the district's name.

11 (b) The board secretary shall countersign the bonds. (Acts  
12 60th Leg., R.S., Ch. 528, Sec. 8 (part).)

13 Sec. 1040.206. REFUNDING BONDS. (a) The board may, without  
14 an election, issue refunding bonds in the manner provided by this  
15 subchapter to refund outstanding bonds issued by the district.

16 (b) A refunding bond may be:

17 (1) sold, with the proceeds of the refunding bond  
18 applied to the payment of the bonds to be refunded; or

19 (2) exchanged wholly or partly for not less than a  
20 similar amount of the outstanding bonds and the unpaid matured  
21 interest on those bonds. (Acts 60th Leg., R.S., Ch. 528, Sec. 8  
22 (part).)

23 [Sections 1040.207-1040.250 reserved for expansion]

24 SUBCHAPTER F. TAXES

25 Sec. 1040.251. IMPOSITION OF AD VALOREM TAX. (a) On final  
26 approval of the annual budget, the board shall impose a tax on all  
27 property in the district subject to district taxation.

1 (b) The board shall impose the tax to:

2 (1) pay the interest on and create a sinking fund for  
3 bonds issued or assumed by the district for hospital purposes;

4 (2) provide for the operation and maintenance of the  
5 hospital or hospital system;

6 (3) make improvements and additions to the hospital  
7 system; and

8 (4) acquire necessary sites for the hospital system by  
9 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 528,  
10 Secs. 5 (part), 10 (part).)

11 Sec. 1040.252. TAX RATE. The board may impose the tax at a  
12 rate not to exceed 75 cents on each \$100 valuation of all taxable  
13 property in the district. (Acts 60th Leg., R.S., Ch. 528, Sec. 5  
14 (part).)

15 Sec. 1040.253. TAX ASSESSOR-COLLECTOR. The tax  
16 assessor-collector of Haskell County shall assess and collect taxes  
17 imposed by the district. (Acts 60th Leg., R.S., Ch. 528, Secs. 5  
18 (part), 10 (part).)

19 CHAPTER 1041. HIGGINS-LIPSCOMB HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1041.001. DEFINITIONS

22 Sec. 1041.002. AUTHORITY FOR OPERATION

23 Sec. 1041.003. POLITICAL SUBDIVISION

24 Sec. 1041.004. DISTRICT TERRITORY

25 [Sections 1041.005-1041.050 reserved for expansion]

26 SUBCHAPTER B. DISTRICT ADMINISTRATION

27 Sec. 1041.051. BOARD ELECTION; TERM

- 1 Sec. 1041.052. BOARD VACANCY  
2 Sec. 1041.053. OFFICERS  
3 Sec. 1041.054. COMPENSATION; EXPENSES  
4 Sec. 1041.055. EMPLOYEES  
5 Sec. 1041.056. MAINTENANCE OF RECORDS; PUBLIC  
6 INSPECTION  
7 Sec. 1041.057. SEAL  
8 [Sections 1041.058-1041.100 reserved for expansion]  
9 SUBCHAPTER C. POWERS AND DUTIES  
10 Sec. 1041.101. DISTRICT RESPONSIBILITY  
11 Sec. 1041.102. RESTRICTION ON POLITICAL SUBDIVISION  
12 TAXATION AND DEBT  
13 Sec. 1041.103. MANAGEMENT AND CONTROL  
14 Sec. 1041.104. HOSPITAL SYSTEM  
15 Sec. 1041.105. RULES  
16 Sec. 1041.106. PURCHASING AND ACCOUNTING PROCEDURES  
17 Sec. 1041.107. EMINENT DOMAIN  
18 Sec. 1041.108. GIFTS AND ENDOWMENTS  
19 Sec. 1041.109. PAYMENT FOR TREATMENT; PROCEDURES  
20 Sec. 1041.110. AUTHORITY TO SUE AND BE SUED  
21 [Sections 1041.111-1041.150 reserved for expansion]  
22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
23 Sec. 1041.151. BUDGET  
24 Sec. 1041.152. PROPOSED BUDGET: NOTICE AND HEARING  
25 Sec. 1041.153. FISCAL YEAR  
26 Sec. 1041.154. ANNUAL AUDIT  
27 Sec. 1041.155. DEPOSITORY OR TREASURER

[Sections 1041.156-1041.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 1041.201. GENERAL OBLIGATION BONDS

Sec. 1041.202. TAX TO PAY GENERAL OBLIGATION BONDS

Sec. 1041.203. GENERAL OBLIGATION BOND ELECTION

Sec. 1041.204. MATURITY OF GENERAL OBLIGATION BONDS

Sec. 1041.205. EXECUTION OF GENERAL OBLIGATION BONDS

Sec. 1041.206. REFUNDING BONDS

[Sections 1041.207-1041.250 reserved for expansion]

SUBCHAPTER F. TAXES

Sec. 1041.251. IMPOSITION OF AD VALOREM TAX

Sec. 1041.252. TAX RATE

Sec. 1041.253. TAX ASSESSOR-COLLECTOR

CHAPTER 1041. HIGGINS-LIPSCOMB HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1041.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Higgins-Lipscomb Hospital District. (New.)

Sec. 1041.002. AUTHORITY FOR OPERATION. The district operates and is financed in accordance with Section 9, Article IX, Texas Constitution. (Acts 64th Leg., R.S., Ch. 666, Sec. 1 (part).)

Sec. 1041.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state. (Acts 64th Leg., R.S., Ch.

1 666, Sec. 16 (part).)

2           Sec. 1041.004. DISTRICT TERRITORY.           The district is  
3 composed of the territory described by:

4           (1) Section 1, Chapter 666, Acts of the 64th  
5 Legislature, Regular Session, 1975; and

6           (2) Section 1, Chapter 667, Acts of the 64th  
7 Legislature, Regular Session, 1975. (Acts 64th Leg., R.S., Ch.  
8 666, Secs. 1 (part), 4A(h) (part); New.)

9           [Sections 1041.005-1041.050 reserved for expansion]

10                           SUBCHAPTER B. DISTRICT ADMINISTRATION

11           Sec. 1041.051. BOARD ELECTION; TERM.       (a) The board  
12 consists of six directors elected from the district at large.

13           (b) Unless four-year terms are established under Section  
14 285.081, Health and Safety Code:

15           (1) directors serve staggered two-year terms with  
16 three directors elected each year; and

17           (2) a directors' election shall be held on the uniform  
18 election date in May of each year.

19           (c) If two or more persons tie for the third-highest vote in  
20 a directors' election, those persons shall draw lots to determine  
21 which person is elected.

22           (d) A director's term begins on June 1 following the  
23 director's election. (Acts 64th Leg., R.S., Ch. 666, Secs. 3A(a),  
24 4C(c) (part), (d), (e) (part), (f).)

25           Sec. 1041.052. BOARD VACANCY. If a vacancy occurs in the  
26 office of director, the remaining directors shall appoint a  
27 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 666,

1 Sec. 3A(b).)

2 Sec. 1041.053. OFFICERS. (a) The board shall elect a  
3 president, vice president, and secretary-treasurer from among its  
4 members.

5 (b) Each officer of the board serves until the next  
6 directors' election. (Acts 64th Leg., R.S., Ch. 666, Sec. 4(a)  
7 (part).)

8 Sec. 1041.054. COMPENSATION; EXPENSES. A director serves  
9 without compensation but may be reimbursed for actual expenses  
10 incurred in the performance of official duties on approval of the  
11 expenses by the entire board. (Acts 64th Leg., R.S., Ch. 666, Sec.  
12 4(b).)

13 Sec. 1041.055. EMPLOYEES. The board may employ a general  
14 manager, attorneys, financial advisors, bookkeepers, and  
15 architects. (Acts 64th Leg., R.S., Ch. 666, Sec. 7(a) (part).)

16 Sec. 1041.056. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
17 All district records, including books, accounts, notices, minutes,  
18 and all other matters of the district and the operation of its  
19 facilities, shall be:

- 20 (1) maintained at the district office; and  
21 (2) open to public inspection at reasonable hours.  
22 (Acts 64th Leg., R.S., Ch. 666, Sec. 7(b).)

23 Sec. 1041.057. SEAL. The board may adopt a seal for the  
24 district. (Acts 64th Leg., R.S., Ch. 666, Sec. 7(a) (part).)

25 [Sections 1041.058-1041.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1041.101. DISTRICT RESPONSIBILITY. The district has

1 full responsibility for:

- 2 (1) operating all hospital facilities; and  
3 (2) providing hospital care for the district's needy  
4 inhabitants. (Acts 64th Leg., R.S., Ch. 666, Sec. 12(a) (part).)

5 Sec. 1041.102. RESTRICTION ON POLITICAL SUBDIVISION  
6 TAXATION AND DEBT. (a) A political subdivision within the  
7 district, other than the district, may not impose a tax or issue  
8 bonds or other obligations for hospital purposes or to provide  
9 medical care for district inhabitants.

10 (b) A governmental entity other than the district may not  
11 impose a tax or issue bonds or other obligations on property in the  
12 district for hospital purposes or to provide medical care for needy  
13 district inhabitants. (Acts 64th Leg., R.S., Ch. 666, Sec. 12(a)  
14 (part).)

15 Sec. 1041.103. MANAGEMENT AND CONTROL. The board has full  
16 management and control of all district business, including the  
17 power to:

- 18 (1) negotiate and contract with any person;  
19 (2) purchase or lease land; and  
20 (3) construct, equip, operate, and maintain a hospital  
21 system. (Acts 64th Leg., R.S., Ch. 666, Sec. 4(a) (part).)

22 Sec. 1041.104. HOSPITAL SYSTEM. The district shall provide  
23 for the establishment of a hospital system to provide medical and  
24 hospital care to the district's residents. (Acts 64th Leg., R.S.,  
25 Ch. 666, Sec. 2 (part).)

26 Sec. 1041.105. RULES. (a) The board may adopt rules  
27 governing the operation of the district, including district



1 facilities.

2 (b) On approval by the board, the rules may be published in  
3 booklet form at district expense and made available to any resident  
4 on request. (Acts 64th Leg., R.S., Ch. 666, Sec. 7(c).)

5 Sec. 1041.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
6 The board may prescribe the method and manner of making purchases  
7 and expenditures for the district.

8 (b) The board shall prescribe:

9 (1) all accounting and control procedures; and

10 (2) the method of purchasing necessary supplies,  
11 materials, and equipment. (Acts 64th Leg., R.S., Ch. 666, Sec.  
12 7(a) (part).)

13 Sec. 1041.107. EMINENT DOMAIN. (a) The district may  
14 exercise the power of eminent domain to acquire a fee simple or  
15 other interest in any type of property located in district  
16 territory if the interest is necessary or convenient for the  
17 district to exercise a right, power, privilege, or function  
18 conferred on the district by this chapter.

19 (b) The district must exercise the power of eminent domain  
20 in the manner provided by Chapter 21, Property Code, except the  
21 district is not required to deposit in the trial court money or a  
22 bond as provided by Section 21.021(a), Property Code.

23 (c) In a condemnation proceeding, the district is not  
24 required to:

25 (1) pay in advance or provide a bond or other security  
26 for costs in the trial court;

27 (2) provide a bond for the issuance of a temporary

1 restraining order or a temporary injunction; or

2 (3) provide a bond for costs or a supersedeas bond on  
3 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 666, Sec. 9.)

4 Sec. 1041.108. GIFTS AND ENDOWMENTS. The board may accept  
5 for the district a gift or endowment to be held in trust and  
6 administered by the board for the purposes and under the  
7 directions, limitations, or other provisions prescribed in writing  
8 by the donor that are not inconsistent with the proper management  
9 and objectives of the district. (Acts 64th Leg., R.S., Ch. 666,  
10 Sec. 14.)

11 Sec. 1041.109. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
12 When a patient from Lipscomb County is admitted to a district  
13 facility, the board shall have an inquiry made into the  
14 circumstances of:

15 (1) the patient; and

16 (2) the patient's relatives who are legally liable for  
17 the patient's support.

18 (b) If an agent designated by the district determines that  
19 the patient or those relatives cannot pay all or part of the costs  
20 of the care and treatment in the hospital, the expense of that care  
21 becomes a charge against the district.

22 (c) If an agent designated by the district determines that  
23 the patient or those relatives are liable to pay for all or part of  
24 the costs of the patient's care and treatment, the patient or those  
25 relatives shall be ordered to pay the district's treasurer a  
26 specified amount each week for the patient's support. The amount  
27 ordered must be proportionate to the person's financial ability and

1 may not exceed the actual per capita cost of maintenance.

2 (d) The district may collect the amount from the patient's  
3 estate, or from any relative who is legally liable for the patient's  
4 support, in the manner provided by law for the collection of  
5 expenses of the last illness of a deceased person.

6 (e) If there is a dispute as to the ability to pay, the board  
7 shall hold a hearing and, after calling witnesses, shall resolve  
8 the dispute.

9 (f) Either party to the dispute may appeal the district's  
10 determination to the district court. (Acts 64th Leg., R.S., Ch.  
11 666, Sec. 13.)

12 Sec. 1041.110. AUTHORITY TO SUE AND BE SUED. The district  
13 may sue and be sued in its own name in any court of this state. (Acts  
14 64th Leg., R.S., Ch. 666, Sec. 16 (part).)

15 [Sections 1041.111-1041.150 reserved for expansion]

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

17 Sec. 1041.151. BUDGET. The board annually shall have a  
18 budget prepared for the next fiscal year that includes:

- 19 (1) proposed expenditures and disbursements;  
20 (2) estimated receipts and collections; and  
21 (3) the amount of taxes required to be imposed for the  
22 year. (Acts 64th Leg., R.S., Ch. 666, Sec. 8(b) (part).)

23 Sec. 1041.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
24 The board shall hold a public hearing on the proposed budget.

25 (b) Notice of the hearing must be published at least once in  
26 a newspaper of general circulation in the district not later than  
27 the 10th day before the date of the hearing.

1 (c) Any district resident is entitled to:

2 (1) appear at the time and place designated in the  
3 notice; and

4 (2) be heard regarding any item included in the  
5 proposed budget. (Acts 64th Leg., R.S., Ch. 666, Sec. 8(b)  
6 (part).)

7 Sec. 1041.153. FISCAL YEAR. The district operates on a  
8 fiscal year that begins on October 1 and ends on September 30.  
9 (Acts 64th Leg., R.S., Ch. 666, Sec. 8(a) (part).)

10 Sec. 1041.154. ANNUAL AUDIT. (a) The board annually shall  
11 have an independent audit made of the district's books and records  
12 for the fiscal year.

13 (b) Not later than December 31 of each year, the audit shall  
14 be filed:

15 (1) with the comptroller; and

16 (2) at the district office. (Acts 64th Leg., R.S., Ch.  
17 666, Sec. 8(a) (part).)

18 Sec. 1041.155. DEPOSITORY OR TREASURER. (a) The board by  
19 resolution shall designate a bank or banks in the district as the  
20 district's depository or treasurer. A designated bank serves for  
21 two years and until a successor is designated.

22 (b) All income received by the district shall be deposited  
23 with the district depository.

24 (c) All district money shall be secured in the manner  
25 provided for securing county funds. (Acts 64th Leg., R.S., Ch. 666,  
26 Secs. 5(b) (part), 10.)

27 [Sections 1041.156-1041.200 reserved for expansion]

SUBCHAPTER E. BONDS

1  
2           Sec. 1041.201. GENERAL OBLIGATION BONDS. The board may  
3 issue and sell general obligation bonds in the name and on the faith  
4 and credit of the district for any purpose relating to:

5           (1) the purchase, construction, acquisition, repair,  
6 or renovation of buildings or improvements; and

7           (2) equipping buildings or improvements for hospital  
8 purposes. (Acts 64th Leg., R.S., Ch. 666, Sec. 6(a) (part).)

9           Sec. 1041.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)  
10 The board shall impose an ad valorem tax at a rate sufficient to  
11 create an interest and sinking fund to pay the principal of and  
12 interest on general obligation bonds issued under Section 1041.201.

13           (b) The tax required by this section together with any other  
14 ad valorem tax the district imposes may not in any year exceed 75  
15 cents on each \$100 valuation of all taxable property in the  
16 district. (Acts 64th Leg., R.S., Ch. 666, Sec. 6(a) (part).)

17           Sec. 1041.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
18 district may issue general obligation bonds only if the bonds are  
19 authorized by a majority of the district voters voting at an  
20 election.

21           (b) The board may order the election on its own motion.

22           (c) The order calling the election must specify:

23           (1) the location of the polling places;

24           (2) the presiding election officers;

25           (3) the purpose of the bond issuance;

26           (4) the amount of the bonds to be authorized; and

27           (5) the maximum interest rate provided by law.

1 (d) Notice of a bond election shall be given by publishing a  
2 substantial copy of the order calling the election in a newspaper of  
3 general circulation in the district once each week for two  
4 consecutive weeks before the date of the election. The first  
5 publication must occur at least 20 days before the date of the  
6 election. (Acts 64th Leg., R.S., Ch. 666, Sec. 6(b) (part).)

7 Sec. 1041.204. MATURITY OF GENERAL OBLIGATION BONDS.  
8 District general obligation bonds must mature not later than 40  
9 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 666,  
10 Sec. 6(b) (part).)

11 Sec. 1041.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
12 The board president shall execute the general obligation bonds in  
13 the district's name.

14 (b) The board secretary shall countersign the bonds. (Acts  
15 64th Leg., R.S., Ch. 666, Sec. 6(a) (part).)

16 Sec. 1041.206. REFUNDING BONDS. (a) The board may, without  
17 an election, issue refunding bonds to refund outstanding bonds  
18 issued or assumed by the district.

19 (b) A refunding bond may be:

20 (1) sold, with the proceeds of the refunding bond  
21 applied to the payment of the bonds to be refunded; or

22 (2) exchanged wholly or partly for not less than a  
23 similar amount of outstanding bonds and the unpaid matured interest  
24 on the bonds. (Acts 64th Leg., R.S., Ch. 666, Secs. 6(b) (part),  
25 (c) (part).)

26 [Sections 1041.207-1041.250 reserved for expansion]

27 SUBCHAPTER F. TAXES

1           Sec. 1041.251. IMPOSITION OF AD VALOREM TAX. (a) On final  
2 approval of the annual budget, the board shall impose a tax on all  
3 property in the district subject to district taxation.

4           (b) The board shall impose the tax to:

5                 (1) pay the interest on and create a sinking fund for  
6 bonds issued or assumed by the district for hospital purposes;

7                 (2) provide for operation and maintenance of the  
8 hospital system;

9                 (3) make improvements and additions to the hospital  
10 system; and

11                (4) acquire necessary sites by purchase, lease, or  
12 condemnation. (Acts 64th Leg., R.S., Ch. 666, Secs. 5(a) (part),  
13 (b) (part), 8(b) (part).)

14           Sec. 1041.252. TAX RATE. The board may impose the tax at a  
15 rate not to exceed 75 cents on each \$100 valuation of all taxable  
16 property in the district. (Acts 64th Leg., R.S., Ch. 666, Sec. 5(a)  
17 (part).)

18           Sec. 1041.253. TAX ASSESSOR-COLLECTOR. (a) Except as  
19 provided by Subsection (b), the tax assessor-collector of Lipscomb  
20 County shall assess and collect taxes imposed by the district.

21           (b) By majority vote the board may appoint a district tax  
22 assessor-collector under Section 285.041, Health and Safety Code.  
23 (Acts 64th Leg., R.S., Ch. 666, Secs. 5(b) (part), (c) (part), 8(b)  
24 (part).)

25 CHAPTER 1042. HOOD COUNTY HOSPITAL DISTRICT OF HOOD COUNTY, TEXAS

26                           SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 1042.001. DEFINITIONS

- 1 Sec. 1042.002. AUTHORITY FOR CREATION  
2 Sec. 1042.003. DISTRICT TERRITORY  
3 Sec. 1042.004. DISTRICT SUPPORT AND MAINTENANCE NOT  
4 STATE OBLIGATION  
5 Sec. 1042.005. RESTRICTION ON STATE FINANCIAL  
6 ASSISTANCE  
7 [Sections 1042.006-1042.050 reserved for expansion]  
8 SUBCHAPTER B. DISTRICT ADMINISTRATION  
9 Sec. 1042.051. BOARD; TERMS  
10 Sec. 1042.052. BOND; RECORD OF BOND AND OATH OR  
11 AFFIRMATION OF OFFICE  
12 Sec. 1042.053. BOARD VACANCY  
13 Sec. 1042.054. OFFICERS  
14 Sec. 1042.055. COMPENSATION; EXPENSES  
15 Sec. 1042.056. DISTRICT ADMINISTRATOR  
16 Sec. 1042.057. EMPLOYEES  
17 Sec. 1042.058. MAINTENANCE OF RECORDS; PUBLIC  
18 INSPECTION  
19 [Sections 1042.059-1042.100 reserved for expansion]  
20 SUBCHAPTER C. POWERS AND DUTIES  
21 Sec. 1042.101. DISTRICT RESPONSIBILITY  
22 Sec. 1042.102. RESTRICTION ON POLITICAL SUBDIVISION  
23 TAXATION AND DEBT  
24 Sec. 1042.103. MANAGEMENT AND CONTROL OF DISTRICT  
25 Sec. 1042.104. HOSPITAL SYSTEM  
26 Sec. 1042.105. RULES  
27 Sec. 1042.106. PURCHASING AND ACCOUNTING PROCEDURES



- 1 Sec. 1042.107. SURPLUS PROPERTY  
2 Sec. 1042.108. EMINENT DOMAIN  
3 Sec. 1042.109. GIFTS AND ENDOWMENTS  
4 Sec. 1042.110. CONTRACTS WITH POLITICAL SUBDIVISIONS  
5 FOR HOSPITAL AND MEDICAL CARE  
6 Sec. 1042.111. PAYMENT FOR TREATMENT; PROCEDURE  
7 [Sections 1042.112-1042.150 reserved for expansion]  
8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
9 Sec. 1042.151. BUDGET  
10 Sec. 1042.152. PROPOSED BUDGET: NOTICE AND HEARING  
11 Sec. 1042.153. FISCAL YEAR  
12 Sec. 1042.154. ANNUAL AUDIT  
13 Sec. 1042.155. DEPOSITORY  
14 [Sections 1042.156-1042.200 reserved for expansion]  
15 SUBCHAPTER E. BONDS  
16 Sec. 1042.201. BONDS  
17 Sec. 1042.202. TAX TO PAY BONDS  
18 Sec. 1042.203. BOND ELECTION  
19 Sec. 1042.204. MATURITY OF BONDS  
20 Sec. 1042.205. EXECUTION OF BONDS  
21 [Sections 1042.206-1042.250 reserved for expansion]  
22 SUBCHAPTER F. TAXES  
23 Sec. 1042.251. IMPOSITION OF AD VALOREM TAX  
24 Sec. 1042.252. TAX RATE  
25 Sec. 1042.253. TAX ASSESSOR-COLLECTOR

1 CHAPTER 1042. HOOD COUNTY HOSPITAL DISTRICT OF HOOD COUNTY, TEXAS

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 1042.001. DEFINITIONS. In this chapter:

4 (1) "Board" means the board of directors of the  
5 district.

6 (2) "Director" means a member of the board.

7 (3) "District" means the Hood County Hospital District  
8 of Hood County, Texas. (New.)

9 Sec. 1042.002. AUTHORITY FOR CREATION. The district of  
10 Hood County, Texas, is created under the authority of Section 9,  
11 Article IX, Texas Constitution. (Acts 62nd Leg., R.S., Ch. 852,  
12 Sec. 1.)

13 Sec. 1042.003. DISTRICT TERRITORY. The boundaries of the  
14 district are coextensive with the boundaries of Hood County. (Acts  
15 62nd Leg., R.S., Ch. 852, Sec. 2.)

16 Sec. 1042.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
17 OBLIGATION. The support and maintenance of the district's hospital  
18 system and any indebtedness incurred by the district under this  
19 chapter may not become a charge against or obligation of this state.  
20 (Acts 62nd Leg., R.S., Ch. 852, Sec. 18 (part).)

21 Sec. 1042.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
22 The legislature may not make a direct appropriation for the  
23 construction, maintenance, or improvement of a district facility.  
24 (Acts 62nd Leg., R.S., Ch. 852, Sec. 18 (part).)

25 [Sections 1042.006-1042.050 reserved for expansion]

26 SUBCHAPTER B. DISTRICT ADMINISTRATION

27 Sec. 1042.051. BOARD; TERMS. (a) The board consists of:

1           (1) the members of the Commissioners Court of Hood  
2 County, including the county judge; and

3           (2) four persons appointed by the county judge.

4           (b) One director appointed by the county judge must be:

5           (1) a doctor of medicine; or

6           (2) a doctor of osteopathy.

7           (c) An appointed director serves a two-year term. (Acts  
8 62nd Leg., R.S., Ch. 852, Secs. 4(a) (part), 5(a) (part), (b), (c).)

9           Sec. 1042.052. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
10 OF OFFICE. (a) Each appointed director shall execute a good and  
11 sufficient commercial bond for \$1,000 that is:

12           (1) payable to the district; and

13           (2) conditioned on the faithful performance of the  
14 director's duties.

15           (b) The district shall pay for a director's bond.

16           (c) Each director's bond and constitutional oath or  
17 affirmation of office shall be deposited with the district's  
18 depository for safekeeping. (Acts 62nd Leg., R.S., Ch. 852, Sec.  
19 6(a).)

20           Sec. 1042.053. BOARD VACANCY. If a vacancy occurs in the  
21 office of director, the county judge shall appoint a director.  
22 (Acts 62nd Leg., R.S., Ch. 852, Sec. 5(d).)

23           Sec. 1042.054. OFFICERS. The board shall elect from among  
24 its members a president, a secretary, and a treasurer at the first  
25 meeting after directors are appointed under Section 1042.051.  
26 (Acts 62nd Leg., R.S., Ch. 852, Sec. 6(b).)

27           Sec. 1042.055. COMPENSATION; EXPENSES. A director serves

1 without compensation but is entitled to reimbursement for necessary  
2 expenses incurred in the performance of official duties. (Acts  
3 62nd Leg., R.S., Ch. 852, Sec. 6(c).)

4 Sec. 1042.056. DISTRICT ADMINISTRATOR. (a) The board may  
5 employ a district administrator to manage the operations of the  
6 hospital system.

7 (b) The district administrator may:

8 (1) employ necessary personnel to perform the services  
9 provided by the hospital system; and

10 (2) appoint to the staff any physicians considered  
11 advisable for the efficient operation of the hospital system.  
12 (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(e) (part).)

13 Sec. 1042.057. EMPLOYEES. The board may employ an  
14 attorney, general manager, bookkeeper, architect, and other  
15 employees necessary for the efficient operation of the district.  
16 (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(e) (part).)

17 Sec. 1042.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
18 The board shall:

19 (1) maintain all district records, including books,  
20 accounts, notices, minutes, and all other matters of the district  
21 and its operation, at the district office; and

22 (2) make those records available for public inspection  
23 at reasonable times. (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(b).)

24 [Sections 1042.059-1042.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 1042.101. DISTRICT RESPONSIBILITY. The district shall  
27 provide all necessary hospital and medical care for the district's

1 needy inhabitants. (Acts 62nd Leg., R.S., Ch. 852, Sec. 3 (part).)

2       Sec. 1042.102. RESTRICTION ON POLITICAL SUBDIVISION  
3 TAXATION AND DEBT. A political subdivision of this state, other  
4 than the district, may not impose a tax or issue bonds or other  
5 obligations to provide hospital service or medical care in the  
6 district. (Acts 62nd Leg., R.S., Ch. 852, Sec. 3 (part).)

7       Sec. 1042.103. MANAGEMENT AND CONTROL OF DISTRICT. The  
8 management and control of the district is vested in the board, and  
9 the board has full power to manage and control the district. (Acts  
10 62nd Leg., R.S., Ch. 852, Secs. 5(a) (part), 12(a) (part).)

11       Sec. 1042.104. HOSPITAL SYSTEM. The district has the  
12 responsibility to establish a hospital or hospital system within  
13 its boundaries to provide hospital and medical care to the  
14 district's residents. (Acts 62nd Leg., R.S., Ch. 852, Sec. 3  
15 (part).)

16       Sec. 1042.105. RULES. (a) The board shall adopt rules for  
17 the efficient operation of the district, including district  
18 facilities.

19       (b) The board shall:

20             (1) publish the rules in book form; and

21             (2) provide copies to interested persons on request at  
22 district expense. (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(c).)

23       Sec. 1042.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
24 board may prescribe the method of making purchases and expenditures  
25 and the manner of accounting and control used by the district.  
26 (Acts 62nd Leg., R.S., Ch. 852, Sec. 12(e) (part).)

27       Sec. 1042.107. SURPLUS PROPERTY. The board may sell or

1 otherwise dispose of district property if the board finds the  
2 property exceeds the district's present and future needs. (Acts  
3 62nd Leg., R.S., Ch. 852, Sec. 12(h) (part).)

4       Sec. 1042.108. EMINENT DOMAIN. (a) The district may  
5 exercise the power of eminent domain to acquire a fee simple or  
6 other interest in real, personal, or mixed property located in  
7 district territory if the interest is necessary or convenient for  
8 the district to exercise a power or duty conferred on the district  
9 by this chapter.

10       (b) The district must exercise the power of eminent domain  
11 in the manner provided by Chapter 21, Property Code, except the  
12 district is not required to deposit in the trial court money or a  
13 bond as provided by Section 21.021(a), Property Code.

14       (c) In a condemnation proceeding, the district is not  
15 required to:

16           (1) pay in advance or provide a bond or other security  
17 for costs in the trial court; or

18           (2) provide a bond for costs or a supersedeas bond on  
19 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 852, Sec.  
20 15.)

21       Sec. 1042.109. GIFTS AND ENDOWMENTS. The board may accept  
22 for the district a gift or endowment to be held in trust and  
23 administered by the board under the directions, limitations, or  
24 other provisions prescribed in writing by the donor that are not  
25 inconsistent with the proper management of the district. (Acts  
26 62nd Leg., R.S., Ch. 852, Sec. 12(f).)

27       Sec. 1042.110. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR

1 HOSPITAL AND MEDICAL CARE. The board may contract with another  
2 political subdivision to provide hospital and medical care for  
3 needy persons who reside outside the district. (Acts 62nd Leg.,  
4 R.S., Ch. 852, Sec. 12(g).)

5 Sec. 1042.111. PAYMENT FOR TREATMENT; PROCEDURE. (a) A  
6 person who resides in the district is entitled to receive necessary  
7 medical and hospital care regardless of whether the person has the  
8 ability to pay for the care and may apply to receive this care  
9 without cost.

10 (b) The board or the district administrator shall employ a  
11 person to investigate the ability of the patient and any relative  
12 who is liable for the patient's support to pay for the medical and  
13 hospital care received by the patient.

14 (c) If the investigator determines that the patient or  
15 relative legally liable for the patient's support cannot pay all or  
16 part of the costs of the patient's care, the expense of the care  
17 becomes a charge against the district.

18 (d) If the patient or a relative legally liable for the  
19 patient's support can pay for all or part of the costs of the  
20 patient's care, the board shall order the patient or relative to pay  
21 to the treasurer each week an amount specified in the order. The  
22 amount must be proportionate to the person's ability to pay.

23 (e) The district may collect the amount from the patient's  
24 estate, or from any relative who is liable for the patient's  
25 support, in the manner provided by law for the collection of  
26 expenses of the last illness of a deceased person.

27 (f) If there is a dispute as to the ability to pay, or doubt

1 in the mind of the investigator, the board shall hold a hearing and,  
2 after calling witnesses, shall:

- 3 (1) determine the question; and
- 4 (2) make the proper order based on the board's  
5 findings.

6 (g) A party to the hearing who is not satisfied with the  
7 result of the order may appeal to the district court. The appeal is  
8 de novo. (Acts 62nd Leg., R.S., Ch. 852, Sec. 14.)

9 [Sections 1042.112-1042.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1042.151. BUDGET. The board shall prepare a budget  
12 that includes:

- 13 (1) proposed expenditures and disbursements;
- 14 (2) estimated receipts and collections for the next  
15 fiscal year; and
- 16 (3) the amount of taxes required to be imposed to meet  
17 the proposed budget. (Acts 62nd Leg., R.S., Ch. 852, Sec. 13(b).)

18 Sec. 1042.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
19 The board shall hold a public hearing on the proposed budget.

20 (b) Notice of the hearing must be published at least once in  
21 a newspaper of general circulation in the district not later than  
22 the 11th day before the date of the hearing.

23 (c) Any person who owns taxable property in the district and  
24 has rendered that property for taxation is entitled to:

- 25 (1) appear at the hearing; and
- 26 (2) be heard regarding any item in the proposed  
27 budget. (Acts 62nd Leg., R.S., Ch. 852, Secs. 13(c), (d).)



1           Sec. 1042.153. FISCAL YEAR. The district's fiscal year is  
2 from October 1 to September 30. (Acts 62nd Leg., R.S., Ch. 852,  
3 Sec. 13(a).)

4           Sec. 1042.154. ANNUAL AUDIT. (a) The board annually shall  
5 require an independent audit of the district's books and records.

6           (b) Not later than December 1 of each year, the board shall  
7 file a copy of the audit with:

8                   (1) the comptroller; and

9                   (2) the district. (Acts 62nd Leg., R.S., Ch. 852, Sec.  
10 12(d).)

11          Sec. 1042.155. DEPOSITORY. (a) The board by resolution  
12 shall designate a bank in Hood County as the district's depository.  
13 A designated bank serves for two years and until a successor is  
14 designated.

15          (b) All district money shall be deposited in the depository  
16 and secured in the manner provided for securing county funds. (Acts  
17 62nd Leg., R.S., Ch. 852, Sec. 16.)

18                   [Sections 1042.156-1042.200 reserved for expansion]

19   SUBCHAPTER E. BONDS

20          Sec. 1042.201. BONDS. The district may issue bonds to:

21                   (1) purchase, construct, acquire, repair, or renovate  
22 buildings or improvements; and

23                   (2) equip buildings for hospital purposes. (Acts 62nd  
24 Leg., R.S., Ch. 852, Secs. 9(a) (part), 10(a) (part).)

25          Sec. 1042.202. TAX TO PAY BONDS. The board may issue bonds  
26 under Section 1042.201 only if the board imposes an ad valorem tax  
27 at a rate sufficient to create an interest and sinking fund to pay

1 the principal of and interest on the bonds as the bonds mature.  
2 (Acts 62nd Leg., R.S., Ch. 852, Sec. 10(c).)

3 Sec. 1042.203. BOND ELECTION. (a) The board may issue  
4 bonds under Section 1042.201 only if the bonds are authorized by a  
5 majority of district voters voting in an election held for that  
6 purpose. The total face value of the bonds may not exceed the amount  
7 specified in the election order.

8 (b) The board may order a bond election at any time.

9 (c) The order calling an election must include:

- 10 (1) the time of the election;
- 11 (2) the location of the polling places;
- 12 (3) the form of the ballots;
- 13 (4) the presiding judge for each polling place;
- 14 (5) the purpose of the bond issuance;
- 15 (6) the amount of the bonds to be authorized;
- 16 (7) the maximum interest rate of the bonds; and
- 17 (8) the maximum maturity of the bonds.

18 (d) A substantial copy of the election order shall be  
19 published in a newspaper of general circulation in the district  
20 once a week for two consecutive weeks before the date of the  
21 election. The first notice must be published not later than the  
22 15th day before the date of the election.

23 (e) A copy of the election results must be filed with the  
24 county clerk and become a public record. (Acts 62nd Leg., R.S., Ch.  
25 852, Secs. 4(b), (c), (d) (part), 9(a) (part), (b), (d), 10(a)  
26 (part).)

27 Sec. 1042.204. MATURITY OF BONDS. District bonds must

1 mature not later than 40 years after the date of issuance. (Acts  
2 62nd Leg., R.S., Ch. 852, Sec. 9(c).)

3 Sec. 1042.205. EXECUTION OF BONDS. (a) The board president  
4 shall execute the district's bonds in the district's name.

5 (b) The board secretary shall countersign the bonds. (Acts  
6 62nd Leg., R.S., Ch. 852, Sec. 10(b) (part).)

7 [Sections 1042.206-1042.250 reserved for expansion]

8 SUBCHAPTER F. TAXES

9 Sec. 1042.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
10 shall impose a tax on all property in the district subject to  
11 district taxation.

12 (b) The tax may be used only to:

13 (1) pay the interest on and create a sinking fund for  
14 bonds issued under this chapter;

15 (2) provide for the operation and maintenance of the  
16 district and hospital system;

17 (3) make improvements and additions to the hospital  
18 system; and

19 (4) acquire sites for additions to the hospital  
20 system. (Acts 62nd Leg., R.S., Ch. 852, Secs. 8(a) (part), (c).)

21 Sec. 1042.252. TAX RATE. The board may impose the tax at a  
22 rate not to exceed 75 cents on each \$100 valuation of all taxable  
23 property in the district. (Acts 62nd Leg., R.S., Ch. 852, Sec. 8(a)  
24 (part).)

25 Sec. 1042.253. TAX ASSESSOR-COLLECTOR. The tax  
26 assessor-collector for Hood County shall collect taxes for the  
27 district. (Acts 62nd Leg., R.S., Ch. 852, Sec. 8(d) (part).)

1           CHAPTER 1043. HOPKINS COUNTY HOSPITAL DISTRICT

2                   SUBCHAPTER A. GENERAL PROVISIONS

3   Sec. 1043.001.   DEFINITIONS

4   Sec. 1043.002.   AUTHORITY FOR OPERATION

5   Sec. 1043.003.   ESSENTIAL PUBLIC FUNCTION; POLITICAL  
6                   SUBDIVISION

7   Sec. 1043.004.   DISTRICT TERRITORY

8   Sec. 1043.005.   CORRECTION OF INVALID PROCEDURES

9           [Sections 1043.006-1043.050 reserved for expansion]

10                  SUBCHAPTER B. DISTRICT ADMINISTRATION

11   Sec. 1043.051.   BOARD ELECTION; TERM

12   Sec. 1043.052.   NOTICE OF ELECTION

13   Sec. 1043.053.   QUALIFICATIONS FOR OFFICE

14   Sec. 1043.054.   BOND; RECORD OF BOND AND OATH OR  
15                   AFFIRMATION OF OFFICE

16   Sec. 1043.055.   BOARD VACANCY

17   Sec. 1043.056.   OFFICERS

18   Sec. 1043.057.   COMPENSATION; EXPENSES

19   Sec. 1043.058.   VOTING REQUIREMENT

20   Sec. 1043.059.   APPOINTMENT AND RECRUITMENT OF STAFF  
21                   AND EMPLOYEES

22   Sec. 1043.060.   MAINTENANCE OF RECORDS; PUBLIC  
23                   INSPECTION

24   Sec. 1043.061.   SEAL

25           [Sections 1043.062-1043.100 reserved for expansion]

26                  SUBCHAPTER C. POWERS AND DUTIES

27   Sec. 1043.101.   DISTRICT RESPONSIBILITY

- 1 Sec. 1043.102. RESTRICTION ON COUNTY OR MUNICIPALITY
- 2                                   TAXATION
- 3 Sec. 1043.103. MANAGEMENT AND CONTROL
- 4 Sec. 1043.104. HOSPITAL SYSTEM
- 5 Sec. 1043.105. RULES
- 6 Sec. 1043.106. PURCHASING AND ACCOUNTING PROCEDURES
- 7 Sec. 1043.107. DISTRICT PROPERTY, FACILITIES, AND
- 8                                   EQUIPMENT
- 9 Sec. 1043.108. PROPERTY, FACILITIES, AND EQUIPMENT FOR
- 10                                   STAFF PHYSICIANS
- 11 Sec. 1043.109. EMINENT DOMAIN
- 12 Sec. 1043.110. GIFTS AND ENDOWMENTS
- 13 Sec. 1043.111. JOINT OWNERSHIP ARRANGEMENT
- 14 Sec. 1043.112. PAYMENT FOR TREATMENT; PROCEDURES
- 15 Sec. 1043.113. NONPROFIT CORPORATION
- 16 Sec. 1043.114. AUTHORITY TO SUE AND BE SUED
- 17                   [Sections 1043.115-1043.150 reserved for expansion]
- 18                                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 19 Sec. 1043.151. BUDGET
- 20 Sec. 1043.152. PROPOSED BUDGET: NOTICE AND HEARING
- 21 Sec. 1043.153. FISCAL YEAR
- 22 Sec. 1043.154. ANNUAL AUDIT
- 23 Sec. 1043.155. DEPOSITORY OR TREASURER
- 24 Sec. 1043.156. AUTHORITY TO BORROW MONEY; SECURITY
- 25                   [Sections 1043.157-1043.200 reserved for expansion]
- 26                                   SUBCHAPTER E. BONDS
- 27 Sec. 1043.201. GENERAL OBLIGATION BONDS

- 1 Sec. 1043.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 2 Sec. 1043.203. GENERAL OBLIGATION BOND ELECTION
- 3 Sec. 1043.204. MATURITY OF GENERAL OBLIGATION BONDS
- 4 Sec. 1043.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 5 Sec. 1043.206. REVENUE BONDS
- 6 Sec. 1043.207. REFUNDING BONDS
- 7 Sec. 1043.208. BONDS EXEMPT FROM TAXATION

8 [Sections 1043.209-1043.250 reserved for expansion]

9 SUBCHAPTER F. TAXES

- 10 Sec. 1043.251. IMPOSITION OF AD VALOREM TAX
- 11 Sec. 1043.252. TAX RATE
- 12 Sec. 1043.253. ELECTION TO INCREASE MAXIMUM TAX RATE
- 13 Sec. 1043.254. TAX ASSESSOR-COLLECTOR

14 [Sections 1043.255-1043.300 reserved for expansion]

15 SUBCHAPTER G. DISSOLUTION

- 16 Sec. 1043.301. DISSOLUTION; ELECTION
- 17 Sec. 1043.302. NOTICE OF ELECTION
- 18 Sec. 1043.303. BALLOT
- 19 Sec. 1043.304. ELECTION RESULTS
- 20 Sec. 1043.305. SALE OR TRANSFER OF ASSETS AND

21 LIABILITIES

22 CHAPTER 1043. HOPKINS COUNTY HOSPITAL DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 1043.001. DEFINITIONS. In this chapter:

25 (1) "Board" means the board of directors of the  
26 district.

27 (2) "Director" means a member of the board.

1           (3) "District" means the Hopkins County Hospital  
2 District. (New.)

3           Sec. 1043.002. AUTHORITY FOR OPERATION. The district  
4 operates under the authority of and has the powers and  
5 responsibilities provided by Section 11, Article IX, Texas  
6 Constitution. (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 1 (part),  
7 5(a) (part).)

8           Sec. 1043.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL  
9 SUBDIVISION. The district is:

10           (1) a public entity performing an essential public  
11 function; and

12           (2) a political subdivision of this state. (Acts 57th  
13 Leg., 1st C.S., Ch. 43, Secs. 6D(d) (part), 18 (part).)

14           Sec. 1043.004. DISTRICT TERRITORY. The boundaries of the  
15 district are coextensive with the boundaries of Hopkins County.  
16 (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 1 (part).)

17           Sec. 1043.005. CORRECTION OF INVALID PROCEDURES. If a  
18 court holds that any procedure under this chapter violates the  
19 constitution of this state or of the United States, the district by  
20 resolution may provide an alternative procedure that conforms with  
21 the constitution. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 19  
22 (part).)

23           [Sections 1043.006-1043.050 reserved for expansion]

24           SUBCHAPTER B. DISTRICT ADMINISTRATION

25           Sec. 1043.051. BOARD ELECTION; TERM. (a) The board  
26 consists of seven elected directors.

27           (b) Directors serve staggered three-year terms.

1 (c) An election shall be held on the uniform election date  
2 in May of each year to elect the appropriate number of directors.  
3 (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 3 (part).)

4 Sec. 1043.052. NOTICE OF ELECTION. At least 10 days before  
5 the date of an election of directors, notice of the election shall  
6 be published one time in a newspaper of general circulation in  
7 Hopkins County. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 3 (part).)

8 Sec. 1043.053. QUALIFICATIONS FOR OFFICE. (a) A person may  
9 not be elected or appointed as a director unless the person is:

- 10 (1) a district resident;  
11 (2) a qualified voter of the district; and  
12 (3) more than 21 years of age at the time of election  
13 or appointment.

14 (b) A district employee may not serve as a director. (Acts  
15 57th Leg., 1st C.S., Ch. 43, Sec. 3 (part).)

16 Sec. 1043.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
17 OF OFFICE. (a) Each director shall execute a good and sufficient  
18 bond for \$1,000 that is:

- 19 (1) payable to the district; and  
20 (2) conditioned on the faithful performance of the  
21 director's duties.

22 (b) Each director's bond and constitutional oath or  
23 affirmation of office shall be deposited with the district's  
24 depository bank for safekeeping. (Acts 57th Leg., 1st C.S., Ch. 43,  
25 Sec. 3 (part).)

26 Sec. 1043.055. BOARD VACANCY. (a) If a vacancy occurs in  
27 the office of director, the remaining directors shall appoint a



1 director for the unexpired term.

2 (b) If the number of directors is reduced to less than the  
3 number that constitutes a majority for any reason, the remaining  
4 directors shall immediately call a special election to fill the  
5 vacancies. If the remaining directors do not call the election, a  
6 district court, on application of a district voter or taxpayer, may  
7 order the directors to hold the election. (Acts 57th Leg., 1st  
8 C.S., Ch. 43, Sec. 3 (part).)

9 Sec. 1043.056. OFFICERS. The board shall elect a  
10 president, vice president, and secretary. (Acts 57th Leg., 1st  
11 C.S., Ch. 43, Sec. 3 (part).)

12 Sec. 1043.057. COMPENSATION; EXPENSES. A director serves  
13 without compensation but may be reimbursed for actual expenses  
14 incurred in the performance of official duties on approval of the  
15 expenses by the entire board. (Acts 57th Leg., 1st C.S., Ch. 43,  
16 Sec. 4 (part).)

17 Sec. 1043.058. VOTING REQUIREMENT. A concurrence of a  
18 majority of the directors is sufficient in any matter relating to  
19 district business. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 3  
20 (part).)

21 Sec. 1043.059. APPOINTMENT AND RECRUITMENT OF STAFF AND  
22 EMPLOYEES. (a) The board may employ a general manager, attorney,  
23 bookkeeper, and architect.

24 (b) The board may spend district money to recruit  
25 physicians, nurses, or other trained medical personnel to the  
26 hospital staff.

27 (c) The board may agree to pay all or part of the tuition or

1 other costs of a medical technician or nursing student who:

2 (1) is enrolled and in good standing in an accredited  
3 hospital, school, or college; and

4 (2) contractually agrees to serve as a district  
5 employee on terms prescribed by the board.

6 (d) Subject to Subsection (e), the board may provide  
7 financial inducements, including income subsidies or guarantees  
8 and reimbursement of relocation expenses, to a full-time medical  
9 intern or resident physician serving in a hospital who  
10 contractually agrees to:

11 (1) reside and practice in Hopkins County; and

12 (2) provide care and treatment to its needy residents.

13 (e) The board may offer financial inducements only to  
14 attract qualified physicians who possess medical expertise that is  
15 not available in the county. (Acts 57th Leg., 1st C.S., Ch. 43,  
16 Secs. 8 (part), 8A.)

17 Sec. 1043.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
18 Except as provided by Section 1043.054, all district records,  
19 including books, accounts, notices, minutes, and all other matters  
20 of the district and the operation of its facilities, shall be:

21 (1) maintained at the district office; and

22 (2) open to public inspection at the district office  
23 at all reasonable hours. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 8  
24 (part).)

25 Sec. 1043.061. SEAL. The board may adopt a seal for the  
26 district. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 8 (part).)

27 [Sections 1043.062-1043.100 reserved for expansion]

1                   SUBCHAPTER C. POWERS AND DUTIES

2           Sec. 1043.101. DISTRICT RESPONSIBILITY. The district has  
3 full responsibility for providing medical and hospital care for the  
4 district's needy and indigent residents. (Acts 57th Leg., 1st  
5 C.S., Ch. 43, Sec. 13 (part).)

6           Sec. 1043.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
7 TAXATION. Hopkins County or a municipality in Hopkins County may  
8 not impose a tax for hospital purposes. (Acts 57th Leg., 1st C.S.,  
9 Ch. 43, Sec. 13 (part).)

10          Sec. 1043.103. MANAGEMENT AND CONTROL. The management and  
11 control of the district is vested in the board. (Acts 57th Leg.,  
12 1st C.S., Ch. 43, Sec. 4 (part).)

13          Sec. 1043.104. HOSPITAL SYSTEM. The district may provide  
14 for the establishment of a hospital or hospital system to provide  
15 medical and hospital care to the district's needy residents. (Acts  
16 57th Leg., 1st C.S., Ch. 43, Sec. 2 (part).)

17          Sec. 1043.105. RULES. (a) The board may adopt rules  
18 governing the operation of the district, including district  
19 facilities.

20           (b) On approval by the board, the rules may be published in  
21 booklet form at district expense and made available to any taxpayer  
22 on request. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 8 (part).)

23          Sec. 1043.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
24 The board may prescribe the method and manner of making purchases  
25 and expenditures by and for the district.

26           (b) The board shall prescribe:

27               (1) all accounting and control procedures; and

1           (2) the method of purchasing necessary supplies,  
2 materials, and equipment. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 8  
3 (part).)

4           Sec. 1043.107. DISTRICT PROPERTY, FACILITIES, AND  
5 EQUIPMENT. (a) The board shall determine the type, number, and  
6 location, either inside or outside the district, of facilities  
7 required to maintain an adequate hospital system and ancillary  
8 health care system and the type of equipment necessary for  
9 hospital care and ancillary health care services, including:

10           (1) domiciliary care and treatment of sick or injured  
11 patients;

12           (2) geriatric services;

13           (3) outpatient clinics;

14           (4) rural health clinics;

15           (5) convalescent home facilities;

16           (6) physician's offices;

17           (7) home health services;

18           (8) durable medical equipment;

19           (9) long-term care;

20           (10) skilled nursing care;

21           (11) intermediate nursing care;

22           (12) hospice care;

23           (13) ambulatory surgery centers;

24           (14) urgent care facilities;

25           (15) operation of a mobile emergency medical service;

26           (16) extended care facilities;

27           (17) assisted living facilities; and

1           (18) any other facility or equipment the board  
2 considers necessary for the delivery of hospital, medical, and  
3 ancillary health care services.

4           (b) The board may:

5           (1) acquire by lease, purchase, or lease to purchase  
6 property, including facilities, supplies, and equipment, for the  
7 district for use in the hospital system and ancillary health care  
8 system; and

9           (2) mortgage or pledge the property as security for  
10 the payment of the purchase price.

11           (c) The board may lease, sell, or otherwise dispose of all  
12 or part of the district's property for the district, including  
13 facilities, supplies, or equipment, to a public or private entity,  
14 but only to the extent necessary to maintain an adequate hospital  
15 system for the residents of Hopkins County. (Acts 57th Leg., 1st  
16 C.S., Ch. 43, Sec. 6C.)

17           Sec. 1043.108. PROPERTY, FACILITIES, AND EQUIPMENT FOR  
18 STAFF PHYSICIANS. (a) The board shall determine the type, number,  
19 and location of buildings required to establish and maintain office  
20 facilities for staff physicians as necessary to provide adequate  
21 medical care.

22           (b) The board may:

23           (1) acquire property, including equipment, and  
24 construct facilities for the district for use by staff physicians;  
25 and

26           (2) mortgage or pledge the property or facilities as  
27 security for the payment of the purchase or construction price.

1 (c) The board for the district may:

2 (1) lease the office facilities and equipment to staff  
3 physicians; and

4 (2) sell or otherwise dispose of the property,  
5 including facilities and equipment. (Acts 57th Leg., 1st C.S., Ch.  
6 43, Sec. 6A.)

7 Sec. 1043.109. EMINENT DOMAIN. (a) The district may  
8 exercise the power of eminent domain to acquire a fee simple or  
9 other interest in any type of property, real, personal, or mixed,  
10 located in district territory, if the interest is necessary or  
11 convenient for the district to exercise a right, power, privilege,  
12 or function conferred on the district by this chapter.

13 (b) The district must exercise the power of eminent domain  
14 in the manner provided by Chapter 21, Property Code, except the  
15 district is not required to deposit in the trial court money or a  
16 bond as provided by Section 21.021(a), Property Code.

17 (c) In a condemnation proceeding brought by the district,  
18 the district is not required to:

19 (1) pay in advance or provide a bond or other security  
20 for costs in the trial court;

21 (2) provide a bond for the issuance of a temporary  
22 restraining order or a temporary injunction; or

23 (3) provide a bond for costs or a supersedeas bond on  
24 an appeal or writ of error. (Acts 57th Leg., 1st C.S., Ch. 43, Sec.  
25 10.)

26 Sec. 1043.110. GIFTS AND ENDOWMENTS. The board may accept  
27 for the district a gift or endowment to be held in trust and

1 administered by the board for any nonprofit purpose and under the  
2 directions, limitations, or other provisions prescribed in writing  
3 by the donor that are not inconsistent with the proper management  
4 and objectives of the district. (Acts 57th Leg., 1st C.S., Ch. 43,  
5 Sec. 16.)

6 Sec. 1043.111. JOINT OWNERSHIP ARRANGEMENT. (a) The board  
7 may enter into a joint ownership arrangement for the district with  
8 one or more public or private entities for:

9 (1) the provision of management or operating services;  
10 and

11 (2) the ownership of all or part of real property,  
12 facilities, equipment, or supplies.

13 (b) Before the board enters into the arrangement, the board  
14 must determine that the arrangement is:

15 (1) in the district's best interest; and

16 (2) for a public purpose of the district. (Acts 57th  
17 Leg., 1st C.S., Ch. 43, Sec. 7A.)

18 Sec. 1043.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
19 When a patient is admitted to a district facility, the board shall  
20 have an inquiry made into the circumstances of:

21 (1) the patient; and

22 (2) the patient's relatives who are legally liable for  
23 the patient's support.

24 (b) The district without charge shall provide to a patient  
25 who resides in the district the care and treatment that the patient  
26 or a relative of the patient who is legally responsible for the  
27 patient's support cannot pay.

1           (c) If it is determined that the patient or those relatives  
2 are liable to pay for all or part of the costs of the patient's care  
3 and treatment, the patient or those relatives shall be ordered to  
4 pay to the district's treasurer a specified amount each week for the  
5 patient's support. The amount ordered must be proportionate to the  
6 person's financial ability and may not exceed the actual per capita  
7 cost of maintenance.

8           (d) The district may collect the amount from the patient's  
9 estate, or from any relative who is legally liable for the patient's  
10 support, in the manner provided by law for the collection of  
11 expenses of the last illness of a deceased person.

12           (e) If there is a dispute as to the ability to pay, or doubt  
13 in the mind of the district's designated agent, the board shall hold  
14 a hearing and, after calling witnesses, shall:

15                   (1) resolve the dispute or doubt; and

16                   (2) issue an appropriate order.

17           (f) Either party to the dispute may appeal the order to the  
18 district court. (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 14(a),  
19 (c), (d), (e), (f).)

20           Sec. 1043.113. NONPROFIT CORPORATION. (a) The district may  
21 become a member of a nonprofit corporation or enter into an  
22 agreement with a nonprofit corporation to serve the purposes of  
23 this chapter. Under an agreement with a nonprofit corporation, the  
24 district may require that:

25                   (1) the nonprofit corporation grant the district the  
26 power to appoint one or more members of the corporation's board of  
27 directors;



1           (2) the nonprofit corporation obtain the district's  
2 consent before changing the corporation's articles of  
3 incorporation or bylaws or before taking other action; and

4           (3) the district receive all or part of the net assets  
5 of the nonprofit corporation on the corporation's dissolution,  
6 merger, or consolidation.

7           (b) The district is not liable for any debt, obligation, or  
8 other liability of the nonprofit corporation.

9           (c) This section does not affect the district's authority to  
10 make payments to or otherwise provide money to the nonprofit  
11 corporation. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 6B.)

12           Sec. 1043.114. AUTHORITY TO SUE AND BE SUED. As a  
13 governmental agency, the district may sue and be sued in its own  
14 name in any court of this state. (Acts 57th Leg., 1st C.S., Ch. 43,  
15 Sec. 18 (part).)

16           [Sections 1043.115-1043.150 reserved for expansion]

17           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18           Sec. 1043.151. BUDGET. The board annually shall require a  
19 budget to be prepared for the next fiscal year that includes:

- 20           (1) proposed expenditures and disbursements;  
21           (2) estimated receipts and collections; and  
22           (3) the amount of taxes required to be imposed for the  
23 year. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 9 (part).)

24           Sec. 1043.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
25 The board shall hold a public hearing on the proposed budget.

26           (b) Notice of the hearing must be published at least once in  
27 a newspaper of general circulation in Hopkins County not later than

1 the 10th day before the date of the hearing.

2 (c) Any district taxpayer is entitled to:

3 (1) appear at the time and place designated in the  
4 notice; and

5 (2) be heard regarding any item included in the  
6 proposed budget. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 9 (part).)

7 Sec. 1043.153. FISCAL YEAR. The district operates on a  
8 fiscal year that begins on October 1 and ends on September 30.  
9 (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 9 (part).)

10 Sec. 1043.154. ANNUAL AUDIT. (a) The board annually shall  
11 have an independent audit made of the district's books and records  
12 for the fiscal year.

13 (b) Not later than December 31 each year, the audit shall be  
14 filed:

15 (1) with the comptroller; and

16 (2) at the district office. (Acts 57th Leg., 1st C.S.,  
17 Ch. 43, Sec. 9 (part).)

18 Sec. 1043.155. DEPOSITORY OR TREASURER. (a) The board by  
19 resolution shall designate a bank or banks in Hopkins County as the  
20 district's depository or treasurer. A designated bank serves for  
21 two years and until a successor is designated.

22 (b) All income received by the district shall be deposited  
23 with the district depository.

24 (c) All district money shall be secured in the manner  
25 provided for securing county funds. (Acts 57th Leg., 1st C.S., Ch.  
26 43, Subsec. (a), Sec. 5 (part), Sec. 11.)

27 Sec. 1043.156. AUTHORITY TO BORROW MONEY; SECURITY. (a) If

1 the board declares that money is not available to meet authorized  
2 district obligations, the board may:

3 (1) by majority vote borrow money to satisfy the  
4 obligations in an amount not to exceed, at any one time in the  
5 aggregate, 10 percent of the annual district operational expenses  
6 for the prior fiscal year; and

7 (2) by unanimous vote borrow additional money if the  
8 obligations exceed the amount described by Subdivision (1).

9 (b) To secure a loan, the board may pledge:

10 (1) district revenue that is not pledged to pay the  
11 district's bonded indebtedness; or

12 (2) a district tax to be imposed by the district in the  
13 next 12-month period that is not pledged to pay the principal of or  
14 interest on district bonds.

15 (c) A loan for which taxes are pledged must mature and be  
16 paid not later than the first anniversary of the date the loan is  
17 made.

18 (d) The board may not spend money obtained from a loan under  
19 this section for any purpose other than:

20 (1) the purpose for which the board declared an  
21 emergency; and

22 (2) if district taxes are pledged to pay the loan, the  
23 purposes for which the pledged taxes were imposed. (Acts 57th Leg.,  
24 1st C.S., Ch. 43, Sec. 8B.)

25 [Sections 1043.157-1043.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1043.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith  
2 and credit of the district for any purpose relating to:

3 (1) the purchase, construction, acquisition, repair,  
4 or renovation of buildings or improvements, including medical  
5 facilities; and

6 (2) equipping buildings or improvements for hospital  
7 or medical purposes. (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 5(a)  
8 (part), 6 (part).)

9 Sec. 1043.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)  
10 The board shall impose an ad valorem tax at a rate sufficient to  
11 create an interest and sinking fund to pay the principal of and  
12 interest on general obligation bonds issued by the district under  
13 Section 1043.201 as the bonds mature.

14 (b) The tax required by this section together with any other  
15 ad valorem tax the district imposes may not in any year exceed:

16 (1) 25 cents on each \$100 valuation of all taxable  
17 property in the district; or

18 (2) the maximum tax rate approved under Section  
19 1043.253, which may not exceed 75 cents on each \$100 valuation of  
20 all taxable property in the district. (Acts 57th Leg., 1st C.S.,  
21 Ch. 43, Secs. 5(a) (part), 6 (part).)

22 Sec. 1043.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
23 district may issue general obligation bonds only if the bonds are  
24 authorized by a majority of the district voters voting at an  
25 election held for that purpose.

26 (b) The board may order the election on its own motion.

27 (c) The order calling the election must specify:

- 1 (1) the location of the polling places;
- 2 (2) the presiding election officers;
- 3 (3) the purpose of the bond issuance;
- 4 (4) the amount of the bonds to be authorized;
- 5 (5) the maximum interest rate of the bonds; and
- 6 (6) the maximum maturity of the bonds.

7 (d) Notice of a bond election shall be given by publishing a  
8 substantial copy of the order calling the election in a newspaper of  
9 general circulation in Hopkins County once a week for two  
10 consecutive weeks before the date of the election. The first  
11 publication must occur at least 14 days before the date of the  
12 election. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 6 (part).)

13 Sec. 1043.204. MATURITY OF GENERAL OBLIGATION BONDS.  
14 District general obligation bonds must mature not later than 40  
15 years after the date of issuance. (Acts 57th Leg., 1st C.S., Ch.  
16 43, Sec. 6 (part).)

17 Sec. 1043.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
18 The board president shall execute the general obligation bonds in  
19 the district's name.

20 (b) The board secretary shall countersign the bonds. (Acts  
21 57th Leg., 1st C.S., Ch. 43, Sec. 6 (part).)

22 Sec. 1043.206. REVENUE BONDS. (a) The board may issue  
23 revenue bonds to:

24 (1) purchase, construct, acquire, repair, or renovate  
25 buildings or improvements, including necessary equipment and  
26 furnishings, for hospital purposes and the hospital system;

27 (2) acquire sites to be used for hospital purposes; or

1           (3) acquire and operate a mobile emergency medical or  
2 air ambulance service to assist the district in carrying out its  
3 hospital purpose.

4           (b) The bonds may be secured by a mortgage or deed of trust  
5 lien on all or part of district property.

6           (c) The bonds must be issued in the manner provided by  
7 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
8 Code, for issuance of revenue bonds by a county hospital authority.  
9 (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 6D(a), (b) (part), (c).)

10          Sec. 1043.207. REFUNDING BONDS. (a) The board may, without  
11 an election, issue refunding bonds to refund outstanding bonds  
12 issued or assumed by the district.

13          (b) A refunding bond may be:

14           (1) sold, with the proceeds of the refunding bond  
15 applied to the payment of the bonds to be refunded; or

16           (2) exchanged wholly or partly for not less than a  
17 similar amount of outstanding bonds and the unpaid matured interest  
18 on the bonds. (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 6 (part).)

19          Sec. 1043.208. BONDS EXEMPT FROM TAXATION. The following  
20 are exempt from taxation by this state or a political subdivision of  
21 this state:

22           (1) bonds issued by the district;

23           (2) any transaction relating to the bonds; and

24           (3) profits made in the sale of the bonds. (Acts 57th  
25 Leg., 1st C.S., Ch. 43, Sec. 6D(d) (part).)

26           [Sections 1043.209-1043.250 reserved for expansion]

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SUBCHAPTER F. TAXES

Sec. 1043.251. IMPOSITION OF AD VALOREM TAX. (a) On final approval of the annual budget, the board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used for all hospital district purposes mentioned in this chapter and in Section 11, Article IX, Texas Constitution, including to:

(1) pay the indebtedness issued or assumed by the district; and

(2) maintain and operate the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds. (Acts 57th Leg., 1st C.S., Ch. 43, Subsec. (a), Sec. 5 (part), Secs. 5(a) (part), 6D(b) (part), 9 (part).)

Sec. 1043.252. TAX RATE. The board may impose the tax at a rate not to exceed 25 cents on each \$100 valuation of all taxable property in the district unless the tax rate is increased as provided by Section 1043.253. (Acts 57th Leg., 1st C.S., Ch. 43, Subsec. (a), Sec. 5 (part), Sec. 5(a) (part).)

Sec. 1043.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a) The board may order an election to increase the district's maximum tax rate to a rate not to exceed 75 cents on each \$100 valuation of taxable property in the district.

(b) The maximum tax rate may not be increased unless the increase is approved by a majority of the district voters voting in an election held for that purpose.

(c) The board shall give notice in the manner provided for a

1 bond election under Section 1043.203. (Acts 57th Leg., 1st C.S.,  
2 Ch. 43, Sec. 5(a) (part).)

3 Sec. 1043.254. TAX ASSESSOR-COLLECTOR. (a) Except as  
4 provided by Subsection (b), the tax assessor-collector of Hopkins  
5 County shall assess and collect taxes imposed by the district.

6 (b) The board may provide for the appointment of a tax  
7 assessor-collector for the district or may contract for the  
8 assessment and collection of taxes as provided by the Tax Code.  
9 (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 5(a) (part), (b) (part),  
10 (part).)

11 [Sections 1043.255-1043.300 reserved for expansion]

12 SUBCHAPTER G. DISSOLUTION

13 Sec. 1043.301. DISSOLUTION; ELECTION. (a) The district  
14 may be dissolved and the district's assets and liabilities sold or  
15 transferred to another person only on approval of a majority of the  
16 district voters voting at an election held for that purpose.

17 (b) The board may order an election on the question of  
18 dissolving the district and transferring the district's assets and  
19 liabilities.

20 (c) The board shall order an election if the board receives  
21 a petition requesting an election that is signed by a number of  
22 district residents equal to at least 15 percent of the registered  
23 voters in the district, according to the most recent official list  
24 of registered voters.

25 (d) The order calling the election must state:

26 (1) the nature of the election, including the  
27 proposition to appear on the ballot;



- 1           (2) the date of the election;
- 2           (3) the hours during which the polls will be open; and
- 3           (4) the location of the polling places.

4           (e) Section 41.001(a), Election Code, does not apply to an  
5 election ordered under this section. (Acts 57th Leg., 1st C.S., Ch.  
6 43, Secs. 21(a), (b), (c) (part), (d), (g).)

7           Sec. 1043.302. NOTICE OF ELECTION. (a) The board shall  
8 give notice of an election under this subchapter by publishing once  
9 a week for two consecutive weeks a substantial copy of the election  
10 order in a newspaper with general circulation in the district.

11           (b) The first publication of the notice must appear at least  
12 35 days before the date set for the election. (Acts 57th Leg., 1st  
13 C.S., Ch. 43, Sec. 21(e).)

14           Sec. 1043.303. BALLOT. The ballot for an election under  
15 this subchapter must be printed to permit voting for or against the  
16 proposition: "The dissolution of the Hopkins County Hospital  
17 District and the transfer of its assets and liabilities in the  
18 following manner: \_\_\_\_\_ (insert provisions for transfer)."  
19 (Acts 57th Leg., 1st C.S., Ch. 43, Sec. 21(h).)

20           Sec. 1043.304. ELECTION RESULTS. (a) If the board finds  
21 the election results favor the proposition to dissolve the  
22 district, the board shall:

23           (1) issue an order declaring the district dissolved;  
24 and

25           (2) proceed with the sale or transfer of the district's  
26 assets and liabilities according to the plan proposed on the  
27 ballot.

1           (b) If the board finds the election results do not favor the  
2 proposition to dissolve the district, another dissolution election  
3 may not be held before the first anniversary of the date of the  
4 election in which voters disapproved the proposition. (Acts 57th  
5 Leg., 1st C.S., Ch. 43, Secs. 21(j), (k).)

6           Sec. 1043.305. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

7           (a) The district may not be dissolved unless the board provides for  
8 the sale or transfer of the district's assets and liabilities to  
9 another person.

10           (b) The dissolution of the district and the sale or transfer  
11 of the district's assets and liabilities may not:

12                 (1) contravene a trust indenture or bond resolution  
13 relating to the district's outstanding bonds; or

14                 (2) diminish or impair the rights of the holders of any  
15 outstanding bonds, warrants, or other obligations of the district.

16           (c) The sale or transfer of the district's assets and  
17 liabilities must satisfy the debt and bond obligations of the  
18 district in a manner that protects the interests of district  
19 residents, including the residents' collective property rights in  
20 the district's assets.

21           (d) The district may not transfer or dispose of the  
22 district's assets except for due compensation unless:

23                 (1) the transfer is made to another governmental  
24 agency that serves the district; and

25                 (2) the transferred assets are to be used for the  
26 benefit of the district's residents.

27           (e) A grant from federal funds is an obligation to be repaid

1 in satisfaction. (Acts 57th Leg., 1st C.S., Ch. 43, Secs. 21(1),  
2 (m).)

3 CHAPTER 1044. HUNT MEMORIAL HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1044.001. DEFINITIONS

6 Sec. 1044.002. AUTHORITY FOR OPERATION

7 Sec. 1044.003. POLITICAL SUBDIVISION

8 Sec. 1044.004. DISTRICT TERRITORY

9 Sec. 1044.005. CORRECTION OF INVALID PROCEDURES

10 Sec. 1044.006. PUBLIC PURPOSE; TAX EXEMPTION

11 [Sections 1044.007-1044.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1044.051. BOARD ELECTION; TERM

14 Sec. 1044.052. NOTICE OF ELECTION

15 Sec. 1044.053. BALLOT PETITION

16 Sec. 1044.054. QUALIFICATIONS FOR CANDIDACY

17 Sec. 1044.055. BOND; RECORD OF BOND AND OATH OR

18 AFFIRMATION OF OFFICE

19 Sec. 1044.056. BOARD VACANCY

20 Sec. 1044.057. OFFICERS

21 Sec. 1044.058. COMPENSATION; EXPENSES

22 Sec. 1044.059. VOTING REQUIREMENT

23 Sec. 1044.060. EMPLOYEES

24 Sec. 1044.061. MAINTENANCE OF RECORDS; PUBLIC

25 INSPECTION

26 Sec. 1044.062. SEAL

27 [Sections 1044.063-1044.100 reserved for expansion]

1                                   SUBCHAPTER C. POWERS AND DUTIES  
2   Sec. 1044.101.   DISTRICT RESPONSIBILITY  
3   Sec. 1044.102.   RESTRICTION ON POLITICAL SUBDIVISION  
4                                   TAXATION  
5   Sec. 1044.103.   MEDICAL FACILITIES; LEGISLATIVE INTENT  
6   Sec. 1044.104.   RULES  
7   Sec. 1044.105.   PURCHASING AND ACCOUNTING PROCEDURES  
8   Sec. 1044.106.   EMINENT DOMAIN  
9   Sec. 1044.107.   GIFTS AND ENDOWMENTS  
10   Sec. 1044.108.   PAYMENT FOR TREATMENT; PROCEDURES  
11   Sec. 1044.109.   AUTHORITY TO SUE AND BE SUED  
12                    [Sections 1044.110-1044.150 reserved for expansion]  
13                                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
14   Sec. 1044.151.   BUDGET  
15   Sec. 1044.152.   PROPOSED BUDGET: NOTICE AND HEARING  
16   Sec. 1044.153.   FISCAL YEAR  
17   Sec. 1044.154.   ANNUAL AUDIT  
18   Sec. 1044.155.   DEPOSITORY  
19                    [Sections 1044.156-1044.200 reserved for expansion]  
20                                   SUBCHAPTER E. BONDS  
21   Sec. 1044.201.   GENERAL OBLIGATION BONDS  
22   Sec. 1044.202.   TAX TO PAY GENERAL OBLIGATION BONDS  
23   Sec. 1044.203.   GENERAL OBLIGATION BOND ELECTION  
24   Sec. 1044.204.   MATURITY OF GENERAL OBLIGATION BONDS  
25   Sec. 1044.205.   EXECUTION OF GENERAL OBLIGATION BONDS  
26                    [Sections 1044.206-1044.250 reserved for expansion]

SUBCHAPTER F. TAXES

Sec. 1044.251. IMPOSITION OF AD VALOREM TAX

Sec. 1044.252. TAX RATE

Sec. 1044.253. TAX ASSESSOR-COLLECTOR

CHAPTER 1044. HUNT MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1044.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Hunt Memorial Hospital District. (New.)

Sec. 1044.002. AUTHORITY FOR OPERATION. The district operates in accordance with Section 9, Article IX, Texas Constitution. (Acts 60th Leg., R.S., Ch. 125, Sec. 1.)

Sec. 1044.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state. (Acts 60th Leg., R.S., Ch. 125, Sec. 18 (part).)

Sec. 1044.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hunt County. (Acts 60th Leg., R.S., Ch. 125, Sec. 4A(f) (part).)

Sec. 1044.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution. (Acts 60th Leg., R.S., Ch. 125, Sec. 21 (part); Acts 61st Leg., R.S., Ch. 853, Sec. 2 (part).)

1           Sec. 1044.006. PUBLIC PURPOSE; TAX EXEMPTION. All property  
2 owned by the district:

3                   (1) shall be held for public purposes; and

4                   (2) is exempt from taxation of every character. (Acts  
5 60th Leg., R.S., Chapter 125, Sec. 18 (part).)

6           [Sections 1044.007-1044.050 reserved for expansion]

7                   SUBCHAPTER B. DISTRICT ADMINISTRATION

8           Sec. 1044.051. BOARD ELECTION; TERM. (a) The board  
9 consists of nine directors elected as follows:

10                   (1) two directors elected from each county  
11 commissioners precinct; and

12                   (2) one director elected from the district at large.

13                   (b) The two candidates from each county commissioners  
14 precinct receiving the highest number of votes from that precinct  
15 are elected as directors from that precinct. The candidate from the  
16 district at large receiving the highest number of votes from the  
17 district at large is elected as the director from the district at  
18 large.

19                   (c) Directors serve staggered four-year terms.

20                   (d) The board shall provide for clerks as in county  
21 elections.

22                   (e) The board shall enter an order declaring the results of  
23 the election. (Acts 60th Leg., R.S., Ch. 125, Secs. 3 (part), 4  
24 (part).)

25           Sec. 1044.052. NOTICE OF ELECTION. At least 10 days before  
26 the date of an election of directors, notice of the election shall  
27 be published at least one time in a newspaper of general circulation

1 in the district. (Acts 60th Leg., R.S., Ch. 125, Sec. 4 (part).)

2           Sec. 1044.053. BALLOT PETITION. A person who wants to have  
3 the person's name printed on the ballot as a candidate for director  
4 must file with the board secretary a petition requesting that  
5 action. The petition must:

6           (1) be signed by at least 25 registered voters who  
7 reside in the district;

8           (2) be filed at least 31 days before the date of the  
9 election; and

10           (3) specify the county commissioners precinct the  
11 candidate wants to represent or specify that the candidate wants to  
12 represent the district at large. (Acts 60th Leg., R.S., Ch. 125,  
13 Sec. 3 (part).)

14           Sec. 1044.054. QUALIFICATIONS FOR CANDIDACY. (a) A person  
15 may not be a candidate for director from the district at large  
16 unless the person is a qualified voter of the district.

17           (b) A person may not be a candidate for director for a county  
18 commissioners precinct unless the person is a qualified voter of  
19 that precinct. (Acts 60th Leg., R.S., Ch. 125, Sec. 3 (part).)

20           Sec. 1044.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
21 OF OFFICE. (a) Each director shall execute a good and sufficient  
22 bond for \$1,000 that is:

23           (1) payable to the district; and

24           (2) conditioned on the faithful performance of the  
25 director's duties.

26           (b) Each director's bond and constitutional oath or  
27 affirmation of office shall be deposited with the district's

1 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 125,  
2 Sec. 4 (part).)

3 Sec. 1044.056. BOARD VACANCY. If a vacancy occurs on the  
4 board, the majority of the remaining directors shall appoint a  
5 director for the unexpired term. (Acts 60th Leg., R.S., Ch. 125,  
6 Sec. 4 (part).)

7 Sec. 1044.057. OFFICERS. The board shall elect:

8 (1) a president and a secretary from among its  
9 members; and

10 (2) any other officers the board requires. (Acts 60th  
11 Leg., R.S., Ch. 125, Sec. 4 (part).)

12 Sec. 1044.058. COMPENSATION; EXPENSES. A director serves  
13 without compensation but may be reimbursed for actual expenses  
14 incurred in the performance of official duties on approval of the  
15 expenses by the board. (Acts 60th Leg., R.S., Ch. 125, Sec. 4  
16 (part).)

17 Sec. 1044.059. VOTING REQUIREMENT. A concurrence of a  
18 majority of the directors present is sufficient in any matter  
19 relating to district business. (Acts 60th Leg., R.S., Ch. 125, Sec.  
20 4 (part).)

21 Sec. 1044.060. EMPLOYEES. The board may employ a general  
22 manager, attorneys, bookkeepers, architects, or any other  
23 employees or consultants considered necessary for the efficient  
24 financing, development, and operation of the district. (Acts 60th  
25 Leg., R.S., Ch. 125, Sec. 9 (part).)

26 Sec. 1044.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
27 Except as provided by Section 1044.055, all district records,



1 including books, accounts, notices, minutes, and all other matters  
2 of the district and the operation of its facilities, shall be:

- 3 (1) maintained at the district office; and  
4 (2) open to public inspection at the district office  
5 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 125, Sec. 9  
6 (part).)

7 Sec. 1044.062. SEAL. The board may adopt a seal for the  
8 district. (Acts 60th Leg., R.S., Ch. 125, Sec. 9 (part).)

9 [Sections 1044.063-1044.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 1044.101. DISTRICT RESPONSIBILITY. The district has  
12 full responsibility for providing medical and hospital care for the  
13 district's needy and indigent residents. (Acts 60th Leg., R.S., Ch.  
14 125, Secs. 2, 14 (part).)

15 Sec. 1044.102. RESTRICTION ON POLITICAL SUBDIVISION  
16 TAXATION. Hunt County or a political subdivision with boundaries  
17 that overlap the district's boundaries may not impose a tax on  
18 property in the district for hospital purposes. (Acts 60th Leg.,  
19 R.S., Ch. 125, Sec. 14 (part).)

20 Sec. 1044.103. MEDICAL FACILITIES; LEGISLATIVE INTENT. It  
21 is the intent of the legislature that the people of Hunt County be  
22 provided with the best and most modern health care available. To  
23 achieve that intent, the district may provide a medical facility in  
24 the city of Commerce and in other areas of Hunt County if the board  
25 finds that providing a facility is feasible and in the best interest  
26 of district residents. (Acts 60th Leg., R.S., Ch. 125, Sec. 1A.)

27 Sec. 1044.104. RULES. (a) The board may adopt rules

1 governing the operation of the district, including district  
2 facilities.

3 (b) On approval by the board, the rules may be published in  
4 booklet form at district expense and made available to any taxpayer  
5 on request. (Acts 60th Leg., R.S., Ch. 125, Sec. 9 (part).)

6 Sec. 1044.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
7 The board may prescribe the method and manner of making purchases  
8 and expenditures by and for the district.

9 (b) The board shall prescribe:

10 (1) all accounting and control procedures; and

11 (2) the method of purchasing necessary supplies,  
12 materials, and equipment. (Acts 60th Leg., R.S., Ch. 125, Sec. 9  
13 (part).)

14 Sec. 1044.106. EMINENT DOMAIN. (a) The district may  
15 exercise the power of eminent domain to acquire a fee simple or  
16 other interest in any type of property, real, personal, or mixed,  
17 located in district territory, if the interest is necessary or  
18 convenient for the district to exercise a right, power, privilege,  
19 or function conferred on the district by this chapter.

20 (b) The district must exercise the power of eminent domain  
21 in the manner provided by Chapter 21, Property Code, except the  
22 district is not required to deposit in the trial court money or a  
23 bond as provided by Section 21.021(a), Property Code.

24 (c) In a condemnation proceeding brought by the district,  
25 the district is not required to:

26 (1) pay in advance or provide a bond or other security  
27 for costs in the trial court;

1           (2) provide a bond for the issuance of a temporary  
2 restraining order or a temporary injunction; or

3           (3) provide a bond for costs or a supersedeas bond on  
4 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 125, Sec.  
5 11.)

6           Sec. 1044.107. GIFTS AND ENDOWMENTS. The board may accept  
7 for the district a gift or endowment to be held in trust and  
8 administered by the board for the purposes and under the  
9 directions, limitations, or other provisions prescribed in writing  
10 by the donor that are not inconsistent with the proper management  
11 and objectives of the district. (Acts 60th Leg., R.S., Ch. 125,  
12 Sec. 16.)

13           Sec. 1044.108. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
14 When a patient who resides in the district is admitted to a district  
15 facility, the board shall have an inquiry made into the  
16 circumstances of:

17           (1) the patient; and

18           (2) the patient's relatives who are legally liable for  
19 the patient's support.

20           (b) If an agent designated by the district to handle the  
21 inquiry determines that the patient or those relatives cannot pay  
22 all or part of the costs of the care and treatment in the hospital,  
23 the amount of the costs that cannot be paid becomes a charge against  
24 the district.

25           (c) If the board determines that the patient or those  
26 relatives are liable to pay for all or part of the costs of the  
27 patient's care and treatment, the patient or those relatives shall

1 be ordered to pay to the district's treasurer a specified amount  
2 each week for the patient's support. The amount ordered must be  
3 proportionate to the person's financial ability and may not exceed  
4 the actual per capita cost of maintenance.

5 (d) The district may collect the amount from the patient's  
6 estate, or from any relative who is legally liable for the patient's  
7 support, in the manner provided by law for the collection of  
8 expenses of the last illness of a deceased person.

9 (e) If there is a dispute as to the ability to pay, or doubt  
10 in the mind of the district's designated agent, the board shall hold  
11 a hearing and, after calling witnesses, shall:

12 (1) resolve the dispute or doubt; and

13 (2) issue an appropriate order.

14 (f) Either party to the dispute may appeal the order to the  
15 district court. (Acts 60th Leg., R.S., Ch. 125, Sec. 15.)

16 Sec. 1044.109. AUTHORITY TO SUE AND BE SUED. As a  
17 governmental agency, the district may sue and be sued in its own  
18 name in any court of this state. (Acts 60th Leg., R.S., Ch. 125,  
19 Sec. 18 (part).)

20 [Sections 1044.110-1044.150 reserved for expansion]

21 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

22 Sec. 1044.151. BUDGET. The board annually shall require a  
23 budget to be prepared for the next fiscal year that includes:

24 (1) proposed expenditures and disbursements;

25 (2) estimated receipts and collections; and

26 (3) the amount of taxes required to be imposed for the  
27 year. (Acts 60th Leg., R.S., Ch. 125, Sec. 10 (part).)

1           Sec. 1044.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)

2 The board shall hold a public hearing on the proposed budget.

3           (b) Notice of the hearing must be published at least once in  
4 a newspaper of general circulation in Hunt County not later than the  
5 10th day before the date of the hearing.

6           (c) Any district taxpayer is entitled to:

7                 (1) appear at the time and place designated in the  
8 notice; and

9                 (2) be heard regarding any item included in the  
10 proposed budget. (Acts 60th Leg., R.S., Ch. 125, Sec. 10 (part).)

11           Sec. 1044.153. FISCAL YEAR. The district operates on a  
12 fiscal year that begins on October 1 and ends on September 30.  
13 (Acts 60th Leg., R.S., Ch. 125, Sec. 10 (part).)

14           Sec. 1044.154. ANNUAL AUDIT. (a) The board annually shall  
15 have an independent audit made of the district's books and records  
16 for the fiscal year.

17           (b) Not later than December 31 each year, the audit shall be  
18 filed:

19                 (1) with the comptroller; and

20                 (2) at the district office. (Acts 60th Leg., R.S., Ch.  
21 125, Sec. 10 (part).)

22           Sec. 1044.155. DEPOSITORY. (a) The board by resolution  
23 shall designate a bank in Hunt County as the district's depository.  
24 A designated bank serves for five years until a successor is  
25 designated.

26           (b) All income received by the district shall be deposited  
27 with the district depository.

1 (c) All district money shall be secured in the manner  
2 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 125,  
3 Secs. 5 (part), 12.)

4 [Sections 1044.156-1044.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1044.201. GENERAL OBLIGATION BONDS. The board may  
7 issue and sell general obligation bonds in the name and on the faith  
8 and credit of the district for any purpose relating to:

9 (1) the purchase, construction, acquisition, repair,  
10 or renovation of buildings or improvements; and

11 (2) equipping buildings or improvements for hospital  
12 purposes. (Acts 60th Leg., R.S., Ch. 125, Sec. 6 (part).)

13 Sec. 1044.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)  
14 The board shall impose an ad valorem tax at a rate sufficient to  
15 create an interest and sinking fund to pay the principal of and  
16 interest on general obligation bonds issued by the district under  
17 Section 1044.201 as the bonds mature.

18 (b) The tax required by this section together with any other  
19 ad valorem tax the district imposes may not in any year exceed 75  
20 cents on each \$100 valuation of all taxable property in the  
21 district. (Acts 60th Leg., R.S., Ch. 125, Sec. 6 (part).)

22 Sec. 1044.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
23 district may issue general obligation bonds only if the bonds are  
24 authorized by a majority of the district voters voting in an  
25 election held for that purpose.

26 (b) The board may order the election on its own motion.

27 (c) The order calling the election must specify:

- 1 (1) the date of the election;
- 2 (2) the location of the polling places;
- 3 (3) the presiding election officers;
- 4 (4) the purpose of the bond issuance;
- 5 (5) the amount of the bonds to be authorized;
- 6 (6) the maximum interest rate of the bonds; and
- 7 (7) the maximum maturity of the bonds.

8 (d) Notice of a bond election shall be given by publishing a  
9 substantial copy of the order calling the election in a newspaper of  
10 general circulation in the district once each week for two  
11 consecutive weeks before the date of the election. The first  
12 publication must occur at least 14 days before the date of the  
13 election. (Acts 60th Leg., R.S., Ch. 125, Sec. 6 (part).)

14 Sec. 1044.204. MATURITY OF GENERAL OBLIGATION BONDS.  
15 District general obligation bonds must mature not later than 40  
16 years after the date of issuance. (Acts 60th Leg., R.S., Ch. 125,  
17 Sec. 6 (part).)

18 Sec. 1044.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
19 The board president shall execute the general obligation bonds in  
20 the district's name.

21 (b) The board secretary shall countersign the bonds. (Acts  
22 60th Leg., R.S., Ch. 125, Sec. 6 (part).)

23 [Sections 1044.206-1044.250 reserved for expansion]

24 SUBCHAPTER F. TAXES

25 Sec. 1044.251. IMPOSITION OF AD VALOREM TAX. (a) On final  
26 approval of the annual budget, the board shall impose a tax on all  
27 property in the district subject to district taxation.

1 (b) The board shall impose the tax to:

2 (1) pay the interest on and create a sinking fund for  
3 bonds and other obligations issued or assumed by the district for  
4 hospital purposes;

5 (2) provide for the operation and maintenance of the  
6 district and hospital system;

7 (3) make improvements and additions to the hospital  
8 system; and

9 (4) acquire necessary sites for the hospital system by  
10 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 125,  
11 Secs. 5 (part), 10 (part).)

12 Sec. 1044.252. TAX RATE. The board may impose the tax at a  
13 rate not to exceed 75 cents on each \$100 valuation of all taxable  
14 property in the district. (Acts 60th Leg., R.S., Ch. 125, Sec. 5  
15 (part).)

16 Sec. 1044.253. TAX ASSESSOR-COLLECTOR. The board may:

17 (1) appoint a tax assessor-collector for the district;  
18 or

19 (2) contract with the tax assessor-collector of Hunt  
20 County, the City of Greenville, or the Greenville Independent  
21 School District for the assessment or collection, or the assessment  
22 and collection, of taxes. (Acts 60th Leg., R.S., Ch. 125, Secs. 5  
23 (part), 10 (part).)

24 CHAPTER 1045. HUTCHINSON COUNTY HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 1045.001. DEFINITIONS

27 Sec. 1045.002. AUTHORITY FOR OPERATION



- 1 Sec. 1045.003. ESSENTIAL PUBLIC FUNCTION  
2 Sec. 1045.004. DISTRICT TERRITORY  
3 Sec. 1045.005. DISTRICT SUPPORT AND MAINTENANCE NOT  
4 STATE OBLIGATION  
5 Sec. 1045.006. RESTRICTION ON STATE FINANCIAL  
6 ASSISTANCE  
7 [Sections 1045.007-1045.050 reserved for expansion]  
8 SUBCHAPTER B. DISTRICT ADMINISTRATION  
9 Sec. 1045.051. BOARD ELECTION AND APPOINTMENT; TERM  
10 Sec. 1045.052. NOTICE OF ELECTION  
11 Sec. 1045.053. QUALIFICATIONS FOR OFFICE  
12 Sec. 1045.054. BOARD VACANCY  
13 Sec. 1045.055. OFFICERS  
14 Sec. 1045.056. COMPENSATION; EXPENSES  
15 Sec. 1045.057. VOTING REQUIREMENT  
16 Sec. 1045.058. ADMINISTRATORS  
17 Sec. 1045.059. GENERAL DUTIES OF DISTRICT  
18 ADMINISTRATOR  
19 Sec. 1045.060. ATTORNEY; ASSISTANT ADMINISTRATORS  
20 Sec. 1045.061. EMPLOYEES; APPOINTMENT OF STAFF  
21 Sec. 1045.062. RECRUITMENT OF MEDICAL STAFF AND  
22 EMPLOYEES  
23 Sec. 1045.063. HEALTH CARE EDUCATIONAL PROGRAMS  
24 Sec. 1045.064. LIABILITY INSURANCE; INDEMNIFICATION  
25 Sec. 1045.065. RETIREMENT BENEFITS  
26 [Sections 1045.066-1045.100 reserved for expansion]

- 1                               SUBCHAPTER C. POWERS AND DUTIES
- 2   Sec. 1045.101.   DISTRICT RESPONSIBILITY
- 3   Sec. 1045.102.   RESTRICTION ON COUNTY OR MUNICIPALITY
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- 5   Sec. 1045.103.   MANAGEMENT, CONTROL, AND ADMINISTRATION
- 6   Sec. 1045.104.   RULES
- 7   Sec. 1045.105.   PURCHASING AND ACCOUNTING PROCEDURES
- 8   Sec. 1045.106.   MOBILE EMERGENCY MEDICAL SERVICE
- 9   Sec. 1045.107.   DISTRICT PROPERTY, FACILITIES, AND
- 10                              EQUIPMENT
- 11   Sec. 1045.108.   EMINENT DOMAIN
- 12   Sec. 1045.109.   COST OF RELOCATING OR ALTERING PROPERTY
- 13   Sec. 1045.110.   GIFTS AND ENDOWMENTS
- 14   Sec. 1045.111.   GENERAL CONTRACT POWER
- 15   Sec. 1045.112.   CONSTRUCTION CONTRACTS
- 16   Sec. 1045.113.   OPERATING AND MANAGEMENT CONTRACTS
- 17   Sec. 1045.114.   CONTRACTS WITH GOVERNMENTAL ENTITIES
- 18                              FOR CERTAIN SERVICES
- 19   Sec. 1045.115.   JOINT OWNERSHIP ARRANGEMENT
- 20   Sec. 1045.116.   PAYMENT FOR TREATMENT; PROCEDURES
- 21   Sec. 1045.117.   REIMBURSEMENT FOR SERVICES
- 22   Sec. 1045.118.   AUTHORITY TO SUE AND BE SUED
- 23                              [Sections 1045.119-1045.150 reserved for expansion]
- 24                              SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 25   Sec. 1045.151.   BUDGET
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- 1 Sec. 1045.154. RESTRICTION ON EXPENDITURES  
2 Sec. 1045.155. FISCAL YEAR  
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6 Sec. 1045.158. FINANCIAL REPORT  
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8 Sec. 1045.160. SPENDING AND INVESTMENT RESTRICTIONS  
9 Sec. 1045.161. AUTHORITY TO BORROW MONEY; SECURITY  
10 [Sections 1045.162-1045.200 reserved for expansion]  
11 SUBCHAPTER E. BONDS  
12 Sec. 1045.201. OBLIGATIONS AND CREDIT AGREEMENTS  
13 Sec. 1045.202. GENERAL OBLIGATION BONDS  
14 Sec. 1045.203. TAX TO PAY GENERAL OBLIGATION BONDS  
15 Sec. 1045.204. GENERAL OBLIGATION BOND ELECTION  
16 Sec. 1045.205. REVENUE BONDS  
17 Sec. 1045.206. REFUNDING BONDS  
18 Sec. 1045.207. MATURITY OF BONDS  
19 Sec. 1045.208. BONDS EXEMPT FROM TAXATION  
20 [Sections 1045.209-1045.250 reserved for expansion]  
21 SUBCHAPTER F. TAXES  
22 Sec. 1045.251. IMPOSITION OF AD VALOREM TAX  
23 Sec. 1045.252. TAX RATE  
24 Sec. 1045.253. ELECTION TO INCREASE MAXIMUM TAX RATE  
25 Sec. 1045.254. TAX ASSESSOR-COLLECTOR  
26 CHAPTER 1045. HUTCHINSON COUNTY HOSPITAL DISTRICT

1                   SUBCHAPTER A. GENERAL PROVISIONS

2           Sec. 1045.001. DEFINITIONS. In this chapter:

3                   (1) "Board" means the board of directors of the  
4 district.

5                   (2) "Director" means a member of the board.

6                   (3) "District" means the Hutchinson County Hospital  
7 District. (Acts 71st Leg., R.S., Ch. 77, Sec. 1.01.)

8           Sec. 1045.002. AUTHORITY FOR OPERATION. The district  
9 operates and is financed as provided by Section 9, Article IX, Texas  
10 Constitution, and by this chapter and other laws relating to  
11 hospital districts organized under Section 9, Article IX, Texas  
12 Constitution. (Acts 71st Leg., R.S., Ch. 77, Sec. 1.02.)

13           Sec. 1045.003. ESSENTIAL PUBLIC FUNCTION. The district is  
14 a public entity performing an essential public function. (Acts  
15 71st Leg., R.S., Ch. 77, Sec. 7.11 (part).)

16           Sec. 1045.004. DISTRICT TERRITORY. The boundaries of the  
17 district are coextensive with the boundaries of Hutchinson County,  
18 Texas. (Acts 71st Leg., R.S., Ch. 77, Sec. 1.03.)

19           Sec. 1045.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
20 OBLIGATION. The state may not become obligated for the support or  
21 maintenance of the district. (Acts 71st Leg., R.S., Ch. 77, Sec.  
22 9.01 (part).)

23           Sec. 1045.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
24 The legislature may not make a direct appropriation for the  
25 construction, maintenance, or improvement of a district facility.  
26 (Acts 71st Leg., R.S., Ch. 77, Sec. 9.01 (part).)

27                   [Sections 1045.007-1045.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1045.051. BOARD ELECTION AND APPOINTMENT; TERM. (a)

The board is governed by the following seven directors:

(1) one director elected from each county commissioner precinct; and

(2) three directors appointed by the Hutchinson County Commissioners Court.

(b) Elected directors serve staggered three-year terms, with as near as possible to one-third of the elected members' terms expiring each year. Appointed directors also serve staggered three-year terms, with one director's term expiring each year.

(c) A directors' election shall be held on the uniform election date in May of each year to elect the appropriate number of directors.

(d) Within 10 days of the date directors are elected, the commissioners court annually shall appoint the appropriate number of successor appointed directors.

(e) The commissioners court may not appoint a person to serve more than two successive terms. (Acts 71st Leg., R.S., Ch. 77, Secs. 4.01(a), 4.03(a), (d); New.)

Sec. 1045.052. NOTICE OF ELECTION. At least 35 days before the date of an election of directors, notice of the election shall be published one time in a newspaper with general circulation in the district. (Acts 71st Leg., R.S., Ch. 77, Sec. 4.04.)

Sec. 1045.053. QUALIFICATIONS FOR OFFICE. (a) To be eligible to be a candidate for an elected position or to serve as an elected or appointed director, a person must be:

1           (1) a district resident; and

2           (2) a qualified voter.

3           (b) A person who is elected from a commissioner precinct or  
4 who is appointed to fill a vacancy for a commissioner precinct must  
5 be a resident of that commissioner precinct.

6           (c) A district employee may not serve as a director. (Acts  
7 71st Leg., R.S., Ch. 77, Sec. 4.06.)

8           Sec. 1045.054. BOARD VACANCY. If a vacancy occurs in the  
9 office of director, the remaining directors shall appoint a  
10 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 77,  
11 Sec. 4.07.)

12           Sec. 1045.055. OFFICERS. (a) The board shall elect a  
13 president and a vice president from among its members.

14           (b) The board shall appoint a secretary, who need not be a  
15 director.

16           (c) Each officer of the board serves for a term of one year.

17           (d) The board shall fill a vacancy in a board office for the  
18 unexpired term. (Acts 71st Leg., R.S., Ch. 77, Secs. 4.08, 4.09.)

19           Sec. 1045.056. COMPENSATION; EXPENSES. A director or  
20 officer serves without compensation but may be reimbursed for  
21 actual expenses incurred in the performance of official duties.  
22 The expenses must be:

23           (1) reported in the district's records; and

24           (2) approved by the board. (Acts 71st Leg., R.S., Ch.  
25 77, Sec. 4.10.)

26           Sec. 1045.057. VOTING REQUIREMENT. A concurrence of a  
27 majority of the directors voting is necessary in any matter

1 relating to district business. (Acts 71st Leg., R.S., Ch. 77, Sec.  
2 4.11.)

3 Sec. 1045.058. ADMINISTRATORS. (a) The board may appoint  
4 qualified persons to serve as:

5 (1) district administrator; and

6 (2) ancillary health care facilities administrator.

7 (b) The administrators serve at the will of the board and  
8 are entitled to the compensation determined by the board.

9 (c) Before assuming the duties of district administrator,  
10 the administrator must execute a bond in the amount set by the board  
11 of not less than \$5,000 that is:

12 (1) payable to the district; and

13 (2) conditioned on the faithful performance of the  
14 administrator's duties under this chapter.

15 (d) The board may pay for the district administrator's bond  
16 with district money. (Acts 71st Leg., R.S., Ch. 77, Secs. 4.12(a)  
17 (part), (b) (part), (c) (part), (d).)

18 Sec. 1045.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

19 (a) The district administrator shall:

20 (1) supervise the work and activities of the district  
21 facilities and the staff, employees, contractors, and agents of the  
22 district; and

23 (2) direct the general affairs of the district subject  
24 to the limitations prescribed by the board.

25 (b) The district administrator is responsible for the  
26 overall management of all district facilities, including ancillary  
27 health care facilities. (Acts 71st Leg., R.S., Ch. 77, Sec. 4.15.)

1           Sec. 1045.060. ATTORNEY; ASSISTANT ADMINISTRATORS. (a)

2 The board may appoint qualified persons as:

3           (1) the attorney for the district; and

4           (2) assistant administrators.

5           (b) The attorney for the district and the assistant  
6 administrators serve at the will of the board and are entitled to  
7 the compensation determined by the board. (Acts 71st Leg., R.S.,  
8 Ch. 77, Secs. 4.12(a) (part), (b) (part), (c) (part).)

9           Sec. 1045.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
10 board may appoint to the staff any doctors the board considers  
11 necessary for the efficient operation of the district and may make  
12 temporary appointments as considered necessary.

13           (b) The district may employ technicians, nurses, fiscal  
14 agents, accountants, architects, attorneys, and other necessary  
15 employees.

16           (c) The board may delegate to the district administrator the  
17 authority to hire district employees. (Acts 71st Leg., R.S., Ch.  
18 77, Secs. 4.13, 4.14.)

19           Sec. 1045.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

20 The board may spend district money, enter into agreements, and take  
21 other necessary action to recruit physicians and other persons to  
22 serve on the district's medical staff or to be employed by the  
23 district, including:

24           (1) advertising and marketing;

25           (2) paying travel, recruiting, and relocation  
26 expenses;

27           (3) providing a loan or scholarship to a physician or



1 other person who:

2 (A) is currently enrolled in health care  
3 education courses at an institution of higher education; and

4 (B) contractually agrees to become a district  
5 employee or medical staff member; and

6 (4) providing on a rent-free basis or subsidizing the  
7 cost of office space or other facilities for a health care  
8 professional, including a physician. (Acts 71st Leg., R.S., Ch.  
9 77, Sec. 5.17(a).)

10 Sec. 1045.063. HEALTH CARE EDUCATIONAL PROGRAMS. The board  
11 may spend district money, enter into agreements, and take other  
12 necessary action to conduct, participate in, or otherwise assist in  
13 providing health care educational programs for current or  
14 prospective staff members or employees. (Acts 71st Leg., R.S., Ch.  
15 77, Sec. 5.17(b).)

16 Sec. 1045.064. LIABILITY INSURANCE; INDEMNIFICATION. (a)  
17 For an officer, director, board appointee, member of the medical  
18 staff, or district employee, the board may:

19 (1) purchase and maintain liability insurance to  
20 protect the person from liability that arises from performing a  
21 duty in that capacity; and

22 (2) agree to defend or indemnify the person with  
23 regard to a claim, cost, expense, or liability resulting from  
24 duties performed in that capacity.

25 (b) The board may establish a self-insurance program to fund  
26 an indemnity obligation under Subsection (a)(2). (Acts 71st Leg.,  
27 R.S., Ch. 77, Sec. 5.16.)

1           Sec. 1045.065. RETIREMENT BENEFITS. The board may provide  
2 retirement benefits for district employees by:

3           (1) establishing or administering a retirement  
4 program; or

5           (2) participating in:

6           (A) the Texas County and District Retirement  
7 System; or

8           (B) another statewide retirement system in which  
9 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.  
10 77, Sec. 4.16.)

11           [Sections 1045.066-1045.100 reserved for expansion]

12                           SUBCHAPTER C. POWERS AND DUTIES

13           Sec. 1045.101. DISTRICT RESPONSIBILITY. The district has  
14 full responsibility for:

15           (1) operating hospital and ancillary health care  
16 facilities; and

17           (2) providing medical, hospital, and ancillary health  
18 care for the district's needy inhabitants. (Acts 71st Leg., R.S.,  
19 Ch. 77, Sec. 5.02 (part).)

20           Sec. 1045.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
21 TAXATION AND DEBT. Hutchinson County or a municipality in  
22 Hutchinson County may not impose a tax or issue bonds or other  
23 obligations for hospital purposes or to provide medical care for  
24 district residents. (Acts 71st Leg., R.S., Ch. 77, Sec. 5.01(b).)

25           Sec. 1045.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
26 The board shall manage, control, and administer the hospital  
27 system, the ancillary health care system, and the district's money

1 and resources. (Acts 71st Leg., R.S., Ch. 77, Sec. 5.03.)

2 Sec. 1045.104. RULES. The board may adopt rules governing:

3 (1) the operation of the hospital, ancillary health  
4 care facilities, ancillary health care system, and hospital system;  
5 and

6 (2) the duties, functions, and responsibilities of  
7 district staff, employees, contractors, or agents. (Acts 71st  
8 Leg., R.S., Ch. 77, Sec. 5.04.)

9 Sec. 1045.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
10 board may prescribe:

11 (1) the method of making purchases and expenditures by  
12 and for the district; and

13 (2) accounting and control procedures for the  
14 district. (Acts 71st Leg., R.S., Ch. 77, Sec. 5.05.)

15 Sec. 1045.106. MOBILE EMERGENCY MEDICAL SERVICE. The  
16 district may operate or provide for the operation of a mobile  
17 emergency medical service. (Acts 71st Leg., R.S., Ch. 77, Sec. 5.02  
18 (part).)

19 Sec. 1045.107. DISTRICT PROPERTY, FACILITIES, AND  
20 EQUIPMENT. (a) The board shall determine the type, number, and  
21 location, either inside or outside the district, of facilities  
22 required to maintain an adequate hospital system and ancillary  
23 health care system and the type of equipment necessary for hospital  
24 care and ancillary health care services, including:

25 (1) domiciliary care and treatment of sick or injured  
26 patients;

27 (2) geriatric services;

- 1 (3) outpatient clinics;
- 2 (4) rural health clinics;
- 3 (5) convalescent home facilities;
- 4 (6) physician's offices;
- 5 (7) home health services;
- 6 (8) durable medical equipment;
- 7 (9) long-term care;
- 8 (10) skilled nursing care;
- 9 (11) intermediate nursing care;
- 10 (12) hospice care;
- 11 (13) ambulatory surgery centers;
- 12 (14) urgent care facilities;
- 13 (15) operation of a mobile emergency medical service;

14 and

15 (16) any other facility or equipment the board  
16 considers necessary for the delivery of hospital, medical, and  
17 ancillary health care services.

18 (b) The board may:

19 (1) acquire by lease, purchase, or lease to purchase  
20 property, including facilities, supplies, and equipment, for the  
21 district for use in the hospital system and ancillary health care  
22 system; and

23 (2) mortgage or pledge the property as security for  
24 the payment of the purchase price.

25 (c) The board may lease or sell all or part of the hospital  
26 facilities or ancillary health care facilities for the district.

27 (d) The board may lease, sell, or otherwise dispose of all

1 or part of the district's property for the district, including  
2 facilities, supplies, or equipment, to a public or private entity.  
3 (Acts 71st Leg., R.S., Ch. 77, Sec. 5.06.)

4 Sec. 1045.108. EMINENT DOMAIN. (a) The district may  
5 exercise the power of eminent domain to acquire a fee simple or  
6 other interest in any type of property located in district  
7 territory if the interest is necessary for the district to exercise  
8 the rights or authority conferred by this chapter.

9 (b) The district must exercise the power of eminent domain  
10 in the manner provided by Chapter 21, Property Code, except the  
11 district is not required to deposit in the trial court money or a  
12 bond as provided by Section 21.021(a), Property Code.

13 (c) In a condemnation proceeding brought by the district,  
14 the district is not required to:

15 (1) pay in advance or provide a bond or other security  
16 for costs in the trial court;

17 (2) provide a bond for the issuance of a temporary  
18 restraining order or a temporary injunction; or

19 (3) provide a bond for costs or a supersedeas bond on  
20 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 77, Sec.  
21 5.09.)

22 Sec. 1045.109. COST OF RELOCATING OR ALTERING PROPERTY. In  
23 exercising the power of eminent domain, if the board requires  
24 relocating, raising, lowering, rerouting, changing the grade, or  
25 altering the construction of any railroad, highway, pipeline, or  
26 electric transmission and electric distribution, telegraph, or  
27 telephone line, conduit, pole, or facility, the district must bear

1 the actual cost of relocating, raising, lowering, rerouting,  
2 changing the grade, or altering the construction to provide  
3 comparable replacement without enhancement of facilities, after  
4 deducting the net salvage value derived from the old facility.  
5 (Acts 71st Leg., R.S., Ch. 77, Sec. 5.10.)

6       Sec. 1045.110. GIFTS AND ENDOWMENTS. The board may accept  
7 for the district a gift or endowment to be held in trust for any  
8 purpose and under any written direction, limitation, or provision  
9 prescribed in writing by the donor that is consistent with the  
10 authority and proper management of the district. (Acts 71st Leg.,  
11 R.S., Ch. 77, Sec. 5.14.)

12       Sec. 1045.111. GENERAL CONTRACT POWER. The board may  
13 contract for the district. (Acts 71st Leg., R.S., Ch. 77, Sec.  
14 5.07(a).)

15       Sec. 1045.112. CONSTRUCTION CONTRACTS. (a) The board may  
16 enter into construction contracts for the district.

17       (b) The board may enter into a construction contract that  
18 involves the expenditure of more than the amount provided by  
19 Section 271.024, Local Government Code, only after competitive  
20 bidding as provided by Subchapter B, Chapter 271, Local Government  
21 Code, or other applicable law. (Acts 71st Leg., R.S., Ch. 77, Sec.  
22 5.07(b).)

23       Sec. 1045.113. OPERATING AND MANAGEMENT CONTRACTS. The  
24 board may enter into an operating or management contract for the  
25 district with one or more public or private entities relating to a  
26 hospital or ancillary health care facility or service. (Acts 71st  
27 Leg., R.S., Ch. 77, Sec. 5.08.)

1           Sec. 1045.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
2 CERTAIN SERVICES. The board may contract with a political  
3 subdivision of this state, a state, the federal government, an  
4 agency or political subdivision of those public entities, or a  
5 charitable or other private entity for the district to:

6                   (1) furnish a mobile emergency medical service; or

7                   (2) provide for the investigatory or welfare needs of  
8 district inhabitants or of persons for whom the public or private  
9 entity has an obligation to provide care. (Acts 71st Leg., R.S.,  
10 Ch. 77, Sec. 5.13.)

11           Sec. 1045.115. JOINT OWNERSHIP ARRANGEMENT. (a) The board  
12 may enter into a joint ownership arrangement for the district with  
13 one or more public or private entities for:

14                   (1) the provision of management or operating services;  
15 and

16                   (2) the ownership of all or part of real property,  
17 facilities, equipment, or supplies.

18           (b) Before the board enters into the arrangement, the board  
19 must determine that the arrangement is:

20                   (1) in the district's best interest; and

21                   (2) for a public purpose of the district. (Acts 71st  
22 Leg., R.S., Ch. 77, Sec. 5.19.)

23           Sec. 1045.116. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
24 When a patient is admitted to a district facility, the district  
25 administrator may have an inquiry made into the financial  
26 circumstances of:

27                   (1) the patient; and

1           (2) a relative of the patient who is legally  
2 responsible for the patient's support.

3           (b) The district without charge shall provide to a patient  
4 who resides in the district the care and treatment that the patient  
5 or a relative of the patient who is legally responsible for the  
6 patient's support cannot pay.

7           (c) On determining that the patient or a relative legally  
8 responsible for the patient's support can pay for all or part of the  
9 care and treatment provided by the district, the district  
10 administrator shall report that determination to the board, and the  
11 board shall issue an order directing the patient or the relative to  
12 pay the district a specified amount each week. The amount must be  
13 based on the individual's ability to pay.

14           (d) The district administrator may collect money owed to the  
15 district from the patient's estate or from that of a relative who  
16 was legally responsible for the patient's support in the manner  
17 provided by law for collection of expenses of the last illness of a  
18 deceased person.

19           (e) If there is a dispute relating to an individual's  
20 ability to pay or if the district administrator has any doubt  
21 concerning an individual's ability to pay, the board shall:

- 22                   (1) call witnesses;  
23                   (2) hear and resolve the question; and  
24                   (3) issue a final order.

25           (f) The final order of the board may be appealed to a  
26 district court in Hutchinson County. The substantial evidence rule  
27 applies to the appeal. (Acts 71st Leg., R.S., Ch. 77, Secs.



1 5.11(a), (c), (d), (e), (f).)

2           Sec. 1045.117. REIMBURSEMENT FOR SERVICES. (a) The board  
3 shall require a county, municipality, or public hospital located  
4 outside the district to reimburse the district for the district's  
5 care and treatment of a sick or injured person of that county,  
6 municipality, or public hospital as provided by Chapter 61, Health  
7 and Safety Code.

8           (b) The board shall require the sheriff of Hutchinson County  
9 or the police chief of a municipality in Hutchinson County to  
10 reimburse the district for the district's care and treatment of a  
11 person who is confined in a jail facility of Hutchinson County or  
12 the municipality and is not a resident of the district.

13           (c) The board may contract with this or another state, the  
14 federal government, or an agency or political subdivision of this  
15 or another state or of the federal government to reimburse the  
16 district for the care and treatment of a sick or injured person.  
17 (Acts 71st Leg., R.S., Ch. 77, Sec. 5.12.)

18           Sec. 1045.118. AUTHORITY TO SUE AND BE SUED. The board may  
19 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,  
20 Ch. 77, Sec. 5.15.)

21           [Sections 1045.119-1045.150 reserved for expansion]

22           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

23           Sec. 1045.151. BUDGET. (a) The district administrator  
24 shall prepare a proposed annual budget for the district.

25           (b) The proposed budget must contain a complete financial  
26 statement, including a statement of:

27           (1) the outstanding obligations of the district;

1 (2) the amount of cash on hand in each district fund;

2 (3) the amount of money received by the district from  
3 all sources during the previous year;

4 (4) the amount of money available to the district from  
5 all sources during the ensuing year;

6 (5) the amount of the balances expected at the end of  
7 the year in which the budget is being prepared;

8 (6) the estimated amount of revenue and balances  
9 available to cover the proposed budget; and

10 (7) the estimated tax rate required. (Acts 71st Leg.,  
11 R.S., Ch. 77, Sec. 6.04.)

12 Sec. 1045.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
13 The board shall hold a public hearing on the proposed annual budget.

14 (b) The board shall publish notice of the hearing in a  
15 newspaper with general circulation in the district not later than  
16 the 10th day before the date of the hearing.

17 (c) Any district resident is entitled to be present and  
18 participate at the hearing.

19 (d) At the conclusion of the hearing, the board shall adopt  
20 a budget by acting on the budget proposed by the district  
21 administrator. The board may make any changes in the proposed  
22 budget that the board considers proper to provide adequate care and  
23 treatment at a district hospital or ancillary health care facility.

24 (e) The budget is effective only after adoption by the  
25 board. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.05.)

26 Sec. 1045.153. AMENDMENTS TO BUDGET. After the annual  
27 budget is adopted, the budget may be amended on the board's

1 approval. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.06.)

2       Sec. 1045.154. RESTRICTION ON EXPENDITURES. Money may be  
3 spent only for an expense included in the budget or an amendment to  
4 the budget. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.07.)

5       Sec. 1045.155. FISCAL YEAR. The district operates on the  
6 fiscal year established by the board. (Acts 71st Leg., R.S., Ch.  
7 77, Sec. 6.01.)

8       Sec. 1045.156. ANNUAL AUDIT. The board annually shall have  
9 an audit made of the district's financial records, accounts, and  
10 transactions. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.02.)

11       Sec. 1045.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
12 RECORDS. The annual audit and other district records are open to  
13 inspection during regular business hours at the district's  
14 principal office. (Acts 71st Leg., R.S., Ch. 77, Sec. 6.03.)

15       Sec. 1045.158. FINANCIAL REPORT. As soon as practicable  
16 after the close of the fiscal year, the district administrator or  
17 other district agent responsible for the district's financial  
18 affairs shall prepare for the board:

19               (1) a sworn statement of the amount of district money;  
20 and

21               (2) an account of the disbursements of that money.  
22 (Acts 71st Leg., R.S., Ch. 77, Sec. 6.08.)

23       Sec. 1045.159. DEPOSITORY. (a) The board shall select at  
24 least one bank to serve as a depository for district money.

25       (b) District money, other than money invested as provided by  
26 Section 1045.160(b) and money transmitted to a bank for payment of  
27 bonds or obligations issued or assumed by the district, shall be

1 deposited as received with the depository bank and shall remain on  
2 deposit. This subsection does not limit the power of the board to  
3 place a part of district money on time deposit or to purchase  
4 certificates of deposit.

5 (c) The district may not deposit money with a bank or  
6 purchase a certificate of deposit from a bank in an amount that  
7 exceeds the maximum amount secured by the Federal Deposit Insurance  
8 Corporation unless the bank first executes a bond or provides other  
9 collateral eligible to secure a public deposit in an amount  
10 sufficient to secure from loss the district money that exceeds the  
11 amount secured by the Federal Deposit Insurance Corporation. (Acts  
12 71st Leg., R.S., Ch. 77, Sec. 6.10.)

13 Sec. 1045.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
14 Except as provided by Sections 1045.112, 1045.202, 1045.205, and  
15 1045.206, the district may not incur a debt payable from district  
16 revenue other than the revenue on hand or to be on hand in the  
17 current and immediately following district fiscal years.

18 (b) The board may invest operating, depreciation, or  
19 building reserves in:

20 (1) funds or securities specified by Chapter 2256,  
21 Government Code; or

22 (2) any other investment vehicle or fund if the board  
23 determines that investing the reserves in that vehicle or fund:

24 (A) is in the district's best interest; and

25 (B) does not violate the Texas Constitution.

26 (Acts 71st Leg., R.S., Ch. 77, Sec. 6.09.)

27 Sec. 1045.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)

1 The board may borrow money for district operating expenses in an  
2 amount not to exceed the amount of tax or other revenue the district  
3 expects to receive during the fiscal year in which the money is  
4 borrowed.

5 (b) To repay the debt, the board may pledge all or part of  
6 the tax or other revenue received during the fiscal year in which  
7 the board borrows money under this section. (Acts 71st Leg., R.S.,  
8 Ch. 77, Sec. 5.18.)

9 [Sections 1045.162-1045.200 reserved for expansion]

10 SUBCHAPTER E. BONDS

11 Sec. 1045.201. OBLIGATIONS AND CREDIT AGREEMENTS. The  
12 district may issue, sell, and deliver obligations and execute  
13 credit agreements as provided by Chapters 1201 and 1371, Government  
14 Code. (Acts 71st Leg., R.S., Ch. 77, Sec. 7.07.)

15 Sec. 1045.202. GENERAL OBLIGATION BONDS. The board may  
16 issue and sell general obligation bonds authorized by an election  
17 in the name and on the faith and credit of the district to:

18 (1) purchase, construct, acquire, repair, equip, or  
19 renovate buildings, facilities, equipment, or improvements for  
20 hospital purposes, including facilities and improvements  
21 incidental and beneficial to operating and maintaining hospitals  
22 and ancillary facilities that provide medical and ancillary health  
23 care services and treatment; or

24 (2) acquire and operate a mobile emergency medical  
25 service. (Acts 71st Leg., R.S., Ch. 77, Sec. 7.01.)

26 Sec. 1045.203. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
27 the time general obligation bonds are issued by the district under

1 Section 1045.202, the board shall impose an ad valorem tax at a rate  
2 sufficient to create an interest and sinking fund to pay the  
3 principal of and interest on the bonds as the bonds mature.

4 (b) The tax required by this section together with any other  
5 ad valorem tax the district imposes may not in any year exceed the  
6 limit approved by the voters at the election authorizing the  
7 imposition of the tax. (Acts 71st Leg., R.S., Ch. 77, Sec. 7.02.)

8 Sec. 1045.204. GENERAL OBLIGATION BOND ELECTION. (a) The  
9 district may issue general obligation bonds only if the bonds are  
10 authorized by a majority of the district voters voting at an  
11 election held for that purpose.

12 (b) The board may order a bond election.

13 (c) The order calling the election must specify:

- 14 (1) the nature and date of the election;  
15 (2) the hours during which the polls will be open;  
16 (3) the location of the polling places;  
17 (4) the amount of the bonds to be authorized; and  
18 (5) the maximum maturity of the bonds.

19 (d) Notice of a bond election shall be given as provided by  
20 Section 1251.003, Government Code.

21 (e) The board shall declare the results of the election.  
22 (Acts 71st Leg., R.S., Ch. 77, Sec. 7.03.)

23 Sec. 1045.205. REVENUE BONDS. (a) The board may issue  
24 revenue bonds to:

- 25 (1) purchase, construct, acquire, repair, equip, or  
26 renovate buildings or improvements for hospital and ancillary  
27 health care purposes;

1           (2) acquire sites to be used for hospital and  
2 ancillary health care purposes; or

3           (3) acquire and operate a mobile emergency medical  
4 service to assist the district in carrying out its hospital and  
5 ancillary health care purposes.

6           (b) The bonds must be payable from and secured by a pledge of  
7 all or part of the revenue derived from the operation of the  
8 district's hospital system.

9           (c) The bonds may be additionally secured by a mortgage or  
10 deed of trust lien on all or part of district property.

11           (d) The bonds must be issued in the manner provided by  
12 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
13 Code, for issuance of revenue bonds by a county hospital authority,  
14 or in accordance with other laws relating to the issuance of revenue  
15 bonds by a hospital district. (Acts 71st Leg., R.S., Ch. 77, Sec.  
16 7.04.)

17           Sec. 1045.206. REFUNDING BONDS. (a) The board may issue  
18 refunding bonds to refund outstanding bonds issued or assumed by  
19 the district.

20           (b) A refunding bond may be:

21           (1) sold, with the proceeds of the refunding bond  
22 applied to the payment of the bonds to be refunded; or

23           (2) exchanged wholly or partly for not less than a  
24 similar principal amount of outstanding indebtedness. (Acts 71st  
25 Leg., R.S., Ch. 77, Secs. 7.05(a), (c) (part).)

26           Sec. 1045.207. MATURITY OF BONDS. District bonds must  
27 mature not later than 50 years after the date of issuance. (Acts

1 71st Leg., R.S., Ch. 77, Sec. 7.06 (part).)

2 Sec. 1045.208. BONDS EXEMPT FROM TAXATION. The following  
3 are exempt from taxation by this state or a political subdivision of  
4 this state:

- 5 (1) bonds issued by the district;
- 6 (2) any transaction relating to the bonds; and
- 7 (3) profits made in the sale of the bonds. (Acts 71st  
8 Leg., R.S., Ch. 77, Sec. 7.11 (part).)

9 [Sections 1045.209-1045.250 reserved for expansion]

10 SUBCHAPTER F. TAXES

11 Sec. 1045.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
12 may impose a tax on all property in the district subject to district  
13 taxation.

14 (b) The tax may be used to pay:

- 15 (1) indebtedness issued or assumed by the district;
- 16 and
- 17 (2) the maintenance and operating expenses of the  
18 district.

19 (c) The district may not impose a tax to pay the principal of  
20 or interest on revenue bonds issued under this chapter. (Acts 71st  
21 Leg., R.S., Ch. 77, Secs. 8.01(a) (part), (c), (d), 8.03(b).)

22 Sec. 1045.252. TAX RATE. (a) The board may impose the tax  
23 at a rate not to exceed the limit approved by the voters at the  
24 election authorizing the imposition of the tax.

25 (b) The tax rate for all purposes may not exceed 75 cents on  
26 each \$100 valuation of all taxable property in the district.

27 (c) In setting the tax rate, the board shall consider the



1 income of the district from sources other than taxation. (Acts 71st  
2 Leg., R.S., Ch. 77, Secs. 8.01(a) (part), (b), 8.04 (part).)

3       Sec. 1045.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)  
4 The board may order an election to increase the district's maximum  
5 ad valorem tax rate to a rate of not more than 75 cents on each \$100  
6 valuation of the taxable property in the district. The board shall  
7 order an election if the board receives a petition requesting an  
8 election that is signed by at least 50 qualified voters of the  
9 district.

10       (b) The ballot for the election shall be printed to permit  
11 voting for or against the proposition: "The imposition of annual  
12 taxes by the district for hospital purposes at a rate not to exceed  
13 \_\_\_\_\_ (insert amount not to exceed 75 cents) cents on the \$100  
14 valuation of all taxable property in the district."

15       (c) If the board finds that the election results favor the  
16 proposition, the board may impose taxes as authorized by the  
17 proposition. If the board finds that the election results do not  
18 favor the proposition, another election on the question of raising  
19 the district's maximum tax rate may not be held before the first  
20 anniversary of the date of the most recent election at which voters  
21 disapproved the proposition.

22       (d) Section 41.001(a), Election Code, does not apply to an  
23 election ordered under this section. (Acts 71st Leg., R.S., Ch. 77,  
24 Secs. 8.02(a), (b) (part), (c) (part), (d) (part).)

25       Sec. 1045.254. TAX ASSESSOR-COLLECTOR. The board may  
26 provide for the appointment of a tax assessor-collector for the  
27 district or may contract for the assessment and collection of taxes

1 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 77, Sec.  
2 8.05(b).)

3 CHAPTER 1046. JACKSON COUNTY HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1046.001. DEFINITIONS

6 Sec. 1046.002. AUTHORITY FOR OPERATION

7 Sec. 1046.003. ESSENTIAL PUBLIC FUNCTION

8 Sec. 1046.004. DISTRICT TERRITORY

9 Sec. 1046.005. DISTRICT SUPPORT AND MAINTENANCE NOT

10 STATE OBLIGATION

11 Sec. 1046.006. RESTRICTION ON STATE FINANCIAL

12 ASSISTANCE

13 Sec. 1046.007. ELECTION DATE

14 [Sections 1046.008-1046.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1046.051. BOARD ELECTION; TERM

17 Sec. 1046.052. NOTICE OF ELECTION

18 Sec. 1046.053. FORM OF BALLOT AT RUNOFF ELECTION

19 Sec. 1046.054. MODIFICATION OF TERM

20 Sec. 1046.055. QUALIFICATIONS FOR OFFICE

21 Sec. 1046.056. BOND; RECORD OF BOND AND OATH OR

22 AFFIRMATION OF OFFICE

23 Sec. 1046.057. BOARD VACANCY

24 Sec. 1046.058. OFFICERS

25 Sec. 1046.059. COMPENSATION; EXPENSES

26 Sec. 1046.060. VOTING REQUIREMENT

- 1 Sec. 1046.061. ADMINISTRATOR FOR EACH DISTRICT  
2 HOSPITAL  
3 Sec. 1046.062. APPOINTMENT AND REMOVAL OF STAFF AND  
4 EMPLOYEES  
5 Sec. 1046.063. ATTORNEY; ASSISTANT HOSPITAL  
6 ADMINISTRATOR  
7 Sec. 1046.064. GENERAL DUTIES OF ADMINISTRATOR  
8 Sec. 1046.065. RETIREMENT BENEFITS  
9 Sec. 1046.066. SEAL  
10 [Sections 1046.067-1046.100 reserved for expansion]  
11 SUBCHAPTER C. POWERS AND DUTIES  
12 Sec. 1046.101. DISTRICT RESPONSIBILITY  
13 Sec. 1046.102. BOARD RESPONSIBILITY  
14 Sec. 1046.103. RESTRICTION ON POLITICAL SUBDIVISION  
15 TAXATION AND DEBT  
16 Sec. 1046.104. MANAGEMENT, CONTROL, AND ADMINISTRATION  
17 Sec. 1046.105. HOSPITAL SYSTEM  
18 Sec. 1046.106. RULES  
19 Sec. 1046.107. PURCHASING AND ACCOUNTING PROCEDURES  
20 Sec. 1046.108. DISTRICT PROPERTY, FACILITIES, AND  
21 EQUIPMENT  
22 Sec. 1046.109. EMINENT DOMAIN  
23 Sec. 1046.110. COST OF RELOCATING OR ALTERING PROPERTY  
24 Sec. 1046.111. GIFTS AND ENDOWMENTS  
25 Sec. 1046.112. CONSTRUCTION CONTRACTS  
26 Sec. 1046.113. OPERATING AND MANAGEMENT CONTRACTS  
27 Sec. 1046.114. CONTRACT IN NAME OF DISTRICT

- 1 Sec. 1046.115. CONTRACTS WITH GOVERNMENTAL ENTITIES  
2 FOR CARE AND TREATMENT  
3 Sec. 1046.116. PROVISION OF SERVICES OUTSIDE DISTRICT  
4 Sec. 1046.117. CONTRACTS WITH GOVERNMENTAL ENTITIES  
5 FOR INVESTIGATORY OR OTHER SERVICES  
6 Sec. 1046.118. LEASES  
7 Sec. 1046.119. AUTHORITY TO SELL OR CLOSE CERTAIN  
8 DISTRICT HOSPITALS  
9 Sec. 1046.120. PAYMENT FOR TREATMENT; PROCEDURES  
10 Sec. 1046.121. AUTHORITY TO SUE AND BE SUED  
11 Sec. 1046.122. RECOMMENDATION OF LEGISLATION; NOTICE  
12 [Sections 1046.123-1046.150 reserved for expansion]  
13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
14 Sec. 1046.151. BUDGET  
15 Sec. 1046.152. NOTICE; HEARING; ADOPTION OF BUDGET  
16 Sec. 1046.153. AMENDMENTS TO BUDGET  
17 Sec. 1046.154. RESTRICTION ON EXPENDITURES  
18 Sec. 1046.155. FISCAL YEAR  
19 Sec. 1046.156. ANNUAL AUDIT  
20 Sec. 1046.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
21 RECORDS  
22 Sec. 1046.158. FINANCIAL REPORT  
23 Sec. 1046.159. DEPOSITORY  
24 Sec. 1046.160. SPENDING AND INVESTMENT RESTRICTIONS  
25 Sec. 1046.161. AUTHORITY TO BORROW MONEY; SECURITY  
26 [Sections 1046.162-1046.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

- 2 Sec. 1046.201. GENERAL OBLIGATION BONDS
- 3 Sec. 1046.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 4 Sec. 1046.203. GENERAL OBLIGATION BOND ELECTION
- 5 Sec. 1046.204. MATURITY OF GENERAL OBLIGATION BONDS
- 6 Sec. 1046.205. EXECUTION OF GENERAL OBLIGATION BONDS
- 7 Sec. 1046.206. REVENUE BONDS
- 8 Sec. 1046.207. REFUNDING BONDS
- 9 Sec. 1046.208. BONDS EXEMPT FROM TAXATION

10 [Sections 1046.209-1046.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

- 12 Sec. 1046.251. IMPOSITION OF AD VALOREM TAX
- 13 Sec. 1046.252. TAX RATE
- 14 Sec. 1046.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
- 15 ASSESSOR-COLLECTOR
- 16 Sec. 1046.254. ASSESSMENT AND COLLECTION BY DISTRICT
- 17 TAX ASSESSOR-COLLECTOR

18 CHAPTER 1046. JACKSON COUNTY HOSPITAL DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 1046.001. DEFINITIONS. In this chapter:

- 21 (1) "Board" means the board of directors of the
- 22 district.
- 23 (2) "Director" means a member of the board.
- 24 (3) "District" means the Jackson County Hospital
- 25 District. (New.)

26 Sec. 1046.002. AUTHORITY FOR OPERATION. The district

27 operates and is administered and financed in accordance with

1 Section 9, Article IX, Texas Constitution, and has the rights,  
2 powers, and duties provided by this chapter. (Acts 66th Leg., R.S.,  
3 Ch. 275, Sec. 1 (part).)

4 Sec. 1046.003. ESSENTIAL PUBLIC FUNCTION. The district  
5 performs an essential public function in carrying out the purposes  
6 of this chapter. (Acts 66th Leg., R.S., Ch. 275, Sec. 23 (part).)

7 Sec. 1046.004. DISTRICT TERRITORY. The boundaries of the  
8 district are coextensive with the boundaries of Jackson County.  
9 (Acts 66th Leg., R.S., Ch. 275, Sec. 1 (part).)

10 Sec. 1046.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
11 OBLIGATION. The support and maintenance of the district may not  
12 become a charge against or obligation of this state. (Acts 66th  
13 Leg., R.S., Ch. 275, Sec. 22 (part).)

14 Sec. 1046.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
15 The legislature may not make a direct appropriation for the  
16 construction, maintenance, or improvement of a district facility.  
17 (Acts 66th Leg., R.S., Ch. 275, Sec. 22 (part).)

18 Sec. 1046.007. ELECTION DATE. Section 41.001(a), Election  
19 Code, does not apply to an election held under this chapter. (Acts  
20 66th Leg., R.S., Ch. 275, Secs. 3(a) (part), 7(a) (part).)

21 [Sections 1046.008-1046.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT ADMINISTRATION

23 Sec. 1046.051. BOARD ELECTION; TERM. (a) The board  
24 consists of nine directors elected from the district by position as  
25 follows:

26 (1) two directors from each commissioners precinct;  
27 and

1           (2) one director from the district at large.

2           (b) To be elected, a candidate must receive a majority of  
3 the votes cast in the election for that position.

4           (c) The board shall declare the results of a district  
5 election.

6           (d) Unless different terms are established under Section  
7 1046.054, directors serve staggered two-year terms as follows:

8           (1) directors elected to even-numbered positions are  
9 elected in even-numbered years; and

10           (2) directors elected to odd-numbered positions and  
11 the director elected at large are elected in odd-numbered years.  
12 (Acts 66th Leg., R.S., Ch. 275, Secs. 4(d) (part), (e) (part).)

13           Sec. 1046.052. NOTICE OF ELECTION. (a) Except as provided  
14 by Subsection (b), at least 30 days before the date of an election  
15 of directors, the board shall publish notice of the election one  
16 time in a newspaper or newspapers that individually or collectively  
17 have general circulation in the district.

18           (b) At least seven days before the date of a runoff election  
19 of directors, the board shall publish notice of the election one  
20 time in a newspaper or newspapers that individually or collectively  
21 have general circulation in the area of the runoff election. (Acts  
22 66th Leg., R.S., Ch. 275, Secs. 4(d) (part), (e) (part).)

23           Sec. 1046.053. FORM OF BALLOT AT RUNOFF ELECTION. Of the  
24 names printed on the ballot at a runoff election, the name of the  
25 candidate who received the higher number of votes at the general  
26 election of directors must be printed first on the ballot. (Acts  
27 66th Leg., R.S., Ch. 275, Sec. 4(d) (part).)

1           Sec. 1046.054. MODIFICATION OF TERM. (a) Notwithstanding  
2 Section 1046.051, the board, on its own motion, may order that  
3 directors serve staggered three-year or four-year terms. After an  
4 initial change under this section from staggered two-year terms,  
5 the board may not change the terms again.

6           (b) If the board orders four-year terms, the directors are  
7 to be elected in accordance with Section 285.081, Health and Safety  
8 Code.

9           (c) If the board orders staggered three-year terms,  
10 directors are to be elected as follows:

11           (1) if the first election that occurs at least 120 days  
12 after the date the order is entered is an election in an  
13 even-numbered year:

14                   (A) the four directors elected at that election  
15 shall draw lots to determine the three directors that serve  
16 three-year terms and the director that serves a two-year term;

17                   (B) the at-large director elected at the first  
18 odd-numbered year election after the order is entered serves a  
19 three-year term; and

20                   (C) the four other directors elected at the first  
21 odd-numbered year election after the order is entered shall draw  
22 lots to determine which two directors serve three-year terms and  
23 which two directors serve one-year terms; and

24           (2) if the first election that occurs at least 120 days  
25 after the date the order is entered is an election in an  
26 odd-numbered year:

27                   (A) the at-large director elected at that



1 election serves a three-year term;

2 (B) the four other directors elected at that  
3 election shall draw lots to determine the two directors that serve  
4 three-year terms and the two directors that serve two-year terms;  
5 and

6 (C) the four directors elected at the first  
7 even-numbered year election after the order is entered shall draw  
8 lots to determine which three directors serve three-year terms and  
9 which director serves a one-year term. (Acts 66th Leg., R.S., Ch.  
10 275, Sec. 4A.)

11 Sec. 1046.055. QUALIFICATIONS FOR OFFICE. (a) A person may  
12 not be elected or appointed as a director unless the person is:

13 (1) a district resident; and

14 (2) a qualified voter.

15 (b) A director elected or appointed to represent a  
16 commissioners precinct must be a resident of that commissioners  
17 precinct. Failure of the director to maintain residence in the  
18 commissioners precinct is a ground for removal from office in the  
19 manner provided by law for removal of county officers.

20 (c) A person is not eligible to serve as a director if the  
21 person is:

22 (1) an administrator for the district or a district  
23 hospital;

24 (2) the attorney for the district; or

25 (3) a district employee. (Acts 66th Leg., R.S., Ch.  
26 275, Sec. 4(f).)

27 Sec. 1046.056. BOND; RECORD OF BOND AND OATH OR AFFIRMATION

1 OF OFFICE. (a) As soon as practicable after a director is elected  
2 or appointed, the director shall execute a bond for \$5,000 that is:

- 3 (1) approved by the board;  
4 (2) payable to the district; and  
5 (3) conditioned on the faithful performance of the  
6 director's duties.

7 (b) The district may pay for a director's bond with district  
8 money.

9 (c) Each director's bond and constitutional oath or  
10 affirmation of office shall be filed with the board and retained in  
11 the board's records. (Acts 66th Leg., R.S., Ch. 275, Secs. 19(i),  
12 (j), (l).)

13 Sec. 1046.057. BOARD VACANCY. If a vacancy occurs in the  
14 office of director, the remaining directors shall appoint a  
15 director for the unexpired term. (Acts 66th Leg., R.S., Ch. 275,  
16 Sec. 4(e) (part).)

17 Sec. 1046.058. OFFICERS. (a) The board shall elect a  
18 president, vice president, and secretary from among its members.

19 (b) Each officer of the board serves for a term of one year.

20 (c) The board may require an officer to execute a bond that  
21 is payable to the district and conditioned on the faithful  
22 performance of the officer's duties. The board may pay for the bond  
23 with district money.

24 (d) The board shall fill a vacancy in a board office for the  
25 unexpired term. (Acts 66th Leg., R.S., Ch. 275, Secs. 4(g) (part),  
26 19(d) (part).)

27 Sec. 1046.059. COMPENSATION; EXPENSES. A director serves

1 without compensation but may be reimbursed for travel or other  
2 expenses incurred on the district's behalf if:

- 3 (1) the director presents a verified statement; and
- 4 (2) the board approves the expenses. (Acts 66th Leg.,  
5 R.S., Ch. 275, Sec. 19(h).)

6 Sec. 1046.060. VOTING REQUIREMENT. Except as provided by  
7 Sections 1046.119 and 1046.122, a concurrence of five directors is  
8 required in any matter relating to district business. (Acts 66th  
9 Leg., R.S., Ch. 275, Sec. 4(g) (part).)

10 Sec. 1046.061. ADMINISTRATOR FOR EACH DISTRICT HOSPITAL.

11 (a) The board may appoint a qualified administrator for each  
12 district hospital.

13 (b) An administrator serves at the will of the board and is  
14 entitled to the compensation determined by the board.

15 (c) On assuming the duties of an administrator, the  
16 administrator shall execute a bond payable to the district in an  
17 amount set by the board of not less than \$5,000 that:

18 (1) is conditioned on the administrator performing the  
19 administrator's duties; and

20 (2) contains other conditions the board may require.

21 (d) The board may pay for the bond with district money.  
22 (Acts 66th Leg., R.S., Ch. 275, Sec. 5 (part).)

23 Sec. 1046.062. APPOINTMENT AND REMOVAL OF STAFF AND  
24 EMPLOYEES. (a) The board may appoint to the staff any doctors the  
25 board considers necessary for the efficient operation of the  
26 district and may make temporary appointments as necessary.

27 (b) The board shall employ or contract with persons the

1 board considers necessary or advisable to conduct district affairs,  
2 including a hospital administrator for the district or for each  
3 facility and nurses, medical technicians, engineers, architects,  
4 attorneys, financial advisors, accountants, fiscal agents,  
5 bookkeepers, auditors, and secretaries.

6 (c) The board shall determine the powers, duties, term of  
7 employment, and compensation of all employees and consultants by  
8 contract or by resolution or order of the board. The board may  
9 terminate the employment of any district employee.

10 (d) The board may delegate to an administrator the authority  
11 to hire and discharge district or hospital employees, including  
12 doctors, nurses, and technicians, or to appoint and remove staff  
13 doctors under bylaws and rules.

14 (e) The board may require any employee to execute a bond  
15 payable to the district and conditioned on the faithful performance  
16 of the employee's duties. The board may pay for the bond with  
17 district money. (Acts 66th Leg., R.S., Ch. 275, Secs. 5 (part),  
18 18(c) (part), 19(a) (part), (b), (c), (d) (part).)

19 Sec. 1046.063. ATTORNEY; ASSISTANT HOSPITAL ADMINISTRATOR.

20 (a) The board may appoint:

21 (1) an attorney for the district; and

22 (2) a qualified assistant administrator for each  
23 district hospital.

24 (b) The attorney for the district and an assistant hospital  
25 administrator serve at the will of the board and shall receive the  
26 compensation determined by the board. (Acts 66th Leg., R.S., Ch.  
27 275, Sec. 5 (part).)

1           Sec. 1046.064. GENERAL DUTIES OF ADMINISTRATOR. (a) The  
2 board may delegate to the administrator for the district or the  
3 administrators for each district hospital the power to manage and  
4 operate all or any part of the hospital system.

5           (b) Subject to the limitations prescribed by the board, the  
6 administrator for each district hospital shall:

7                 (1) supervise the work and activities of the hospital;  
8 and

9                 (2) direct the affairs of the hospital. (Acts 66th  
10 Leg., R.S., Ch. 275, Secs. 5 (part), 18(c) (part).)

11           Sec. 1046.065. RETIREMENT BENEFITS. The district may  
12 provide retirement benefits for district employees by:

13                 (1) creating and administering a public retirement  
14 system for the district;

15                 (2) participating in the Texas County and District  
16 Retirement System; or

17                 (3) purchasing annuity contracts from an insurer or  
18 annuity company authorized to engage in business in this state.  
19 (Acts 66th Leg., R.S., Ch. 275, Sec. 15 (part).)

20           Sec. 1046.066. SEAL. The board shall adopt a seal for the  
21 district. (Acts 66th Leg., R.S., Ch. 275, Sec. 19(g).)

22           [Sections 1046.067-1046.100 reserved for expansion]

23                                 SUBCHAPTER C. POWERS AND DUTIES

24           Sec. 1046.101. DISTRICT RESPONSIBILITY. The district has  
25 full responsibility for providing medical and hospital care for the  
26 district's needy inhabitants. (Acts 66th Leg., R.S., Ch. 275, Sec.  
27 20 (part).)

1           Sec. 1046.102. BOARD RESPONSIBILITY. The board shall  
2 provide for the administration, maintenance, and operation of a  
3 hospital transferred to the district to furnish adequate medical  
4 and hospital care in the district and to ensure that the hospital is  
5 provided with sufficient money, personnel, and equipment for  
6 district residents to have access to quality and competent health  
7 facilities. (Acts 66th Leg., R.S., Ch. 275, Sec. 20 (part).)

8           Sec. 1046.103. RESTRICTION ON POLITICAL SUBDIVISION  
9 TAXATION AND DEBT. A political subdivision other than the district  
10 may not impose a tax or issue bonds or other obligations for  
11 hospital purposes or to provide medical care in the district. (Acts  
12 66th Leg., R.S., Ch. 275, Sec. 20 (part).)

13           Sec. 1046.104. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
14 The board shall:

- 15                   (1) manage and control all district affairs; and  
16                   (2) manage, control, and administer the hospital  
17 system and the district's money and resources. (Acts 66th Leg.,  
18 R.S., Ch. 275, Secs. 5 (part), 19(a) (part).)

19           Sec. 1046.105. HOSPITAL SYSTEM. (a) The district shall  
20 provide for the establishment of a hospital system by:

- 21                   (1) purchasing, constructing, acquiring, repairing,  
22 or renovating buildings and equipment;  
23                   (2) equipping for hospital and medical care purposes;  
24 and  
25                   (3) administering the system for hospital purposes.

26           (b) The hospital system may include:

- 27                   (1) domiciliary care and treatment of the sick,

1 injured, or geriatric;  
2 (2) outpatient clinics;  
3 (3) dispensaries;  
4 (4) convalescent home facilities;  
5 (5) necessary nurses;  
6 (6) domiciliaries and training centers;  
7 (7) blood banks;  
8 (8) community health centers;  
9 (9) research centers or laboratories; and  
10 (10) any other facilities the board considers  
11 necessary for hospital and medical care. (Acts 66th Leg., R.S., Ch.  
12 275, Secs. 2, 18(a) (part), 20 (part).)

13 Sec. 1046.106. RULES. (a) The board may adopt rules  
14 governing the operation of the hospital, the hospital system, and  
15 the district's staff and employees.

16 (b) The board shall adopt reasonable and necessary rules and  
17 bylaws to govern:

18 (1) the board's proceedings and activities; and  
19 (2) the hospitals or the hospital or medical system.  
20 (Acts 66th Leg., R.S., Ch. 275, Secs. 5 (part), 19(e).)

21 Sec. 1046.107. PURCHASING AND ACCOUNTING PROCEDURES. The  
22 board may prescribe:

23 (1) the method and manner of making purchases and  
24 expenditures by and for the district; and  
25 (2) all accounting and control procedures. (Acts 66th  
26 Leg., R.S., Ch. 275, Sec. 9(b) (part).)

27 Sec. 1046.108. DISTRICT PROPERTY, FACILITIES, AND

1 EQUIPMENT. (a) The board shall determine the type, number, and  
2 location of buildings required to maintain an adequate hospital  
3 system.

4 (b) The board may purchase all necessary materials,  
5 supplies, equipment, and vehicles.

6 (c) The district may:

7 (1) acquire equipment for use in the district's  
8 hospital system; and

9 (2) mortgage or pledge the property as security for  
10 the payment of the purchase price.

11 (d) Except as provided by Section 1046.119, the district may  
12 sell or otherwise dispose of any property, including equipment, on  
13 terms the board finds are in the best interest of the district's  
14 inhabitants. (Acts 66th Leg., R.S., Ch. 275, Secs. 9(a) (part), (b)  
15 (part), 18(a) (part), 19(f).)

16 Sec. 1046.109. EMINENT DOMAIN. (a) The district may  
17 exercise the power of eminent domain to acquire a fee simple or  
18 other interest in any type of property located in district  
19 territory if the interest is necessary or convenient for the  
20 district to exercise a power, right, or privilege conferred by this  
21 chapter.

22 (b) The district must exercise the power of eminent domain  
23 in the manner provided by Chapter 21, Property Code, except the  
24 district is not required to deposit in the trial court money or a  
25 bond as provided by Section 21.021(a), Property Code.

26 (c) In a condemnation proceeding brought by the district,  
27 the district is not required to:



1           (1) pay in advance or provide a bond or other security  
2 for costs in the trial court;

3           (2) provide a bond for the issuance of a temporary  
4 restraining order or a temporary injunction; or

5           (3) provide a bond for costs or a supersedeas bond on  
6 an appeal or writ of error. (Acts 66th Leg., R.S., Ch. 275, Sec.  
7 13(a).)

8           Sec. 1046.110. COST OF RELOCATING OR ALTERING PROPERTY. In  
9 exercising the power of eminent domain, if the board requires  
10 relocating, raising, lowering, rerouting, changing the grade of, or  
11 altering the construction of any railroad, electric transmission,  
12 telegraph or telephone line, conduit, pole, or facility, or  
13 pipeline, the district must bear the actual cost of relocating,  
14 raising, lowering, rerouting, changing the grade, or altering the  
15 construction to provide comparable replacement without enhancement  
16 of facilities, after deducting the net salvage value derived from  
17 the old facility. (Acts 66th Leg., R.S., Ch. 275, Sec. 13(b).)

18           Sec. 1046.111. GIFTS AND ENDOWMENTS. The board may accept  
19 for the district a gift or endowment to be held in trust for the  
20 purposes and under the directions, limitations, or other provisions  
21 prescribed in writing by the donor that are consistent with the  
22 proper management and objectives of the district. (Acts 66th Leg.,  
23 R.S., Ch. 275, Sec. 17.)

24           Sec. 1046.112. CONSTRUCTION CONTRACTS. A construction  
25 contract that involves the expenditure of more than \$10,000 may be  
26 made only after advertising in the manner provided by Subchapter B,  
27 Chapter 271, Local Government Code. (Acts 66th Leg., R.S., Ch. 275,

1 Sec. 9(b) (part).)

2 Sec. 1046.113. OPERATING AND MANAGEMENT CONTRACTS. The  
3 board may enter into an operating or management contract relating  
4 to a district hospital or the hospital system. (Acts 66th Leg.,  
5 R.S., Ch. 275, Sec. 18(c) (part).)

6 Sec. 1046.114. CONTRACT IN NAME OF DISTRICT. The district  
7 shall contract in the name of the district. (Acts 66th Leg., R.S.,  
8 Ch. 275, Sec. 19(a) (part).)

9 Sec. 1046.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
10 CARE AND TREATMENT. (a) The board may contract with a county or  
11 municipality located outside the district's boundaries to  
12 reimburse the district for the care and treatment of a sick or  
13 injured person of that county or municipality.

14 (b) The board may contract with this state or a federal  
15 agency for reimbursement for the treatment of a sick or injured  
16 person. (Acts 66th Leg., R.S., Ch. 275, Sec. 5 (part).)

17 Sec. 1046.116. PROVISION OF SERVICES OUTSIDE DISTRICT. The  
18 district may provide health care services outside the district's  
19 boundaries provided that the services serve the purposes of the  
20 district. (Acts 66th Leg., R.S., Ch. 275, Sec. 5 (part).)

21 Sec. 1046.117. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
22 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
23 political subdivision or governmental agency for the district  
24 to provide investigatory or other services as to facilities for  
25 the medical care, hospital, or welfare needs of district  
26 inhabitants. (Acts 66th Leg., R.S., Ch. 275, Sec. 5 (part).)

27 Sec. 1046.118. LEASES. (a) The board may lease all or part

1 of the facilities comprising the hospitals or hospital system on  
2 terms the board considers to be in the district's best interest.

3 (b) When leasing a facility, the board may delegate as it  
4 considers appropriate the board's power to manage, control, and  
5 administer the leased facilities to furnish hospital and medical  
6 care.

7 (c) For each leased facility, the lease must require the  
8 lessee to charge rates for services rendered or goods provided at  
9 the leased premises that, together with other sources of the  
10 lessee's revenue, produce an amount sufficient to enable the lessee  
11 to pay the expenses of operating and maintaining the leased  
12 premises required of the lessee under the lease. The lease must  
13 also require the lessee to pay lease rentals to the district that  
14 will be sufficient when taken with any other sources of the  
15 district's estimated revenue that are pledged for the same purposes  
16 to:

17 (1) pay the interest on any revenue or special  
18 obligation bonds that are payable wholly or partly from the lease  
19 rentals;

20 (2) create and maintain a sinking fund to pay the  
21 principal of and premium, if any, on the bonds as they become due;

22 (3) create and maintain a bond reserve fund and any  
23 other fund provided for in the bond order, resolution, or trust  
24 indenture authorizing the issuance of the bonds; and

25 (4) pay all other charges, fees, costs, and expenses  
26 the lessee is required to pay under the resolution or indenture.

27 (d) The lease, management agreement, bond resolution, or

1 trust indenture may prescribe systems, methods, routines,  
2 procedures, and policies for the operation of the facilities owned  
3 by the district.

4 (e) A lease of a district hospital must require the lessee  
5 to operate the hospital in a manner that complies with the  
6 requirements of this chapter that would apply to the board if the  
7 board were operating the hospital. (Acts 66th Leg., R.S., Ch. 275,  
8 Sec. 18(d) (part).)

9 Sec. 1046.119. AUTHORITY TO SELL OR CLOSE CERTAIN DISTRICT  
10 HOSPITALS. (a) The board may not sell or close a hospital  
11 transferred to the district by the Edna Hospital District unless  
12 the sale or closing is approved by a two-thirds majority vote of the  
13 district voters voting at an election held for that purpose. A  
14 concurrence of seven directors is required to call the election.

15 (b) The board may not call another election before the first  
16 anniversary of the date of a previous election held under this  
17 section. (Acts 66th Leg., R.S., Ch. 275, Secs. 4(g) (part), 9(a)  
18 (part).)

19 Sec. 1046.120. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
20 When a patient who resides in the district is admitted to a district  
21 facility, the administrator for the hospital to which the patient  
22 is admitted may have an inquiry made into the circumstances of:

- 23 (1) the patient; and  
24 (2) the patient's relatives who are legally liable for  
25 the patient's support.

26 (b) If the administrator determines that the patient or  
27 those relatives cannot pay all or part of the costs of the care and

1 treatment in the hospital, the amount of the costs that cannot be  
2 paid becomes a charge against the district.

3 (c) If the administrator determines that the patient or  
4 those relatives can pay for all or part of the costs of the  
5 patient's care and treatment, the patient or those relatives shall  
6 be ordered to pay the district a specified amount each week for the  
7 patient's care and support. The amount ordered must be  
8 proportionate to the person's financial ability.

9 (d) The administrator may collect the amount from the  
10 patient's estate, or from any relative who is legally liable for the  
11 patient's support, in the manner provided by law for the collection  
12 of expenses of the last illness of a deceased person.

13 (e) If there is a dispute as to the ability to pay, or doubt  
14 in the mind of the administrator, the board shall hold a hearing  
15 and, after calling witnesses, shall:

16 (1) resolve the dispute or doubt; and

17 (2) issue a final order.

18 (f) A final order of the board may be appealed to the  
19 district court. The substantial evidence rule applies to the  
20 appeal. (Acts 66th Leg., R.S., Ch. 275, Sec. 16.)

21 Sec. 1046.121. AUTHORITY TO SUE AND BE SUED. The district,  
22 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.  
23 275, Sec. 5 (part).)

24 Sec. 1046.122. RECOMMENDATION OF LEGISLATION; NOTICE. (a)  
25 The board may not recommend to the legislature legislation to amend  
26 this chapter unless the recommendation is approved by a concurrence  
27 of seven directors.

1 (b) The board shall give notice of the date, hour, place,  
2 and subject of a meeting at which the recommendation of legislation  
3 will be discussed in accordance with the open meetings law, Chapter  
4 551, Government Code, except that the board shall furnish to the  
5 county clerk the notice required by Section 551.054, Government  
6 Code, at least 30 days before the date of the meeting.

7 (c) The notice must be published in a newspaper of general  
8 circulation in the district once a week for four weeks. The first  
9 publication must occur at least 30 days before the date of the  
10 meeting. (Acts 66th Leg., R.S., Ch. 275, Secs. 4(g) (part), 21.)

11 [Sections 1046.123-1046.150 reserved for expansion]

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 1046.151. BUDGET. (a) Each administrator shall  
14 prepare an annual budget for each hospital for which that person is  
15 the administrator. The board shall combine these budgets into a  
16 single budget for the district.

17 (b) The proposed budget for the district must contain a  
18 complete financial statement of:

- 19 (1) the outstanding obligations of the district;
- 20 (2) the cash on hand in each district fund;
- 21 (3) the money received by the district from all  
22 sources during the previous year;
- 23 (4) the money available to the district from all  
24 sources during the ensuing year;
- 25 (5) the balances expected at the end of the year in  
26 which the budget is being prepared;
- 27 (6) the estimated amount of revenue and balances

1 available to cover the proposed budget; and

2 (7) the estimated tax rate required. (Acts 66th Leg.,  
3 R.S., Ch. 275, Sec. 6 (part).)

4 Sec. 1046.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
5 The board shall hold a public hearing on the proposed annual budget.

6 (b) Notice of the hearing must be published in a newspaper  
7 of general circulation in the district one time at least 10 days  
8 before the date of the hearing.

9 (c) Any district resident or taxpayer is entitled to be  
10 present and participate at the hearing.

11 (d) At the conclusion of the hearing, the board shall adopt  
12 a budget by acting on the budget proposed by the administrators.  
13 The board may make any changes in the proposed budget that the board  
14 judges to be in the interests of the taxpayers and that the law  
15 warrants. (Acts 66th Leg., R.S., Ch. 275, Sec. 6 (part).)

16 Sec. 1046.153. AMENDMENTS TO BUDGET. The budget may be  
17 amended as required by circumstances. The board must approve all  
18 amendments. (Acts 66th Leg., R.S., Ch. 275, Sec. 6 (part).)

19 Sec. 1046.154. RESTRICTION ON EXPENDITURES. Money may be  
20 spent only for an expense included in the budget or an amendment to  
21 the budget. (Acts 66th Leg., R.S., Ch. 275, Sec. 6 (part).)

22 Sec. 1046.155. FISCAL YEAR. (a) The district operates on a  
23 fiscal year established by the board.

24 (b) The fiscal year may not be changed:

25 (1) during a period that revenue bonds of the district  
26 are outstanding; or

27 (2) more than once in a 24-month period. (Acts 66th

1 Leg., R.S., Ch. 275, Sec. 6 (part).)

2       Sec. 1046.156. ANNUAL AUDIT. The board annually shall have  
3 an audit made of the district's financial condition. (Acts 66th  
4 Leg., R.S., Ch. 275, Sec. 6 (part).)

5       Sec. 1046.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
6 RECORDS. The annual audit and other district records shall be open  
7 to inspection at the district's principal office. (Acts 66th Leg.,  
8 R.S., Ch. 275, Sec. 6 (part).)

9       Sec. 1046.158. FINANCIAL REPORT. As soon as practicable  
10 after the close of each fiscal year, the administrators shall  
11 prepare for the board:

12             (1) a complete sworn statement of all district money;  
13 and

14             (2) a complete account of the disbursements of that  
15 money. (Acts 66th Leg., R.S., Ch. 275, Sec. 6 (part).)

16       Sec. 1046.159. DEPOSITORY. (a) After advertising in the  
17 manner provided by Chapter 252 and Subchapter C, Chapter 262, Local  
18 Government Code, the board shall choose by competitive bidding one  
19 or more banks inside or outside the district to serve as a  
20 depository for district money.

21             (b) District money, other than money invested as provided by  
22 Section 1046.160(b), and money transmitted to a bank for payment of  
23 bonds or obligations issued or assumed by the district, shall be  
24 deposited as received with the depository bank and shall remain on  
25 deposit.

26             (c) This chapter, including Subsection (b), does not limit  
27 the power of the board to place a part of district money on time



1 deposit or to purchase certificates of deposit.

2 (d) The district may not deposit money with a bank in an  
3 amount that exceeds the maximum amount secured by the Federal  
4 Deposit Insurance Corporation unless the bank first executes a bond  
5 or other security in an amount sufficient to secure from loss the  
6 district money that exceeds the amount secured by the Federal  
7 Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch. 275,  
8 Sec. 10.)

9 Sec. 1046.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
10 Except as otherwise provided by Section 1046.108(c), Section  
11 1046.161, and Subchapter E, the district may not incur an  
12 obligation payable from district revenue other than the revenue on  
13 hand or to be on hand in the current and following district fiscal  
14 years.

15 (b) The board may invest operating, depreciation, or  
16 building reserves only in funds or securities specified by Chapter  
17 2256, Government Code. (Acts 66th Leg., R.S., Ch. 275, Secs. 5  
18 (part), 9(b) (part).)

19 Sec. 1046.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
20 The district may incur a debt or borrow money on the credit of the  
21 district or secured by any source of revenue, including district  
22 taxes to be imposed in the next 12-month period, that is not pledged  
23 to pay the principal of or interest on district bonds.

24 (b) The district may incur a debt or borrow money in any  
25 amount at a rate not to exceed the maximum annual percentage rate  
26 allowed by law for district obligations at the time the loan is made  
27 and on other terms the district considers advisable. (Acts 66th

1 Leg., R.S., Ch. 275, Sec. 8A.)

2 [Sections 1046.162-1046.200 reserved for expansion]

3 SUBCHAPTER E. BONDS

4 Sec. 1046.201. GENERAL OBLIGATION BONDS. The board may  
5 issue and sell general obligations bonds in the name and on the  
6 faith and credit of the district for any purpose relating to:

7 (1) the purchase, construction, acquisition, repair,  
8 or renovation of buildings or improvements; and

9 (2) equipping buildings or improvements for hospital  
10 purposes. (Acts 66th Leg., R.S., Ch. 275, Sec. 7(a) (part).)

11 Sec. 1046.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
12 the time general obligation bonds are issued by the district under  
13 Section 1046.201, the board shall impose an ad valorem tax at a rate  
14 sufficient to create an interest and sinking fund to pay the  
15 principal of and interest on the bonds as the bonds mature.

16 (b) The tax required by this section together with any other  
17 ad valorem tax the district imposes may not in any year exceed 75  
18 cents on each \$100 valuation of all taxable property in the  
19 district. (Acts 66th Leg., R.S., Ch. 275, Sec. 7(a) (part).)

20 Sec. 1046.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
21 district may issue general obligation bonds only if the bonds are  
22 authorized by a majority of the district voters.

23 (b) The board, in ordering a bond election, shall provide  
24 for clerks as in county elections and must specify:

25 (1) the date of the election;

26 (2) the location of the polling places;

27 (3) the presiding and alternate election judges for

1 each polling place;

2 (4) the amount of the bonds to be authorized; and

3 (5) the maximum maturity of the bonds.

4 (c) Notice of a bond election shall be given as provided by  
5 Section 1251.003, Government Code.

6 (d) The board shall declare the results of the election.  
7 (Acts 66th Leg., R.S., Ch. 275, Sec. 7(a) (part).)

8 Sec. 1046.204. MATURITY OF GENERAL OBLIGATION BONDS.  
9 District general obligation bonds must mature not later than 40  
10 years after the date of issuance. (Acts 66th Leg., R.S., Ch. 275,  
11 Sec. 7(c) (part).)

12 Sec. 1046.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
13 The board president shall execute the general obligation bonds in  
14 the district's name.

15 (b) The board secretary shall countersign the bonds in the  
16 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,  
17 R.S., Ch. 275, Sec. 7(c) (part).)

18 Sec. 1046.206. REVENUE BONDS. (a) The board may issue  
19 revenue bonds to:

20 (1) purchase, construct, acquire, repair, renovate,  
21 or equip buildings or improvements for hospital purposes; or

22 (2) acquire sites to be used for hospital purposes.

23 (b) The bonds must be payable from and secured by a pledge of  
24 all or part of the revenue derived from the operation of the  
25 district's hospitals.

26 (c) The bonds may be additionally secured by a mortgage or  
27 deed of trust lien on all or part of district property.

1 (d) The bonds must be issued in the manner and in accordance  
2 with the procedures and requirements prescribed by Sections  
3 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
4 issuance of revenue bonds by a county hospital authority. (Acts  
5 66th Leg., R.S., Ch. 275, Sec. 8 (part).)

6 Sec. 1046.207. REFUNDING BONDS. (a) The board may, without  
7 an election, issue refunding bonds to refund outstanding  
8 indebtedness issued or assumed by the district.

9 (b) A refunding bond may be:

10 (1) sold, with the proceeds of the bond applied to the  
11 payment of the outstanding indebtedness; or

12 (2) exchanged wholly or partly for not less than a  
13 similar principal amount of outstanding indebtedness. (Acts 66th  
14 Leg., R.S., Ch. 275, Secs. 7(a) (part), (b) (part), 8 (part).)

15 Sec. 1046.208. BONDS EXEMPT FROM TAXATION. The following  
16 are exempt from taxation by this state or a political subdivision of  
17 this state:

18 (1) bonds issued by the district;

19 (2) the transfer and issuance of the bonds; and

20 (3) profits made in the sale of the bonds. (Acts 66th  
21 Leg., R.S., Ch. 275, Sec. 23 (part).)

22 [Sections 1046.209-1046.250 reserved for expansion]

23 SUBCHAPTER F. TAXES

24 Sec. 1046.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
25 may impose a tax on all property in the district subject to district  
26 taxation.

27 (b) The board may impose the tax to pay:

1           (1) indebtedness issued or assumed by the district;  
2 and

3           (2) the maintenance and operating expenses of the  
4 district, including improvements to district facilities.

5           (c) The district may not impose a tax to pay the principal of  
6 or interest on revenue bonds issued under this chapter. (Acts 66th  
7 Leg., R.S., Ch. 275, Secs. 11(a) (part), 14(a) (part).)

8           Sec. 1046.252. TAX RATE. (a) The board may impose the tax  
9 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
10 property in the district.

11           (b) In setting the tax rate, the board shall consider the  
12 income of the district from sources other than taxation. (Acts 66th  
13 Leg., R.S., Ch. 275, Secs. 3(b) (part), (c) (part), 11(a) (part),  
14 (b) (part).)

15           Sec. 1046.253. ASSESSMENT AND COLLECTION BY COUNTY TAX  
16 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
17 elects to have taxes assessed and collected under Section 1046.254.

18           (b) The tax assessor-collector of Jackson County shall  
19 assess and collect taxes imposed by the district. (Acts 66th Leg.,  
20 R.S., Ch. 275, Secs. 14(a) (part), (b) (part).)

21           Sec. 1046.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX  
22 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes  
23 assessed and collected by a tax assessor-collector appointed by the  
24 board. An election under this subsection must be made by December 1  
25 and governs the manner in which taxes are assessed and collected,  
26 until changed by a similar resolution.

27           (b) The district tax assessor-collector must:

- 1           (1) reside in the district; and
- 2           (2) own real property subject to district taxation.
- 3           (c) The board shall set for the district tax
- 4 assessor-collector:
- 5           (1) the term of employment; and
- 6           (2) compensation. (Acts 66th Leg., R.S., Ch. 275,
- 7 Secs. 14(a) (part), (c) (part).)

8           CHAPTER 1047. JASPER HOSPITAL DISTRICT

9           SUBCHAPTER A. GENERAL PROVISIONS

- 10 Sec. 1047.001. DEFINITIONS
- 11 Sec. 1047.002. AUTHORITY FOR CREATION; JUDICIAL NOTICE
- 12 Sec. 1047.003. NATURE OF DISTRICT
- 13 Sec. 1047.004. DISTRICT TERRITORY
- 14           [Sections 1047.005-1047.050 reserved for expansion]

15           SUBCHAPTER B. DISTRICT ADMINISTRATION

- 16 Sec. 1047.051. BOARD ELECTION; TERM
- 17 Sec. 1047.052. QUALIFICATIONS FOR OFFICE
- 18 Sec. 1047.053. OATH; BOND; RECORD OF BOND AND OATH
- 19 Sec. 1047.054. BOARD VACANCY; SPECIAL ELECTION
- 20 Sec. 1047.055. OFFICERS
- 21 Sec. 1047.056. REMOVAL FROM OFFICE
- 22 Sec. 1047.057. COMPENSATION; EXPENSES
- 23 Sec. 1047.058. MEETINGS
- 24 Sec. 1047.059. VOTING REQUIREMENT
- 25 Sec. 1047.060. MAINTENANCE OF RECORDS
- 26 Sec. 1047.061. EMPLOYEES
- 27           [Sections 1047.062-1047.100 reserved for expansion]

1                                   SUBCHAPTER C. POWERS AND DUTIES

2   Sec. 1047.101.   GENERAL POWERS

3   Sec. 1047.102.   HOSPITAL SYSTEM

4   Sec. 1047.103.   EMINENT DOMAIN

5   Sec. 1047.104.   GIFTS AND ENDOWMENTS

6   Sec. 1047.105.   CONTRACT IN NAME OF DISTRICT

7   Sec. 1047.106.   CONSTRUCTION CONTRACTS

8   Sec. 1047.107.   AUTHORITY TO SUE AND BE SUED

9                   [Sections 1047.108-1047.150 reserved for expansion]

10                                  SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11   Sec. 1047.151.   BOOK OF ACCOUNTS; ANNUAL AUDIT

12   Sec. 1047.152.   DEPOSITORY

13   Sec. 1047.153.   PURCHASING AUTHORITY

14   Sec. 1047.154.   PAYMENT VOUCHERS

15                   [Sections 1047.155-1047.200 reserved for expansion]

16                                  SUBCHAPTER E. BONDS

17   Sec. 1047.201.   BONDS

18   Sec. 1047.202.   CANCELLATION OF BOND

19   Sec. 1047.203.   RECORD OF BOND ISSUANCE

20   Sec. 1047.204.   REFUNDING BONDS

21   Sec. 1047.205.   REGISTRATION OF REFUNDING BONDS

22   Sec. 1047.206.   TAX TO PAY REFUNDING BONDS

23   Sec. 1047.207.   BOND PROCEEDS

24   Sec. 1047.208.   BOND ELECTION EXPENSES

25                   [Sections 1047.209-1047.250 reserved for expansion]

26                                  SUBCHAPTER F. TAXES

27   Sec. 1047.251.   IMPOSITION OF AD VALOREM TAX

1 Sec. 1047.252. TAX RATE

2 Sec. 1047.253. TAX ASSESSOR-COLLECTOR

3 [Sections 1047.254-1047.300 reserved for expansion]

4 SUBCHAPTER G. MERGER

5 Sec. 1047.301. MERGER

6 CHAPTER 1047. JASPER HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1047.001. DEFINITIONS. In this chapter:

9 (1) "Board" means the board of directors of the  
10 district.

11 (2) "Director" means a member of the board.

12 (3) "District" means the Jasper Hospital District.  
13 (Acts 58th Leg., R.S., Ch. 56, Sec. 1 (part); New.)

14 Sec. 1047.002. AUTHORITY FOR CREATION; JUDICIAL NOTICE.

15 (a) The district is created under Section 9, Article IX, Texas  
16 Constitution, and this chapter.

17 (b) A court shall take judicial notice of the district's  
18 establishment. (Acts 58th Leg., R.S., Ch. 56, Secs. 1 (part), 14(a)  
19 (part).)

20 Sec. 1047.003. NATURE OF DISTRICT. The district is a  
21 governmental agency. (Acts 58th Leg., R.S., Ch. 56, Sec. 14(a)  
22 (part).)

23 Sec. 1047.004. DISTRICT TERRITORY. The boundaries of the  
24 district are coextensive with the boundaries of County  
25 Commissioners Precincts 1 and 2 of Jasper County, as those  
26 boundaries existed on April 12, 1963. (Acts 58th Leg., R.S., Ch.  
27 56, Sec. 1 (part).)



1 [Sections 1047.005-1047.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1047.051. BOARD ELECTION; TERM. (a) The board  
4 consists of nine directors elected from the district at large.

5 (b) Unless four-year terms are established under Section  
6 285.081, Health and Safety Code, directors serve two-year terms,  
7 with:

8 (1) four directors elected in even-numbered years; and

9 (2) five directors elected in odd-numbered years.

10 (Acts 58th Leg., R.S., Ch. 56, Secs. 2(c) (part), 13(b).)

11 Sec. 1047.052. QUALIFICATIONS FOR OFFICE. A person may not  
12 be elected or appointed as a director unless the person:

13 (1) is a district resident;

14 (2) owns land in the district subject to taxation; and

15 (3) is at least 18 years of age at the time of the  
16 election. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(a).)

17 Sec. 1047.053. OATH; BOND; RECORD OF BOND AND OATH. (a)  
18 Before undertaking any official duties, each director must take an  
19 oath to faithfully discharge the duties of office without favor or  
20 partiality.

21 (b) Each director shall give a good and sufficient bond for  
22 \$1,000 that is:

23 (1) payable to the district; and

24 (2) conditioned on the faithful performance of the  
25 director's duties.

26 (c) Each director's oath shall be filed with the district  
27 secretary. (Acts 58th Leg., R.S., Ch. 56, Secs. 13(k) (part), (l).)

1           Sec. 1047.054. BOARD VACANCY; SPECIAL ELECTION. (a) If a  
2 vacancy occurs in the office of director, the remaining directors  
3 shall appoint a director for the unexpired term.

4           (b) If the number of directors is reduced to fewer than six,  
5 the remaining directors shall call a special election to fill the  
6 vacancies. If the directors do not call the election within 15 days  
7 after the vacancies occur, the county judge of Jasper County, on  
8 petition of a county voter or creditor, shall:

9                   (1) order a special election;

10                   (2) set the election date;

11                   (3) order a county sheriff to publish notice of the  
12 election; and

13                   (4) name the officers to hold the election.

14           (c) For an election ordered by the county judge:

15                   (1) the election returns shall be made to and filed  
16 with the county clerk's office; and

17                   (2) the county clerk shall declare the results.

18           (d) Officers elected under this section shall furnish bond  
19 and qualify in the same manner as a director elected in a general  
20 election under this chapter. (Acts 58th Leg., R.S., Ch. 56, Sec.  
21 13(c) (part).)

22           Sec. 1047.055. OFFICERS. (a) The board shall elect from  
23 among its members a president and a secretary.

24           (b) Each officer of the board serves until the next  
25 directors' election.

26           (c) The board shall fill a vacancy in a board office for the  
27 unexpired term by appointment. (Acts 58th Leg., R.S., Ch. 56, Secs.

1 3 (part), 13(c) (part), (d) (part).)

2           Sec. 1047.056. REMOVAL FROM OFFICE. A director may be  
3 removed from office in the same manner and for the same causes as  
4 county officers under state law. (Acts 58th Leg., R.S., Ch. 56,  
5 Sec. 13(m).)

6           Sec. 1047.057. COMPENSATION; EXPENSES. A director serves  
7 without compensation but shall be reimbursed for actual expenses  
8 incurred in the performance of the director's duties under this  
9 chapter. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(n).)

10          Sec. 1047.058. MEETINGS. (a) The board shall:

11               (1) meet at least once a month; and

12               (2) hold special meetings as the board considers  
13 necessary.

14          (b) A taxpayer, resident, or interested party:

15               (1) may attend a board meeting but may not participate  
16 in a meeting without the consent of the board; and

17               (2) may present any matter to the board in an orderly  
18 manner. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(e).)

19          Sec. 1047.059. VOTING REQUIREMENT. A concurrence of five  
20 directors is sufficient in any matter relating to district  
21 business. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(d) (part).)

22          Sec. 1047.060. MAINTENANCE OF RECORDS. (a) The board  
23 shall:

24               (1) keep an account of all board meetings and  
25 proceedings; and

26               (2) maintain in a safe place all district records and  
27 accounts, including all contracts, notices, duplicate vouchers,

1 and duplicate receipts.

2 (b) The information described by Subsection (a) shall be  
3 delivered to the board's successors in office. (Acts 58th Leg.,  
4 R.S., Ch. 56, Sec. 13(f).)

5 Sec. 1047.061. EMPLOYEES. The board:

6 (1) may employ a general manager or administrator, an  
7 attorney, a bookkeeper, and an architect; and

8 (2) shall employ all other employees necessary for the  
9 proper handling and operation of the district. (Acts 58th Leg.,  
10 R.S., Ch. 56, Sec. 13(i).)

11 [Sections 1047.062-1047.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 1047.101. GENERAL POWERS. (a) The board has full  
14 management and control of all district business. The board may  
15 negotiate and contract with any person to purchase or lease land, to  
16 construct and equip a hospital system, and to operate and maintain  
17 the hospital.

18 (b) The district has the powers of government and the  
19 authority to exercise the rights, privileges, and functions  
20 concerning the purposes for which the district was created that are  
21 conferred by this chapter and any other law in this state from which  
22 the district is entitled to benefit. (Acts 58th Leg., R.S., Ch. 56,  
23 Secs. 3 (part), 14(b) (part).)

24 Sec. 1047.102. HOSPITAL SYSTEM. The district may contract  
25 for the purchase of land, for the hospital system, and for the  
26 construction of the hospital. (Acts 58th Leg., R.S., Ch. 56, Sec.  
27 14(b) (part).)

1           Sec. 1047.103. EMINENT DOMAIN. (a) The district may  
2 exercise the power of eminent domain to acquire a fee simple or  
3 other interest in any type of property, real, personal, or mixed,  
4 located in district territory if the interest is necessary or  
5 convenient for the district to exercise a right, power, privilege,  
6 or function conferred on the district by this chapter.

7           (b) The district must exercise the power of eminent domain  
8 in the manner provided by Chapter 21, Property Code, except the  
9 district is not required to deposit in the trial court money or a  
10 bond as provided by Section 21.021(a), Property Code.

11           (c) In a condemnation proceeding brought by the district,  
12 the district is not required to:

13                 (1) pay in advance or provide a bond or other security  
14 for costs in the trial court;

15                 (2) provide a bond for the issuance of a temporary  
16 restraining order or a temporary injunction; or

17                 (3) provide a bond for costs or a supersedeas bond on  
18 an appeal or writ of error. (Acts 58th Leg., R.S., Ch. 56, Sec. 8.)

19           Sec. 1047.104. GIFTS AND ENDOWMENTS. The board may accept  
20 for the district a gift or endowment to be held in trust by the board  
21 for the purposes and under the directions, limitations, or other  
22 provisions prescribed in writing by the donor that are not  
23 inconsistent with the proper management and objectives of the  
24 district. (Acts 58th Leg., R.S., Ch. 56, Sec. 11.)

25           Sec. 1047.105. CONTRACT IN NAME OF DISTRICT. The district  
26 shall contract in the name of the district. (Acts 58th Leg., R.S.,  
27 Ch. 56, Sec. 14(a) (part).)

1           Sec. 1047.106. CONSTRUCTION CONTRACTS. (a) A contract for  
2 making and constructing improvements authorized by this chapter and  
3 any necessary related work for which the cost exceeds \$10,000 shall  
4 be awarded:

5                   (1) to the lowest responsible bidder who furnishes  
6 satisfactory evidence that the bidder possesses the equipment and  
7 facilities essential to properly perform the contract; and

8                   (2) after giving notice by:

9                           (A) advertising once a week for four weeks in one  
10 or more newspapers of general circulation in this state; and

11                           (B) posting a notice for at least 10 days at the  
12 courthouse door.

13           (b) The contract must be in writing and be signed by the  
14 contractors and the directors. A copy of the signed contract shall  
15 be filed with the depository and is subject to inspection by all  
16 interested parties.

17           (c) The contract shall be fulfilled in accordance with the  
18 specifications and under the supervision of the board and district  
19 agents. (Acts 58th Leg., R.S., Ch. 56, Secs. 6(a), (c).)

20           Sec. 1047.107. AUTHORITY TO SUE AND BE SUED. The district,  
21 through the board, may sue and be sued in the district's own name in  
22 any court of this state. (Acts 58th Leg., R.S., Ch. 56, Sec. 14(a)  
23 (part).)

24           [Sections 1047.108-1047.150 reserved for expansion]

25                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26           Sec. 1047.151. BOOK OF ACCOUNTS; ANNUAL AUDIT. (a) The  
27 board shall have kept a complete book of accounts for the district.

1 (b) On June 1 of each year, the board shall select a  
2 competent auditor to examine the accounts, books, and reports of  
3 the depository, the tax assessor-collector, and the board.

4 (c) The auditor shall make a full report and file a copy of  
5 the report with the depository, the county clerk, and the board.

6 (d) The report must state the purposes for which money from  
7 each fund was spent. (Acts 58th Leg., R.S., Ch. 56, Sec. 13(h).)

8 Sec. 1047.152. DEPOSITORY. The board shall select a  
9 depository for the district in the manner provided by law for the  
10 selection of a county depository. The depository serves for two  
11 years until a successor is selected and qualified. (Acts 58th Leg.,  
12 R.S., Ch. 56, Sec. 9.)

13 Sec. 1047.153. PURCHASING AUTHORITY. The board may  
14 purchase all necessary supplies, materials, and office equipment to  
15 meet the needs of the district. (Acts 58th Leg., R.S., Ch. 56, Sec.  
16 13(j).)

17 Sec. 1047.154. PAYMENT VOUCHERS. A voucher for the payment  
18 of district money shall be signed by at least two directors. (Acts  
19 58th Leg., R.S., Ch. 56, Sec. 13(g).)

20 [Sections 1047.155-1047.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Sec. 1047.201. BONDS. The district may issue bonds to:

23 (1) purchase a site for, construct, and initially  
24 equip a hospital system; and

25 (2) purchase, lease, acquire, equip, maintain, and  
26 operate a hospital system. (Acts 58th Leg., R.S., Ch. 56, Sec. 1  
27 (part).)

1           Sec. 1047.202. CANCELLATION OF BOND. (a) On the payment of  
2 interest or for the redemption of district bonds, the depository  
3 shall receive and cancel any interest coupon paid or bond  
4 discharged.

5           (b) When the interest coupon or bond is delivered to the  
6 board:

7                 (1) the account of the depository shall be credited  
8 with the amount of the coupon or bond; and

9                 (2) the coupon or bond shall be canceled and  
10 destroyed. (Acts 58th Leg., R.S., Ch. 56, Sec. 5(b).)

11           Sec. 1047.203. RECORD OF BOND ISSUANCE. (a) When bonds are  
12 issued, the board shall procure and deliver to the county treasurer  
13 a well-bound book containing a list of the following information  
14 for all bonds:

15                 (1) manner of payment;

16                 (2) amount of the bonds;

17                 (3) rate of interest;

18                 (4) date of issuance;

19                 (5) due date;

20                 (6) location where payable;

21                 (7) amount received for the bonds; and

22                 (8) the tax imposed to pay the interest on and redeem  
23 the bonds.

24           (b) The book described by Subsection (a) shall be open to  
25 inspection at all times to taxpayers or bondholders.

26           (c) On payment of a bond, the county treasurer shall:

27                 (1) enter the payment in the book described by



1 Subsection (a); and

2 (2) receive for services the same fees allowed by law  
3 for recording the payment as a county clerk recording deeds. (Acts  
4 58th Leg., R.S., Ch. 56, Sec. 5(c).)

5 Sec. 1047.204. REFUNDING BONDS. (a) The board may issue  
6 refunding bonds to refund outstanding bonds issued by the district  
7 with the consent of the holders of the bonds to be refunded.

8 (b) Before issuing refunding bonds, any sum to the credit of  
9 any sinking fund account on hand shall be:

10 (1) deducted in determining the amount of refunding  
11 bonds to be issued; and

12 (2) applied to the payment of the outstanding bonds.  
13 (Acts 58th Leg., R.S., Ch. 56, Sec. 5(d) (part).)

14 Sec. 1047.205. REGISTRATION OF REFUNDING BONDS. (a) After  
15 registration of refunding bonds, the comptroller shall:

16 (1) cancel the bonds to be refunded and the interest  
17 coupons for those bonds; and

18 (2) deliver the refunding bonds to the proper party.

19 (b) Bonds to be refunded may be presented for cancellation  
20 in installments with a corresponding amount of refunding bonds  
21 registered and delivered as provided by this section. (Acts 58th  
22 Leg., R.S., Ch. 56, Sec. 5(d) (part).)

23 Sec. 1047.206. TAX TO PAY REFUNDING BONDS. (a) Before  
24 refunding bonds authorized by Section 1047.204 are delivered, the  
25 board shall impose a sufficient tax to pay the principal of and  
26 interest on the bonds.

27 (b) The refunding of any bonds does not affect any taxes



1 [Sections 1047.254-1047.300 reserved for expansion]

2 SUBCHAPTER G. MERGER

3 Sec. 1047.301. MERGER. (a) If a countywide hospital  
4 district is created for Jasper County or if a district is created  
5 for the territory in Jasper County that is not included in the  
6 Jasper Hospital District, the board may choose to merge with the  
7 newly created hospital district if:

8 (1) the newly created hospital district assumes all  
9 outstanding indebtedness of the Jasper Hospital District; and

10 (2) the merger of districts is approved by the  
11 majority of the voters voting at an election held by the district.

12 (b) Notice of an election under this section must be given  
13 in the same manner as provided for an election to elect directors.

14 (Acts 58th Leg., R.S., Ch. 56, Sec. 16.)

15 CHAPTER 1048. KARNES COUNTY HOSPITAL DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 1048.001. DEFINITIONS

18 Sec. 1048.002. AUTHORITY FOR CREATION

19 Sec. 1048.003. ESSENTIAL PUBLIC FUNCTION

20 Sec. 1048.004. DISTRICT TERRITORY

21 Sec. 1048.005. CORRECTION OF INVALID PROCEDURES

22 Sec. 1048.006. DISTRICT SUPPORT AND MAINTENANCE NOT

23 STATE OBLIGATION

24 Sec. 1048.007. RESTRICTION ON STATE FINANCIAL

25 ASSISTANCE

26 [Sections 1048.008-1048.050 reserved for expansion]

- 1                               SUBCHAPTER B. DISTRICT ADMINISTRATION
- 2   Sec. 1048.051.   BOARD ELECTION; TERM
- 3   Sec. 1048.052.   NOTICE OF ELECTION
- 4   Sec. 1048.053.   QUALIFICATIONS FOR OFFICE
- 5   Sec. 1048.054.   BOND
- 6   Sec. 1048.055.   BOARD VACANCY
- 7   Sec. 1048.056.   OFFICERS
- 8   Sec. 1048.057.   COMPENSATION; EXPENSES
- 9   Sec. 1048.058.   VOTING REQUIREMENT
- 10   Sec. 1048.059.   DISTRICT ADMINISTRATOR
- 11   Sec. 1048.060.   GENERAL DUTIES OF DISTRICT
- 12                               ADMINISTRATOR
- 13   Sec. 1048.061.   EMPLOYEES; APPOINTMENT AND DISMISSAL OF STAFF
- 14   Sec. 1048.062.   SENIORITY; RETIREMENT BENEFITS
- 15                    [Sections 1048.063-1048.100 reserved for expansion]
- 16                               SUBCHAPTER C. POWERS AND DUTIES
- 17   Sec. 1048.101.   DISTRICT RESPONSIBILITY
- 18   Sec. 1048.102.   RESTRICTION ON POLITICAL SUBDIVISION
- 19                               TAXATION AND DEBT
- 20   Sec. 1048.103.   MANAGEMENT, CONTROL, AND ADMINISTRATION
- 21   Sec. 1048.104.   HOSPITAL SYSTEM
- 22   Sec. 1048.105.   RULES
- 23   Sec. 1048.106.   PURCHASING AND ACCOUNTING PROCEDURES
- 24   Sec. 1048.107.   DISTRICT PROPERTY, FACILITIES, AND
- 25                               EQUIPMENT
- 26   Sec. 1048.108.   EMINENT DOMAIN
- 27   Sec. 1048.109.   GIFTS AND ENDOWMENTS

- 1 Sec. 1048.110. CONSTRUCTION AND PURCHASE CONTRACTS  
2 Sec. 1048.111. OPERATING AND MANAGEMENT CONTRACTS  
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5 Sec. 1048.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
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7 Sec. 1048.114. CARE AND TREATMENT FOR INDIGENT  
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3 Sec. 1048.206. ADDITIONAL MEANS OF SECURING REPAYMENT  
4 OF BONDS  
5 Sec. 1048.207. MATURITY OF BONDS  
6 Sec. 1048.208. EXECUTION OF BONDS  
7 Sec. 1048.209. USE OF BOND PROCEEDS  
8 Sec. 1048.210. BONDS EXEMPT FROM TAXATION  
9 [Sections 1048.211-1048.250 reserved for expansion]

10 SUBCHAPTER F. TAXES

- 11 Sec. 1048.251. IMPOSITION OF AD VALOREM TAX  
12 Sec. 1048.252. TAX RATE  
13 Sec. 1048.253. TAX ASSESSOR-COLLECTOR  
14 [Sections 1048.254-1048.300 reserved for expansion]

15 SUBCHAPTER G. DISSOLUTION

- 16 Sec. 1048.301. DISSOLUTION; ELECTION  
17 Sec. 1048.302. NOTICE OF ELECTION  
18 Sec. 1048.303. BALLOT  
19 Sec. 1048.304. ELECTION RESULTS  
20 Sec. 1048.305. TRANSFER OR ADMINISTRATION OF ASSETS  
21 Sec. 1048.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
22 TAXES  
23 Sec. 1048.307. REPORT; DISSOLUTION ORDER

24 CHAPTER 1048. KARNES COUNTY HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 1048.001. DEFINITIONS. In this chapter:

- 27 (1) "Board" means the board of directors of the

1 district.

2 (2) "Director" means a member of the board.

3 (3) "District" means the Karnes County Hospital  
4 District. (New.)

5 Sec. 1048.002. AUTHORITY FOR CREATION. The district is  
6 created under the authority of Section 9, Article IX, Texas  
7 Constitution. (Acts 61st Leg., R.S., Ch. 591, Sec. 1.)

8 Sec. 1048.003. ESSENTIAL PUBLIC FUNCTION. The district  
9 performs an essential public function in carrying out the purposes  
10 of this chapter. (Acts 61st Leg., R.S., Ch. 591, Sec. 22 (part).)

11 Sec. 1048.004. DISTRICT TERRITORY. The boundaries of the  
12 district are coextensive with the boundaries of Karnes County.  
13 (Acts 61st Leg., R.S., Ch. 591, Sec. 2.)

14 Sec. 1048.005. CORRECTION OF INVALID PROCEDURES. If a  
15 court holds that any procedure under this chapter violates the  
16 constitution of this state or of the United States, the district by  
17 resolution may provide an alternative procedure that conforms with  
18 the constitution. (Acts 61st Leg., R.S., Ch. 591, Sec. 23 (part).)

19 Sec. 1048.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
20 OBLIGATION. The support and maintenance of the district may not  
21 become a charge against or obligation of this state. (Acts 61st  
22 Leg., R.S., Ch. 591, Sec. 21 (part).)

23 Sec. 1048.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
24 The legislature may not make a direct appropriation for the  
25 construction, maintenance, or improvement of a district facility.  
26 (Acts 61st Leg., R.S., Ch. 591, Sec. 21 (part).)

27 [Sections 1048.008-1048.050 reserved for expansion]

1                   SUBCHAPTER B. DISTRICT ADMINISTRATION

2           Sec. 1048.051. BOARD ELECTION; TERM. (a) The board is  
3 governed by seven directors elected at large by place.

4           (b) Unless four-year terms are established under Section  
5 285.081, Health and Safety Code:

6                   (1) directors serve two-year terms;

7                   (2) an election shall be held each year on the May  
8 uniform election date under Section 41.001, Election Code; and

9                   (3) the terms of the directors elected to places one  
10 through four expire in odd-numbered years and the terms of the  
11 directors elected to places five through seven expire in  
12 even-numbered years. (Acts 61st Leg., R.S., Ch. 591, Secs. 5(a),  
13 (a-1) (part), (a-2).)

14          Sec. 1048.052. NOTICE OF ELECTION. Notice of an election of  
15 directors shall be published in a newspaper or newspapers that  
16 individually or collectively have general circulation in the  
17 district in accordance with Section 4.003, Election Code. (Acts  
18 61st Leg., R.S., Ch. 591, Sec. 5(a-3) (part).)

19          Sec. 1048.053. QUALIFICATIONS FOR OFFICE. (a) A person may  
20 not be elected or appointed as a director unless the person is:

21                   (1) a qualified voter; and

22                   (2) a resident of the place for which the person is a  
23 candidate.

24          (b) To be eligible to hold office on the board, a person must  
25 be a resident of the place for which the person is elected, as  
26 designated by the following political subdivisions:

27                   (1) for place one, Falls City Common School District;



1           (2) for place two, Runge Independent School District  
2 and Nordheim Independent School District;

3           (3) for places three and four, Karnes City Independent  
4 School District and Nixon Independent School District; and

5           (4) for places five, six, and seven, Kenedy  
6 Independent School District, Pawnee Independent School District,  
7 and Pettus Independent School District.

8           (c) A person is not eligible to serve as a director if the  
9 person is:

10           (1) the district administrator;

11           (2) a district employee; or

12           (3) a hospital medical staff member. (Acts 61st Leg.,  
13 R.S., Ch. 591, Secs. 5(a-1) (part), (b).)

14           Sec. 1048.054. BOND. (a) Each director shall execute a  
15 good and sufficient bond for \$5,000 that is:

16           (1) payable to the district; and

17           (2) conditioned on the faithful performance of the  
18 director's duties.

19           (b) The district shall pay for a director's bond. (Acts  
20 61st Leg., R.S., Ch. 591, Sec. 5(a-5) (part).)

21           Sec. 1048.055. BOARD VACANCY. If a vacancy occurs in the  
22 office of director, the remaining directors shall appoint a  
23 director for the unexpired term. (Acts 61st Leg., R.S., Ch. 591,  
24 Sec. 5(a-4).)

25           Sec. 1048.056. OFFICERS. (a) The board shall elect:

26           (1) a president and a vice president from among its  
27 members; and

1           (2) a secretary, who need not be a director.

2           (b) Each officer of the board serves for a term of one year.

3           (c) The board shall fill a vacancy in a board office for the  
4 unexpired term. (Acts 61st Leg., R.S., Ch. 591, Sec. 5(c).)

5           Sec. 1048.057. COMPENSATION; EXPENSES. A director or  
6 officer serves without compensation but may be reimbursed for  
7 actual expenses incurred in the performance of official duties.  
8 The expenses must be:

9           (1) reported in the district's records; and

10           (2) approved by the board. (Acts 61st Leg., R.S., Ch.  
11 591, Sec. 5(e).)

12           Sec. 1048.058. VOTING REQUIREMENT. A concurrence of four  
13 directors is sufficient in any matter relating to district  
14 business. (Acts 61st Leg., R.S., Ch. 591, Sec. 5(d) (part).)

15           Sec. 1048.059. DISTRICT ADMINISTRATOR. (a) The board may  
16 appoint a qualified person as district administrator.

17           (b) The district administrator serves at the will of the  
18 board and is entitled to the compensation determined by the board.  
19 (Acts 61st Leg., R.S., Ch. 591, Sec. 6(d) (part).)

20           Sec. 1048.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
21 Subject to the limitations prescribed by the board, the district  
22 administrator shall:

23           (1) supervise the work and activities of the district;  
24 and

25           (2) direct the affairs of the district. (Acts 61st  
26 Leg., R.S., Ch. 591, Sec. 6(d) (part).)

27           Sec. 1048.061. EMPLOYEES; APPOINTMENT AND DISMISSAL OF

1 STAFF. (a) The board may appoint to or dismiss from the staff the  
2 physicians, dentists, and podiatrists the board determines  
3 necessary for the efficient operation of the district and may make  
4 temporary appointments as necessary.

5 (b) The district may employ the fiscal agents, accountants,  
6 architects, and attorneys the board considers proper.

7 (c) The board may delegate to the district administrator the  
8 authority to employ district employees, including technicians and  
9 nurses. (Acts 61st Leg., R.S., Ch. 591, Secs. 6(e), (f), 17.)

10 Sec. 1048.062. SENIORITY; RETIREMENT BENEFITS. The board  
11 may:

12 (1) adopt rules related to the seniority of district  
13 employees, including rules for a retirement plan based on  
14 seniority; and

15 (2) give effect to previous years of service for  
16 district employees continuously employed in the operation or  
17 management of hospital facilities acquired or constructed by the  
18 district. (Acts 61st Leg., R.S., Ch. 591, Sec. 6(b).)

19 [Sections 1048.063-1048.100 reserved for expansion]

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 1048.101. DISTRICT RESPONSIBILITY. (a) The district  
22 has full responsibility for providing hospital care for the  
23 district's indigent residents.

24 (b) The district shall provide all necessary hospital and  
25 medical care for the district's needy inhabitants. (Acts 61st  
26 Leg., R.S., Ch. 591, Secs. 3 (part), 20 (part).)

27 Sec. 1048.102. RESTRICTION ON POLITICAL SUBDIVISION

1 TAXATION AND DEBT. A political subdivision of this state, other  
2 than the district, may not impose a tax or issue bonds or other  
3 obligations for hospital purposes or to provide hospital service or  
4 medical care in the district. (Acts 61st Leg., R.S., Ch. 591, Secs.  
5 3 (part), 20 (part).)

6 Sec. 1048.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
7 The board shall manage, control, and administer the hospital system  
8 and the district's money and resources. (Acts 61st Leg., R.S., Ch.  
9 591, Sec. 6(a) (part).)

10 Sec. 1048.104. HOSPITAL SYSTEM. (a) The district has the  
11 responsibility to establish a hospital or hospital system within  
12 its boundaries to provide hospital and medical care to the  
13 district's residents.

14 (b) The hospital system may include:

15 (1) a hospital, clinic, health facility, extended care  
16 facility, outpatient facility, rehabilitation or recreation  
17 facility, pharmacy, medical laboratory, dental laboratory,  
18 physicians' office building, laundry facility, administrative  
19 facility, or other building related to a health facility or system;

20 (2) a single or multiunit housing facility for medical  
21 staff, nurses, interns, other employees of a health facility or  
22 system, patients of a health facility, or relatives of patients  
23 admitted for treatment or care in a health facility;

24 (3) a support facility related to a hospital project,  
25 including an office building, a parking lot or other parking  
26 structure, or a maintenance, safety, or utility facility, and any  
27 equipment related to the support facility; and

1           (4) any other facilities the board determines  
2 necessary for hospital or medical care. (Acts 61st Leg., R.S., Ch.  
3 591, Secs. 3 (part), 10(a) (part).)

4           Sec. 1048.105. RULES. The board may adopt rules governing  
5 the operation of the hospital, the hospital system, and the  
6 district's staff and employees. (Acts 61st Leg., R.S., Ch. 591,  
7 Sec. 6(c) (part).)

8           Sec. 1048.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
9 board may prescribe:

10           (1) the method and manner of making purchases and  
11 expenditures by and for the district; and

12           (2) all accounting and control procedures. (Acts 61st  
13 Leg., R.S., Ch. 591, Sec. 11 (part).)

14           Sec. 1048.107. DISTRICT PROPERTY, FACILITIES, AND  
15 EQUIPMENT. (a) The board shall determine the type, number, and  
16 location of buildings required to maintain an adequate hospital  
17 system.

18           (b) The board may lease all or part of the district's  
19 buildings and other facilities on terms considered to be in the best  
20 interest of the district's inhabitants. The term of the lease may  
21 not exceed 25 years.

22           (c) The district may acquire equipment for use in the  
23 district's hospital system and mortgage or pledge the property as  
24 security for the payment of the purchase price. A contract entered  
25 into under this subsection must provide that the entire obligation  
26 be retired not later than the fifth anniversary of the date of the  
27 contract.

1           (d) The district may sell or otherwise dispose of any  
2 property, including equipment, on terms the board finds are in the  
3 best interest of the district's inhabitants. (Acts 61st Leg.,  
4 R.S., Ch. 591, Secs. 10(a) (part), (b) (part), (c), 11 (part).)

5           Sec. 1048.108. EMINENT DOMAIN. (a) The district may  
6 exercise the power of eminent domain to acquire a fee simple or  
7 other interest in any type of property located in district  
8 territory if the interest is necessary for the district to exercise  
9 a power, right, or privilege conferred by this chapter.

10           (b) The district must exercise the power of eminent domain  
11 in the manner provided by Chapter 21, Property Code, except the  
12 district is not required to deposit in the trial court money or a  
13 bond as provided by Section 21.021, Property Code.

14           (c) In a condemnation proceeding brought by the district,  
15 the district is not required to:

16                 (1) pay in advance or provide a bond or other security  
17 for costs in the trial court;

18                 (2) provide a bond for the issuance of a temporary  
19 restraining order or a temporary injunction; or

20                 (3) provide a bond for costs or a supersedeas bond on  
21 an appeal or writ of error. (Acts 61st Leg., R.S., Ch. 591, Sec.  
22 15.)

23           Sec. 1048.109. GIFTS AND ENDOWMENTS. The board may accept  
24 for the district a gift or endowment to be held in trust and  
25 administered by the board for the purposes and under the  
26 directions, limitations, or other provisions prescribed in writing  
27 by the donor that are not inconsistent with the proper management

1 and objectives of the district. (Acts 61st Leg., R.S., Ch. 591,  
2 Sec. 19.)

3       Sec. 1048.110. CONSTRUCTION AND PURCHASE CONTRACTS. A  
4 construction or purchase contract that involves an expenditure of  
5 more than the amount provided by Section 271.024, Local Government  
6 Code, must comply with the competitive bidding requirements  
7 provided by Subchapter B, Chapter 271, Local Government Code.  
8 (Acts 61st Leg., R.S., Ch. 591, Sec. 11 (part).)

9       Sec. 1048.111. OPERATING AND MANAGEMENT CONTRACTS. The  
10 board may enter into an operating or management contract relating  
11 to a district facility. (Acts 61st Leg., R.S., Ch. 591, Sec. 10(b)  
12 (part).)

13       Sec. 1048.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
14 HOSPITAL TREATMENT. (a) The board may contract with a county or  
15 municipality located outside the district's boundaries for the  
16 hospitalization of a sick or injured person of that county or  
17 municipality.

18       (b) The board may contract with this state or a federal  
19 agency for the hospital treatment of a sick or injured person.  
20 (Acts 61st Leg., R.S., Ch. 591, Sec. 6(g) (part).)

21       Sec. 1048.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
22 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
23 political subdivision or governmental agency for the district to  
24 provide investigatory or other services as to the hospital or  
25 welfare needs of district inhabitants. (Acts 61st Leg., R.S., Ch.  
26 591, Sec. 6(g) (part).)

27       Sec. 1048.114. CARE AND TREATMENT FOR INDIGENT. The

1 district shall provide health care and treatment to an individual  
2 determined to be indigent in accordance with policies and  
3 procedures adopted by the board. (Acts 61st Leg., R.S., Ch. 591,  
4 Sec. 18.)

5 Sec. 1048.115. NONPROFIT CORPORATION. (a) The district  
6 may create and sponsor a nonprofit corporation under the Business  
7 Organizations Code and may contribute money to or solicit money for  
8 the corporation.

9 (a-1) On or before December 31, 2009, the district may  
10 create and sponsor a nonprofit corporation under the Texas  
11 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
12 Texas Civil Statutes) or the Business Organizations Code, as  
13 applicable, and may contribute money to or solicit money for the  
14 corporation.

15 (b) The corporation may use money contributed by the  
16 district only to provide health care or other services the district  
17 is authorized to provide under this chapter.

18 (c) The corporation may invest the corporation's money in  
19 any manner in which the district may invest the district's money,  
20 including investing money as authorized by Chapter 2256, Government  
21 Code.

22 (d) The board shall establish controls to ensure that the  
23 corporation uses its money as required by this section.

24 (e) This subsection and Subsection (a-1) expire December  
25 31, 2009. (Acts 61st Leg., R.S., Ch. 591, Sec. 6A.)

26 Sec. 1048.116. AUTHORITY TO SUE AND BE SUED. (a) The  
27 district, through the board, may sue and be sued.



1 (b) The district is entitled to all causes of action and  
2 defenses to which similar authorities are entitled. (Acts 61st  
3 Leg., R.S., Ch. 591, Sec. 6(c) (part).)

4 [Sections 1048.117-1048.150 reserved for expansion]

5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6 Sec. 1048.151. BUDGET. (a) The district administrator  
7 shall prepare an annual budget for approval by the board.

8 (b) The proposed budget must contain a complete financial  
9 statement of the district, including:

- 10 (1) the outstanding obligations of the district;
- 11 (2) the cash on hand in each district fund;
- 12 (3) the money received by the district from all  
13 sources during the previous year;
- 14 (4) the money available to the district from all  
15 sources during the ensuing year, with the balances expected at the  
16 end of the year in which the budget is being prepared;
- 17 (5) the estimated revenue and balances available to  
18 cover the proposed expenditures and disbursements; and
- 19 (6) the estimated receipts and collections for the  
20 following fiscal year. (Acts 61st Leg., R.S., Ch. 591, Sec. 7(c).)

21 Sec. 1048.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
22 The board shall hold a public hearing on the proposed annual budget.

23 (b) Not later than the 10th day before the date of the  
24 hearing, notice of the hearing shall be published one time in a  
25 newspaper or newspapers that individually or collectively have  
26 general circulation in the district.

27 (c) Any district resident is entitled to be present and

1 participate at the hearing.

2 (d) At the conclusion of the hearing, the board shall adopt  
3 a budget by acting on the budget proposed by the district  
4 administrator. The board may make any changes in the proposed  
5 budget that the board judges to be in the interests of the taxpayers  
6 and that the law warrants. (Acts 61st Leg., R.S., Ch. 591, Secs.  
7 7(d), (f) (part).)

8 Sec. 1048.153. AMENDMENTS TO BUDGET. The budget may be  
9 amended as required by circumstances. The board must approve all  
10 amendments. (Acts 61st Leg., R.S., Ch. 591, Sec. 7(f) (part).)

11 Sec. 1048.154. RESTRICTION ON EXPENDITURES. Money may be  
12 spent only for an expense included in the budget or an amendment to  
13 the budget. (Acts 61st Leg., R.S., Ch. 591, Sec. 7(e).)

14 Sec. 1048.155. FISCAL YEAR. (a) The district operates on a  
15 fiscal year established by the board.

16 (b) The fiscal year may not be changed:

17 (1) during a period in which revenue bonds of the  
18 district are outstanding; or

19 (2) more than once in a 24-month period. (Acts 61st  
20 Leg., R.S., Ch. 591, Sec. 7(a).)

21 Sec. 1048.156. ANNUAL AUDIT. The board annually shall have  
22 an independent audit made of the district's financial condition.  
23 (Acts 61st Leg., R.S., Ch. 591, Sec. 7(b) (part).)

24 Sec. 1048.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
25 The annual audit and other district records shall be open to  
26 inspection at the district's principal office. (Acts 61st Leg.,  
27 R.S., Ch. 591, Sec. 7(b) (part).)

1           Sec. 1048.158. FINANCIAL REPORT. As soon as practicable  
2 after the close of each fiscal year, the district administrator  
3 shall prepare for the board:

4                   (1) a complete sworn statement of all district money;  
5 and

6                   (2) a complete account of the disbursements of that  
7 money. (Acts 61st Leg., R.S., Ch. 591, Sec. 7(g).)

8           Sec. 1048.159. DEPOSITORY. (a) The board shall select one  
9 or more banks in the district to serve as a depository for district  
10 money.

11           (b) District money, other than money invested as provided by  
12 Section 1048.160(b), and money transmitted to a bank for payment of  
13 bonds or obligations issued by the district, shall be deposited as  
14 received with the depository bank and shall remain on deposit.

15           (c) This chapter, including Subsection (b), does not limit  
16 the power of the board to place a part of district money on time  
17 deposit or to purchase certificates of deposit. (Acts 61st Leg.,  
18 R.S., Ch. 591, Sec. 12.)

19           Sec. 1048.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
20 Except as otherwise provided by Section 1048.107(c) and by  
21 Subchapter E, the district may not incur an obligation payable from  
22 district revenue other than the revenue on hand or to be on hand in  
23 the current and following district fiscal years.

24           (b) The board may invest operating, depreciation, or  
25 building reserves only in funds or securities specified by Chapter  
26 2256, Government Code. (Acts 61st Leg., R.S., Ch. 591, Secs. 6(a)  
27 (part), 11 (part).)

1 [Sections 1048.161-1048.200 reserved for expansion]

2 SUBCHAPTER E. BONDS

3 Sec. 1048.201. GENERAL OBLIGATION BONDS. The board may  
4 issue and sell general obligation bonds in the name and on the faith  
5 and credit of the district for any purpose relating to:

6 (1) the purchase, construction, acquisition, repair,  
7 or renovation of buildings or improvements; and

8 (2) equipping buildings or improvements for hospital  
9 system purposes. (Acts 61st Leg., R.S., Ch. 591, Sec. 8(a) (part).)

10 Sec. 1048.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
11 the time general obligation bonds are issued by the district under  
12 Section 1048.201, the board shall impose an ad valorem tax at a rate  
13 sufficient to create an interest and sinking fund to pay the  
14 principal of and interest on the bonds as the bonds mature.

15 (b) The tax required by this section together with any other  
16 ad valorem tax the district imposes may not in any year exceed the  
17 limit approved by the voters at the election authorizing the  
18 imposition of the tax. (Acts 61st Leg., R.S., Ch. 591, Sec. 8(a)  
19 (part).)

20 Sec. 1048.203. BOND ELECTION. (a) The district may issue  
21 bonds, other than refunding bonds, wholly or partly secured by an ad  
22 valorem tax only if the bonds are authorized by a majority of the  
23 district voters voting at an election held for that purpose.

24 (b) The order and publication of notice for the bond  
25 election must be provided in accordance with Chapter 1251,  
26 Government Code. (Acts 61st Leg., R.S., Ch. 591, Secs. 8(a) (part),  
27 9A(b).)

1           Sec. 1048.204. REVENUE BONDS. (a) The board may issue  
2 revenue bonds to:

3                   (1) purchase, construct, acquire, repair, equip, or  
4 renovate buildings or improvements for hospital system purposes; or

5                   (2) acquire sites to be used for the hospital system.

6           (b) The bonds must be payable from and secured by a pledge of  
7 all or part of district revenue derived from the operation of the  
8 district's hospitals.

9           (c) The bonds may be additionally secured by a mortgage or  
10 deed of trust lien on all or part of district property.

11           (d) The bonds must be issued in the manner and in accordance  
12 with the procedures and requirements prescribed by Sections  
13 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
14 issuance of revenue bonds by a county hospital authority. (Acts  
15 61st Leg., R.S., Ch. 591, Sec. 9 (part).)

16           Sec. 1048.205. REFUNDING BONDS. (a) The board may, without  
17 an election, issue refunding bonds to refund outstanding  
18 indebtedness issued or assumed by the district.

19           (b) A refunding bond may be:

20                   (1) sold, with the proceeds of the refunding bond  
21 applied to the payment of the outstanding indebtedness; or

22                   (2) exchanged wholly or partly for not less than a  
23 similar principal amount of outstanding indebtedness. (Acts 61st  
24 Leg., R.S., Ch. 591, Secs. 8(b) (part), 9 (part), 9A(b) (part).)

25           Sec. 1048.206. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
26 BONDS. In addition to the authority to issue general obligation  
27 bonds and revenue bonds under this subchapter, the board may

1 provide for the security and payment of district bonds from a pledge  
2 of a combination of ad valorem taxes as authorized by Section  
3 1048.202 and revenue and other sources as authorized by Section  
4 1048.204. (Acts 61st Leg., R.S., Ch. 591, Sec. 9A(a).)

5 Sec. 1048.207. MATURITY OF BONDS. District bonds must  
6 mature not later than the 40th anniversary of the date of issuance.  
7 (Acts 61st Leg., R.S., Ch. 591, Sec. 8(c) (part).)

8 Sec. 1048.208. EXECUTION OF BONDS. (a) The board president  
9 shall execute the district's bonds in the district's name.

10 (b) The board secretary shall countersign the bonds in the  
11 manner provided by Chapter 618, Government Code. (Acts 61st Leg.,  
12 R.S., Ch. 591, Sec. 8(c) (part).)

13 Sec. 1048.209. USE OF BOND PROCEEDS. The district may use  
14 the proceeds of bonds issued under this subchapter to pay:

15 (1) any expense the board determines is reasonable and  
16 necessary to issue, sell, and deliver the bonds;

17 (2) interest payments on the bonds during a period of  
18 acquisition or construction of a project or facility to be provided  
19 through the bonds, not to exceed five years;

20 (3) costs related to the operation and maintenance of  
21 a project or facility to be provided through the bonds:

22 (A) during an estimated period of acquisition or  
23 construction, not to exceed five years; and

24 (B) for one year after the project or facility is  
25 acquired or constructed;

26 (4) costs related to the financing of the bond funds,  
27 including debt service reserve and contingency funds;

(5) costs related to the issuance of the bonds;

(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and

(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses. (Acts 61st Leg., R.S., Ch. 591, Sec. 9B.)

Sec. 1048.210. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer and issuance of the bonds; and

(3) profits made in the sale of the bonds. (Acts 61st Leg., R.S., Ch. 591, Sec. 22 (part).)

[Sections 1048.211-1048.250 reserved for expansion]

SUBCHAPTER F. TAXES

Sec. 1048.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The board shall impose the tax to:

(1) pay the interest on and create a sinking fund for bonds and other obligations issued or assumed by the district for hospital purposes;

(2) provide for the operation and maintenance of the district and hospital system;

(3) make improvements and additions to the hospital

1 system; and

2 (4) acquire necessary sites for the hospital system by  
3 purchase, lease, or condemnation. (Acts 61st Leg., R.S., Ch. 591,  
4 Sec. 13 (part).)

5 Sec. 1048.252. TAX RATE. (a) The board may impose the tax  
6 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
7 property in the district.

8 (b) In setting the tax rate, the board shall consider the  
9 income of the district from sources other than taxation. (Acts 61st  
10 Leg., R.S., Ch. 591, Sec. 13 (part).)

11 Sec. 1048.253. TAX ASSESSOR-COLLECTOR. The board may  
12 provide for the appointment of a tax assessor-collector for the  
13 district or may contract for the assessment and collection of taxes  
14 as provided by the Tax Code. (Acts 61st Leg., R.S., Ch. 591, Sec.  
15 16(b).)

16 [Sections 1048.254-1048.300 reserved for expansion]

17 SUBCHAPTER G. DISSOLUTION

18 Sec. 1048.301. DISSOLUTION; ELECTION. (a) The district  
19 may be dissolved only on approval of a majority of the district  
20 voters voting in an election held for that purpose.

21 (b) The board may order an election on the question of  
22 dissolving the district and disposing of the district's assets and  
23 obligations.

24 (c) The board shall order an election if the board receives  
25 a petition requesting an election that is signed by at least 15  
26 percent of the registered voters in the district.

27 (d) The order calling the election must state:



1           (1) the nature of the election, including the  
2 proposition to appear on the ballot;

3           (2) the date of the election;

4           (3) the hours during which the polls will be open; and

5           (4) the location of the polling places.

6           (e) Section 41.001, Election Code, does not apply to an  
7 election ordered under this section. (Acts 61st Leg., R.S., Ch.  
8 591, Secs. 24A(a), (b), (c) (part) (d).)

9           Sec. 1048.302. NOTICE OF ELECTION. (a) The board shall  
10 give notice of an election under this subchapter by publishing once  
11 a week for two consecutive weeks a substantial copy of the election  
12 order in a newspaper with general circulation in the district.

13           (b) The first publication of the notice must appear not  
14 later than the 35th day before the date set for the election. (Acts  
15 61st Leg., R.S., Ch. 591, Sec. 24A(e).)

16           Sec. 1048.303. BALLOT. The ballot for an election under  
17 this subchapter must be printed to permit voting for or against the  
18 proposition: "The dissolution of the Karnes County Hospital  
19 District." (Acts 61st Leg., R.S., Ch. 591, Sec. 24A(f).)

20           Sec. 1048.304. ELECTION RESULTS. (a) If a majority of the  
21 votes in an election under this subchapter favor dissolution, the  
22 board shall find that the district is dissolved.

23           (b) If a majority of the votes in the election do not favor  
24 dissolution, the board shall continue to administer the district  
25 and another election on the question of dissolution may not be held  
26 before the first anniversary of the date of the most recent election  
27 to dissolve the district. (Acts 61st Leg., R.S., Ch. 591, Sec.

1 24A(g).)

2           Sec. 1048.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
3 If a majority of the votes in the election held under this  
4 subchapter favor dissolution, the board shall:

5           (1) transfer the land, buildings, improvements,  
6 equipment, and other assets that belong to the district to Karnes  
7 County or another governmental entity in Karnes County; or

8           (2) administer the property, assets, and debts until  
9 all money has been disposed of and all district debts have been paid  
10 or settled.

11           (b) If the district makes the transfer under Subsection  
12 (a)(1), the county or entity assumes all debts and obligations of  
13 the district at the time of the transfer, and the district is  
14 dissolved.

15           (c) If Subsection (a)(1) does not apply and the board  
16 administers the property, assets, and debts of the district under  
17 Subsection (a)(2), the district is dissolved when all money has  
18 been disposed of and all district debts have been paid or settled.  
19 (Acts 61st Leg., R.S., Ch. 591, Secs. 24A(h), (i), (j).)

20           Sec. 1048.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
21 TAXES. (a) After the board finds that the district is dissolved,  
22 the board shall:

23           (1) determine the debt owed by the district; and

24           (2) impose on the property included in the district's  
25 tax rolls a tax that is in proportion of the debt to the property  
26 value.

27           (b) On the payment of all outstanding debts and obligations

1 of the district, the board shall order the secretary to return to  
2 each district taxpayer the taxpayer's pro rata share of all unused  
3 tax money.

4 (c) A taxpayer may request that the taxpayer's share of  
5 surplus tax money be credited to the taxpayer's county taxes. If a  
6 taxpayer requests the credit, the board shall direct the secretary  
7 to transmit the money to the county tax assessor-collector. (Acts  
8 61st Leg., R.S., Ch. 591, Secs. 24A(k), (l), (m).)

9 Sec. 1048.307. REPORT; DISSOLUTION ORDER. (a) After the  
10 district has paid all district debts and has disposed of all  
11 district money and other assets as prescribed by this subchapter,  
12 the board shall file a written report with the Commissioners Court  
13 of Karnes County summarizing the board's actions in dissolving the  
14 district.

15 (b) Not later than the 10th day after the date the  
16 Commissioners Court of Karnes County receives the report and  
17 determines that the requirements of this subchapter have been  
18 fulfilled, the commissioners court shall enter an order dissolving  
19 the district and releasing the board from any further duty or  
20 obligation. (Acts 61st Leg., R.S., Ch. 591, Secs. 24A(n), (o).)

21 CHAPTER 1049. KIMBLE COUNTY HOSPITAL DISTRICT OF KIMBLE COUNTY,

22 TEXAS

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 1049.001. DEFINITIONS

25 Sec. 1049.002. AUTHORITY FOR CREATION

26 Sec. 1049.003. DISTRICT TERRITORY

- 1 Sec. 1049.004. DISTRICT SUPPORT AND MAINTENANCE NOT  
2 STATE OBLIGATION
- 3 Sec. 1049.005. RESTRICTION ON STATE FINANCIAL  
4 ASSISTANCE
- 5 [Sections 1049.006-1049.050 reserved for expansion]
- 6 SUBCHAPTER B. DISTRICT ADMINISTRATION
- 7 Sec. 1049.051. BOARD ELECTION; TERM
- 8 Sec. 1049.052. QUALIFICATIONS FOR OFFICE
- 9 Sec. 1049.053. BOND; RECORD OF BOND AND OATH OR  
10 AFFIRMATION OF OFFICE
- 11 Sec. 1049.054. BOARD VACANCY
- 12 Sec. 1049.055. OFFICERS
- 13 Sec. 1049.056. COMPENSATION; EXPENSES
- 14 Sec. 1049.057. DISTRICT ADMINISTRATOR
- 15 Sec. 1049.058. EMPLOYEES
- 16 Sec. 1049.059. MAINTENANCE OF RECORDS; PUBLIC  
17 INSPECTION
- 18 [Sections 1049.060-1049.100 reserved for expansion]
- 19 SUBCHAPTER C. POWERS AND DUTIES
- 20 Sec. 1049.101. DISTRICT RESPONSIBILITY
- 21 Sec. 1049.102. RESTRICTION ON POLITICAL SUBDIVISION  
22 TAXATION AND DEBT
- 23 Sec. 1049.103. MANAGEMENT AND CONTROL OF DISTRICT
- 24 Sec. 1049.104. HOSPITAL SYSTEM
- 25 Sec. 1049.105. RULES
- 26 Sec. 1049.106. PURCHASING AND ACCOUNTING PROCEDURES
- 27 Sec. 1049.107. EMINENT DOMAIN

- 1 Sec. 1049.108. GIFTS AND ENDOWMENTS  
2 Sec. 1049.109. CONTRACTS FOR HEALTH CARE  
3 Sec. 1049.110. PAYMENT FOR TREATMENT; PROCEDURES  
4 [Sections 1049.111-1049.150 reserved for expansion]  
5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
6 Sec. 1049.151. BUDGET  
7 Sec. 1049.152. PROPOSED BUDGET: NOTICE AND HEARING  
8 Sec. 1049.153. FISCAL YEAR  
9 Sec. 1049.154. ANNUAL AUDIT  
10 Sec. 1049.155. DEPOSITORY  
11 Sec. 1049.156. AUTHORITY TO BORROW MONEY; SECURITY  
12 [Sections 1049.157-1049.200 reserved for expansion]  
13 SUBCHAPTER E. BONDS  
14 Sec. 1049.201. BONDS  
15 Sec. 1049.202. TAX TO PAY BONDS  
16 Sec. 1049.203. BOND ELECTION  
17 Sec. 1049.204. MATURITY OF BONDS  
18 Sec. 1049.205. EXECUTION OF BONDS  
19 Sec. 1049.206. REVENUE BONDS  
20 [Sections 1049.207-1049.250 reserved for expansion]  
21 SUBCHAPTER F. TAXES  
22 Sec. 1049.251. IMPOSITION OF AD VALOREM TAX  
23 Sec. 1049.252. TAX RATE  
24 Sec. 1049.253. TAX ASSESSOR-COLLECTOR  
25 [Sections 1049.254-1049.300 reserved for expansion]  
26 SUBCHAPTER G. DISSOLUTION  
27 Sec. 1049.301. DISSOLUTION; ELECTION

1 Sec. 1049.302. NOTICE OF ELECTION

2 Sec. 1049.303. BALLOT

3 Sec. 1049.304. ELECTION RESULTS

4 Sec. 1049.305. AUDIT; TRANSFER OF ASSETS AND  
5 LIABILITIES

6 CHAPTER 1049. KIMBLE COUNTY HOSPITAL DISTRICT OF KIMBLE COUNTY,  
7 TEXAS

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1049.001. DEFINITIONS. In this chapter:

10 (1) "Board" means the board of directors of the  
11 district.

12 (2) "Commissioners court" means the Commissioners  
13 Court of Kimble County.

14 (3) "Director" means a member of the board.

15 (4) "District" means the Kimble County Hospital  
16 District of Kimble County, Texas. (New.)

17 Sec. 1049.002. AUTHORITY FOR CREATION. The district is  
18 created under the authority of Section 9, Article IX, Texas  
19 Constitution. (Acts 62nd Leg., R.S., Ch. 873, Sec. 1.)

20 Sec. 1049.003. DISTRICT TERRITORY. The boundaries of the  
21 district are coextensive with the boundaries of Kimble County.  
22 (Acts 62nd Leg., R.S., Ch. 873, Sec. 2.)

23 Sec. 1049.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
24 OBLIGATION. The support and maintenance of the district's hospital  
25 system and any indebtedness incurred by the district under this  
26 chapter may not become a charge against or obligation of this state.  
27 (Acts 62nd Leg., R.S., Ch. 873, Sec. 18 (part).)

1           Sec. 1049.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

2 The legislature may not make a direct appropriation for the  
3 construction, maintenance, or improvement of a district facility.

4 (Acts 62nd Leg., R.S., Ch. 873, Sec. 18 (part).)

5           [Sections 1049.006-1049.050 reserved for expansion]

6                       SUBCHAPTER B. DISTRICT ADMINISTRATION

7           Sec. 1049.051. BOARD ELECTION; TERM.     (a)     The board  
8 consists of seven directors elected from the district at large.

9           (b)     Directors serve staggered three-year terms.

10          (c)     An election shall be held each year on the May uniform  
11 election day prescribed by Section 41.001, Election Code, to elect  
12 the appropriate number of directors. (Acts 62nd Leg., R.S., Ch.  
13 873, Secs. 5(a), (d), (e), (f), (g); Acts 78th Leg., R.S., Ch. 571,  
14 Sec. 4(c).)

15          Sec. 1049.052. QUALIFICATIONS FOR OFFICE. To qualify for  
16 election to the board, a person must:

17               (1)    be at least 18 years of age;

18               (2)    have been a district resident for at least two  
19 years; and

20               (3)    be a qualified property tax paying voter of the  
21 district. (Acts 62nd Leg., R.S., Ch. 873, Sec. 5(b).)

22          Sec. 1049.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
23 OF OFFICE. (a) Each director shall execute a good and sufficient  
24 commercial bond for \$1,000 that is:

25               (1)    payable to the district; and

26               (2)    conditioned on the faithful performance of the  
27 director's duties.

1 (b) The district shall pay for a director's bond.

2 (c) Each director's bond and constitutional oath or  
3 affirmation of office shall be deposited with the district's  
4 depository for safekeeping. (Acts 62nd Leg., R.S., Ch. 873, Sec.  
5 6(a).)

6 Sec. 1049.054. BOARD VACANCY. If a vacancy occurs in the  
7 office of director, a majority of the directors shall appoint a  
8 director for the unexpired term. (Acts 62nd Leg., R.S., Ch. 873,  
9 Sec. 5(h).)

10 Sec. 1049.055. OFFICERS. The board shall elect from among  
11 its members a president, a secretary, and a treasurer at the first  
12 meeting after each director's election. (Acts 62nd Leg., R.S., Ch.  
13 873, Sec. 6(b).)

14 Sec. 1049.056. COMPENSATION; EXPENSES. A director serves  
15 without compensation but is entitled to reimbursement for necessary  
16 expenses incurred in the performance of official duties. (Acts  
17 62nd Leg., R.S., Ch. 873, Sec. 6(c).)

18 Sec. 1049.057. DISTRICT ADMINISTRATOR. (a) The board may  
19 employ a district administrator to manage the operations of the  
20 hospital system.

21 (b) The district administrator may employ necessary  
22 personnel to perform the services provided by the hospital system.  
23 (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(e) (part).)

24 Sec. 1049.058. EMPLOYEES. The board may employ an  
25 attorney, a general manager, a bookkeeper, an architect, and other  
26 employees necessary for the efficient operation of the district.  
27 (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(e) (part).)



1           Sec. 1049.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

2 The board shall:

3           (1) maintain all district records, including books,  
4 accounts, notices, minutes, and other matters of the district and  
5 its operation, at the district office; and

6           (2) make those records available for public inspection  
7 at reasonable times. (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(b).)

8           [Sections 1049.060-1049.100 reserved for expansion]

9                           SUBCHAPTER C. POWERS AND DUTIES

10          Sec. 1049.101. DISTRICT RESPONSIBILITY. The district shall  
11 provide all necessary hospital and medical care for the district's  
12 needy inhabitants. (Acts 62nd Leg., R.S., Ch. 873, Sec. 3 (part).)

13          Sec. 1049.102. RESTRICTION ON POLITICAL SUBDIVISION  
14 TAXATION AND DEBT. A political subdivision of this state, other  
15 than the district, may not impose a tax or issue bonds or other  
16 obligations to provide hospital service or medical care in the  
17 district. (Acts 62nd Leg., R.S., Ch. 873, Sec. 3 (part).)

18          Sec. 1049.103. MANAGEMENT AND CONTROL OF DISTRICT. The  
19 board has full power to manage and control the district. (Acts 62nd  
20 Leg., R.S., Ch. 873, Sec. 12(a) (part).)

21          Sec. 1049.104. HOSPITAL SYSTEM. The district has the  
22 responsibility to establish a hospital or hospital system within  
23 its boundaries to provide hospital and medical care to the  
24 district's residents. (Acts 62nd Leg., R.S., Ch. 873, Sec. 3  
25 (part).)

26          Sec. 1049.105. RULES. (a) The board shall adopt rules for  
27 the efficient operation of the district, including district

1 facilities.

2 (b) The board shall:

3 (1) publish the rules in book form; and

4 (2) provide copies to interested persons on request at  
5 district expense. (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(c).)

6 Sec. 1049.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
7 board may prescribe the method of making purchases and expenditures  
8 and the manner of accounting and control used by the district.  
9 (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(e) (part).)

10 Sec. 1049.107. EMINENT DOMAIN. (a) The district may  
11 exercise the power of eminent domain to acquire a fee simple or  
12 other interest in real, personal, or mixed property located in  
13 district territory if the interest is necessary or convenient for  
14 the district to exercise a power or duty conferred on the district  
15 by this chapter.

16 (b) The district must exercise the power of eminent domain  
17 in the manner provided by Chapter 21, Property Code, except the  
18 district is not required to deposit in the trial court money or a  
19 bond as provided by Section 21.021(a), Property Code.

20 (c) In a condemnation proceeding, the district is not  
21 required to:

22 (1) pay in advance or provide a bond or other security  
23 for costs in the trial court; or

24 (2) provide a bond for costs or a supersedeas bond on  
25 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 873, Sec.  
26 15.)

27 Sec. 1049.108. GIFTS AND ENDOWMENTS. The board may accept

1 for the district a gift or endowment to be held in trust and  
2 administered by the board under the directions, limitations, or  
3 other provisions prescribed in writing by the donor that are not  
4 inconsistent with the proper management of the district. (Acts  
5 62nd Leg., R.S., Ch. 873, Sec. 12(f).)

6       Sec. 1049.109. CONTRACTS FOR HEALTH CARE. The board may  
7 contract with any public or private entity, including a charitable  
8 organization, the federal government, this state, or any political  
9 subdivision, to provide health care or related services inside or  
10 outside the district. (Acts 62nd Leg., R.S., Ch. 873, Sec. 12(g).)

11       Sec. 1049.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A  
12 person who resides in the district is entitled to receive necessary  
13 medical and hospital care regardless of whether the person has the  
14 ability to pay for the care and may apply to receive this care  
15 without cost.

16       (b) The board or the district administrator shall employ a  
17 person to investigate the ability of the patient and any relative  
18 who is liable for the patient's support to pay for the medical and  
19 hospital care received by the patient.

20       (c) If the investigator determines that the patient or  
21 relative legally liable for the patient's support cannot pay all or  
22 part of the costs of the patient's care, the expense of the care  
23 becomes a charge against the district.

24       (d) If the patient or a relative legally liable for the  
25 patient's support can pay for all or part of the costs of the  
26 patient's care, the board shall:

27             (1) order the patient or relative to pay the district

1 each week an amount specified in the order, which must be  
2 proportionate to the person's ability to pay; and

3 (2) send a billing statement charging that amount to  
4 the person.

5 (e) The district may collect the amount from the patient's  
6 estate, or from any relative who is liable for the patient's  
7 support, in the manner provided by law for the collection of  
8 expenses of the last illness of a deceased person.

9 (f) If there is a dispute as to the ability to pay, or doubt  
10 in the mind of the investigator, the board shall hold a hearing and,  
11 after calling witnesses, shall:

12 (1) determine the question; and

13 (2) make the proper order based on the board's  
14 findings.

15 (g) A party to the hearing who is not satisfied with the  
16 result of the order may appeal to the district court. The appeal is  
17 de novo. (Acts 62nd Leg., R.S., Ch. 873, Sec. 14.)

18 [Sections 1049.111-1049.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Sec. 1049.151. BUDGET. The board shall prepare a budget  
21 that includes:

22 (1) proposed expenditures and disbursements;

23 (2) estimated receipts and collections for the next  
24 fiscal year; and

25 (3) the amount of taxes required to be imposed to meet  
26 the proposed budget. (Acts 62nd Leg., R.S., Ch. 873, Sec. 13(b).)

27 Sec. 1049.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)

1 The board shall hold a public hearing on the proposed budget.

2 (b) Notice of the hearing must be published at least once in  
3 a newspaper of general circulation in the district not later than  
4 the 11th day before the date of the hearing.

5 (c) Any person is entitled to:

6 (1) appear at the hearing; and

7 (2) be heard regarding any item in the proposed  
8 budget. (Acts 62nd Leg., R.S., Ch. 873, Secs. 13(c), (d).)

9 Sec. 1049.153. FISCAL YEAR. The district's fiscal year is  
10 from October 1 to September 30. (Acts 62nd Leg., R.S., Ch. 873,  
11 Sec. 13(a).)

12 Sec. 1049.154. ANNUAL AUDIT. (a) The board annually shall  
13 require an independent audit of the district's books and records.

14 (b) Not later than December 1 of each year, the board shall  
15 file a copy of the audit with:

16 (1) the comptroller; and

17 (2) the district. (Acts 62nd Leg., R.S., Ch. 873, Sec.  
18 12(d).)

19 Sec. 1049.155. DEPOSITORY. (a) The board by resolution  
20 shall designate a bank in Kimble County as the district's  
21 depository. A designated bank serves for two years and until a  
22 successor is designated.

23 (b) All district money shall be deposited in the depository  
24 and secured in the manner provided for securing county funds. (Acts  
25 62nd Leg., R.S., Ch. 873, Sec. 16.)

26 Sec. 1049.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
27 The board may borrow money at a rate not to exceed the maximum

1 annual percentage rate allowed by law for district obligations at  
2 the time the loan is made.

3 (b) To secure a loan, the board may pledge:

4 (1) district revenue that is not pledged to pay the  
5 district's bonded indebtedness;

6 (2) a district tax to be imposed by the district during  
7 the 12-month period following the date of the pledge that is not  
8 pledged to pay the principal of or interest on district bonds; or

9 (3) district bonds that have been authorized but not  
10 sold.

11 (c) A loan for which taxes or bonds are pledged must mature  
12 not later than the first anniversary of the date the loan is made. A  
13 loan for which district revenue is pledged must mature not later  
14 than the fifth anniversary of the date the loan is made. (Acts 62nd  
15 Leg., R.S., Ch. 873, Sec. 12A.)

16 [Sections 1049.157-1049.200 reserved for expansion]

17 SUBCHAPTER E. BONDS

18 Sec. 1049.201. BONDS. The district may issue bonds to:

19 (1) purchase, construct, acquire, repair, or renovate  
20 buildings and improvements; and

21 (2) equip buildings for hospital purposes. (Acts 62nd  
22 Leg., R.S., Ch. 873, Secs. 9(a) (part), 10(a) (part).)

23 Sec. 1049.202. TAX TO PAY BONDS. The board may issue bonds  
24 under Section 1049.201 only if the board imposes an ad valorem tax  
25 at a rate sufficient to create an interest and sinking fund to pay  
26 the principal of and interest on the bonds as the bonds mature.  
27 (Acts 62nd Leg., R.S., Ch. 873, Sec. 10(c).)

1           Sec. 1049.203. BOND ELECTION. (a) The board may issue  
2 bonds under Section 1049.201 only if the bonds are authorized by a  
3 majority of district voters voting in an election held for that  
4 purpose. The total face value of the bonds may not exceed the  
5 amount specified in the election order.

6           (b) The board may order a bond election at any time.

7           (c) The order calling the election must include:

- 8                   (1) the time of the election;  
9                   (2) the location of the polling places;  
10                   (3) the form of the ballots;  
11                   (4) the presiding judge for each polling place;  
12                   (5) the purpose of the bond issuance;  
13                   (6) the amount of the bonds to be authorized;  
14                   (7) the maximum interest rate of the bonds; and  
15                   (8) the maximum maturity date of the bonds.

16           (d) A substantial copy of the election order shall be  
17 published in a newspaper of general circulation in the district  
18 once a week for two consecutive weeks before the date of the  
19 election. The first notice must be published not later than the  
20 15th day before the date of the election.

21           (e) A copy of the election results must be filed with the  
22 county clerk and become a public record. (Acts 62nd Leg., R.S., Ch.  
23 873, Secs. 4(b), (c), (d) (part), 9(a) (part), (b), (d), 10(a)  
24 (part).)

25           Sec. 1049.204. MATURITY OF BONDS. District bonds must  
26 mature not later than 40 years after the date of issuance. (Acts  
27 62nd Leg., R.S., Ch. 873, Sec. 9(c).)

1           Sec. 1049.205. EXECUTION OF BONDS. (a) The board president  
2 shall execute the district's bonds in the district's name.

3           (b) The board secretary shall countersign the bonds. (Acts  
4 62nd Leg., R.S., Ch. 873, Sec. 10(b) (part).)

5           Sec. 1049.206. REVENUE BONDS. (a) The board may issue and  
6 sell revenue bonds in the name and on the faith and credit of the  
7 district to purchase, construct, acquire, repair, renovate, or  
8 equip buildings or improvements for district purposes.

9           (b) The bonds must be payable from and secured by a pledge of  
10 all or part of the revenue derived from the operation of the  
11 district's hospital system.

12           (c) The bonds may be additionally secured by a mortgage or  
13 deed of trust on all or part of district property.

14           (d) The bonds must be issued in the manner provided by  
15 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
16 Code, for the issuance of revenue bonds by a county hospital  
17 authority. (Acts 62nd Leg., R.S., Ch. 873, Sec. 11A.)

18           [Sections 1049.207-1049.250 reserved for expansion]

19   SUBCHAPTER F. TAXES

20           Sec. 1049.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
21 shall impose a tax on all property in the district subject to  
22 district taxation.

23           (b) The tax may be used only to:

24                 (1) pay the interest on and create a sinking fund for  
25 bonds issued under this chapter;

26                 (2) provide for the operation and maintenance of the  
27 district and hospital system;



1           (3) make improvements and additions to the hospital  
2 system; or

3           (4) acquire sites for additions to the hospital  
4 system. (Acts 62nd Leg., R.S., Ch. 873, Secs. 8(a) (part), (c).)

5           Sec. 1049.252. TAX RATE. The board may impose the tax at a  
6 rate not to exceed 75 cents on each \$100 valuation of all taxable  
7 property in the district. (Acts 62nd Leg., R.S., Ch. 873, Sec. 8(a)  
8 (part).)

9           Sec. 1049.253. TAX ASSESSOR-COLLECTOR. (a) The tax  
10 assessor-collector for Kimble County shall collect taxes for the  
11 district.

12          (b) The tax assessor-collector is entitled to a reasonable  
13 fee that is agreed to by the district as compensation for the  
14 person's services. (Acts 62nd Leg., R.S., Ch. 873, Secs. 8(d)  
15 (part), (e).)

16                 [Sections 1049.254-1049.300 reserved for expansion]

17                         SUBCHAPTER G. DISSOLUTION

18           Sec. 1049.301. DISSOLUTION; ELECTION. (a) The district  
19 may be dissolved on approval of a majority of the district voters  
20 voting in an election held for that purpose.

21          (b) The commissioners court may order an election to  
22 dissolve the district on its own order recorded in the minutes. The  
23 commissioners court shall order the election if the commissioners  
24 court receives a petition from 50 district voters.

25          (c) The order calling the election must specify:

26                 (1) the location of the polling places;

27                 (2) the form of the ballots; and

1           (3) the presiding judge for each polling place. (Acts  
2 62nd Leg., R.S., Ch. 873, Secs. 19(a) (part), (b), (e).)

3           Sec. 1049.302. NOTICE OF ELECTION. (a) The commissioners  
4 court shall publish a substantial copy of the election order in a  
5 newspaper of general circulation in the district once a week for two  
6 consecutive weeks before the date of an election under this  
7 subchapter.

8           (b) The first notice must be published not later than the  
9 15th day before the date of the election. (Acts 62nd Leg., R.S.,  
10 Ch. 873, Sec. 19(c).)

11          Sec. 1049.303. BALLOT. The ballot for an election under  
12 this subchapter must be printed to permit voting for or against the  
13 proposition: "The Dissolution of Kimble County Hospital District  
14 of Kimble County, Texas." (Acts 62nd Leg., R.S., Ch. 873, Sec.  
15 19(f).)

16          Sec. 1049.304. ELECTION RESULTS. (a) If a majority of the  
17 votes in an election under this subchapter favor dissolution, the  
18 commissioners court shall, within 10 days after the date the  
19 results are filed, declare the results and order the district  
20 dissolved. A copy of the order shall be placed in the minutes of the  
21 court, and a copy shall be sent to the board.

22          (b) If a majority of the votes are against dissolution, this  
23 does not prevent the holding of other dissolution elections after  
24 the passage of one year.

25          (c) A copy of the election results must be filed with the  
26 county clerk and become a public record. (Acts 62nd Leg., R.S., Ch.  
27 873, Secs. 19(d) (part), (g), (h).)

1           Sec. 1049.305.   AUDIT; TRANSFER OF ASSETS AND LIABILITIES.

2   (a)   Within 30 days after the election results are filed under  
3   Section 1049.304, the commissioners court shall employ an  
4   independent audit of the dissolved district's assets and  
5   liabilities.

6           (b)   Within 10 days after the audit is completed, the  
7   commissioners court shall:

8                   (1)   publish a copy of the audit in a newspaper of  
9   general circulation in the district; and

10                   (2)   by declaration:

11                           (A)   formally transfer the assets of the dissolved  
12   district to Kimble County; and

13                           (B)   formally declare the county liable for all  
14   debts and liabilities incurred by the dissolved district.

15           (c)   The declarations shall be published in a newspaper of  
16   general circulation within 10 days after the declarations are made.

17           (d)   Any assets transferred to Kimble County shall be used to  
18   benefit the citizens formerly in the district. (Acts 62nd Leg.,  
19   R.S., Ch. 873, Secs. 19(i), (j), (k), (l).)

20                   CHAPTER 1050.   KNOX COUNTY HOSPITAL DISTRICT

21                           SUBCHAPTER A.   GENERAL PROVISIONS

22   Sec. 1050.001.   DEFINITIONS

23   Sec. 1050.002.   AUTHORITY FOR OPERATION

24   Sec. 1050.003.   POLITICAL SUBDIVISION

25   Sec. 1050.004.   DISTRICT TERRITORY

26   Sec. 1050.005.   CORRECTION OF INVALID PROCEDURES

27   Sec. 1050.006.   PUBLIC PURPOSE; TAX EXEMPTION

1 [Sections 1050.007-1050.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1050.051. BOARD ELECTION AND APPOINTMENT; TERM

4 Sec. 1050.052. NOTICE OF ELECTION

5 Sec. 1050.053. BALLOT PETITION

6 Sec. 1050.054. QUALIFICATIONS FOR OFFICE

7 Sec. 1050.055. BOND; RECORD OF BOND AND OATH OR

8 AFFIRMATION OF OFFICE

9 Sec. 1050.056. BOARD VACANCY

10 Sec. 1050.057. DIRECTOR RIGHTS, PRIVILEGES, AND DUTIES

11 Sec. 1050.058. OFFICERS

12 Sec. 1050.059. COMPENSATION; EXPENSES

13 Sec. 1050.060. VOTING REQUIREMENT

14 Sec. 1050.061. EMPLOYEES

15 Sec. 1050.062. MAINTENANCE OF RECORDS; PUBLIC

16 INSPECTION

17 Sec. 1050.063. SEAL

18 [Sections 1050.064-1050.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 1050.101. DISTRICT RESPONSIBILITY

21 Sec. 1050.102. RESTRICTION ON COUNTY OR MUNICIPALITY

22 TAXATION AND DEBT

23 Sec. 1050.103. RULES

24 Sec. 1050.104. PURCHASING AND ACCOUNTING PROCEDURES

25 Sec. 1050.105. EMINENT DOMAIN

26 Sec. 1050.106. GIFTS AND ENDOWMENTS

27 Sec. 1050.107. PAYMENT FOR TREATMENT; PROCEDURES

1 Sec. 1050.108. AUTHORITY TO SUE AND BE SUED

2 [Sections 1050.109-1050.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 1050.151. BUDGET

5 Sec. 1050.152. PROPOSED BUDGET: NOTICE AND HEARING

6 Sec. 1050.153. FISCAL YEAR

7 Sec. 1050.154. ANNUAL AUDIT

8 Sec. 1050.155. DEPOSITORY OR TREASURER

9 Sec. 1050.156. AUTHORITY TO BORROW MONEY; SECURITY

10 [Sections 1050.157-1050.200 reserved for expansion]

11 SUBCHAPTER E. BONDS

12 Sec. 1050.201. GENERAL OBLIGATION BONDS

13 Sec. 1050.202. TAX TO PAY GENERAL OBLIGATION BONDS

14 Sec. 1050.203. GENERAL OBLIGATION BOND ELECTION

15 Sec. 1050.204. MATURITY OF GENERAL OBLIGATION BONDS

16 Sec. 1050.205. EXECUTION OF GENERAL OBLIGATION BONDS

17 [Sections 1050.206-1050.250 reserved for expansion]

18 SUBCHAPTER F. TAXES

19 Sec. 1050.251. IMPOSITION OF AD VALOREM TAX

20 Sec. 1050.252. TAX RATE

21 Sec. 1050.253. ELECTION TO INCREASE MAXIMUM TAX RATE

22 Sec. 1050.254. TAX ASSESSOR-COLLECTOR

23 CHAPTER 1050. KNOX COUNTY HOSPITAL DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 1050.001. DEFINITIONS. In this chapter:

26 (1) "Board" means the board of directors of the

27 district.

1           (2) "Director" means a member of the board.

2           (3) "District" means the Knox County Hospital  
3 District. (New.)

4           Sec. 1050.002. AUTHORITY FOR OPERATION. The district  
5 operates in accordance with Section 9, Article IX, Texas  
6 Constitution. (Acts 60th Leg., R.S., Ch. 241, Sec. 1 (part).)

7           Sec. 1050.003. POLITICAL SUBDIVISION. The district is a  
8 political subdivision of this state. (Acts 60th Leg., R.S., Ch.  
9 241, Sec. 17 (part).)

10          Sec. 1050.004. DISTRICT TERRITORY. The boundaries of the  
11 district are coextensive with the boundaries of Knox County, Texas.  
12 (Acts 60th Leg., R.S., Ch. 241, Sec. 1 (part).)

13          Sec. 1050.005. CORRECTION OF INVALID PROCEDURES. If a  
14 court holds that any procedure under this chapter violates the  
15 constitution of this state or of the United States, the district by  
16 resolution may provide an alternative procedure that conforms with  
17 the constitution. (Acts 60th Leg., R.S., Ch. 241, Sec. 18 (part).)

18          Sec. 1050.006. PUBLIC PURPOSE; TAX EXEMPTION. All property  
19 owned by the district:

20           (1) shall be held for public purposes; and

21           (2) is exempt from taxation of every character. (Acts  
22 60th Leg., R.S., Ch. 241, Sec. 17 (part).)

23           [Sections 1050.007-1050.050 reserved for expansion]

24           SUBCHAPTER B. DISTRICT ADMINISTRATION

25          Sec. 1050.051. BOARD ELECTION AND APPOINTMENT; TERM. (a)  
26 The district is governed by a board of seven directors as follows:

27           (1) four directors appointed by the Commissioners

1 Court of Knox County to board positions 1 through 4, with one  
2 director appointed from each of the four county commissioner  
3 precincts as the precincts existed on May 22, 1967; and

4 (2) three directors elected from the district at large  
5 to board positions 5 through 7.

6 (b) Directors serve staggered two-year terms.

7 (c) The Commissioners Court of Knox County shall appoint two  
8 successor directors on or before the first Saturday in April of each  
9 year. (Acts 60th Leg., R.S., Ch. 241, Sec. 4 (part).)

10 Sec. 1050.052. NOTICE OF ELECTION. At least 10 days before  
11 the date of an election of directors, notice of the election shall  
12 be published one time in a newspaper of general circulation in Knox  
13 County. (Acts 60th Leg., R.S., Ch. 241, Sec. 4 (part).)

14 Sec. 1050.053. BALLOT PETITION. A person who wants to have  
15 the person's name printed on the ballot as a candidate for elected  
16 director must file with the board secretary a petition requesting  
17 that action. The petition must:

18 (1) be signed by at least 25 registered district  
19 voters; and

20 (2) be filed at least 25 days before the date of the  
21 election. (Acts 60th Leg., R.S., Ch. 241, Sec. 4 (part).)

22 Sec. 1050.054. QUALIFICATIONS FOR OFFICE. (a) A person is  
23 not qualified for appointment or election as a director unless the  
24 person:

25 (1) is a district resident;

26 (2) owns land subject to taxation by the district; and

27 (3) is at least 18 years of age at the time of the

1 appointment or election.

2 (b) A person may not be appointed as a director for a  
3 commissioners precinct unless at the time of appointment the person  
4 is a resident of that commissioners precinct. (Acts 60th Leg.,  
5 R.S., Ch. 241, Sec. 4 (part).)

6 Sec. 1050.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
7 OF OFFICE. (a) Each director shall execute a good and sufficient  
8 bond for \$1,000 that is:

9 (1) payable to the district; and

10 (2) conditioned on the faithful performance of the  
11 director's duties.

12 (b) Each director's bond and constitutional oath or  
13 affirmation of office shall be deposited with the district's  
14 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 241,  
15 Sec. 4 (part).)

16 Sec. 1050.056. BOARD VACANCY. (a) If a vacancy occurs in  
17 the office of an elected director, the remaining directors shall  
18 appoint a director for the unexpired term.

19 (b) If a vacancy occurs in the office of an appointed  
20 director, the Commissioners Court of Knox County shall appoint a  
21 director for the unexpired term. (Acts 60th Leg., R.S., Ch. 241,  
22 Sec. 4 (part).)

23 Sec. 1050.057. DIRECTOR RIGHTS, PRIVILEGES, AND DUTIES.  
24 The directors have identical rights, privileges, and duties in all  
25 matters concerning the board's business. (Acts 60th Leg., R.S.,  
26 Ch. 241, Sec. 4 (part).)

27 Sec. 1050.058. OFFICERS. The board shall elect from among



1 its members a president and a secretary. (Acts 60th Leg., R.S., Ch.  
2 241, Sec. 4 (part).)

3 Sec. 1050.059. COMPENSATION; EXPENSES. A director serves  
4 without compensation but may be reimbursed for actual expenses  
5 incurred in the performance of official duties on approval of the  
6 expenses by the board. (Acts 60th Leg., R.S., Ch. 241, Sec. 4  
7 (part).)

8 Sec. 1050.060. VOTING REQUIREMENT. A concurrence of four  
9 directors is sufficient in any matter relating to district  
10 business. (Acts 60th Leg., R.S., Ch. 241, Sec. 4 (part).)

11 Sec. 1050.061. EMPLOYEES. The board may employ a general  
12 manager, attorneys, bookkeepers, architects, or any other  
13 employees considered necessary for the efficient operation of the  
14 district. (Acts 60th Leg., R.S., Ch. 241, Sec. 8 (part).)

15 Sec. 1050.062. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
16 Except as provided by Section 1050.055, all district records,  
17 including books, accounts, notices, minutes, and all other matters  
18 of the district and the operation of its facilities, shall be:

- 19 (1) maintained at the district office; and  
20 (2) open to public inspection at the district office  
21 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 241, Sec. 8  
22 (part).)

23 Sec. 1050.063. SEAL. The board may adopt a seal for the  
24 district. (Acts 60th Leg., R.S., Ch. 241, Sec. 8 (part).)

25 [Sections 1050.064-1050.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1050.101. DISTRICT RESPONSIBILITY. The district has

1 full responsibility for providing medical and hospital care for the  
2 district's needy and indigent residents. (Acts 60th Leg., R.S.,  
3 Ch. 241, Secs. 2 (part), 13 (part).)

4       Sec. 1050.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
5 TAXATION AND DEBT. Knox County or a municipality in Knox County may  
6 not impose a tax on property in the district for hospital purposes.  
7 (Acts 60th Leg., R.S., Ch. 241, Sec. 13 (part).)

8       Sec. 1050.103. RULES. (a) The board may adopt rules  
9 governing the operation of the district, including district  
10 facilities.

11       (b) On approval of the board, the rules may be published in  
12 booklet form at district expense and made available to any taxpayer  
13 on request. (Acts 60th Leg., R.S., Ch. 241, Sec. 8 (part).)

14       Sec. 1050.104. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
15 The board may prescribe the method and manner of making purchases  
16 and expenditures by and for the district.

17       (b) The board shall prescribe:

18               (1) all accounting and control procedures; and

19               (2) the method of purchasing necessary supplies,  
20 materials, and equipment. (Acts 60th Leg., R.S., Ch. 241, Sec. 8  
21 (part).)

22       Sec. 1050.105. EMINENT DOMAIN. (a) The district may  
23 exercise the power of eminent domain to acquire a fee simple or  
24 other interest in any type of property, real, personal, or mixed,  
25 located in district territory, if the interest is necessary or  
26 convenient for the district to exercise a right, power, privilege,  
27 or function conferred on the district by this chapter.

1           (b) The district must exercise the power of eminent domain  
2 in the manner provided by Chapter 21, Property Code, except the  
3 district is not required to deposit in the trial court money or a  
4 bond as provided by Section 21.021(a), Property Code.

5           (c) In a condemnation proceeding brought by the district,  
6 the district is not required to:

7                 (1) pay in advance or provide a bond or other security  
8 for costs in the trial court;

9                 (2) provide a bond for the issuance of a temporary  
10 restraining order or a temporary injunction; or

11                 (3) provide a bond for costs or a supersedeas bond on  
12 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 241, Sec.  
13 10.)

14           Sec. 1050.106. GIFTS AND ENDOWMENTS. The board may accept  
15 for the district a gift or endowment to be held in trust and  
16 administered by the board for the purposes and under the  
17 directions, limitations, or other provisions prescribed in writing  
18 by the donor that are not inconsistent with the proper management  
19 and objectives of the district. (Acts 60th Leg., R.S., Ch. 241, Sec.  
20 15.)

21           Sec. 1050.107. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
22 When a patient who resides in the district is admitted to a district  
23 facility, the board shall have an inquiry made into the  
24 circumstances of:

25                 (1) the patient; and

26                 (2) the patient's relatives who are legally liable for  
27 the patient's support.

1           (b) If an agent designated by the district to handle the  
2 inquiry determines that the patient or those relatives cannot pay  
3 all or part of the costs of the care and treatment in the hospital,  
4 the amount of the costs that cannot be paid becomes a charge against  
5 the district.

6           (c) If the board determines that the patient or those  
7 relatives are liable to pay all or part of the costs of the  
8 patient's care and treatment, the patient or those relatives shall  
9 be ordered to pay to the district's treasurer a specified amount  
10 each week for the patient's support. The amount ordered must be  
11 proportionate to the person's financial ability and may not exceed  
12 the actual per capita cost of maintenance.

13           (d) The district may collect the amount from the patient's  
14 estate, or from any relative who is legally liable for the patient's  
15 support, in the manner provided by law for the collection of  
16 expenses of the last illness of a deceased person.

17           (e) If there is a dispute as to the ability to pay, or doubt  
18 in the mind of the district's designated agent, the board shall hold  
19 a hearing and, after calling witnesses, shall:

- 20                   (1) resolve the dispute or doubt; and  
21                   (2) issue an appropriate order.

22           (f) Either party to the dispute may appeal the order to the  
23 district court. (Acts 60th Leg., R.S., Ch. 241, Sec. 14.)

24           Sec. 1050.108. AUTHORITY TO SUE AND BE SUED. As a  
25 governmental agency, the district may sue and be sued in its own  
26 name in any court in this state. (Acts 60th Leg., R.S., Ch. 241,  
27 Sec. 17 (part).)

1 [Sections 1050.109-1050.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Sec. 1050.151. BUDGET. The board annually shall require a  
4 budget to be prepared for the next fiscal year that includes:

5 (1) proposed expenditures and disbursements;

6 (2) estimated receipts and collections; and

7 (3) the amount of taxes required to be imposed for the  
8 year. (Acts 60th Leg., R.S., Ch. 241, Sec. 9 (part).)

9 Sec. 1050.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
10 The board shall hold a public hearing on the proposed budget.

11 (b) Notice of the hearing must be published at least once in  
12 a newspaper of general circulation in Knox County not later than the  
13 10th day before the date of the hearing.

14 (c) Any district taxpayer is entitled to:

15 (1) appear at the time and place designated in the  
16 notice; and

17 (2) be heard regarding any item included in the  
18 proposed budget. (Acts 60th Leg., R.S., Ch. 241, Sec. 9 (part).)

19 Sec. 1050.153. FISCAL YEAR. The district operates on a  
20 fiscal year that begins on October 1 and ends on September 30. (Acts  
21 60th Leg., R.S., Ch. 241, Sec. 9 (part).)

22 Sec. 1050.154. ANNUAL AUDIT. (a) The board annually shall  
23 have an independent audit made of the district's books and records  
24 for the fiscal year.

25 (b) Not later than December 31 each year, the audit shall be  
26 filed:

27 (1) with the comptroller; and

1           (2)    at the district office. (Acts 60th Leg., R.S., Ch.  
2  241, Sec. 9 (part).)

3           Sec. 1050.155. DEPOSITORY OR TREASURER. (a) The board by  
4  resolution shall designate a bank in Knox County as the district's  
5  depository or treasurer. A designated bank serves for two years  
6  until a successor is designated.

7           (b) All income received by the district shall be deposited  
8  with the district depository.

9           (c) All district money shall be secured in the manner  
10 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 241,  
11 Secs. 5 (part), 11.)

12          Sec. 1050.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
13 The board may borrow money at a rate of interest the board  
14 determines is appropriate.

15          (b) To secure a loan, the board may pledge:

16                 (1) district revenue that is not pledged to pay the  
17 district's bonded indebtedness; or

18                 (2) property acquired with the loan proceeds that is  
19 not pledged to pay the district's bonded indebtedness.

20          (c) A loan authorized by this section must mature not later  
21 than the fifth anniversary of the date the loan is made. (Acts 60th  
22 Leg., R.S., Ch. 241, Sec. 6A.)

23                 [Sections 1050.157-1050.200 reserved for expansion]

24   SUBCHAPTER E. BONDS

25          Sec. 1050.201. GENERAL OBLIGATION BONDS. The board may  
26 issue and sell general obligation bonds in the name and on the faith  
27 and credit of the district for any purpose relating to:

1           (1) the purchase, construction, acquisition, repair,  
2 or renovation of buildings or improvements; and

3           (2) equipping buildings or improvements for hospital  
4 purposes. (Acts 60th Leg., R.S., Ch. 241, Sec. 6 (part).)

5           Sec. 1050.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)  
6 The board shall impose an ad valorem tax at a rate sufficient to  
7 create an interest and sinking fund to pay the principal of and  
8 interest on general obligation bonds issued by the district under  
9 Section 1050.201 as the bonds mature.

10          (b) Except as provided by Section 1050.253, the tax required  
11 by this section together with any other ad valorem tax the district  
12 imposes may not in any year exceed 35 cents on each \$100 valuation  
13 of all taxable property in the district. (Acts 60th Leg., R.S., Ch.  
14 241, Sec. 6 (part).)

15          Sec. 1050.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
16 district may issue general obligation bonds only if the bonds are  
17 authorized by a majority of the district voters voting at an  
18 election held for that purpose.

19          (b) The board may order the election on its own motion.

20          (c) The order calling the election must specify:

- 21           (1) the date of the election;
- 22           (2) the location of the polling places;
- 23           (3) the presiding election officers;
- 24           (4) the purpose of the bond issuance;
- 25           (5) the amount of the bonds to be authorized;
- 26           (6) the maximum interest rate of the bonds; and
- 27           (7) the maximum maturity of the bonds.

1 (d) Notice of a bond election shall be given by publishing a  
2 substantial copy of the order calling the election in a newspaper of  
3 general circulation in Knox County once each week for two  
4 consecutive weeks before the date of the election. The first  
5 publication must occur at least 14 days before the date of the  
6 election. (Acts 60th Leg., R.S., Ch. 241, Sec. 6 (part).)

7 Sec. 1050.204. MATURITY OF GENERAL OBLIGATION BONDS.  
8 District general obligation bonds must mature not later than 40  
9 years after the date of issuance. (Acts 60th Leg., R.S., Ch. 241,  
10 Sec. 6 (part).)

11 Sec. 1050.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
12 The board president shall execute the general obligation bonds in  
13 the district's name.

14 (b) The board secretary shall countersign the bonds. (Acts  
15 60th Leg., R.S., Ch. 241, Sec. 6 (part).)

16 [Sections 1050.206-1050.250 reserved for expansion]

17 SUBCHAPTER F. TAXES

18 Sec. 1050.251. IMPOSITION OF AD VALOREM TAX. (a) On final  
19 approval of the annual budget, the board shall impose a tax on all  
20 property in the district subject to district taxation.

21 (b) The board shall impose the tax to:

22 (1) pay the interest on and create a sinking fund for  
23 bonds or other obligations issued or assumed by the district for  
24 hospital purposes;

25 (2) provide for the operation and maintenance of the  
26 district and hospital system;

27 (3) make improvements and additions to the hospital



1 system; and

2 (4) acquire necessary sites for the hospital system by  
3 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 241,  
4 Secs. 5 (part), 9 (part).)

5 Sec. 1050.252. TAX RATE. The board may impose the tax at a  
6 rate not to exceed 35 cents on each \$100 valuation of taxable  
7 property in the district, unless the tax rate is increased as  
8 provided by Section 1050.253. (Acts 60th Leg., R.S., Ch. 241, Sec.  
9 5 (part).)

10 Sec. 1050.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)  
11 The board may order an election to increase the district's maximum  
12 tax rate to a rate not to exceed 75 cents on each \$100 valuation of  
13 taxable property in the district.

14 (b) The maximum tax rate may not be increased unless the  
15 increase is approved by a majority of the district voters voting in  
16 an election held for that purpose.

17 (c) The board may order the election on its own motion.

18 (d) The election order must specify:

- 19 (1) the date of the election;  
20 (2) the location of the polling places;  
21 (3) the presiding election officers; and  
22 (4) the purpose of the election.

23 (e) Notice of the election shall be given by publishing a  
24 substantial copy of the election order in a newspaper of general  
25 circulation in Knox County once a week for two consecutive weeks  
26 before the date of the election. The first publication must occur  
27 at least 14 days before the date of the election. (Acts 60th Leg.,

1 R.S., Ch. 241, Sec. 5 (part).)

2           Sec. 1050.254. TAX ASSESSOR-COLLECTOR.           The tax  
3 assessor-collector of Knox County shall assess and collect taxes  
4 imposed by the district. (Acts 60th Leg., R.S., Ch. 241, Secs. 5  
5 (part), 9 (part).)

6                   CHAPTER 1051. LAVACA HOSPITAL DISTRICT

7                           SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1051.001. DEFINITIONS

9 Sec. 1051.002. AUTHORITY FOR OPERATION

10 Sec. 1051.003. ESSENTIAL PUBLIC FUNCTION

11 Sec. 1051.004. DISTRICT TERRITORY

12 Sec. 1051.005. CORRECTION OF INVALID PROCEDURES

13 Sec. 1051.006. DISTRICT SUPPORT AND MAINTENANCE NOT

14                           STATE OBLIGATION

15 Sec. 1051.007. RESTRICTION ON STATE FINANCIAL

16                           ASSISTANCE

17           [Sections 1051.008-1051.050 reserved for expansion]

18                           SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1051.051. BOARD ELECTION; TERM

20 Sec. 1051.052. NOTICE OF ELECTION

21 Sec. 1051.053. BALLOT PETITION

22 Sec. 1051.054. QUALIFICATIONS FOR OFFICE

23 Sec. 1051.055. BOARD VACANCY

24 Sec. 1051.056. OFFICERS

25 Sec. 1051.057. COMPENSATION; EXPENSES

26 Sec. 1051.058. VOTING REQUIREMENT

- 1 Sec. 1051.059. DISTRICT ADMINISTRATOR; ASSISTANT  
2 ADMINISTRATOR
- 3 Sec. 1051.060. GENERAL DUTIES OF DISTRICT  
4 ADMINISTRATOR
- 5 Sec. 1051.061. EMPLOYEES; APPOINTMENT OF STAFF
- 6 Sec. 1051.062. RETIREMENT BENEFITS
- 7 [Sections 1051.063-1051.100 reserved for expansion]
- 8 SUBCHAPTER C. POWERS AND DUTIES
- 9 Sec. 1051.101. DISTRICT RESPONSIBILITY
- 10 Sec. 1051.102. RESTRICTION ON POLITICAL SUBDIVISION  
11 TAXATION AND DEBT
- 12 Sec. 1051.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 13 Sec. 1051.104. HOSPITAL SYSTEM
- 14 Sec. 1051.105. RULES
- 15 Sec. 1051.106. PURCHASING AND ACCOUNTING PROCEDURES
- 16 Sec. 1051.107. DISTRICT PROPERTY, FACILITIES, AND  
17 EQUIPMENT
- 18 Sec. 1051.108. EMINENT DOMAIN
- 19 Sec. 1051.109. GIFTS AND ENDOWMENTS
- 20 Sec. 1051.110. CONSTRUCTION CONTRACTS
- 21 Sec. 1051.111. OPERATING AND MANAGEMENT CONTRACTS
- 22 Sec. 1051.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
23 FOR CARE AND TREATMENT
- 24 Sec. 1051.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
25 FOR INVESTIGATORY OR OTHER SERVICES
- 26 Sec. 1051.114. PAYMENT FOR TREATMENT; PROCEDURES
- 27 Sec. 1051.115. AUTHORITY TO SUE AND BE SUED

1 [Sections 1051.116-1051.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Sec. 1051.151. BUDGET

4 Sec. 1051.152. NOTICE; HEARING; ADOPTION OF BUDGET

5 Sec. 1051.153. AMENDMENTS TO BUDGET

6 Sec. 1051.154. RESTRICTION ON EXPENDITURES

7 Sec. 1051.155. FISCAL YEAR

8 Sec. 1051.156. AUDIT

9 Sec. 1051.157. INSPECTION OF AUDIT AND DISTRICT

10 RECORDS

11 Sec. 1051.158. FINANCIAL REPORT

12 Sec. 1051.159. DEPOSITORY

13 Sec. 1051.160. SPENDING AND INVESTMENT RESTRICTIONS

14 [Sections 1051.161-1051.200 reserved for expansion]

15 SUBCHAPTER E. BONDS

16 Sec. 1051.201. GENERAL OBLIGATION BONDS

17 Sec. 1051.202. TAX TO PAY GENERAL OBLIGATION BONDS

18 Sec. 1051.203. GENERAL OBLIGATION BOND ELECTION

19 Sec. 1051.204. MATURITY OF GENERAL OBLIGATION BONDS

20 Sec. 1051.205. EXECUTION OF GENERAL OBLIGATION BONDS

21 Sec. 1051.206. REVENUE BONDS

22 Sec. 1051.207. REFUNDING BONDS

23 Sec. 1051.208. BONDS EXEMPT FROM TAXATION

24 [Sections 1051.209-1051.250 reserved for expansion]

25 SUBCHAPTER F. TAXES

26 Sec. 1051.251. IMPOSITION OF AD VALOREM TAX

27 Sec. 1051.252. TAX RATE

1 Sec. 1051.253. ASSESSMENT AND COLLECTION BY COUNTY TAX

2 ASSESSOR-COLLECTOR

3 Sec. 1051.254. ASSESSMENT AND COLLECTION BY DISTRICT

4 TAX ASSESSOR-COLLECTOR

5 CHAPTER 1051. LAVACA HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1051.001. DEFINITIONS. In this chapter:

8 (1) "Board" means the board of directors of the  
9 district.

10 (2) "Director" means a member of the board.

11 (3) "District" means the Lavaca Hospital District.

12 (New.)

13 Sec. 1051.002. AUTHORITY FOR OPERATION. The district  
14 operates and is administered and financed in accordance with  
15 Section 9, Article IX, Texas Constitution, and has the rights,  
16 powers, and duties provided by this chapter. (Acts 64th Leg., R.S.,  
17 Ch. 16, Sec. 1 (part).)

18 Sec. 1051.003. ESSENTIAL PUBLIC FUNCTION. The district  
19 performs an essential public function in carrying out the purposes  
20 of this chapter. (Acts 64th Leg., R.S., Ch. 16, Sec. 22 (part).)

21 Sec. 1051.004. DISTRICT TERRITORY. The boundaries of the  
22 district are coextensive with the boundaries of the following  
23 school districts, all located in Lavaca County, as those boundaries  
24 existed on March 13, 1975:

25 (1) Hallettsville Independent School District,  
26 including the Moravia School District No. 7;

27 (2) Ezzell School District No. 54;

1 (3) Vysehrad School District No. 29;

2 (4) the part of the Oakland-Weimar Independent School  
3 Districts of Colorado County that is located in Lavaca County; and

4 (5) the part of the Provident City Independent School  
5 District that is located in Lavaca County. (Acts 64th Leg., R.S.,  
6 Ch. 16, Sec. 1 (part); New.)

7 Sec. 1051.005. CORRECTION OF INVALID PROCEDURES. If a  
8 court holds that any procedure under this chapter violates the  
9 constitution of this state or of the United States, the district by  
10 resolution may provide an alternative procedure that conforms with  
11 the constitution. (Acts 64th Leg., R.S., Ch. 16, Sec. 24 (part).)

12 Sec. 1051.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
13 OBLIGATION. The support and maintenance of the district may not  
14 become a charge against or obligation of this state. (Acts 64th  
15 Leg., R.S., Ch. 16, Sec. 21 (part).)

16 Sec. 1051.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
17 The legislature may not make a direct appropriation for the  
18 construction, maintenance, or improvement of a district facility.  
19 (Acts 64th Leg., R.S., Ch. 16, Sec. 21 (part).)

20 [Sections 1051.008-1051.050 reserved for expansion]

21 SUBCHAPTER B. DISTRICT ADMINISTRATION

22 Sec. 1051.051. BOARD ELECTION; TERM. (a) The board  
23 consists of seven directors elected from the district at large by  
24 place.

25 (b) Directors serve staggered four-year terms.

26 (c) An election shall be held on the uniform election date  
27 in May of each even-numbered year to elect the appropriate number of

1 directors. (Acts 64th Leg., R.S., Ch. 16, Secs. 4(a) (part), (b)  
2 (part).)

3 Sec. 1051.052. NOTICE OF ELECTION. Not later than the 31st  
4 day before the date of an election of directors, notice of the  
5 election shall be published one time in a newspaper or newspapers  
6 that individually or collectively have general circulation in the  
7 district. (Acts 64th Leg., R.S., Ch. 16, Sec. 4(b) (part).)

8 Sec. 1051.053. BALLOT PETITION. A person who wants to have  
9 the person's name printed on the ballot as a candidate for director  
10 must file with the board secretary a petition requesting that  
11 action. The petition must:

- 12 (1) be signed by at least 10 voters;
- 13 (2) specify the place for which the person is to be a  
14 candidate; and
- 15 (3) be filed not later than the 31st day before the  
16 date of the election. (Acts 64th Leg., R.S., Ch. 16, Sec. 4(b)  
17 (part).)

18 Sec. 1051.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
19 not be elected or appointed as a director unless the person is:

- 20 (1) a district resident;
- 21 (2) a freeholder; and
- 22 (3) a qualified voter.

23 (b) A person is not eligible to serve as a director if the  
24 person is:

- 25 (1) the district administrator; or
- 26 (2) a district employee. (Acts 64th Leg., R.S., Ch.  
27 16, Sec. 4(c).)

1           Sec. 1051.055. BOARD VACANCY. If a vacancy occurs in the  
2 office of director, the remaining directors shall appoint a  
3 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 16,  
4 Sec. 4(b) (part).)

5           Sec. 1051.056. OFFICERS. (a) The board shall elect:

6                 (1) a president and a vice president from among its  
7 members; and

8                 (2) a secretary, who need not be a director.

9           (b) Each officer of the board serves for a term of one year.

10           (c) The board shall fill a vacancy in a board office for the  
11 unexpired term. (Acts 64th Leg., R.S., Ch. 16, Sec. 4(d) (part).)

12           Sec. 1051.057. COMPENSATION; EXPENSES. A director or  
13 officer serves without compensation but may be reimbursed for  
14 actual expenses incurred in the performance of official duties.  
15 The expenses must be:

16                 (1) reported in the district's records; and

17                 (2) approved by the board. (Acts 64th Leg., R.S., Ch.  
18 16, Sec. 4(d) (part).)

19           Sec. 1051.058. VOTING REQUIREMENT. A concurrence of a  
20 majority of the directors is sufficient in any matter relating to  
21 district business. (Acts 64th Leg., R.S., Ch. 16, Sec. 4(d)  
22 (part).)

23           Sec. 1051.059. DISTRICT ADMINISTRATOR; ASSISTANT  
24 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
25 district administrator.

26                 (b) The board may appoint an assistant administrator.

27                 (c) The district administrator and any assistant



1 administrator serve at the will of the board and are entitled to the  
2 compensation determined by the board.

3 (d) On assuming the duties of district administrator, the  
4 administrator shall execute a bond payable to the district in an  
5 amount set by the board of not less than \$5,000 that:

6 (1) is conditioned on the administrator performing the  
7 administrator's duties; and

8 (2) contains other conditions the board may require.

9 (Acts 64th Leg., R.S., Ch. 16, Sec. 5 (part).)

10 Sec. 1051.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

11 Subject to the limitations prescribed by the board, the district  
12 administrator shall:

13 (1) supervise the work and activities of the district;

14 and

15 (2) direct the affairs of the district. (Acts 64th

16 Leg., R.S., Ch. 16, Sec. 5 (part).)

17 Sec. 1051.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The

18 board may appoint to the staff any doctors the board considers  
19 necessary for the efficient operation of the district and may make  
20 temporary appointments as necessary.

21 (b) The district may employ fiscal agents, accountants,  
22 architects, and attorneys the board considers proper.

23 (c) The board may delegate to the district administrator the  
24 authority to hire district employees, including technicians and  
25 nurses. (Acts 64th Leg., R.S., Ch. 16, Secs. 5 (part), 17.)

26 Sec. 1051.062. RETIREMENT BENEFITS. The board may provide  
27 retirement benefits for district employees by:

1           (1) establishing or administering a retirement  
2 program; or

3           (2) participating in:

4                 (A) the Texas County and District Retirement  
5 System; or

6                 (B) another statewide retirement system in which  
7 the district is eligible to participate. (Acts 64th Leg., R.S., Ch.  
8 16, Sec. 6.)

9           [Sections 1051.063-1051.100 reserved for expansion]

10                                 SUBCHAPTER C. POWERS AND DUTIES

11           Sec. 1051.101. DISTRICT RESPONSIBILITY. The district has  
12 full responsibility for operating all hospital facilities for  
13 providing medical and hospital care for the district's needy  
14 inhabitants. (Acts 64th Leg., R.S., Ch. 16, Sec. 20 (part).)

15           Sec. 1051.102. RESTRICTION ON POLITICAL SUBDIVISION  
16 TAXATION AND DEBT. A political subdivision located within the  
17 district may not impose a tax or issue bonds or other obligations  
18 for hospital purposes or to provide medical care. (Acts 64th Leg.,  
19 R.S., Ch. 16, Sec. 20 (part).)

20           Sec. 1051.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
21 The board shall manage, control, and administer the hospital system  
22 and the district's money and resources. (Acts 64th Leg., R.S., Ch.  
23 16, Sec. 5 (part).)

24           Sec. 1051.104. HOSPITAL SYSTEM. (a) The district shall  
25 provide for the establishment of a hospital system by:

26                 (1) purchasing, constructing, acquiring by gift or  
27 otherwise, repairing, or renovating buildings and equipment;

- 1           (2) equipping the buildings; and  
2           (3) administering the buildings and equipment for  
3 hospital purposes.

4           (b) The hospital system may include:

- 5           (1) domiciliary care and treatment of the sick,  
6 injured, or geriatric;  
7           (2) outpatient clinics;  
8           (3) dispensaries;  
9           (4) convalescent home facilities;  
10           (5) necessary nurses;  
11           (6) domiciliaries and training centers;  
12           (7) blood banks;  
13           (8) community mental health centers;  
14           (9) research centers or laboratories; and  
15           (10) any other facilities the board considers  
16 necessary for hospital care. (Acts 64th Leg., R.S., Ch. 16, Secs. 2  
17 (part), 11(a) (part).)

18           Sec. 1051.105. RULES. The board may adopt rules governing  
19 the operation of the hospital, the hospital system, and the  
20 district's staff and employees. (Acts 64th Leg., R.S., Ch. 16, Sec.  
21 5 (part).)

22           Sec. 1051.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
23 board may prescribe:

24           (1) the method and manner of making purchases and  
25 expenditures by and for the district; and

26           (2) all accounting and control procedures. (Acts 64th  
27 Leg., R.S., Ch. 16, Sec. 11(b) (part).)

1           Sec. 1051.107. DISTRICT PROPERTY, FACILITIES, AND  
2 EQUIPMENT. (a) The board shall determine the type, number, and  
3 location of buildings required to maintain an adequate hospital  
4 system.

5           (b) The board may lease all or part of the district's  
6 buildings and other facilities on terms considered to be in the best  
7 interest of the district's inhabitants. The term of the lease may  
8 not exceed 25 years.

9           (c) The district may acquire equipment for use in the  
10 district's hospital system and mortgage or pledge the property as  
11 security for the payment of the purchase price. A contract entered  
12 into under this subsection must provide that the entire obligation  
13 be retired not later than the fifth anniversary of the date of the  
14 contract.

15           (d) The district may sell or otherwise dispose of any  
16 property, including equipment, on terms the board finds are in the  
17 best interest of the district's inhabitants. (Acts 64th Leg.,  
18 R.S., Ch. 16, Secs. 11(a) (part), (b) (part).)

19           Sec. 1051.108. EMINENT DOMAIN. (a) The district may  
20 exercise the power of eminent domain to acquire a fee simple or  
21 other interest in any type of property located in district  
22 territory if the interest is necessary or convenient for the  
23 district to exercise a power, right, or privilege conferred by this  
24 chapter.

25           (b) The district must exercise the power of eminent domain  
26 in the manner provided by Chapter 21, Property Code, except the  
27 district is not required to deposit in the trial court money or a

1 bond as provided by Section 21.021(a), Property Code.

2 (c) In a condemnation proceeding brought by the district,  
3 the district is not required to:

4 (1) pay in advance or provide a bond or other security  
5 for costs in the trial court;

6 (2) provide a bond for the issuance of a temporary  
7 restraining order or a temporary injunction; or

8 (3) provide a bond for costs or a supersedeas bond on  
9 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 16, Sec. 15.)

10 Sec. 1051.109. GIFTS AND ENDOWMENTS. The board may accept  
11 for the district a gift or endowment to be held in trust and  
12 administered by the board for the purposes and under the  
13 directions, limitations, or other provisions prescribed in writing  
14 by the donor that are not inconsistent with the proper management  
15 and objectives of the district. (Acts 64th Leg., R.S., Ch. 16, Sec.  
16 19.)

17 Sec. 1051.110. CONSTRUCTION CONTRACTS. A construction  
18 contract that involves the expenditure of more than \$10,000 may be  
19 made only after advertising in the manner provided by Chapter 252  
20 and Subchapter C, Chapter 262, Local Government Code. (Acts 64th  
21 Leg., R.S., Ch. 16, Sec. 11(b) (part).)

22 Sec. 1051.111. OPERATING AND MANAGEMENT CONTRACTS. The  
23 board may enter into an operating or management contract relating  
24 to a district facility. (Acts 64th Leg., R.S., Ch. 16, Sec. 11(a)  
25 (part).)

26 Sec. 1051.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
27 CARE AND TREATMENT. (a) The board may contract with a county or

1 municipality located outside the district's boundaries for the care  
2 and treatment of a sick or injured person of that county or  
3 municipality.

4 (b) The board may contract with this state or a federal  
5 agency for the treatment of a sick or injured person. (Acts 64th  
6 Leg., R.S., Ch. 16, Sec. 5 (part).)

7 Sec. 1051.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
8 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
9 political subdivision or governmental agency for the district  
10 to provide investigatory or other services for the medical,  
11 hospital, or welfare needs of district inhabitants. (Acts 64th  
12 Leg., R.S., Ch. 16, Sec. 5 (part).)

13 Sec. 1051.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
14 When a patient who resides in the district is admitted to a district  
15 facility, the district administrator may have an inquiry made into  
16 the circumstances of:

17 (1) the patient; and

18 (2) the patient's relatives who are legally liable for  
19 the patient's support.

20 (b) If the district administrator determines that the  
21 patient or those relatives cannot pay all or part of the costs of  
22 the care and treatment in the hospital, the amount of the costs that  
23 cannot be paid becomes a charge against the district.

24 (c) If the district administrator determines that the  
25 patient or those relatives can pay for all or part of the costs of  
26 the patient's care and treatment, the patient or those relatives  
27 shall be ordered to pay the district a specified amount each week

1 for the patient's care and support. The amount ordered must be  
2 proportionate to the person's financial ability.

3 (d) The district administrator may collect the amount from  
4 the patient's estate, or from any relative who is legally liable for  
5 the patient's support, in the manner provided by law for the  
6 collection of expenses of the last illness of a deceased person.

7 (e) If there is a dispute as to the ability to pay, or doubt  
8 in the mind of the district administrator, the board shall hold a  
9 hearing and, after calling witnesses, shall:

10 (1) resolve the dispute or doubt; and

11 (2) issue any appropriate orders.

12 (f) A final order of the board may be appealed to the  
13 district court. The substantial evidence rule applies to the  
14 appeal. (Acts 64th Leg., R.S., Ch. 16, Sec. 18.)

15 Sec. 1051.115. AUTHORITY TO SUE AND BE SUED. The district,  
16 through the board, may sue and be sued. (Acts 64th Leg., R.S., Ch.  
17 16, Sec. 5 (part).)

18 [Sections 1051.116-1051.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Sec. 1051.151. BUDGET. (a) The district administrator  
21 shall prepare an annual budget for approval by the board.

22 (b) The proposed budget must contain a complete financial  
23 statement of:

24 (1) the outstanding obligations of the district;

25 (2) the cash on hand in each district fund;

26 (3) the money received by the district from all  
27 sources during the previous year;

1           (4) the money available to the district from all  
2 sources during the ensuing year;

3           (5) the balances expected at the end of the year in  
4 which the budget is being prepared;

5           (6) the estimated revenue and balances available to  
6 cover the proposed budget; and

7           (7) the estimated tax rate required. (Acts 64th Leg.,  
8 R.S., Ch. 16, Sec. 7 (part).)

9           Sec. 1051.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
10 The board shall hold a public hearing on the proposed annual budget.

11           (b) Notice of the hearing must be published one time at  
12 least 10 days before the date of the hearing.

13           (c) Any district resident is entitled to be present and  
14 participate at the hearing.

15           (d) At the conclusion of the hearing, the board shall adopt  
16 a budget by acting on the budget proposed by the district  
17 administrator. The board may make any changes in the proposed  
18 budget that the board judges to be in the interests of the taxpayers  
19 and that the law warrants. (Acts 64th Leg., R.S., Ch. 16, Sec. 7  
20 (part).)

21           Sec. 1051.153. AMENDMENTS TO BUDGET. The budget may be  
22 amended as required by circumstances. The board must approve all  
23 amendments. (Acts 64th Leg., R.S., Ch. 16, Sec. 7 (part).)

24           Sec. 1051.154. RESTRICTION ON EXPENDITURES. Money may be  
25 spent only for an expense included in the budget or an amendment to  
26 the budget. (Acts 64th Leg., R.S., Ch. 16, Sec. 7 (part).)

27           Sec. 1051.155. FISCAL YEAR. (a) The district operates on a



1 fiscal year established by the board.

2 (b) The fiscal year may not be changed:

3 (1) during a period that revenue bonds of the district  
4 are outstanding; or

5 (2) more than once in a 24-month period. (Acts 64th  
6 Leg., R.S., Ch. 16, Sec. 7 (part).)

7 Sec. 1051.156. AUDIT. The board shall have an audit made of  
8 the district's financial condition. (Acts 64th Leg., R.S., Ch. 16,  
9 Sec. 7 (part).)

10 Sec. 1051.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
11 The audit and other district records shall be open to inspection at  
12 the district's principal office. (Acts 64th Leg., R.S., Ch. 16,  
13 Sec. 7 (part).)

14 Sec. 1051.158. FINANCIAL REPORT. As soon as practicable  
15 after the close of each fiscal year, the district administrator  
16 shall prepare for the board:

17 (1) a complete sworn statement of all district money;  
18 and

19 (2) a complete account of the disbursements of that  
20 money. (Acts 64th Leg., R.S., Ch. 16, Sec. 7 (part).)

21 Sec. 1051.159. DEPOSITORY. (a) The board shall select one  
22 or more banks in the district to serve as a depository for district  
23 money.

24 (b) District money, other than money invested as provided by  
25 Section 1051.160(b), and money transmitted to a bank for payment of  
26 bonds or obligations issued or assumed by the district, shall be  
27 deposited as received with the depository bank and shall remain on

1 deposit.

2 (c) This chapter, including Subsection (b), does not limit  
3 the power of the board to:

4 (1) place a part of district money on time deposit;

5 (2) purchase certificates of deposit; or

6 (3) invest a part of district money in a local  
7 government investment pool established in the Texas Treasury  
8 Safekeeping Trust Company.

9 (d) The district may not deposit money with a bank in an  
10 amount that exceeds the maximum amount secured by the Federal  
11 Deposit Insurance Corporation unless the bank first executes a bond  
12 or other security in an amount sufficient to secure from loss the  
13 district money that exceeds the amount secured by the Federal  
14 Deposit Insurance Corporation. (Acts 64th Leg., R.S., Ch. 16, Sec.  
15 12.)

16 Sec. 1051.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
17 Except as otherwise provided by Section 1051.107(c) and by  
18 Subchapter E, the district may not incur an obligation payable from  
19 district revenue other than the revenue on hand or to be on hand in  
20 the current and following district fiscal years.

21 (b) The board may invest operating, depreciation, or  
22 building reserves only in funds or securities specified by Chapter  
23 2256, Government Code. (Acts 64th Leg., R.S., Ch. 16, Secs. 5  
24 (part), 11(b) (part).)

25 [Sections 1051.161-1051.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1051.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith  
2 and credit of the district for any purpose relating to:

3 (1) the purchase, construction, acquisition, repair,  
4 or renovation of buildings or improvements; and

5 (2) equipping buildings or improvements for hospital  
6 purposes. (Acts 64th Leg., R.S., Ch. 16, Sec. 8(a) (part).)

7 Sec. 1051.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
8 the time general obligation bonds are issued by the district under  
9 Section 1051.201, the board shall impose an ad valorem tax at a rate  
10 sufficient to create an interest and sinking fund to pay the  
11 principal of and interest on the bonds as the bonds mature.

12 (b) The tax required by this section together with any other  
13 ad valorem tax the district imposes may not in any year exceed 75  
14 cents on each \$100 valuation of all taxable property in the  
15 district. (Acts 64th Leg., R.S., Ch. 16, Sec. 8(a) (part).)

16 Sec. 1051.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
17 district may issue general obligation bonds only if the bonds are  
18 authorized by a majority of the district voters.

19 (b) The order calling the election shall provide for clerks  
20 as in county elections and must specify:

21 (1) the date of the election;

22 (2) the location of the polling places;

23 (3) the presiding and alternate election judges for  
24 each polling place;

25 (4) the amount of the bonds to be authorized; and

26 (5) the maximum maturity of the bonds.

27 (c) Notice of a bond election shall be given as provided by

1 Section 1251.003, Government Code. (Acts 64th Leg., R.S., Ch. 16,  
2 Sec. 8(a) (part).)

3 Sec. 1051.204. MATURITY OF GENERAL OBLIGATION BONDS.  
4 District general obligation bonds must mature not later than 40  
5 years after the date of issuance. (Acts 64th Leg., R.S., Ch. 16,  
6 Sec. 8(c) (part).)

7 Sec. 1051.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
8 The board president shall execute the general obligation bonds in  
9 the district's name.

10 (b) The board secretary shall countersign the bonds in the  
11 manner provided by Chapter 618, Government Code. (Acts 64th Leg.,  
12 R.S., Ch. 16, Sec. 8(c) (part).)

13 Sec. 1051.206. REVENUE BONDS. (a) The board may issue  
14 revenue bonds to:

15 (1) purchase, construct, acquire, repair, renovate,  
16 or equip buildings or improvements for hospital purposes; or

17 (2) acquire sites to be used for hospital purposes.

18 (b) The bonds must be payable from and secured by a pledge of  
19 all or part of the revenue derived from the operation of the  
20 district's hospitals.

21 (c) The bonds may be additionally secured by a mortgage or  
22 deed of trust lien on all or part of district property.

23 (d) The bonds must be issued in the manner and in accordance  
24 with the procedures and requirements prescribed by Sections  
25 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
26 issuance of revenue bonds by a county hospital authority. (Acts  
27 64th Leg., R.S., Ch. 16, Sec. 10 (part).)

1           Sec. 1051.207. REFUNDING BONDS. (a) The board may, without  
2 an election, issue refunding bonds to refund outstanding  
3 indebtedness issued or assumed by the district.

4           (b) A refunding bond may be:

5                 (1) sold, with the proceeds of the refunding bond  
6 applied to the payment of the outstanding indebtedness; or

7                 (2) exchanged wholly or partly for not less than a  
8 similar principal amount of outstanding indebtedness. (Acts 64th  
9 Leg., R.S., Ch. 16, Secs. 8(a) (part), (b) (part), 10 (part).)

10           Sec. 1051.208. BONDS EXEMPT FROM TAXATION. The following  
11 are exempt from taxation by this state or a political subdivision of  
12 this state:

13                 (1) bonds issued by the district;

14                 (2) the transfer and issuance of the bonds; and

15                 (3) profits made in the sale of the bonds. (Acts 64th  
16 Leg., R.S., Ch. 16, Sec. 22 (part).)

17           [Sections 1051.209-1051.250 reserved for expansion]

18   SUBCHAPTER F. TAXES

19           Sec. 1051.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
20 shall impose a tax on all property in the district subject to  
21 district taxation.

22           (b) The board shall impose the tax to pay:

23                 (1) indebtedness issued or assumed by the district;

24 and

25                 (2) the maintenance and operating expenses of the  
26 district.

27           (c) The board may not impose a tax to pay the principal of or

1 interest on revenue bonds issued under Section 1051.206. (Acts  
2 64th Leg., R.S., Ch. 16, Secs. 13 (part), 16(a) (part).)

3 Sec. 1051.252. TAX RATE. (a) The board may impose the tax  
4 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
5 property in the district.

6 (b) In setting the tax rate, the board shall consider the  
7 income of the district from sources other than taxation. (Acts 64th  
8 Leg., R.S., Ch. 16, Secs. 3(b) (part), 13 (part).)

9 Sec. 1051.253. ASSESSMENT AND COLLECTION BY COUNTY TAX  
10 ASSESSOR-COLLECTOR. (a) This section applies unless the board  
11 elects to have taxes assessed and collected under Section 1051.254.

12 (b) The tax assessor-collector of Lavaca County shall  
13 assess and collect taxes imposed by the district. (Acts 64th Leg.,  
14 R.S., Ch. 16, Secs. 16(a) (part), (b) (part).)

15 Sec. 1051.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX  
16 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes  
17 assessed and collected by a tax assessor-collector appointed by the  
18 board. An election under this subsection must be made by December 1  
19 and governs the manner in which taxes are assessed and collected,  
20 until changed by a similar resolution.

21 (b) The district tax assessor-collector must:

22 (1) reside in the district; and

23 (2) own real property subject to district taxation.

24 (c) The board shall set for the district tax  
25 assessor-collector:

26 (1) the term of employment; and

27 (2) compensation. (Acts 64th Leg., R.S., Ch. 16,

1 Secs. 16(a) (part), (c) (part).)

2 CHAPTER 1052. LOCKNEY GENERAL HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1052.001. DEFINITIONS

5 Sec. 1052.002. AUTHORITY FOR CREATION

6 Sec. 1052.003. ESSENTIAL PUBLIC FUNCTION

7 Sec. 1052.004. DISTRICT TERRITORY

8 Sec. 1052.005. CORRECTION OF INVALID PROCEDURES

9 Sec. 1052.006. DISTRICT SUPPORT AND MAINTENANCE NOT

10 STATE OBLIGATION

11 [Sections 1052.007-1052.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Sec. 1052.051. BOARD ELECTION; TERM

14 Sec. 1052.052. NOTICE OF ELECTION

15 Sec. 1052.053. BALLOT PETITION

16 Sec. 1052.054. QUALIFICATIONS FOR OFFICE

17 Sec. 1052.055. BOARD VACANCY

18 Sec. 1052.056. OFFICERS

19 Sec. 1052.057. COMPENSATION; EXPENSES

20 Sec. 1052.058. DISTRICT ADMINISTRATOR; ASSISTANT

21 ADMINISTRATOR

22 Sec. 1052.059. GENERAL DUTIES OF DISTRICT

23 ADMINISTRATOR

24 Sec. 1052.060. EMPLOYEES; APPOINTMENT OF STAFF

25 [Sections 1052.061-1052.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1052.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1052.102. RESTRICTION ON POLITICAL SUBDIVISION  
2 TAXATION AND DEBT  
3 Sec. 1052.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
4 Sec. 1052.104. HOSPITAL SYSTEM  
5 Sec. 1052.105. RULES  
6 Sec. 1052.106. PURCHASING AND ACCOUNTING PROCEDURES  
7 Sec. 1052.107. DISTRICT PROPERTY, FACILITIES, AND  
8 EQUIPMENT  
9 Sec. 1052.108. EMINENT DOMAIN  
10 Sec. 1052.109. GIFTS AND ENDOWMENTS  
11 Sec. 1052.110. CONSTRUCTION CONTRACTS  
12 Sec. 1052.111. OPERATING AND MANAGEMENT CONTRACTS  
13 Sec. 1052.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
14 FOR CARE AND TREATMENT  
15 Sec. 1052.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
16 FOR INVESTIGATORY OR OTHER SERVICES  
17 Sec. 1052.114. PAYMENT FOR TREATMENT; PROCEDURES  
18 Sec. 1052.115. AUTHORITY TO SUE AND BE SUED  
19 [Sections 1052.116-1052.150 reserved for expansion]  
20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
21 Sec. 1052.151. BUDGET  
22 Sec. 1052.152. NOTICE; HEARING; ADOPTION OF BUDGET  
23 Sec. 1052.153. AMENDMENTS TO BUDGET  
24 Sec. 1052.154. FISCAL YEAR  
25 Sec. 1052.155. AUDIT  
26 Sec. 1052.156. INSPECTION OF AUDIT AND DISTRICT  
27 RECORDS



1 Sec. 1052.157. FINANCIAL REPORT

2 Sec. 1052.158. DEPOSITORY

3 Sec. 1052.159. SPENDING AND INVESTMENT RESTRICTIONS

4 [Sections 1052.160-1052.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1052.201. GENERAL OBLIGATION BONDS

7 Sec. 1052.202. TAX TO PAY GENERAL OBLIGATION BONDS

8 Sec. 1052.203. GENERAL OBLIGATION BOND ELECTION

9 Sec. 1052.204. REVENUE BONDS

10 Sec. 1052.205. REFUNDING BONDS

11 Sec. 1052.206. MATURITY OF BONDS

12 Sec. 1052.207. EXECUTION OF BONDS

13 Sec. 1052.208. BONDS EXEMPT FROM TAXATION

14 [Sections 1052.209-1052.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Sec. 1052.251. IMPOSITION OF AD VALOREM TAX

17 Sec. 1052.252. TAX RATE

18 Sec. 1052.253. TAX ASSESSOR-COLLECTOR

19 CHAPTER 1052. LOCKNEY GENERAL HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1052.001. DEFINITIONS. In this chapter:

22 (1) "Board" means the board of directors of the  
23 district.

24 (2) "Director" means a member of the board.

25 (3) "District" means the Lockney General Hospital  
26 District. (Acts 63rd Leg., R.S., Ch. 58, Sec. 1 (part); New.)

27 Sec. 1052.002. AUTHORITY FOR CREATION. The district is

1 created under the authority of Section 9, Article IX, Texas  
2 Constitution. The district has the rights, powers, and duties  
3 conferred by this chapter and general laws relating to hospital  
4 districts. (Acts 63rd Leg., R.S., Ch. 58, Secs. 1 (part), 2  
5 (part).)

6 Sec. 1052.003. ESSENTIAL PUBLIC FUNCTION. The district  
7 performs an essential public function in carrying out the purposes  
8 of this chapter. (Acts 63rd Leg., R.S., Ch. 58, Sec. 22 (part).)

9 Sec. 1052.004. DISTRICT TERRITORY. The boundaries of the  
10 district are coextensive with the boundaries of County  
11 Commissioners Precinct No. 2 of Floyd County as those boundaries  
12 existed on January 1, 1973. (Acts 63rd Leg., R.S., Ch. 58, Sec. 1  
13 (part).)

14 Sec. 1052.005. CORRECTION OF INVALID PROCEDURES. If a  
15 court holds that any procedure under this chapter violates the  
16 constitution of this state or of the United States, the district by  
17 resolution may provide an alternative procedure that conforms with  
18 the constitution. (Acts 63rd Leg., R.S., Ch. 58, Sec. 24 (part).)

19 Sec. 1052.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
20 OBLIGATION. The support and maintenance of the district may not  
21 become a charge against or obligation of this state. (Acts 63rd  
22 Leg., R.S., Ch. 58, Sec. 21 (part).)

23 [Sections 1052.007-1052.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Sec. 1052.051. BOARD ELECTION; TERM. (a) The board  
26 consists of five directors elected from the district at large.

27 (b) Unless four-year terms are established under Section

1 285.081, Health and Safety Code:

2 (1) directors serve staggered two-year terms; and

3 (2) the terms of three directors expire in  
4 odd-numbered years and the terms of two directors expire in  
5 even-numbered years.

6 (c) The election order must state the time, place, and  
7 purpose of the election.

8 (d) A director may not serve more than three successive  
9 terms. (Acts 63rd Leg., R.S., Ch. 58, Secs. 4(a) (part), (b)  
10 (part).)

11 Sec. 1052.052. NOTICE OF ELECTION. At least five days  
12 before the date of an election of directors, notice of the election  
13 shall be published one time in a newspaper of general circulation in  
14 the area of the district. (Acts 63rd Leg., R.S., Ch. 58, Sec. 4(a)  
15 (part).)

16 Sec. 1052.053. BALLOT PETITION. A person who wants to have  
17 the person's name printed on the ballot as a candidate for director  
18 must file with the board secretary a petition requesting that  
19 action. The petition must be:

20 (1) signed by at least 10 registered voters; and

21 (2) filed at least 25 days before the date of the  
22 election. (Acts 63rd Leg., R.S., Ch. 58, Sec. 4(a) (part).)

23 Sec. 1052.054. QUALIFICATIONS FOR OFFICE. To be eligible  
24 to hold office as a director, a person must be a resident  
25 property-owning taxpaying voter of the district. (Acts 63rd Leg.,  
26 R.S., Ch. 58, Sec. 4(b) (part).)

27 Sec. 1052.055. BOARD VACANCY. If a vacancy occurs in the

1 office of director, the remaining directors by majority vote shall  
2 appoint a director for the unexpired term. (Acts 63rd Leg., R.S.,  
3 Ch. 58, Sec. 4(a) (part).)

4 Sec. 1052.056. OFFICERS. (a) The board shall elect from  
5 among its members a president, vice president, secretary, and other  
6 officers as in the judgment of the board are necessary.

7 (b) The president is the chief executive officer of the  
8 district and has the same right to vote as any other director.

9 (c) If the president is absent or fails and declines to act,  
10 the vice president shall perform the president's duties and  
11 exercise the president's powers under this chapter. (Acts 63rd  
12 Leg., R.S., Ch. 58, Sec. 4(b) (part).)

13 Sec. 1052.057. COMPENSATION; EXPENSES. A director serves  
14 without compensation but may receive actual expenses incurred in  
15 attending to district business on approval of the expenses by the  
16 remainder of the board. (Acts 63rd Leg., R.S., Ch. 58, Sec. 4(b)  
17 (part).)

18 Sec. 1052.058. DISTRICT ADMINISTRATOR; ASSISTANT  
19 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
20 district administrator.

21 (b) The board may appoint an assistant administrator.

22 (c) The district administrator and any assistant  
23 administrator serve at the will of the board and are entitled to the  
24 compensation determined by the board.

25 (d) On assuming the duties of district administrator, the  
26 administrator shall execute a bond payable to the district in an  
27 amount set by the board of not less than \$5,000 that:

1           (1) is conditioned on the administrator performing the  
2 administrator's duties; and

3           (2) contains other conditions the board may require.  
4 (Acts 63rd Leg., R.S., Ch. 58, Sec. 5 (part).)

5           Sec. 1052.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
6 Subject to the limitations prescribed by the board, the district  
7 administrator shall:

8           (1) supervise the work and activities of the district;  
9 and

10           (2) direct the affairs of the district. (Acts 63rd  
11 Leg., R.S., Ch. 58, Sec. 5 (part).)

12           Sec. 1052.060. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
13 board may appoint to the staff any doctors the board considers  
14 necessary for the efficient operation of the district and may make  
15 temporary appointments as necessary.

16           (b) The board shall determine the type, number, and location  
17 of district employees required to maintain an adequate hospital  
18 system. The board may employ fiscal agents, accountants,  
19 architects, attorneys, and other employees the board considers  
20 proper.

21           (c) The board may delegate to the district administrator the  
22 authority to hire district employees, including technicians and  
23 nurses. (Acts 63rd Leg., R.S., Ch. 58, Secs. 5 (part), 10(a)  
24 (part), 17.)

25           [Sections 1052.061-1052.100 reserved for expansion]

26                                   SUBCHAPTER C. POWERS AND DUTIES

27           Sec. 1052.101. DISTRICT RESPONSIBILITY. The district has

1 full responsibility for providing hospital care for the district's  
2 indigent residents. (Acts 63rd Leg., R.S., Ch. 58, Sec. 20 (part).)

3       Sec. 1052.102. RESTRICTION ON POLITICAL SUBDIVISION  
4 TAXATION AND DEBT. A political subdivision located within the  
5 district may not impose a tax or issue bonds or other obligations  
6 for hospital purposes for the area of the district or to provide  
7 medical care for district inhabitants. (Acts 63rd Leg., R.S., Ch.  
8 58, Sec. 20 (part).)

9       Sec. 1052.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

10 (a) The board shall manage, control, and administer the hospital  
11 system and the district's money and resources.

12 (b) Unless specifically stated otherwise in this chapter,  
13 the board has the power to do anything which, in their opinion, is  
14 necessary for the good maintenance, operation, and welfare of the  
15 district and the district's employees, patients, and property.  
16 (Acts 63rd Leg., R.S., Ch. 58, Secs. 5 (part), 21 (part).)

17       Sec. 1052.104. HOSPITAL SYSTEM. (a) The district shall  
18 provide for the establishment of a hospital system by:

19           (1) purchasing, constructing, acquiring, repairing,  
20 or renovating buildings and equipment;

21           (2) equipping the buildings; and

22           (3) administering the buildings and equipment for  
23 hospital purposes.

24 (b) The hospital system may include:

25           (1) facilities for domiciliary care of the sick,  
26 injured, or geriatric;

27           (2) facilities for outpatient clinics;

- 1 (3) dispensaries;
- 2 (4) convalescent home facilities;
- 3 (5) necessary nurses' domiciliaries and training
- 4 centers;
- 5 (6) blood banks;
- 6 (7) research centers or laboratories; and
- 7 (8) ambulances and other facilities or services the
- 8 board considers necessary for hospital care. (Acts 63rd Leg.,
- 9 R.S., Ch. 58, Secs. 2 (part), 10(a) (part).)

10 Sec. 1052.105. RULES. The board may adopt rules governing

11 the operation of the hospital, the hospital system, and the

12 district's staff and employees. (Acts 63rd Leg., R.S., Ch. 58, Sec.

13 5 (part).)

14 Sec. 1052.106. PURCHASING AND ACCOUNTING PROCEDURES. The

15 board may prescribe:

16 (1) the method and manner of making purchases and

17 expenditures by and for the district; and

18 (2) all accounting and control procedures. (Acts 63rd

19 Leg., R.S., Ch. 58, Sec. 11 (part).)

20 Sec. 1052.107. DISTRICT PROPERTY, FACILITIES, AND

21 EQUIPMENT. (a) The board shall determine the type of equipment and

22 the type, number, and location of buildings required to maintain an

23 adequate hospital system.

24 (b) The board may lease all or part of the district's

25 buildings and other facilities on terms considered to be in the best

26 interest of the district's inhabitants. The term of the lease may

27 not exceed 25 years.

1           (c) The district may acquire equipment for use in the  
2 district's hospital system and mortgage or pledge the property as  
3 security for the payment of the purchase price. A contract entered  
4 into under this subsection must provide that the entire obligation  
5 be retired not later than the fifth anniversary of the date of the  
6 contract.

7           (d) The district may sell or otherwise dispose of any  
8 property, including equipment, on terms the board finds are in the  
9 best interest of the district's inhabitants. The board may not sell  
10 or dispose of any real property unless the board affirmatively  
11 finds that the real property is not needed for the operation of the  
12 hospital system. (Acts 63rd Leg., R.S., Ch. 58, Secs. 10(a) (part),  
13 (b) (part), 11 (part).)

14           Sec. 1052.108. EMINENT DOMAIN. (a) The district may  
15 exercise the power of eminent domain to acquire a fee simple or  
16 other interest in any type of property located in district  
17 territory if the interest is necessary for the district to exercise  
18 a power, right, or privilege conferred by this chapter.

19           (b) The district must exercise the power of eminent domain  
20 in the manner provided by Chapter 21, Property Code, except the  
21 district is not required to deposit in the trial court money or a  
22 bond as provided by Section 21.021(a), Property Code.

23           (c) In a condemnation proceeding brought by the district,  
24 the district is not required to:

25                   (1) pay in advance or provide a bond or other security  
26 for costs in the trial court;

27                   (2) provide a bond for the issuance of a temporary



1 restraining order or a temporary injunction; or

2 (3) provide a bond for costs or a supersedeas bond on  
3 an appeal or writ of error. (Acts 63rd Leg., R.S., Ch. 58, Sec. 15.)

4 Sec. 1052.109. GIFTS AND ENDOWMENTS. The board may accept  
5 for the district a gift or endowment for hospital purposes to be  
6 held in trust and administered by the board for the purposes and  
7 under the directions, limitations, or other provisions prescribed  
8 in writing by the donor that are not inconsistent with the proper  
9 management and objectives of the district. (Acts 63rd Leg., R.S.,  
10 Ch. 58, Sec. 19.)

11 Sec. 1052.110. CONSTRUCTION CONTRACTS. A construction  
12 contract that involves the expenditure of more than \$2,000 may be  
13 made only after advertising in the manner provided by Chapter 252  
14 and Subchapter C, Chapter 262, Local Government Code. (Acts 63rd  
15 Leg., R.S., Ch. 58, Sec. 11 (part).)

16 Sec. 1052.111. OPERATING AND MANAGEMENT CONTRACTS. The  
17 board may enter into an operating or management contract relating  
18 to a district facility. (Acts 63rd Leg., R.S., Ch. 58, Sec. 10(b)  
19 (part).)

20 Sec. 1052.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
21 CARE AND TREATMENT. (a) The board may contract with a county or  
22 municipality located outside the district's boundaries for the care  
23 and treatment of a sick or injured person of that county or  
24 municipality.

25 (b) The board may contract with this state or a federal  
26 agency for the treatment of a sick or injured person. (Acts 63rd  
27 Leg., R.S., Ch. 58, Sec. 5 (part).)

1           Sec. 1052.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
2 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
3 political subdivision or governmental agency for the district to  
4 provide investigatory or other services for the medical, hospital,  
5 or welfare needs of district inhabitants. (Acts 63rd Leg., R.S.,  
6 Ch. 58, Sec. 5 (part).)

7           Sec. 1052.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
8 When a patient who resides in the district is admitted to a district  
9 facility, the district administrator may have an inquiry made into  
10 the circumstances of:

11                   (1) the patient; and

12                   (2) the patient's relatives who are legally liable for  
13 the patient's support.

14           (b) If the district administrator determines that the  
15 patient or those relatives cannot pay all or part of the costs of  
16 the care and treatment in the hospital, the amount of the costs that  
17 cannot be paid becomes a charge against the district.

18           (c) If the district administrator determines that the  
19 patient or those relatives can pay for all or part of the costs of  
20 the patient's care and treatment, the patient or those relatives  
21 shall be ordered to pay the district a specified amount each week  
22 for the patient's care and support. The amount ordered must be  
23 proportionate to the person's financial ability.

24           (d) The district administrator may collect the amount from  
25 the patient's estate, or from any relative who is legally liable for  
26 the patient's support, in the manner provided by law for the  
27 collection of expenses of the last illness of a deceased person.

1 (e) If there is a dispute as to the ability to pay, or doubt  
2 in the mind of the district administrator, the board shall hold a  
3 hearing and, after calling witnesses, shall:

- 4 (1) resolve the dispute or doubt; and
- 5 (2) issue any appropriate orders.

6 (f) The final order of the board may be appealed to the  
7 district court. The substantial evidence rule applies to the  
8 appeal. (Acts 63rd Leg., R.S., Ch. 58, Sec. 18.)

9 Sec. 1052.115. AUTHORITY TO SUE AND BE SUED. The district,  
10 through the board, may sue and be sued. (Acts 63rd Leg., R.S., Ch.  
11 58, Sec. 5 (part).)

12 [Sections 1052.116-1052.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 1052.151. BUDGET. (a) The district administrator  
15 shall prepare an annual budget for approval by the board.

16 (b) The proposed budget must contain a complete financial  
17 statement of:

- 18 (1) the outstanding obligations of the district;
- 19 (2) the cash on hand in each district fund;
- 20 (3) the money received by the district from all  
21 sources during the previous year;
- 22 (4) the money available to the district from all  
23 sources during the ensuing year;
- 24 (5) the balances expected at the end of the year in  
25 which the budget is being prepared;
- 26 (6) the estimated revenue and balances available to  
27 cover the proposed budget;

1           (7) the estimated tax rate required; and

2           (8) the proposed expenditures and disbursements and  
3 the estimated receipts and collections for the following fiscal  
4 year. (Acts 63rd Leg., R.S., Ch. 58, Sec. 6(a) (part).)

5           Sec. 1052.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
6 The board shall hold a public hearing on the proposed annual budget.

7           (b) At least 10 days before the date of the hearing, notice  
8 of the hearing shall be published one time in a newspaper or  
9 newspapers that individually or collectively have general  
10 circulation in the district.

11          (c) Any district resident is entitled to be present and  
12 participate at the hearing.

13          (d) At the conclusion of the hearing, the board shall adopt  
14 a final budget by acting on the budget proposed by the district  
15 administrator. The board may make any changes in the proposed  
16 budget that the board judges to be in the interests of the  
17 taxpayers and that the law warrants. (Acts 63rd Leg., R.S., Ch. 58,  
18 Secs. 6(a) (part), (b) (part).)

19          Sec. 1052.153. AMENDMENTS TO BUDGET. The budget may be  
20 amended as required by circumstances. The board must approve all  
21 amendments. (Acts 63rd Leg., R.S., Ch. 58, Sec. 6(b) (part).)

22          Sec. 1052.154. FISCAL YEAR. (a) The district operates on a  
23 fiscal year established by the board.

24          (b) The fiscal year may not be changed more than once in a  
25 24-month period. (Acts 63rd Leg., R.S., Ch. 58, Sec. 6(a) (part).)

26          Sec. 1052.155. AUDIT. (a) The board shall have an  
27 independent audit made of the district's financial condition for

1 the fiscal year.

2 (b) As soon as the audit is completed, the audit shall be  
3 filed at the district's principal office. (Acts 63rd Leg., R.S.,  
4 Ch. 58, Sec. 6(a) (part).)

5 Sec. 1052.156. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
6 The audit and other district records shall be open to inspection at  
7 the district's principal office. (Acts 63rd Leg., R.S., Ch. 58,  
8 Sec. 6(a) (part).)

9 Sec. 1052.157. FINANCIAL REPORT. As soon as practicable  
10 after the close of each fiscal year, the district administrator  
11 shall prepare for the board:

12 (1) a complete sworn statement of all district money;  
13 and

14 (2) a complete account of the disbursements of that  
15 money. (Acts 63rd Leg., R.S., Ch. 58, Sec. 6(b) (part).)

16 Sec. 1052.158. DEPOSITORY. (a) The board shall select one  
17 or more banks inside or outside the district to serve as a  
18 depository for district money.

19 (b) District money, other than money invested as provided by  
20 Section 1052.159(b), and money transmitted to a bank for payment of  
21 bonds or obligations issued or assumed by the district, shall be  
22 deposited as received with the depository bank and shall remain on  
23 deposit.

24 (c) This chapter, including Subsection (b), does not limit  
25 the power of the board to place a part of district money on time  
26 deposit or to purchase certificates of deposit. (Acts 63rd Leg.,  
27 R.S., Ch. 58, Sec. 12.)

1           Sec. 1052.159. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
2 Except as otherwise provided by Section 1052.107(c) and by  
3 Subchapter E, the district may not incur an obligation payable from  
4 district revenue other than the revenue on hand or to be on hand in  
5 the current and following district fiscal years.

6           (b) The board may invest operating, depreciation, or  
7 building reserves only in funds or securities specified by Chapter  
8 2256, Government Code. (Acts 63rd Leg., R.S., Ch. 58, Secs. 5  
9 (part), 11 (part).)

10           [Sections 1052.160-1052.200 reserved for expansion]

11                                   SUBCHAPTER E. BONDS

12           Sec. 1052.201. GENERAL OBLIGATION BONDS. The board may  
13 issue and sell general obligation bonds in the name and on the faith  
14 and credit of the district for any purpose relating to:

15                   (1) the purchase, construction, acquisition, repair,  
16 or renovation of buildings or improvements; and

17                   (2) equipping buildings or improvements for hospital  
18 purposes. (Acts 63rd Leg., R.S., Ch. 58, Sec. 7 (part).)

19           Sec. 1052.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
20 the time general obligation bonds are issued by the district under  
21 Section 1052.201, the board shall impose an ad valorem tax at a rate  
22 sufficient to create an interest and sinking fund to pay the  
23 principal of and interest on the bonds as the bonds mature.

24           (b) The tax required by this section together with any other  
25 ad valorem tax the district imposes may not in any year exceed the  
26 tax rate approved by the voters at the election authorizing the  
27 imposition of the tax. (Acts 63rd Leg., R.S., Ch. 58, Sec. 7

1 (part).)

2           Sec. 1052.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
3 district may issue general obligation bonds only if the bonds are  
4 authorized by a majority of the district voters.

5           (b) The order calling the election shall provide for clerks  
6 as in county elections and must specify:

7                 (1) the date of the election;

8                 (2) the location of the polling places;

9                 (3) the presiding and alternate election judges for  
10 each polling place;

11                (4) the amount of the bonds to be authorized;

12                (5) the maximum maturity of the bonds; and

13                (6) the maximum interest rate of the bonds.

14           (c) Notice of a bond election shall be given as provided by  
15 Section 1251.003, Government Code. (Acts 63rd Leg., R.S., Ch. 58,  
16 Sec. 7 (part).)

17           Sec. 1052.204. REVENUE BONDS. (a) The board may, without  
18 an election, issue revenue bonds to:

19                 (1) purchase, construct, acquire, repair, renovate,  
20 or equip buildings or improvements for hospital purposes; or

21                 (2) acquire sites to be used for hospital purposes.

22           (b) The bonds must be payable from and secured by a pledge of  
23 all or part of the revenue derived from the operation of the  
24 district's hospitals.

25           (c) The bonds may be additionally secured by a mortgage or  
26 deed of trust lien on all or part of district property.

27           (d) The bonds must be issued in the manner and in accordance

1 with the procedures and requirements prescribed by Sections  
2 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
3 issuance of revenue bonds by a county hospital authority. (Acts  
4 63rd Leg., R.S., Ch. 58, Secs. 7 (part), 8(b) (part).)

5 Sec. 1052.205. REFUNDING BONDS. (a) The board may, without  
6 an election, issue refunding bonds to refund outstanding  
7 indebtedness issued or assumed by the district.

8 (b) A refunding bond may be:

9 (1) sold, with the proceeds of the refunding bond  
10 applied to the payment of the outstanding indebtedness; or

11 (2) exchanged wholly or partly for not less than a  
12 similar principal amount of outstanding indebtedness. (Acts 63rd  
13 Leg., R.S., Ch. 58, Secs. 7 (part), 8(a) (part), (b) (part).)

14 Sec. 1052.206. MATURITY OF BONDS. District bonds must  
15 mature not later than 40 years after the date of issuance. (Acts  
16 63rd Leg., R.S., Ch. 58, Sec. 9 (part).)

17 Sec. 1052.207. EXECUTION OF BONDS. (a) The board president  
18 shall execute the district's bonds in the district's name.

19 (b) The board secretary shall countersign the bonds in the  
20 manner provided by Chapter 618, Government Code. (Acts 63rd Leg.,  
21 R.S., Ch. 58, Sec. 9 (part).)

22 Sec. 1052.208. BONDS EXEMPT FROM TAXATION. The following  
23 are exempt from taxation by this state or a political subdivision of  
24 this state:

25 (1) bonds issued by the district;

26 (2) the transfer and issuance of the bonds; and

27 (3) profits made in the sale of the bonds. (Acts 63rd



1 Leg., R.S., Ch. 58, Sec. 22 (part).)

2 [Sections 1052.209-1052.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1052.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
5 shall impose a tax on all property in the district subject to  
6 district taxation.

7 (b) The board shall impose the tax to:

8 (1) pay the interest on and create a sinking fund for  
9 bonds and other obligations issued or assumed by the district for  
10 hospital purposes;

11 (2) provide for the operation and maintenance of the  
12 district and hospital system, based on the final budget;

13 (3) make improvements and additions to the hospital  
14 system; and

15 (4) acquire necessary sites for the hospital system by  
16 purchase, lease, or condemnation. (Acts 63rd Leg., R.S., Ch. 58,  
17 Secs. 3 (part), 13(a) (part).)

18 Sec. 1052.252. TAX RATE. (a) The board may impose the tax  
19 at a rate not to exceed 75 cents on each \$100 valuation of taxable  
20 property in the district.

21 (b) In setting the tax rate, the board shall consider the  
22 income of the district from sources other than taxation. (Acts 63rd  
23 Leg., R.S., Ch. 58, Secs. 3 (part), 13(a) (part), (b) (part).)

24 Sec. 1052.253. TAX ASSESSOR-COLLECTOR. (a) The board  
25 shall appoint a tax assessor-collector to assess and collect taxes  
26 imposed by the district.

27 (b) The district tax assessor-collector is not required to

1 reside in the district.

2 (c) The board shall set for the district tax  
3 assessor-collector:

4 (1) the terms of employment; and

5 (2) compensation. (Acts 63rd Leg., R.S., Ch. 58, Sec.  
6 16 (part).)

7 CHAPTER 1053. LUBBOCK COUNTY HOSPITAL DISTRICT OF LUBBOCK COUNTY,  
8 TEXAS

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 1053.001. DEFINITIONS

11 Sec. 1053.002. AUTHORITY FOR OPERATION

12 Sec. 1053.003. DISTRICT TERRITORY

13 Sec. 1053.004. DISTRICT SUPPORT, MAINTENANCE, AND DEBT  
14 NOT STATE OBLIGATION

15 Sec. 1053.005. RESTRICTION ON STATE FINANCIAL  
16 ASSISTANCE

17 [Sections 1053.006-1053.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1053.051. BOARD APPOINTMENT; TERM

20 Sec. 1053.052. EX OFFICIO MANAGER

21 Sec. 1053.053. OFFICERS

22 Sec. 1053.054. COMPENSATION

23 Sec. 1053.055. RECORDS OF PROCEEDINGS

24 Sec. 1053.056. DISTRICT ADMINISTRATOR

25 Sec. 1053.057. GENERAL DUTIES OF DISTRICT  
26 ADMINISTRATOR

27 Sec. 1053.058. ASSISTANT ADMINISTRATOR

- 1 Sec. 1053.059. LEGAL COUNSEL  
2 Sec. 1053.060. EMPLOYEES; APPOINTMENT OF STAFF  
3 Sec. 1053.061. RETIREMENT PROGRAM  
4 Sec. 1053.062. SEAL  
5 [Sections 1053.063-1053.100 reserved for expansion]  
6 SUBCHAPTER C. POWERS AND DUTIES  
7 Sec. 1053.101. DISTRICT RESPONSIBILITY  
8 Sec. 1053.102. RESTRICTION ON POLITICAL SUBDIVISION  
9 TAXATION AND DEBT  
10 Sec. 1053.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
11 Sec. 1053.104. HOSPITAL SYSTEM  
12 Sec. 1053.105. RULES  
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15 EQUIPMENT  
16 Sec. 1053.108. EMINENT DOMAIN  
17 Sec. 1053.109. GIFTS AND ENDOWMENTS  
18 Sec. 1053.110. CONTRACTS WITH GOVERNMENTAL ENTITIES  
19 FOR CARE AND TREATMENT  
20 Sec. 1053.111. PAYMENT FOR TREATMENT; PROCEDURES  
21 Sec. 1053.112. AUTHORITY TO SUE AND BE SUED  
22 [Sections 1053.113-1053.150 reserved for expansion]  
23 SUBCHAPTER D. SALE OR LEASE OF CERTAIN FACILITY  
24 Sec. 1053.151. DEFINITION  
25 Sec. 1053.152. RESOLUTION; SALE OR LEASE OF FACILITY  
26 Sec. 1053.153. ELECTION  
27 Sec. 1053.154. BALLOT

- 1 Sec. 1053.155. DISCLOSURE OF SALE OR LEASE TERMS
- 2 Sec. 1053.156. DISCLOSURE OF FINANCIAL INTEREST
- 3 Sec. 1053.157. DISCLOSURE; PUBLIC RECORD
- 4 Sec. 1053.158. ELECTION CANCELLATION
- 5 Sec. 1053.159. SUBSEQUENT ELECTIONS
- 6 Sec. 1053.160. SALE OR LEASE NOT INVALID
- 7 Sec. 1053.161. CRIMINAL PENALTY

8 [Sections 1053.162-1053.200 reserved for expansion]

9 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

- 10 Sec. 1053.201. BUDGET
- 11 Sec. 1053.202. FINANCIAL REPORT
- 12 Sec. 1053.203. DEPOSITORY
- 13 Sec. 1053.204. WARRANTS

14 [Sections 1053.205-1053.250 reserved for expansion]

15 SUBCHAPTER F. BONDS

- 16 Sec. 1053.251. GENERAL OBLIGATION BONDS
- 17 Sec. 1053.252. TAX TO PAY GENERAL OBLIGATION BONDS
- 18 Sec. 1053.253. GENERAL OBLIGATION BOND ELECTION
- 19 Sec. 1053.254. EXECUTION OF GENERAL OBLIGATION BONDS
- 20 Sec. 1053.255. REFUNDING BONDS

21 [Sections 1053.256-1053.300 reserved for expansion]

22 SUBCHAPTER G. TAXES

- 23 Sec. 1053.301. IMPOSITION OF AD VALOREM TAX
- 24 Sec. 1053.302. TAX RATE
- 25 Sec. 1053.303. COUNTY TAX ASSESSOR-COLLECTOR

26 CHAPTER 1053. LUBBOCK COUNTY HOSPITAL DISTRICT OF LUBBOCK COUNTY,

27 TEXAS

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 1053.001. DEFINITIONS. In this chapter:

3 (1) "Board" means the board of hospital managers of  
4 the district.

5 (2) "Commissioners court" means the Commissioners  
6 Court of Lubbock County.

7 (3) "District" means the Lubbock County Hospital  
8 District of Lubbock County, Texas.

9 (4) "Manager" means a member of the board. (New.)

10 Sec. 1053.002. AUTHORITY FOR OPERATION. The district  
11 operates under the authority of Section 9, Article IX, Texas  
12 Constitution. (Acts 60th Leg., R.S., Ch. 484, Sec. 1 (part).)

13 Sec. 1053.003. DISTRICT TERRITORY. (a) The boundaries of  
14 the district are coextensive with the boundaries of Lubbock County,  
15 Texas, as the boundaries of Lubbock County appear of record  
16 according to the field notes and plats on file in the county clerk's  
17 office.

18 (b) The boundaries of the district described by Subsection  
19 (a) form a closure. An error in copying the description does not  
20 affect the validity of the district. (Acts 60th Leg., R.S., Ch.  
21 484, Secs. 1 (part), 2.)

22 Sec. 1053.004. DISTRICT SUPPORT, MAINTENANCE, AND DEBT NOT  
23 STATE OBLIGATION. The support and maintenance of the district's  
24 hospital system, including medical or other health facilities, and  
25 any indebtedness incurred by the district under this chapter may  
26 not become a charge against or obligation of this state. (Acts 60th  
27 Leg., R.S., Ch. 484, Sec. 21 (part).)

1           Sec. 1053.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

2 The legislature may not make a direct appropriation for the  
3 construction, maintenance, or improvement of a district facility.

4 (Acts 60th Leg., R.S., Ch. 484, Sec. 21 (part).)

5           [Sections 1053.006-1053.050 reserved for expansion]

6                   SUBCHAPTER B. DISTRICT ADMINISTRATION

7           Sec. 1053.051. BOARD APPOINTMENT; TERM. (a) The board

8 consists of not fewer than five and not more than seven managers  
9 appointed as follows:

10           (1) one ex officio manager appointed by the Texas Tech  
11 University Board of Regents; and

12           (2) the remaining managers appointed by the  
13 commissioners court.

14           (b) Managers serve two-year terms. The terms may overlap.  
15 (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a) (part).)

16           Sec. 1053.052. EX OFFICIO MANAGER. (a) The ex officio  
17 manager has all powers of another manager, except the ex officio  
18 manager may not vote.

19           (b) The ex officio manager shall:

20           (1) attend executive sessions of the board; and

21           (2) have access to all documents reviewed or  
22 considered by the board or its staff. (Acts 60th Leg., R.S., Ch.  
23 484, Sec. 8(a) (part).)

24           Sec. 1053.053. OFFICERS. (a) The board shall select from  
25 among the managers a presiding officer, who shall preside over the  
26 board.

27           (b) A presiding officer pro tem shall preside in the absence

1 of the presiding officer.

2 (c) The district administrator or any manager may be  
3 appointed secretary. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(e)  
4 (part).)

5 Sec. 1053.054. COMPENSATION. A manager serves without pay.  
6 (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a) (part).)

7 Sec. 1053.055. RECORDS OF PROCEEDINGS. (a) The secretary  
8 shall keep suitable records of all proceedings of each board  
9 meeting.

10 (b) After each meeting:

11 (1) the manager presiding at the meeting shall read  
12 and sign the record; and

13 (2) the secretary shall attest the record. (Acts  
14 60th Leg., R.S., Ch. 484, Sec. 8(e) (part).)

15 Sec. 1053.056. DISTRICT ADMINISTRATOR. (a) The board  
16 shall appoint a general manager qualified by training and  
17 experience as the district administrator.

18 (b) The district administrator serves for a term not to  
19 exceed two years and is entitled to receive the compensation  
20 determined by the board.

21 (c) The board may remove the district administrator at any  
22 time.

23 (d) Before assuming the duties of district administrator,  
24 the administrator must execute a bond payable to the district in an  
25 amount of not less than \$10,000 that:

26 (1) is conditioned on the administrator performing  
27 well and faithfully the administrator's required duties; and

1           (2) contains other conditions the board may require.  
2 (Acts 60th Leg., R.S., Ch. 484, Sec. 8(b) (part).)

3           Sec. 1053.057. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
4 Subject to the limitations prescribed by the board, the district  
5 administrator shall:

6           (1) perform the duties required by the board;  
7           (2) supervise the work and activities of the district;  
8 and

9           (3) direct the affairs of the district. (Acts 60th  
10 Leg., R.S., Ch. 484, Sec. 8(b) (part).)

11          Sec. 1053.058. ASSISTANT ADMINISTRATOR. (a) The board may  
12 designate an assistant administrator to discharge a duty or  
13 function of the district administrator in the event of the  
14 administrator's incapacity, absence, or inability to discharge the  
15 duty or function.

16          (b) The assistant administrator shall post the bond  
17 required by board order.

18          (c) The assistant administrator is subject to the  
19 limitations prescribed by board order. (Acts 60th Leg., R.S., Ch.  
20 484, Sec. 12.)

21          Sec. 1053.059. LEGAL COUNSEL. (a) The appropriate county,  
22 district, or criminal district attorney charged with representing  
23 Lubbock County in civil matters shall represent the district in all  
24 legal matters.

25          (b) The district shall contribute sufficient money to the  
26 Lubbock County general fund for the account designated for the  
27 appropriate attorney described in Subsection (a) to pay all



1 additional salaries and expenses incurred by the attorney in  
2 performing the duties required by the district.

3 (c) The board may employ additional legal counsel the board  
4 considers advisable. (Acts 60th Leg., R.S., Ch. 484, Sec. 17.)

5 Sec. 1053.060. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
6 board may appoint to the staff any doctors and employ any  
7 technicians, nurses, and other employees considered advisable for  
8 the efficient operation of the hospital or hospital system,  
9 including medical or other health facilities.

10 (b) A contract or term of employment under Subsection (a)  
11 may not exceed two years. (Acts 60th Leg., R.S., Ch. 484, Sec.  
12 8(c).)

13 Sec. 1053.061. RETIREMENT PROGRAM. (a) With the approval  
14 of the commissioners court, the board may contract with this state  
15 or the federal government as necessary to establish or continue a  
16 retirement program for the benefit of district employees.

17 (b) The board may establish other retirement programs for  
18 the benefit of district employees as it considers necessary and  
19 advisable. (Acts 60th Leg., R.S., Ch. 484, Secs. 8(d) (part), 9.)

20 Sec. 1053.062. SEAL. The board shall have a seal engraved  
21 with the district's name to authenticate the acts of the board. The  
22 secretary of the board shall keep the seal. (Acts 60th Leg., R.S.,  
23 Ch. 484, Sec. 8(e) (part).)

24 [Sections 1053.063-1053.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 1053.101. DISTRICT RESPONSIBILITY. (a) The district  
27 has full responsibility for providing medical and hospital care for

1 the district's needy and indigent residents.

2 (b) The district shall provide all necessary medical and  
3 hospital care for the district's needy inhabitants.

4 (c) The district has full responsibility for providing  
5 medical and hospital care for the district's residents and needy  
6 inhabitants. (Acts 60th Leg., R.S., Ch. 484, Secs. 1 (part), 3  
7 (part), 18 (part).)

8 Sec. 1053.102. RESTRICTION ON POLITICAL SUBDIVISION  
9 TAXATION AND DEBT. A political subdivision, other than the  
10 district, may not impose a tax or issue bonds or other obligations  
11 for hospital purposes or to provide medical care in the district.  
12 (Acts 60th Leg., R.S., Ch. 484, Secs. 1 (part), 3 (part), 18  
13 (part).)

14 Sec. 1053.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
15 The board shall manage, control, and administer the hospital or  
16 hospital system, including medical or other health facilities of  
17 the district. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a) (part).)

18 Sec. 1053.104. HOSPITAL SYSTEM. (a) The district has the  
19 responsibility to establish a hospital or hospital system,  
20 including medical or other health facilities within its boundaries  
21 to provide hospital and medical care to the district's residents.

22 (b) Subject to approval of the commissioners court, the  
23 district may provide primary care, emergency services, preventive  
24 medicine services, and other health-related services outside the  
25 district, provided the activities fulfill the purposes of the  
26 district under Subsection (a) and Section 1053.101(b). (Acts 60th  
27 Leg., R.S., Ch. 484, Sec. 3 (part).)

1           Sec. 1053.105. RULES. The board may adopt rules for the  
2 operation of the hospital or hospital system, including medical or  
3 other health facilities. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a)  
4 (part).)

5           Sec. 1053.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
6 The commissioners court may prescribe:

7                   (1) the method and manner of making purchases and  
8 expenditures by and for the district; and

9                   (2) all accounting and control procedures.

10           (b) The commissioners court by resolution or order may  
11 delegate to the board a power described by Subsection (a).

12           (c) The district shall pay the salaries and expenses  
13 necessarily incurred by Lubbock County or by an officer or agent of  
14 the county in performing a duty prescribed or required by this  
15 section.

16           (d) An officer, employee, or agent of Lubbock County shall  
17 perform any function or service prescribed by the commissioners  
18 court under this section. (Acts 60th Leg., R.S., Ch. 484, Sec. 11.)

19           Sec. 1053.107. DISTRICT PROPERTY, FACILITIES, AND  
20 EQUIPMENT. (a) Subject to Subchapter D and to approval by the  
21 commissioners court, the board may:

22                   (1) construct, condemn, purchase, acquire, lease, add  
23 to, maintain, operate, develop, regulate, sell, exchange, and  
24 convey any land, property, property rights, equipment, hospital  
25 facilities and systems for the maintenance of hospitals, buildings,  
26 structures, and any other facility or service the district requires  
27 or has available to sell, lease, or exchange;

1           (2) cooperate and contract with any of the following  
2 to effect a power described by Subdivision (1):

3                   (A) the United States government;

4                   (B) this state;

5                   (C) a municipality;

6                   (D) a hospital district;

7                   (E) a department of a governing body described by  
8 Subparagraphs (A)-(D); or

9                   (F) a privately owned or operated hospital,  
10 corporate or otherwise, in the district; and

11           (3) provide office space, equipment, supplies, and  
12 services for the use of the Lubbock County medical examiner's  
13 office for medical, hospital, or other purposes unrelated to a  
14 criminal investigation.

15           (b) A contract under Subsection (a)(2) must, in the opinion  
16 of the board and the commissioners court, be expedient and  
17 advantageous to the district under existing circumstances, and for  
18 fair and reasonable compensation and on terms and for a length of  
19 time that furthers and assists the district in performing its duty  
20 to provide medical and hospital care to needy inhabitants of  
21 Lubbock County. (Acts 60th Leg., R.S., Ch. 484, Sec. 10.)

22           Sec. 1053.108. EMINENT DOMAIN. (a) The district may  
23 exercise the power of eminent domain to acquire a fee simple or  
24 other interest in any type of property, real, personal, or mixed,  
25 located in district territory, if the interest is necessary or  
26 convenient for the district to exercise a right, power, privilege,  
27 or function conferred on the district by this chapter.

1 (b) The district must exercise the power of eminent domain  
2 in the manner provided by Chapter 21, Property Code, except the  
3 district is not required to deposit in the trial court money or a  
4 bond as provided by Section 21.021(a), Property Code.

5 (c) In a condemnation proceeding brought by the district,  
6 the district is not required to:

7 (1) pay in advance or provide a bond or other security  
8 for costs in the trial court;

9 (2) provide a bond for the issuance of a temporary  
10 restraining order or a temporary injunction; or

11 (3) provide a bond for costs or a supersedeas bond on  
12 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 484, Sec.  
13 14.)

14 Sec. 1053.109. GIFTS AND ENDOWMENTS. The board may accept  
15 for the district a gift or endowment to be held in trust and  
16 administered by the board for the purposes and under the  
17 directions, limitations, or other provisions prescribed in writing  
18 by the donor that are not inconsistent with the proper management  
19 and objectives of the district. (Acts 60th Leg., R.S., Ch. 484,  
20 Sec. 20.)

21 Sec. 1053.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
22 CARE AND TREATMENT. The board, with the approval of the  
23 commissioners court, may contract with:

24 (1) a county for the care and treatment of a sick or  
25 injured person of that county; and

26 (2) this state or a federal agency for the care and  
27 treatment of a sick or injured person for whom the state or agency

1 is responsible. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(d) (part).)

2 Sec. 1053.111. PAYMENT FOR TREATMENT; PROCEDURES. (a)

3 When a patient is admitted to a district facility, the district  
4 administrator shall have an inquiry made into the circumstances of:

5 (1) the patient; and

6 (2) the patient's relatives who are legally liable for  
7 the patient's support.

8 (b) If the district administrator determines that the  
9 patient or those relatives cannot pay all or part of the costs of  
10 the care and treatment in the hospital, the amount of the costs that  
11 cannot be paid becomes a charge against the district.

12 (c) If the district administrator determines that the  
13 patient or those relatives are liable for all or part of the costs  
14 of the patient's care and treatment, the patient or those relatives  
15 shall be ordered to pay the district's treasurer a specified amount  
16 each week for the patient's support. The amount ordered must be  
17 proportionate to the person's financial ability and may not exceed  
18 the actual per capita cost of maintenance.

19 (d) The district administrator may collect the amount from  
20 the patient's estate, or from any relative who is legally liable for  
21 the patient's support, in the manner provided by law for the  
22 collection of expenses of the last illness of a deceased person.

23 (e) If there is a dispute as to the ability to pay, or doubt  
24 in the mind of the district administrator, the county court shall  
25 hold a hearing and, after calling witnesses, shall:

26 (1) resolve the dispute or doubt; and

27 (2) issue an appropriate order.

1 (f) Either party to the dispute may appeal the order to the  
2 district court. (Acts 60th Leg., R.S., Ch. 484, Sec. 19.)

3 Sec. 1053.112. AUTHORITY TO SUE AND BE SUED. The board may  
4 sue and be sued. (Acts 60th Leg., R.S., Ch. 484, Sec. 8(a) (part).)

5 [Sections 1053.113-1053.150 reserved for expansion]

6 SUBCHAPTER D. SALE OR LEASE OF CERTAIN FACILITY

7 Sec. 1053.151. DEFINITION. In this subchapter, "hospital  
8 official" means the following officers or employees, or their  
9 equivalent, of the teaching hospital described by Section  
10 1053.152(a):

- 11 (1) the executive director;
- 12 (2) the president;
- 13 (3) the chief executive officer;
- 14 (4) the chief operating officer;
- 15 (5) the chief financial officer;
- 16 (6) any vice president; and
- 17 (7) any other officer. (Acts 60th Leg., R.S., Ch. 484,  
18 Sec. 10A(a)(1).)

19 Sec. 1053.152. RESOLUTION; SALE OR LEASE OF FACILITY. (a)  
20 Subject to Subsection (c) and the approval of the commissioners  
21 court, the board by resolution may order the sale or lease of a  
22 facility that is:

- 23 (1) owned and operated by the district as a teaching  
24 hospital; and
- 25 (2) located on the campus of Texas Tech University.

26 (b) The resolution must include a finding by the board that  
27 the sale or lease:

1           (1) is in the best interests of district residents;  
2 and

3           (2) will not financially benefit a hospital official,  
4 other than from the continuation of a compensation package existing  
5 before the date of the sale or lease.

6           (c) The board may sell or lease the facility only if:

7           (1) no hospital official has made a disclosure under  
8 Sections 1053.156 and 1053.157 at any time before the date of the  
9 sale or lease; and

10           (2) a majority of the votes cast at an election held  
11 under this subchapter approves the sale or lease. (Acts 60th Leg.,  
12 R.S., Ch. 484, Secs. 10A(b) (part), (j).)

13           Sec. 1053.153. ELECTION. (a) As soon as possible after the  
14 board adopts a resolution under Section 1053.152, the commissioners  
15 court shall order an election on the question of selling or leasing  
16 the facility.

17           (b) The election shall be held on the first authorized  
18 uniform election date prescribed by Subchapter A, Chapter 41,  
19 Election Code, that complies with Section 3.005, Election Code.  
20 (Acts 60th Leg., R.S., Ch. 484, Secs. 10A(b) (part), (c).)

21           Sec. 1053.154. BALLOT. The ballot for an election under  
22 this subchapter shall be printed to permit voting for or against the  
23 proposition: "Approving the \_\_\_\_\_ (sale or lease, as  
24 appropriate) of \_\_\_\_\_ (name of facility)." (Acts 60th Leg.,  
25 R.S., Ch. 484, Sec. 10A(d).)

26           Sec. 1053.155. DISCLOSURE OF SALE OR LEASE TERMS. The  
27 presiding officer of the board shall disclose the terms of the



1 proposed sale or lease of a facility described by Section 1053.152  
2 not later than the 30th day before the date of an election held  
3 under this subchapter. The disclosure must include both oral and  
4 written agreements relating to the sale or lease. (Acts 60th Leg.,  
5 R.S., Ch. 484, Sec. 10A(e).)

6 Sec. 1053.156. DISCLOSURE OF FINANCIAL INTEREST. (a) In  
7 this section, "substantial interest" has the meaning assigned by  
8 Section 171.002, Local Government Code.

9 (b) A manager or hospital official shall disclose any  
10 financial interest the person has in the sale or lease of a facility  
11 described by Section 1053.152 not later than the 30th day before the  
12 date of an election held under this subchapter.

13 (c) For purposes of this section, a person has a financial  
14 interest in the sale or lease if the person:

15 (1) has a substantial interest in a business entity  
16 involved in the sale or lease;

17 (2) is related within the second degree by  
18 consanguinity or affinity, as determined under Chapter 573,  
19 Government Code, to a person who has a substantial interest in a  
20 business entity involved in the sale or lease; or

21 (3) is a hospital official who will benefit  
22 financially from the sale or lease, other than from the  
23 continuation of a compensation package existing before the date of  
24 the sale or lease. (Acts 60th Leg., R.S., Ch. 484, Secs. 10A(a)(2),  
25 (f).)

26 Sec. 1053.157. DISCLOSURE; PUBLIC RECORD. (a) A person  
27 shall make a disclosure required under Section 1053.155 or 1053.156

1 by filing the disclosure with the commissioners court and the  
2 board.

3 (b) The filed disclosure is a public record. (Acts 60th  
4 Leg., R.S., Ch. 484, Sec. 10A(g).)

5 Sec. 1053.158. ELECTION CANCELLATION. The commissioners  
6 court shall cancel an election ordered under this subchapter if a  
7 hospital official makes a disclosure under Sections 1053.156 and  
8 1053.157 at any time before the date of the election. (Acts 60th  
9 Leg., R.S., Ch. 484, Sec. 10A(i).)

10 Sec. 1053.159. SUBSEQUENT ELECTIONS. If a majority of the  
11 votes cast at an election under this subchapter do not approve the  
12 sale or lease of a facility under this subchapter, another election  
13 to approve the sale or lease, as appropriate, may not be held before  
14 the first anniversary of the most recent election on the  
15 proposition. (Acts 60th Leg., R.S., Ch. 484, Sec. 10A(l).)

16 Sec. 1053.160. SALE OR LEASE NOT INVALID. A disclosure  
17 under this subchapter that is made after the date on which the sale  
18 or lease of the facility occurs does not invalidate the sale or  
19 lease. (Acts 60th Leg., R.S., Ch. 484, Sec. 10A(k).)

20 Sec. 1053.161. CRIMINAL PENALTY. (a) A person required to  
21 make a disclosure under Section 1053.156 commits an offense if the  
22 person knowingly fails to make the disclosure within the period  
23 prescribed by that section.

24 (b) An offense under this section is a Class A misdemeanor.  
25 (Acts 60th Leg., R.S., Ch. 484, Sec. 10A(h).)

26 [Sections 1053.162-1053.200 reserved for expansion]

1                   SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

2           Sec. 1053.201. BUDGET. (a) The district administrator,  
3 under the direction of the board, shall prepare an annual budget.

4           (b) The budget must be approved by the board and presented  
5 to the commissioners court for final approval. In like manner, all  
6 budget revisions shall be subject to approval by the commissioners  
7 court. (Acts 60th Leg., R.S., Ch. 484, Sec. 13 (part).)

8           Sec. 1053.202. FINANCIAL REPORT. (a) As soon as  
9 practicable after the close of each fiscal year, the district  
10 administrator shall prepare a report that includes:

11                   (1) a complete sworn statement of:

12                           (A) all money and choses in action received by  
13 the administrator; and

14                           (B) how the money and choses in action were  
15 disbursed or otherwise disposed; and

16                   (2) the details of district operation during the  
17 preceding fiscal year.

18           (b) The district administrator shall make the report to:

19                   (1) the board;

20                   (2) the commissioners court;

21                   (3) the Department of State Health Services; and

22                   (4) the comptroller. (Acts 60th Leg., R.S., Ch. 484,  
23 Sec. 13 (part).)

24           Sec. 1053.203. DEPOSITORY. (a) The board shall select a  
25 depository for the district in the manner provided by law for  
26 selection of a county depository. The depository serves for two  
27 years and until a successor is selected and qualified. In the

1 alternative, the board may use the depository selected by the  
2 county.

3 (b) All income received by the district shall be deposited  
4 with the district depository. (Acts 60th Leg., R.S., Ch. 484, Secs.  
5 5 (part), 15.)

6 Sec. 1053.204. WARRANTS. A warrant against district money  
7 does not require the signature of the county clerk of Lubbock  
8 County. (Acts 60th Leg., R.S., Ch. 484, Sec. 5 (part).)

9 [Sections 1053.205-1053.250 reserved for expansion]

10 SUBCHAPTER F. BONDS

11 Sec. 1053.251. GENERAL OBLIGATION BONDS. The commissioners  
12 court may issue and sell general obligation bonds in the name and on  
13 the faith and credit of the district to:

14 (1) purchase, construct, acquire, repair, or renovate  
15 buildings or improvements for hospital purposes;

16 (2) equip buildings or improvements for hospital  
17 purposes; and

18 (3) purchase, construct, acquire, equip, or enlarge  
19 the hospital or hospital system, including medical or other health  
20 facilities for any purpose related to that activity. (Acts 60th  
21 Leg., R.S., Ch. 484, Secs. 1 (part), 7 (part).)

22 Sec. 1053.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) An  
23 ad valorem tax shall be imposed on all property in the district  
24 subject to district taxation at a rate sufficient to create an  
25 interest and sinking fund to pay the principal of and interest on  
26 general obligation bonds issued under Section 1053.251 as the bonds  
27 mature.

1 (b) The tax required by this section together with any other  
2 ad valorem tax imposed for the district may not in any year exceed  
3 75 cents on each \$100 valuation of all taxable property in the  
4 district. (Acts 60th Leg., R.S., Ch. 484, Sec. 7 (part).)

5 Sec. 1053.253. GENERAL OBLIGATION BOND ELECTION. (a) The  
6 district may issue general obligation bonds only if the bonds are  
7 authorized by a majority of the district voters voting at an  
8 election held in accordance with the provisions of Chapter 1251,  
9 Government Code, relating to county bonds.

10 (b) The commissioners court:

11 (1) may call the election on its own motion; or

12 (2) shall call the election at the request of the  
13 board.

14 (c) The person charged with conducting and arranging  
15 countywide elections is responsible for conducting the bond  
16 election.

17 (d) The district must provide for the payment of the bond  
18 election costs before the commissioners court is required to order  
19 an election. (Acts 60th Leg., R.S., Ch. 484, Sec. 7 (part).)

20 Sec. 1053.254. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
21 The county judge of Lubbock County shall execute the general  
22 obligation bonds in the district's name.

23 (b) The county clerk of Lubbock County shall countersign the  
24 bonds. (Acts 60th Leg., R.S., Ch. 484, Sec. 7 (part).)

25 Sec. 1053.255. REFUNDING BONDS. (a) Refunding bonds may be  
26 issued without an election and in the manner provided by this  
27 subchapter to refund outstanding bonds issued or assumed by the

1 district.

2 (b) A refunding bond may be:

3 (1) sold, with the proceeds of the refunding bond  
4 applied to the payment of the outstanding bonds; or

5 (2) exchanged wholly or partly for not less than a  
6 similar amount of outstanding bonds and the matured but unpaid  
7 interest on the bonds. (Acts 60th Leg., R.S., Ch. 484, Sec. 7  
8 (part).)

9 [Sections 1053.256-1053.300 reserved for expansion]

10 SUBCHAPTER G. TAXES

11 Sec. 1053.301. IMPOSITION OF AD VALOREM TAX. (a) The  
12 commissioners court shall impose a tax for the benefit of the  
13 district on all property in the district subject to district  
14 taxation.

15 (b) The commissioners court shall impose the tax to:

16 (1) pay the interest on and create a sinking fund for  
17 bonds assumed or issued by the district for hospital purposes as  
18 provided by this chapter;

19 (2) pay for indebtedness assumed by the district;

20 (3) provide for the operation and maintenance of the  
21 hospital or hospital system, including medical or other health  
22 facilities; and

23 (4) when requested by the board and approved by the  
24 commissioners court, make improvements and additions to the  
25 hospital system, including medical and other health facilities, and  
26 acquire necessary sites by purchase, lease, or condemnation. (Acts  
27 60th Leg., R.S., Ch. 484, Secs. 1 (part), 5 (part).)

1           Sec. 1053.302. TAX RATE. The commissioners court shall  
2 impose the tax at a rate not to exceed 75 cents on each \$100  
3 valuation of taxable property in the district. (Acts 60th Leg.,  
4 R.S., Ch. 484, Secs. 1 (part), 5 (part).)

5           Sec. 1053.303. COUNTY TAX ASSESSOR-COLLECTOR. The tax  
6 assessor-collector of Lubbock County shall collect the taxes  
7 imposed on all property subject to district taxation. (Acts 60th  
8 Leg., R.S., Ch. 484, Sec. 5 (part).)

9           CHAPTER 1054. LYNN COUNTY HOSPITAL DISTRICT

10                   SUBCHAPTER A. GENERAL PROVISIONS

11   Sec. 1054.001. DEFINITIONS

12   Sec. 1054.002. AUTHORITY FOR OPERATION

13   Sec. 1054.003. ESSENTIAL PUBLIC FUNCTION

14   Sec. 1054.004. DISTRICT TERRITORY

15   Sec. 1054.005. DISTRICT SUPPORT AND MAINTENANCE NOT

16                   STATE OBLIGATION

17   Sec. 1054.006. RESTRICTION ON STATE FINANCIAL

18                   ASSISTANCE

19           [Sections 1054.007-1054.050 reserved for expansion]

20                   SUBCHAPTER B. DISTRICT ADMINISTRATION

21   Sec. 1054.051. BOARD ELECTION; TERM

22   Sec. 1054.052. NOTICE OF ELECTION

23   Sec. 1054.053. BALLOT PETITION

24   Sec. 1054.054. QUALIFICATIONS FOR OFFICE

25   Sec. 1054.055. BOND; RECORD OF BOND

26   Sec. 1054.056. BOARD VACANCY

27   Sec. 1054.057. OFFICERS

- 1 Sec. 1054.058. EXPENSES
- 2 Sec. 1054.059. VOTING REQUIREMENT
- 3 Sec. 1054.060. DISTRICT ADMINISTRATOR; ASSISTANT
- 4 ADMINISTRATOR
- 5 Sec. 1054.061. GENERAL DUTIES OF DISTRICT
- 6 ADMINISTRATOR
- 7 Sec. 1054.062. EMPLOYEES; APPOINTMENT OF STAFF
- 8 Sec. 1054.063. RECRUITMENT OF MEDICAL STAFF
- 9 Sec. 1054.064. CONTINUING EDUCATION; RETRAINING
- 10 Sec. 1054.065. RETIREMENT BENEFITS
- 11 [Sections 1054.066-1054.100 reserved for expansion]
- 12 SUBCHAPTER C. POWERS AND DUTIES
- 13 Sec. 1054.101. DISTRICT RESPONSIBILITY
- 14 Sec. 1054.102. RESTRICTION ON POLITICAL SUBDIVISION
- 15 TAXATION AND DEBT
- 16 Sec. 1054.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 17 Sec. 1054.104. HOSPITAL SYSTEM
- 18 Sec. 1054.105. RULES
- 19 Sec. 1054.106. PURCHASING AND ACCOUNTING PROCEDURES
- 20 Sec. 1054.107. DISTRICT PROPERTY, FACILITIES, AND
- 21 EQUIPMENT
- 22 Sec. 1054.108. EMINENT DOMAIN
- 23 Sec. 1054.109. GIFTS AND ENDOWMENTS
- 24 Sec. 1054.110. CONSTRUCTION CONTRACTS
- 25 Sec. 1054.111. OPERATING AND MANAGEMENT CONTRACTS
- 26 Sec. 1054.112. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 27 FOR SERVICES



- 1 Sec. 1054.113. PROVISION OF CERTAIN HEALTH SERVICES
- 2 Sec. 1054.114. PAYMENT FOR TREATMENT; PROCEDURES
- 3 Sec. 1054.115. REIMBURSEMENT FOR SERVICE
- 4 Sec. 1054.116. AUTHORITY TO SUE AND BE SUED
- 5 [Sections 1054.117-1054.150 reserved for expansion]
- 6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 7 Sec. 1054.151. BUDGET
- 8 Sec. 1054.152. NOTICE; HEARING; APPROVAL OF BUDGET
- 9 Sec. 1054.153. AMENDMENTS TO BUDGET
- 10 Sec. 1054.154. RESTRICTION ON EXPENDITURES
- 11 Sec. 1054.155. FISCAL YEAR
- 12 Sec. 1054.156. AUDIT
- 13 Sec. 1054.157. INSPECTION OF AUDIT AND DISTRICT
- 14 RECORDS
- 15 Sec. 1054.158. FINANCIAL REPORT
- 16 Sec. 1054.159. DEPOSITORY
- 17 Sec. 1054.160. SPENDING AND INVESTMENT RESTRICTIONS
- 18 Sec. 1054.161. AUTHORITY TO BORROW MONEY; SECURITY
- 19 [Sections 1054.162-1054.200 reserved for expansion]
- 20 SUBCHAPTER E. BONDS
- 21 Sec. 1054.201. GENERAL OBLIGATION BONDS
- 22 Sec. 1054.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 23 Sec. 1054.203. REVENUE BONDS
- 24 Sec. 1054.204. REFUNDING BONDS
- 25 Sec. 1054.205. MATURITY OF BONDS
- 26 Sec. 1054.206. EXECUTION OF BONDS
- 27 Sec. 1054.207. BONDS EXEMPT FROM TAXATION

1 [Sections 1054.208-1054.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1054.251. IMPOSITION OF AD VALOREM TAX

4 Sec. 1054.252. TAX RATE

5 Sec. 1054.253. TAX ASSESSOR-COLLECTOR

6 CHAPTER 1054. LYNN COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1054.001. DEFINITIONS. In this chapter:

9 (1) "Board" means the board of directors of the  
10 district.

11 (2) "Director" means a member of the board.

12 (3) "District" means the Lynn County Hospital  
13 District. (New.)

14 Sec. 1054.002. AUTHORITY FOR OPERATION. The district  
15 operates in accordance with Section 9, Article IX, Texas  
16 Constitution, and has the rights, powers, and duties provided by  
17 this chapter. (Acts 60th Leg., R.S., Ch. 66, Sec. 1 (part).)

18 Sec. 1054.003. ESSENTIAL PUBLIC FUNCTION. The district  
19 performs an essential public function in carrying out the purposes  
20 of this chapter. (Acts 60th Leg., R.S., Ch. 66, Sec. 20 (part).)

21 Sec. 1054.004. DISTRICT TERRITORY. The boundaries of the  
22 district are coextensive with the boundaries of Lynn County, Texas.  
23 (Acts 60th Leg., R.S., Ch. 66, Sec. 1 (part).)

24 Sec. 1054.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
25 OBLIGATION. The support and maintenance of the district may not  
26 become a charge against or obligation of this state. (Acts 60th  
27 Leg., R.S., Ch. 66, Sec. 21 (part).)

1           Sec. 1054.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

2 The legislature may not make a direct appropriation for the  
3 construction, maintenance, or improvement of a district facility.  
4 (Acts 60th Leg., R.S., Ch. 66, Sec. 21 (part).)

5           [Sections 1054.007-1054.050 reserved for expansion]

6                       SUBCHAPTER B. DISTRICT ADMINISTRATION

7           Sec. 1054.051. BOARD ELECTION; TERM.     (a)     The board  
8 consists of seven directors elected from the district at large.

9           (b)     Directors serve staggered three-year terms.

10          (c)     An election shall be held on the uniform election date  
11 in May of each year to elect the appropriate number of directors.  
12 (Acts 60th Leg., R.S., Ch. 66, Secs. 4(a), (e) (part).)

13          Sec. 1054.052. NOTICE OF ELECTION. At least 10 days before  
14 the date of an election of directors, notice of the election shall  
15 be published one time in a newspaper of general circulation in the  
16 district. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(e) (part).)

17          Sec. 1054.053. BALLOT PETITION. A person who wants to have  
18 the person's name printed on the ballot as a candidate for director  
19 must file with the board secretary a petition requesting that  
20 action. The petition must be:

21               (1)   signed by not fewer than 25 registered voters; and

22               (2)   filed before the 31st day before the date of the  
23 election. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(e) (part).)

24          Sec. 1054.054. QUALIFICATIONS FOR OFFICE.   (a)     To be  
25 eligible to be a candidate for or to serve as a director, a person  
26 must be:

27               (1)   a district resident; and

1           (2) a qualified voter.

2           (b) A district employee may not serve as a director. (Acts  
3 60th Leg., R.S., Ch. 66, Secs. 4(c), (f).)

4           Sec. 1054.055. BOND; RECORD OF BOND. (a) Before assuming  
5 the duties of office, each director must execute a bond for \$5,000  
6 that is:

7           (1) payable to the district; and

8           (2) conditioned on the faithful performance of the  
9 director's duties.

10          (b) The board may pay for a director's bond with district  
11 money.

12          (c) Each director's bond shall be kept in the district's  
13 permanent records. (Acts 60th Leg., R.S., Ch. 66, Secs. 4(g), (h).)

14          Sec. 1054.056. BOARD VACANCY. (a) If a vacancy occurs in  
15 the office of director, the remaining directors shall appoint a  
16 director for the unexpired term.

17          (b) If the number of directors is reduced to fewer than four  
18 for any reason, the remaining directors shall immediately call a  
19 special election to fill the vacancies. If the remaining directors  
20 do not call the election, a district court, on application of a  
21 district voter or taxpayer, may order the directors to hold the  
22 election. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(d) (part).)

23          Sec. 1054.057. OFFICERS. (a) The board shall elect:

24           (1) a president and a vice president from among its  
25 members; and

26           (2) a secretary, who need not be a director.

27          (b) Each officer of the board serves for a term of one year.

1 (c) The board shall fill a vacancy in a board office for the  
2 unexpired term. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(d) (part).)

3 Sec. 1054.058. EXPENSES. A director or officer may be  
4 reimbursed for actual expenses incurred in the performance of  
5 official duties. The expenses must be:

- 6 (1) reported in the district's records; and  
7 (2) approved by the board. (Acts 60th Leg., R.S., Ch.  
8 66, Sec. 4(i).)

9 Sec. 1054.059. VOTING REQUIREMENT. A concurrence of four  
10 directors is sufficient in any matter relating to district  
11 business. (Acts 60th Leg., R.S., Ch. 66, Sec. 4(d) (part).)

12 Sec. 1054.060. DISTRICT ADMINISTRATOR; ASSISTANT  
13 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
14 district administrator.

15 (b) The board may appoint an assistant administrator.

16 (c) The district administrator and any assistant  
17 administrator serve at the will of the board and are entitled to the  
18 compensation determined by the board.

19 (d) On assuming the duties of district administrator, the  
20 administrator shall execute a bond payable to the district in an  
21 amount set by the board of not less than \$5,000 that:

22 (1) is conditioned on the administrator performing the  
23 administrator's duties; and

24 (2) contains other conditions the board may require.

25 (e) The board may pay for the bond with district money.  
26 (Acts 60th Leg., R.S., Ch. 66, Sec. 5(a) (part).)

27 Sec. 1054.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

1 Subject to the limitations prescribed by the board, the district  
2 administrator shall:

3 (1) supervise the work and activities of the district;  
4 and

5 (2) direct the affairs of the district. (Acts 60th  
6 Leg., R.S., Ch. 66, Sec. 5(a) (part).)

7 Sec. 1054.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
8 board may appoint to the staff any doctors and employ any  
9 technicians, nurses, and other employees the board considers  
10 necessary for the efficient operation of the district.

11 (b) The district may employ fiscal agents, accountants,  
12 architects, and attorneys the board considers proper.

13 (c) The board may provide that the district administrator  
14 has the authority to hire district employees, including technicians  
15 and nurses.

16 (d) The board may define the duties, functions, and  
17 responsibilities of district staff and employees. (Acts 60th Leg.,  
18 R.S., Ch. 66, Secs. 5(a) (part), 16.)

19 Sec. 1054.063. RECRUITMENT OF MEDICAL STAFF. The board may  
20 spend district money to recruit physicians, nurses, and other  
21 trained medical personnel. The board may pay the tuition or other  
22 education-related costs or expenses of a person who:

23 (1) graduates from a medical school, nursing school,  
24 or an institution of higher education; and

25 (2) contractually agrees to become a district  
26 employee. (Acts 60th Leg., R.S., Ch. 66, Sec. 5A(b) (part).)

27 Sec. 1054.064. CONTINUING EDUCATION; RETRAINING. The board

1 may spend district money for continuing education and retraining of  
2 district employees. (Acts 60th Leg., R.S., Ch. 66, Sec. 5A(b)  
3 (part).)

4 Sec. 1054.065. RETIREMENT BENEFITS. The board may provide  
5 retirement benefits for district employees by:

6 (1) establishing or administering a retirement  
7 program; or

8 (2) participating in:

9 (A) the Texas County and District Retirement  
10 System; or

11 (B) another statewide retirement system in which  
12 the district is eligible to participate. (Acts 60th Leg., R.S., Ch.  
13 66, Sec. 5B.)

14 [Sections 1054.066-1054.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 1054.101. DISTRICT RESPONSIBILITY. The district has  
17 full responsibility for operating all hospital facilities for  
18 providing medical and hospital care for the district's needy  
19 inhabitants. (Acts 60th Leg., R.S., Ch. 66, Sec. 19 (part).)

20 Sec. 1054.102. RESTRICTION ON POLITICAL SUBDIVISION  
21 TAXATION AND DEBT. A political subdivision located within the  
22 district may not impose a tax or issue bonds or other obligations  
23 for hospital purposes or to provide medical care. (Acts 60th Leg.,  
24 R.S., Ch. 66, Sec. 19 (part).)

25 Sec. 1054.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
26 The board shall manage, control, and administer the district's  
27 hospitals and hospital system. (Acts 60th Leg., R.S., Ch. 66, Sec.

1 5(a) (part).)

2           Sec. 1054.104. HOSPITAL SYSTEM. The district shall provide  
3 for the establishment of a hospital or hospital system in the  
4 district by:

5                   (1) purchasing, constructing, acquiring, repairing,  
6 or renovating buildings and improvements;

7                   (2) equipping the buildings and improvements; and

8                   (3) administering the buildings and improvements for  
9 hospital purposes. (Acts 60th Leg., R.S., Ch. 66, Sec. 2 (part).)

10           Sec. 1054.105. RULES. The board may adopt rules for the  
11 operation of the district. (Acts 60th Leg., R.S., Ch. 66, Sec. 5(a)  
12 (part).)

13           Sec. 1054.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
14 board may prescribe:

15                   (1) the method and manner of making purchases and  
16 expenditures by and for the district in a manner consistent with  
17 Subtitle C, Title 8, Local Government Code; and

18                   (2) all accounting and control procedures. (Acts 60th  
19 Leg., R.S., Ch. 66, Sec. 10 (part).)

20           Sec. 1054.107. DISTRICT PROPERTY, FACILITIES, AND  
21 EQUIPMENT. (a) The board shall determine the type, number, and  
22 location of buildings required to maintain an adequate hospital  
23 system. Nothing in this chapter prohibits the establishing and  
24 equipping of a clinic as part of the hospital system.

25                   (b) The board may lease all or part of the district's  
26 buildings and other facilities on terms considered to be in the best  
27 interest of the district's inhabitants. The term of the lease may



1 not exceed 25 years.

2 (c) The district may acquire equipment for use in the  
3 district's hospital system and mortgage or pledge the property as  
4 security for the payment of the purchase price.

5 (d) The district may sell or otherwise dispose of any  
6 property, including equipment, on terms the board finds are in the  
7 best interest of the district's inhabitants. (Acts 60th Leg.,  
8 R.S., Ch. 66, Secs. 9 (part), 10 (part).)

9 Sec. 1054.108. EMINENT DOMAIN. (a) The district may  
10 exercise the power of eminent domain to acquire a fee simple or  
11 other interest in any type of property located in district  
12 territory if the interest is necessary or convenient for the  
13 district to exercise a power, right, or privilege conferred by this  
14 chapter.

15 (b) The district must exercise the power of eminent domain  
16 in the manner provided by Chapter 21, Property Code, except the  
17 district is not required to deposit in the trial court money or a  
18 bond as provided by Section 21.021(a), Property Code.

19 (c) In a condemnation proceeding brought by the district,  
20 the district is not required to:

21 (1) pay in advance or provide a bond or other security  
22 for costs in the trial court;

23 (2) provide a bond for the issuance of a temporary  
24 restraining order or a temporary injunction; or

25 (3) provide a bond for costs or a supersedeas bond on  
26 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 66, Sec. 14.)

27 Sec. 1054.109. GIFTS AND ENDOWMENTS. The board may accept

1 for the district a gift or endowment to be held in trust and  
2 administered by the board for the purposes and under the  
3 directions, limitations, or other provisions prescribed in writing  
4 by the donor that are not inconsistent with the proper management  
5 and objectives of the district. (Acts 60th Leg., R.S., Ch. 66, Sec.  
6 18.)

7       Sec. 1054.110. CONSTRUCTION CONTRACTS. (a) The board may  
8 enter into construction contracts for the district.

9       (b) The board may enter into a construction contract that  
10 involves the expenditure of more than the amount prescribed by  
11 Section 271.024, Local Government Code, only after competitive  
12 bidding as provided by Subchapter B, Chapter 271, Local Government  
13 Code. (Acts 60th Leg., R.S., Ch. 66, Sec. 10A.)

14       Sec. 1054.111. OPERATING AND MANAGEMENT CONTRACTS. The  
15 board may enter into an operating or management contract relating  
16 to a district facility. (Acts 60th Leg., R.S., Ch. 66, Secs. 5(b),  
17 9 (part).)

18       Sec. 1054.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
19 SERVICES. (a) The board may contract with a political subdivision  
20 of this state or with a state or federal agency for the district to:

- 21               (1) furnish a mobile emergency medical service; or  
22               (2) provide for the investigatory or welfare needs of  
23 district inhabitants.

24       (b) The board may contract with this state or a federal  
25 agency for the care and treatment of a sick or injured person.  
26 (Acts 60th Leg., R.S., Ch. 66, Secs. 5(a) (part), (e).)

27       Sec. 1054.113. PROVISION OF CERTAIN HEALTH SERVICES. The

1 board may provide emergency services, home health care services,  
2 long-term health care services, special care facility services, or  
3 any other health care services the board determines are necessary  
4 to meet the needs of the district. (Acts 60th Leg., R.S., Ch. 66,  
5 Sec. 5A(a).)

6 Sec. 1054.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
7 When a patient who resides in the district is admitted to a district  
8 facility, the district administrator may have an inquiry made into  
9 the circumstances of:

10 (1) the patient; and

11 (2) the patient's relatives who are legally liable for  
12 the patient's support.

13 (b) If the district administrator determines that the  
14 patient or those relatives cannot pay all or part of the costs of  
15 the care and treatment in the hospital, the amount of the costs that  
16 cannot be paid becomes a charge against the district.

17 (c) If the district administrator determines that the  
18 patient or those relatives can pay for all or part of the costs of  
19 the patient's care and treatment, the patient or those relatives  
20 shall be ordered to pay the district a specified amount each week  
21 for the patient's care and support. The amount ordered must be  
22 proportionate to the person's financial ability.

23 (d) The district administrator may collect the amount from  
24 the patient's estate, or from any relative who is legally liable for  
25 the patient's support, in the manner provided by law for the  
26 collection of expenses of the last illness of a deceased person.

27 (e) If there is a dispute as to the ability to pay, or doubt

1 in the mind of the district administrator, the board shall hold a  
2 hearing and, after calling witnesses, shall:

3 (1) resolve the dispute or doubt; and

4 (2) issue any appropriate orders.

5 (f) A final order of the board may be appealed to the  
6 district court. The substantial evidence rule applies to the  
7 appeal. (Acts 60th Leg., R.S., Ch. 66, Sec. 17.)

8 Sec. 1054.115. REIMBURSEMENT FOR SERVICE. (a) The board  
9 shall require a county, municipality, or public hospital located  
10 outside the district to reimburse the district for the district's  
11 care and treatment of a sick or injured person of that county,  
12 municipality, or public hospital as provided by Chapter 61, Health  
13 and Safety Code.

14 (b) The board shall require the sheriff of a county or the  
15 police chief of a municipality to reimburse the district for the  
16 district's care and treatment of a person who is confined in a jail  
17 facility of the county or municipality and is not a resident of the  
18 district. (Acts 60th Leg., R.S., Ch. 66, Secs. 5(c), (d).)

19 Sec. 1054.116. AUTHORITY TO SUE AND BE SUED. The district,  
20 through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch.  
21 66, Sec. 5(a) (part).)

22 [Sections 1054.117-1054.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Sec. 1054.151. BUDGET. The district administrator shall  
25 prepare an annual budget for approval by the board. (Acts 60th  
26 Leg., R.S., Ch. 66, Sec. 6 (part).)

27 Sec. 1054.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a)

1 The board shall hold a public hearing on the proposed annual budget.

2 (b) Notice of the hearing must be published one time at  
3 least 10 days before the date of the hearing.

4 (c) The board must approve the annual budget. (Acts 60th  
5 Leg., R.S., Ch. 66, Sec. 6 (part).)

6 Sec. 1054.153. AMENDMENTS TO BUDGET. The budget may be  
7 amended as required by circumstances. The board must approve all  
8 amendments. (Acts 60th Leg., R.S., Ch. 66, Sec. 6 (part).)

9 Sec. 1054.154. RESTRICTION ON EXPENDITURES. Money may be  
10 spent only for an expense included in the budget or an amendment to  
11 the budget. (Acts 60th Leg., R.S., Ch. 66, Sec. 6 (part).)

12 Sec. 1054.155. FISCAL YEAR. The district operates on a  
13 fiscal year that begins on October 1 and ends on September 30. (Acts  
14 60th Leg., R.S., Ch. 66, Sec. 6 (part).)

15 Sec. 1054.156. AUDIT. The board shall have an audit made of  
16 the district's financial condition. (Acts 60th Leg., R.S., Ch. 66,  
17 Sec. 6 (part).)

18 Sec. 1054.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
19 The audit and other district records shall be open to inspection at  
20 the district's principal office. (Acts 60th Leg., R.S., Ch. 66,  
21 Sec. 6 (part).)

22 Sec. 1054.158. FINANCIAL REPORT. As soon as practicable  
23 after the close of each fiscal year, the district administrator  
24 shall prepare for the board:

25 (1) a complete sworn statement of all district money;  
26 and

27 (2) a complete account of the disbursements of that

1 money. (Acts 60th Leg., R.S., Ch. 66, Sec. 6 (part).)

2           Sec. 1054.159. DEPOSITORY. (a) The board shall select one  
3 or more banks in the district to serve as a depository for district  
4 money.

5           (b) District money shall be immediately deposited on  
6 receipt with a depository bank, except that sufficient money must  
7 be remitted to the place or places designated as agent for the  
8 payment of principal of and interest on the district's outstanding  
9 bonds in time for the agent to make that payment on or before the  
10 maturity date of the principal and interest.

11           (c) To the extent that money in a depository bank is not  
12 insured by the Federal Deposit Insurance Corporation, the money  
13 must be secured in the manner provided by law for the security of  
14 county funds.

15           (d) Membership on the district's board of an officer or  
16 director of a bank does not disqualify the bank from being  
17 designated as a depository bank. (Acts 60th Leg., R.S., Ch. 66,  
18 Sec. 11.)

19           Sec. 1054.160. SPENDING AND INVESTMENT RESTRICTIONS.  
20 Except as otherwise provided by Section 1054.107(c) and by  
21 Subchapter E, the district may not incur an obligation payable from  
22 district revenue other than the revenue on hand or to be on hand in  
23 the current and immediately following district fiscal years. (Acts  
24 60th Leg., R.S., Ch. 66, Sec. 10 (part).)

25           Sec. 1054.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
26 The board may borrow money at a rate not to exceed the maximum  
27 annual percentage rate allowed by law for district obligations at

1 the time the loan is made if the board declares that:

2 (1) money is not available to meet authorized  
3 obligations of the district; and

4 (2) an emergency exists.

5 (b) To secure a loan, the board may pledge:

6 (1) district revenue that is not pledged to pay the  
7 district's bonded indebtedness;

8 (2) a district tax to be imposed by the district in the  
9 next 12-month period that is not pledged to pay the principal of or  
10 interest on district bonds; or

11 (3) district bonds that have been authorized but not  
12 sold.

13 (c) A loan for which taxes or bonds are pledged must mature  
14 not later than the first anniversary of the date the loan is made. A  
15 loan for which district revenue is pledged must mature not later  
16 than the fifth anniversary of the date the loan is made.

17 (d) The board may not spend money obtained from a loan under  
18 this section for any purpose other than:

19 (1) the purpose for which the board declared an  
20 emergency; and

21 (2) if district taxes or bonds are pledged to pay the  
22 loan, the purpose for which the pledged taxes were imposed or the  
23 pledged bonds were authorized. (Acts 60th Leg., R.S., Ch. 66, Sec.  
24 7A.)

25 [Sections 1054.162-1054.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 1054.201. GENERAL OBLIGATION BONDS. The board may

1 issue and sell general obligation bonds in the name and on the faith  
2 and credit of the district to:

3 (1) purchase, construct, acquire, repair, or renovate  
4 buildings or improvements;

5 (2) equip buildings or improvements for hospital  
6 purposes; or

7 (3) acquire and operate a mobile emergency medical  
8 service. (Acts 60th Leg., R.S., Ch. 66, Sec. 7(a) (part).)

9 Sec. 1054.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
10 the time general obligation bonds are issued by the district under  
11 Section 1054.201, the board shall impose an ad valorem tax at a rate  
12 sufficient to create an interest and sinking fund to pay the  
13 principal of and interest on the bonds as the bonds mature.

14 (b) The tax required by this section together with any other  
15 ad valorem tax the district imposes may not in any year exceed 75  
16 cents on each \$100 valuation of all taxable property in the  
17 district. (Acts 60th Leg., R.S., Ch. 66, Sec. 7(a) (part).)

18 Sec. 1054.203. REVENUE BONDS. (a) The board may issue  
19 revenue bonds to:

20 (1) purchase, construct, acquire, repair, equip, or  
21 renovate buildings or improvements for hospital purposes;

22 (2) acquire sites to be used for hospital purposes; or

23 (3) acquire and operate a mobile emergency medical  
24 service to assist the district in carrying out its hospital  
25 purposes.

26 (b) The bonds must be payable from and secured by a pledge of  
27 all or part of the revenue derived from the operation of the



1 district's hospital system.

2 (c) The bonds may be additionally secured by a mortgage or  
3 deed of trust lien on all or part of district property.

4 (d) The bonds must be issued in the manner provided by  
5 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
6 Code, for issuance of revenue bonds by a county hospital authority.  
7 (Acts 60th Leg., R.S., Ch. 66, Secs. 7(d), (e), (f).)

8 Sec. 1054.204. REFUNDING BONDS. (a) The board may issue  
9 refunding bonds to refund outstanding indebtedness.

10 (b) A refunding bond may be:

11 (1) sold, with the proceeds of the refunding bond  
12 applied to the payment of the outstanding indebtedness; or

13 (2) exchanged wholly or partly for not less than a  
14 similar principal amount of outstanding indebtedness. (Acts 60th  
15 Leg., R.S., Ch. 66, Sec. 7(b) (part).)

16 Sec. 1054.205. MATURITY OF BONDS. District bonds must  
17 mature not later than the 50th anniversary of the date of issuance.  
18 (Acts 60th Leg., R.S., Ch. 66, Sec. 7(c) (part).)

19 Sec. 1054.206. EXECUTION OF BONDS. (a) The board president  
20 shall execute the district's bonds in the district's name.

21 (b) The board secretary shall countersign the bonds in the  
22 manner provided by Chapter 618, Government Code. (Acts 60th Leg.,  
23 R.S., Ch. 66, Sec. 7(c) (part).)

24 Sec. 1054.207. BONDS EXEMPT FROM TAXATION. The following  
25 are exempt from taxation by this state or a political subdivision of  
26 this state:

27 (1) bonds issued by the district;

1 (2) the transfer and issuance of the bonds; and

2 (3) profits made in the sale of the bonds. (Acts 60th  
3 Leg., R.S., Ch. 66, Sec. 20 (part).)

4 [Sections 1054.208-1054.250 reserved for expansion]

5 SUBCHAPTER F. TAXES

6 Sec. 1054.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
7 may impose a tax on all property in the district subject to district  
8 taxation.

9 (b) The board shall impose the tax to pay:

10 (1) indebtedness issued or assumed by the district;  
11 and

12 (2) the maintenance and operating expenses of the  
13 district.

14 (c) The district may not impose a tax to pay the principal of  
15 or interest on revenue bonds issued under this chapter. (Acts 60th  
16 Leg., R.S., Ch. 66, Secs. 12 (part), 15(a) (part), (b), (c).)

17 Sec. 1054.252. TAX RATE. (a) The board may impose the tax  
18 at a rate not to exceed the limit approved by the voters at the  
19 election authorizing the imposition of the tax.

20 (b) The tax rate for all purposes may not exceed 75 cents on  
21 each \$100 valuation of all taxable property in the district.

22 (c) In setting the tax rate, the board shall consider the  
23 income of the district from sources other than taxation. (Acts 60th  
24 Leg., R.S., Ch. 66, Secs. 12 (part), 15(a) (part).)

25 Sec. 1054.253. TAX ASSESSOR-COLLECTOR. The board may  
26 provide for the appointment of a tax assessor-collector for the  
27 district or may contract for the assessment and collection of taxes

1 as provided by the Tax Code. (Acts 60th Leg., R.S., Ch. 66, Sec.  
2 15(e).)

3 CHAPTER 1055. MARION COUNTY HOSPITAL DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1055.001. DEFINITIONS

6 Sec. 1055.002. AUTHORITY FOR OPERATION

7 Sec. 1055.003. POLITICAL SUBDIVISION

8 Sec. 1055.004. DISTRICT TERRITORY

9 Sec. 1055.005. CORRECTION OF INVALID PROCEDURES

10 [Sections 1055.006-1055.050 reserved for expansion]

11 SUBCHAPTER B. DISTRICT ADMINISTRATION

12 Sec. 1055.051. BOARD ELECTION; TERM

13 Sec. 1055.052. NOTICE OF ELECTION

14 Sec. 1055.053. QUALIFICATIONS FOR OFFICE

15 Sec. 1055.054. BOND; RECORD OF BOND AND OATH OR

16 AFFIRMATION

17 Sec. 1055.055. BOARD VACANCY

18 Sec. 1055.056. DIRECTOR RIGHTS AND RESPONSIBILITIES

19 Sec. 1055.057. OFFICERS

20 Sec. 1055.058. COMPENSATION; EXPENSES

21 Sec. 1055.059. VOTING REQUIREMENT

22 Sec. 1055.060. EMPLOYEES

23 Sec. 1055.061. MAINTENANCE OF RECORDS; PUBLIC

24 INSPECTION

25 Sec. 1055.062. SEAL

26 [Sections 1055.063-1055.100 reserved for expansion]

- 1                                   SUBCHAPTER C. POWERS AND DUTIES
- 2   Sec. 1055.101.   DISTRICT RESPONSIBILITY
- 3   Sec. 1055.102.   RESTRICTION ON COUNTY OR MUNICIPALITY
- 4                                   TAXATION
- 5   Sec. 1055.103.   RULES
- 6   Sec. 1055.104.   PURCHASING AND ACCOUNTING PROCEDURES
- 7   Sec. 1055.105.   EMINENT DOMAIN
- 8   Sec. 1055.106.   GIFTS AND ENDOWMENTS
- 9   Sec. 1055.107.   AUTHORITY TO LEASE DISTRICT FACILITIES
- 10   Sec. 1055.108.   PAYMENT FOR TREATMENT; PROCEDURES
- 11   Sec. 1055.109.   AUTHORITY TO SUE AND BE SUED
- 12                   [Sections 1055.110-1055.150 reserved for expansion]
- 13                                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 14   Sec. 1055.151.   BUDGET
- 15   Sec. 1055.152.   PROPOSED BUDGET: NOTICE AND HEARING
- 16   Sec. 1055.153.   FISCAL YEAR
- 17   Sec. 1055.154.   ANNUAL AUDIT
- 18   Sec. 1055.155.   DEPOSITORY OR TREASURER
- 19                   [Sections 1055.156-1055.200 reserved for expansion]
- 20                                   SUBCHAPTER E. BONDS AND OTHER FINANCIAL ARRANGEMENTS
- 21   Sec. 1055.201.   GENERAL OBLIGATION BONDS AND OTHER
- 22                                   FINANCIAL ARRANGEMENTS
- 23   Sec. 1055.202.   TAX TO PAY GENERAL OBLIGATION BONDS OR
- 24                                   OTHER FINANCIAL ARRANGEMENTS
- 25   Sec. 1055.203.   ELECTION FOR GENERAL OBLIGATION BONDS
- 26                                   OR OTHER FINANCIAL ARRANGEMENTS
- 27   Sec. 1055.204.   EXECUTION OF GENERAL OBLIGATION BONDS

1 Sec. 1055.205. REVENUE BONDS; OTHER FINANCIAL

2 ARRANGEMENTS

3 Sec. 1055.206. MATURITY OF BONDS

4 [Sections 1055.207-1055.250 reserved for expansion]

5 SUBCHAPTER F. TAXES

6 Sec. 1055.251. IMPOSITION OF AD VALOREM TAX

7 Sec. 1055.252. TAX RATE

8 Sec. 1055.253. TAX ASSESSOR-COLLECTOR

9 CHAPTER 1055. MARION COUNTY HOSPITAL DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1055.001. DEFINITIONS. In this chapter:

12 (1) "Board" means the board of directors of the  
13 district.

14 (2) "Director" means a member of the board.

15 (3) "District" means the Marion County Hospital  
16 District. (New.)

17 Sec. 1055.002. AUTHORITY FOR OPERATION. The district  
18 operates in accordance with Section 9, Article IX, Texas  
19 Constitution. (Acts 60th Leg., R.S., Ch. 184, Sec. 1 (part).)

20 Sec. 1055.003. POLITICAL SUBDIVISION. The district is a  
21 political subdivision of this state. (Acts 60th Leg., R.S., Ch.  
22 184, Sec. 16 (part).)

23 Sec. 1055.004. DISTRICT TERRITORY. The boundaries of the  
24 district are coextensive with the boundaries of Marion County,  
25 Texas. (Acts 60th Leg., R.S., Ch. 184, Sec. 1 (part).)

26 Sec. 1055.005. CORRECTION OF INVALID PROCEDURES. If a  
27 court holds that any procedure under this chapter violates the

1 constitution of this state or of the United States, the district by  
2 resolution may provide an alternative procedure that conforms with  
3 the constitution. (Acts 60th Leg., R.S., Ch. 184, Sec. 18 (part).)

4 [Sections 1055.006-1055.050 reserved for expansion]

5 SUBCHAPTER B. DISTRICT ADMINISTRATION

6 Sec. 1055.051. BOARD ELECTION; TERM. (a) The district is  
7 governed by a board of seven directors elected from the district at  
8 large.

9 (b) Directors serve staggered two-year terms unless  
10 four-year terms are established under Section 285.081, Health and  
11 Safety Code. (Acts 60th Leg., R.S., Ch. 184, Sec. 4 (part).)

12 Sec. 1055.052. NOTICE OF ELECTION. Not later than the 10th  
13 day before the date of an election of directors, notice of the  
14 election shall be published one time in a newspaper of general  
15 circulation in Marion County. (Acts 60th Leg., R.S., Ch. 184, Sec. 4  
16 (part).)

17 Sec. 1055.053. QUALIFICATIONS FOR OFFICE. A person may not  
18 be elected or appointed as a director unless the person is a  
19 district resident. (Acts 60th Leg., R.S., Ch. 184, Sec. 4 (part).)

20 Sec. 1055.054. BOND; RECORD OF BOND AND OATH OR  
21 AFFIRMATION. (a) Each director shall execute a good and sufficient  
22 bond for \$1,000 that is:

23 (1) payable to the district; and

24 (2) conditioned on the faithful performance of the  
25 director's duties.

26 (b) The district shall pay for the directors' bonds.

27 (c) Each director's bond and the constitutional oath or

1 affirmation of office shall be deposited with the district's  
2 depository bank for safekeeping. (Acts 60th Leg., R.S., Ch. 184,  
3 Sec. 4 (part).)

4 Sec. 1055.055. BOARD VACANCY. (a) If a vacancy occurs in  
5 the office of director, the remaining directors shall appoint a  
6 director for the unexpired term.

7 (b) If the number of directors is reduced to fewer than four  
8 for any reason, the remaining directors shall immediately call a  
9 special election to fill the vacancies. If the remaining directors  
10 do not call the election, a district court, on application of a  
11 district voter or taxpayer, may order the directors to hold the  
12 election. (Acts 60th Leg., R.S., Ch. 184, Sec. 4 (part).)

13 Sec. 1055.056. DIRECTOR RIGHTS AND RESPONSIBILITIES. All  
14 directors have the same rights and responsibilities with regard to  
15 voting and other matters. (Acts 60th Leg., R.S., Ch. 184, Sec. 4  
16 (part).)

17 Sec. 1055.057. OFFICERS. The board shall elect from among  
18 its members a president and a secretary. (Acts 60th Leg., R.S., Ch.  
19 184, Sec. 4 (part).)

20 Sec. 1055.058. COMPENSATION; EXPENSES. A director serves  
21 without compensation but may be reimbursed for actual expenses  
22 incurred in the performance of official duties on approval of the  
23 expenses by a majority of the board. (Acts 60th Leg., R.S., Ch.  
24 184, Sec. 4 (part).)

25 Sec. 1055.059. VOTING REQUIREMENT. A concurrence of four  
26 directors is sufficient in any matter relating to district  
27 business. (Acts 60th Leg., R.S., Ch. 184, Sec. 4 (part).)

1           Sec. 1055.060. EMPLOYEES. The board may employ a general  
2 manager, attorneys, bookkeepers, architects, or any other  
3 employees considered necessary for the efficient operation of the  
4 district. (Acts 60th Leg., R.S., Ch. 184, Sec. 7 (part).)

5           Sec. 1055.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
6 Except as provided by Section 1055.054, all district records,  
7 including books, accounts, notices, minutes, and all other matters  
8 of the district and the operation of its facilities, shall be:

9                   (1) maintained at the district office; and

10                   (2) open to public inspection at the district office  
11 at all reasonable hours. (Acts 60th Leg., R.S., Ch. 184, Sec. 7  
12 (part).)

13           Sec. 1055.062. SEAL. The board may adopt a seal for the  
14 district. (Acts 60th Leg., R.S., Ch. 184, Sec. 7 (part).)

15                   [Sections 1055.063-1055.100 reserved for expansion]

16                                   SUBCHAPTER C. POWERS AND DUTIES

17           Sec. 1055.101. DISTRICT RESPONSIBILITY. The district has  
18 full responsibility for providing medical and hospital care for the  
19 district's needy and indigent residents. (Acts 60th Leg., R.S.,  
20 Ch. 184, Secs. 2 (part), 12 (part).)

21           Sec. 1055.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
22 TAXATION. Marion County or a municipality in the district may not  
23 impose a tax on property in the district for hospital purposes.  
24 (Acts 60th Leg., R.S., Ch. 184, Sec. 12 (part).)

25           Sec. 1055.103. RULES. (a) The board may adopt rules  
26 governing the operation of the district, including district  
27 facilities.



1 (b) On approval by the board, the rules may be published in  
2 booklet form at district expense and made available to any taxpayer  
3 on request. (Acts 60th Leg., R.S., Ch. 184, Sec. 7 (part).)

4 Sec. 1055.104. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
5 The board may prescribe the method and manner of making purchases  
6 and expenditures by and for the district.

7 (b) The board shall prescribe:

8 (1) all accounting and control procedures; and

9 (2) the method of purchasing necessary supplies,  
10 materials, and equipment. (Acts 60th Leg., R.S., Ch. 184, Sec. 7  
11 (part).)

12 Sec. 1055.105. EMINENT DOMAIN. (a) The district may  
13 exercise the power of eminent domain to acquire a fee simple or  
14 other interest in any type of property, real, personal, or mixed,  
15 located in district territory, if the interest is necessary or  
16 convenient for the district to exercise a right, power, privilege,  
17 or function conferred on the district by this chapter.

18 (b) The district must exercise the power of eminent domain  
19 in the manner provided by Chapter 21, Property Code, except the  
20 district is not required to deposit in the trial court money or a  
21 bond as provided by Section 21.021(a), Property Code.

22 (c) In a condemnation proceeding brought by the district,  
23 the district is not required to:

24 (1) pay in advance or provide a bond or other security  
25 for costs in the trial court;

26 (2) provide a bond for the issuance of a temporary  
27 restraining order or a temporary injunction; or

1           (3) provide a bond for costs or a supersedeas bond on  
2 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 184, Sec. 9.)

3           Sec. 1055.106. GIFTS AND ENDOWMENTS. The board may accept  
4 for the district a gift or endowment to be held in trust and  
5 administered by the board for the purposes and under the  
6 directions, limitations, or provisions prescribed in writing by the  
7 donor that are not inconsistent with the proper management and  
8 objectives of the district. (Acts 60th Leg., R.S., Ch. 184, Sec.  
9 14.)

10          Sec. 1055.107. AUTHORITY TO LEASE DISTRICT FACILITIES. (a)  
11 The district may lease district facilities acquired or constructed  
12 under this chapter to any person for consideration the board  
13 determines is reasonable and adequate.

14          (b) The terms of a lease entered under this section may  
15 include a provision that requires the lessee to:

16               (1) agree to maintain the district's hospital  
17 facilities; or

18               (2) care for and treat the indigent or needy patients  
19 of Marion County.

20          (c) If a lease under this section includes a provision  
21 described by Subsection (b)(2), Marion County may:

22               (1) spend money and make payments to the lessee for the  
23 care and treatment;

24               (2) impose ad valorem taxes; or

25               (3) pledge any of the county's money or resources to  
26 payments made under the contract. (Acts 60th Leg., R.S., Ch. 184,  
27 Sec. 17.)

1           Sec. 1055.108. PAYMENT FOR TREATMENT; PROCEDURES.   (a)

2   When a patient who resides in the district is admitted to a district  
3   facility, the board shall have an inquiry made into the  
4   circumstances of:

5           (1) the patient; and

6           (2) the patient's relatives who are legally liable for  
7   the patient's support.

8           (b) If an agent designated by the district to handle the  
9   inquiry determines that the patient or those relatives cannot pay  
10  all or part of the costs of the care and treatment in the hospital,  
11  the amount of the costs that cannot be paid becomes a charge against  
12  the district.

13          (c) If the board determines that the patient or those  
14  relatives are liable to pay for all or part of the costs of the  
15  patient's care and treatment, the patient or those relatives shall  
16  be ordered to pay the district's treasurer a specified amount each  
17  week for the patient's support. The amount ordered must be  
18  proportionate to the person's financial ability and may not exceed  
19  the actual per capita cost of maintenance.

20          (d) The district may collect the amount from the patient's  
21  estate, or from any relative who is legally liable for the patient's  
22  support, in the manner provided by law for the collection of  
23  expenses of the last illness of a deceased person.

24          (e) If there is a dispute as to the ability to pay, or doubt  
25  in the mind of the district's designated agent, the board shall hold  
26  a hearing and, after calling witnesses, shall:

27           (1) resolve the dispute or doubt; and

1           (2) issue an appropriate order.

2           (f) Either party to the dispute may appeal the order to the  
3 district court. (Acts 60th Leg., R.S., Ch. 184, Sec. 13.)

4           Sec. 1055.109. AUTHORITY TO SUE AND BE SUED. As a  
5 governmental agency, the district may sue and be sued in its own  
6 name in any court of this state. (Acts 60th Leg., R.S., Ch. 184,  
7 Sec. 16 (part).)

8           [Sections 1055.110-1055.150 reserved for expansion]

9           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10          Sec. 1055.151. BUDGET. The board annually shall require a  
11 budget to be prepared for the next fiscal year that includes:

- 12           (1) proposed expenditures and disbursements;  
13           (2) estimated receipts and collections; and  
14           (3) the amount of taxes required to be imposed for the  
15 year. (Acts 60th Leg., R.S., Ch. 184, Sec. 8 (part).)

16          Sec. 1055.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
17 The board shall hold a public hearing on the proposed budget.

18           (b) Notice of the hearing must be published at least once in  
19 a newspaper of general circulation in Marion County not later than  
20 the 10th day before the date of the hearing.

21           (c) Any district taxpayer is entitled to:

22           (1) appear at the time and place designated in the  
23 notice; and

24           (2) be heard regarding any item included in the  
25 proposed budget. (Acts 60th Leg., R.S., Ch. 184, Sec. 8 (part).)

26          Sec. 1055.153. FISCAL YEAR. The district operates on a  
27 fiscal year that begins on October 1 and ends on September 30.

1 (Acts 60th Leg., R.S., Ch. 184, Sec. 8 (part).)

2 Sec. 1055.154. ANNUAL AUDIT. (a) The board annually shall  
3 have an independent audit made of the district's books and records  
4 for the fiscal year.

5 (b) Not later than December 31 each year, the audit shall be  
6 filed:

7 (1) with the comptroller; and

8 (2) at the district office. (Acts 60th Leg., R.S., Ch.  
9 184, Sec. 8 (part).)

10 Sec. 1055.155. DEPOSITORY OR TREASURER. (a) The board by  
11 resolution shall designate a bank in Marion County as the  
12 district's depository or treasurer. A designated bank serves for  
13 two years until a successor is designated.

14 (b) All income received by the district shall be deposited  
15 with the district depository.

16 (c) All district money shall be secured in the manner  
17 provided for securing county funds. (Acts 60th Leg., R.S., Ch. 184,  
18 Secs. 5 (part), 10.)

19 [Sections 1055.156-1055.200 reserved for expansion]

20 SUBCHAPTER E. BONDS AND OTHER FINANCIAL ARRANGEMENTS

21 Sec. 1055.201. GENERAL OBLIGATION BONDS AND OTHER FINANCIAL  
22 ARRANGEMENTS. The board may issue and sell general obligation  
23 bonds, secure long-term loans, or make other financial arrangements  
24 as district obligations in the name and on the faith and credit of  
25 the district. The money shall be used for any purpose relating to:

26 (1) the purchase, construction, acquisition, repair,  
27 or renovation of buildings or improvements;

1           (2) equipping buildings or improvements for hospital  
2 purposes; and

3           (3) the operation of the district. (Acts 60th Leg.,  
4 R.S., Ch. 184, Sec. 6 (part).)

5           Sec. 1055.202. TAX TO PAY GENERAL OBLIGATION BONDS OR OTHER  
6 FINANCIAL ARRANGEMENTS. (a) The board shall impose an ad valorem  
7 tax at a rate sufficient to create an interest and sinking fund to  
8 pay the principal of and interest on general obligation bonds  
9 issued or other financial arrangements made under Section 1055.201  
10 as the bonds or other arrangements mature.

11           (b) The tax required by this section together with any other  
12 ad valorem tax the district imposes may not in any year exceed 75  
13 cents on each \$100 valuation of all taxable property in the  
14 district. (Acts 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

15           Sec. 1055.203. ELECTION FOR GENERAL OBLIGATION BONDS OR  
16 OTHER FINANCIAL ARRANGEMENTS. (a) The district may issue general  
17 obligation bonds or make other financial arrangements secured by  
18 tax revenue only if authorized by a majority of the district voters  
19 voting at an election held for that purpose.

20           (b) The board may order the election on its own motion.

21           (c) The order calling the election must specify:

22                 (1) the date of the election;

23                 (2) the location of the polling places;

24                 (3) the presiding election officers;

25                 (4) the purpose for which the bonds are to be issued or  
26 the financial arrangements made;

27                 (5) the amount of the bonds or other financial

1 arrangements to be authorized;

2 (6) the maximum interest rate for the bonds or other  
3 financial arrangements; and

4 (7) the maximum maturity of the bonds.

5 (d) Notice of an election under this section shall be given  
6 by publishing a substantial copy of the order calling the election  
7 in a newspaper of general circulation in Marion County once a week  
8 for two consecutive weeks before the date of the election. The  
9 first publication must occur at least 14 days before the date of the  
10 election. (Acts 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

11 Sec. 1055.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
12 The board president shall execute the general obligation bonds in  
13 the district's name.

14 (b) The board secretary shall countersign the bonds. (Acts  
15 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

16 Sec. 1055.205. REVENUE BONDS; OTHER FINANCIAL  
17 ARRANGEMENTS. (a) The board may, without an election, issue  
18 revenue bonds or make other financial arrangements payable from and  
19 secured by a pledge of all or part of the revenue derived from the  
20 operation of the district's hospital system. The district may use  
21 the money to:

22 (1) purchase, construct, acquire, repair, renovate,  
23 or equip buildings or improvements for hospital purposes; or

24 (2) acquire sites to be used for hospital purposes.

25 (b) The bonds must be issued in the manner provided by  
26 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
27 Code, for issuance of revenue bonds by a county hospital authority.

1 (Acts 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

2 Sec. 1055.206. MATURITY OF BONDS. General obligation bonds  
3 and revenue bonds must mature not later than 40 years after the date  
4 of issuance. (Acts 60th Leg., R.S., Ch. 184, Sec. 6 (part).)

5 [Sections 1055.207-1055.250 reserved for expansion]

6 SUBCHAPTER F. TAXES

7 Sec. 1055.251. IMPOSITION OF AD VALOREM TAX. (a) On final  
8 approval of the annual budget, the board shall impose a tax on all  
9 property in the district subject to district taxation.

10 (b) The board shall impose the tax to:

11 (1) pay the interest on and create a sinking fund for  
12 bonds or other obligations issued or assumed by the district for  
13 hospital purposes;

14 (2) provide for the operation and maintenance of the  
15 district and hospital system;

16 (3) make improvements and additions to the hospital  
17 system; and

18 (4) acquire necessary sites for the hospital system by  
19 purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 184,  
20 Secs. 5 (part), 8 (part).)

21 Sec. 1055.252. TAX RATE. The board may impose the tax at a  
22 rate not to exceed 75 cents on each \$100 valuation of all taxable  
23 property in the district. (Acts 60th Leg., R.S., Ch. 184, Sec. 5  
24 (part).)

25 Sec. 1055.253. TAX ASSESSOR-COLLECTOR. The tax  
26 assessor-collector of Marion County shall assess and collect taxes  
27 imposed by the district. (Acts 60th Leg., R.S., Ch. 184, Secs. 5



1 (part), 8 (part).)

2 CHAPTER 1057. MATAGORDA COUNTY HOSPITAL DISTRICT OF MATAGORDA  
3 COUNTY, TEXAS

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 1057.001. DEFINITIONS

6 Sec. 1057.002. AUTHORITY FOR CREATION

7 Sec. 1057.003. POLITICAL SUBDIVISION

8 Sec. 1057.004. DISTRICT TERRITORY

9 Sec. 1057.005. CORRECTION OF INVALID PROCEDURES

10 Sec. 1057.006. DISTRICT SUPPORT AND MAINTENANCE NOT

11 STATE OBLIGATION

12 [Sections 1057.007-1057.050 reserved for expansion]

13 SUBCHAPTER B. DISTRICT ADMINISTRATION

14 Sec. 1057.051. BOARD APPOINTMENT; TERM

15 Sec. 1057.052. OFFICERS

16 Sec. 1057.053. COMPENSATION

17 Sec. 1057.054. RECORDS OF PROCEEDINGS

18 Sec. 1057.055. DISTRICT ADMINISTRATOR

19 Sec. 1057.056. GENERAL DUTIES OF DISTRICT

20 ADMINISTRATOR

21 Sec. 1057.057. EMPLOYEES

22 Sec. 1057.058. RETIREMENT PROGRAM

23 Sec. 1057.059. SEAL

24 [Sections 1057.060-1057.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 1057.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1057.102. RESTRICTION ON POLITICAL SUBDIVISION  
2 TAXATION AND DEBT  
3 Sec. 1057.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
4 Sec. 1057.104. HOSPITAL SYSTEM  
5 Sec. 1057.105. RULES  
6 Sec. 1057.106. LEASES  
7 Sec. 1057.107. EMINENT DOMAIN  
8 Sec. 1057.108. GIFTS AND ENDOWMENTS  
9 Sec. 1057.109. CONTRACTS WITH GOVERNMENTAL ENTITIES  
10 FOR CARE AND TREATMENT  
11 Sec. 1057.110. AUTHORITY TO SUE AND BE SUED  
12 [Sections 1057.111-1057.150 reserved for expansion]  
13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
14 Sec. 1057.151. AUDITOR  
15 Sec. 1057.152. DEPOSITORY  
16 Sec. 1057.153. AUTHORITY TO BORROW MONEY; SECURITY  
17 [Sections 1057.154-1057.200 reserved for expansion]  
18 SUBCHAPTER E. BONDS  
19 Sec. 1057.201. GENERAL OBLIGATION BONDS  
20 Sec. 1057.202. TAX TO PAY GENERAL OBLIGATION BONDS  
21 Sec. 1057.203. GENERAL OBLIGATION BOND ELECTION  
22 Sec. 1057.204. MATURITY OF GENERAL OBLIGATION BONDS  
23 Sec. 1057.205. EXECUTION OF GENERAL OBLIGATION BONDS  
24 Sec. 1057.206. INVESTMENT OF GENERAL OBLIGATION BOND  
25 PROCEEDS  
26 Sec. 1057.207. REVENUE BONDS  
27 [Sections 1057.208-1057.250 reserved for expansion]

SUBCHAPTER F. TAXES

Sec. 1057.251. IMPOSITION OF AD VALOREM TAX

Sec. 1057.252. TAX RATE

Sec. 1057.253. TAX ASSESSOR-COLLECTOR

CHAPTER 1057. MATAGORDA COUNTY HOSPITAL DISTRICT OF MATAGORDA  
COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1057.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of hospital managers of the district.

(2) "District" means the Matagorda County Hospital District of Matagorda County, Texas.

(3) "Manager" means a member of the board. (New.)

Sec. 1057.002. AUTHORITY FOR CREATION. The district of Matagorda County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution. (Acts 59th Leg., R.S., Ch. 41, Sec. 1 (part).)

Sec. 1057.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state. (Acts 59th Leg., R.S., Ch. 41, Sec. 13 (part).)

Sec. 1057.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Matagorda County, Texas. (Acts 59th Leg., R.S., Ch. 41, Sec. 1 (part).)

Sec. 1057.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with

1 the constitution. (Acts 59th Leg., R.S., Ch. 41, Sec. 15 (part).)

2       Sec. 1057.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
3 OBLIGATION. The support and maintenance of the district's hospital  
4 system may not become a charge against or obligation of this state.  
5 (Acts 59th Leg., R.S., Ch. 41, Sec. 6 (part).)

6       [Sections 1057.007-1057.050 reserved for expansion]

7                   SUBCHAPTER B. DISTRICT ADMINISTRATION

8       Sec. 1057.051. BOARD APPOINTMENT; TERM. (a) The board  
9 consists of not fewer than five and not more than seven managers  
10 appointed by the Matagorda County Commissioners Court.

11       (b) Managers serve two-year terms. The terms may overlap.  
12 (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

13       Sec. 1057.052. OFFICERS. (a) The board shall select from  
14 among the managers a presiding officer who shall preside over the  
15 board.

16       (b) A presiding officer pro tem shall preside in the absence  
17 of the presiding officer.

18       (c) The district administrator or any manager may be  
19 appointed secretary. (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

20       Sec. 1057.053. COMPENSATION. A manager serves without pay.  
21 (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

22       Sec. 1057.054. RECORDS OF PROCEEDINGS. (a) The secretary  
23 shall keep suitable records of all proceedings of each board  
24 meeting.

25       (b) After each meeting:

26               (1) the manager presiding at the meeting shall read  
27 and sign the record; and

1           (2) the secretary shall attest the record. (Acts 59th  
2 Leg., R.S., Ch. 41, Sec. 4 (part).)

3           Sec. 1057.055. DISTRICT ADMINISTRATOR. (a) The board  
4 shall appoint a general manager as the district administrator.

5           (b) The district administrator serves for a term not to  
6 exceed two years and is entitled to receive the compensation  
7 determined by the board.

8           (c) The board may remove the district administrator at any  
9 time.

10          (d) Before assuming the duties of district administrator,  
11 the administrator must execute a bond payable to the district in an  
12 amount of not less than \$10,000 that:

13           (1) is conditioned on the administrator performing  
14 well and faithfully the administrator's required duties; and

15           (2) contains other conditions the board may require.  
16 (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

17          Sec. 1057.056. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
18 Subject to the limitations prescribed by the board, the district  
19 administrator shall:

20           (1) perform the duties required by the board;

21           (2) supervise the work and activities of the district;  
22 and

23           (3) direct the affairs of the district. (Acts 59th  
24 Leg., R.S., Ch. 41, Sec. 4 (part).)

25          Sec. 1057.057. EMPLOYEES. (a) The board may employ  
26 doctors, technicians, nurses, and other employees considered  
27 advisable for the efficient operation of the hospital or hospital

1 system.

2 (b) A contract or term of employment under Subsection (a)  
3 may not exceed two years. (Acts 59th Leg., R.S., Ch. 41, Sec. 4  
4 (part).)

5 Sec. 1057.058. RETIREMENT PROGRAM. With the approval of  
6 the Matagorda County Commissioners Court, the board may contract  
7 with this state or the federal government as necessary to establish  
8 or continue a retirement program for the benefit of district  
9 employees. (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

10 Sec. 1057.059. SEAL. The board shall have a seal engraved  
11 with the district's name to authenticate the acts of the board. The  
12 secretary of the board shall keep the seal. (Acts 59th Leg., R.S.,  
13 Ch. 41, Sec. 4 (part).)

14 [Sections 1057.060-1057.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 1057.101. DISTRICT RESPONSIBILITY. The district has  
17 full responsibility for providing medical and hospital care for the  
18 district's needy inhabitants. (Acts 59th Leg., R.S., Ch. 41, Sec. 2  
19 (part).)

20 Sec. 1057.102. RESTRICTION ON POLITICAL SUBDIVISION  
21 TAXATION AND DEBT. A political subdivision in Matagorda County,  
22 other than the district, may not impose a tax or issue bonds or  
23 other obligations for hospital purposes or to provide medical care  
24 in the district. (Acts 59th Leg., R.S., Ch. 41, Sec. 2 (part).)

25 Sec. 1057.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
26 The board shall manage, control, and administer the district's  
27 hospital or hospital system. (Acts 59th Leg., R.S., Ch. 41, Sec. 4

1 (part).)

2           Sec. 1057.104. HOSPITAL SYSTEM. The district shall provide  
3 for the establishment of a hospital or hospital system in the  
4 district to furnish medical and hospital care to district residents  
5 by:

6           (1) purchasing, constructing, acquiring, repairing,  
7 or renovating buildings and improvements for hospital purposes;

8           (2) equipping the buildings and improvements for those  
9 purposes; and

10           (3) administering the buildings and improvements for  
11 those purposes. (Acts 59th Leg., R.S., Ch. 41, Sec. 2 (part).)

12           Sec. 1057.105. RULES. The board may adopt rules for the  
13 operation of the hospital or hospital system. (Acts 59th Leg.,  
14 R.S., Ch. 41, Sec. 4 (part).)

15           Sec. 1057.106. LEASES. (a) The board may lease district  
16 property, including facilities or equipment, to individuals,  
17 companies, corporations, or other legal entities on terms the board  
18 determines further the district's purposes.

19           (b) The term of a lease under this section may not exceed 25  
20 years. (Acts 59th Leg., R.S., Ch. 41, Sec. 4A.)

21           Sec. 1057.107. EMINENT DOMAIN. (a) The district may  
22 exercise the power of eminent domain to acquire a fee simple or  
23 other interest in any type of property, real, personal, or mixed,  
24 located in district territory, if the interest is necessary or  
25 convenient for the district to exercise a right, power, privilege,  
26 or function conferred on the district by this chapter.

27           (b) The district must exercise the power of eminent domain

1 in the manner provided by Chapter 21, Property Code, except the  
2 district is not required to deposit in the trial court money or a  
3 bond as provided by Section 21.021(a), Property Code.

4 (c) In a condemnation proceeding brought by the district,  
5 the district is not required to:

6 (1) pay in advance or provide a bond or other security  
7 for costs in the trial court;

8 (2) provide a bond for the issuance of a temporary  
9 restraining order or a temporary injunction; or

10 (3) provide a bond for costs or a supersedeas bond on  
11 an appeal or writ of error. (Acts 59th Leg., R.S., Ch. 41, Sec. 9.)

12 Sec. 1057.108. GIFTS AND ENDOWMENTS. The board may accept  
13 for the district a gift or endowment to be held in trust and  
14 administered by the board for the purposes and under the  
15 directions, limitations, or other provisions prescribed in writing  
16 by the donor that are not inconsistent with the proper management  
17 and objectives of the district. (Acts 59th Leg., R.S., Ch. 41, Sec.  
18 14.)

19 Sec. 1057.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
20 CARE AND TREATMENT. The board, with the approval of the Matagorda  
21 County Commissioners Court, may contract with:

22 (1) a county for the care and treatment of a sick or  
23 injured person of that county; and

24 (2) this state or a federal agency for the care and  
25 treatment of a sick or injured person for whom the state or agency  
26 is responsible. (Acts 59th Leg., R.S., Ch. 41, Sec. 4 (part).)

27 Sec. 1057.110. AUTHORITY TO SUE AND BE SUED. As a



1 governmental agency, the district may sue and be sued in its own  
2 name in any court of this state. (Acts 59th Leg., R.S., Ch. 41, Sec.  
3 13 (part).)

4 [Sections 1057.111-1057.150 reserved for expansion]

5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6 Sec. 1057.151. AUDITOR. (a) The Matagorda County auditor  
7 is the auditor for the district.

8 (b) The auditor shall make any report and perform any  
9 accounting service reasonably incident or necessary to the proper  
10 conduct of the district's business.

11 (c) The auditor shall receive the compensation determined  
12 by the board after considering the amount and value of the services  
13 performed for the district. (Acts 59th Leg., R.S., Ch. 41, Sec.  
14 16.)

15 Sec. 1057.152. DEPOSITORY. (a) The board by resolution  
16 shall designate a bank in the county as the district's depository.  
17 A designated bank serves for two years and until a successor is  
18 designated.

19 (b) All income received by the district shall be deposited  
20 with the district depository.

21 (c) The net revenue from the tax imposed under Section  
22 1057.201 may be withdrawn as directed by the board.

23 (d) All district money shall be secured in the manner  
24 provided for securing county funds. (Acts 59th Leg., R.S., Ch. 41,  
25 Secs. 7 (part), 8.)

26 Sec. 1057.153. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
27 The board may borrow money at a rate the board determines is

1 reasonable.

2 (b) To secure a loan, the board may pledge:

3 (1) district revenue that is not pledged to pay the  
4 district's bonded indebtedness;

5 (2) tax revenue to be collected by the district in the  
6 next 12-month period that is not pledged to pay the principal of or  
7 interest on district bonds;

8 (3) district bonds that have been authorized but not  
9 sold; and

10 (4) any other unencumbered district assets.

11 (c) The board may use the proceeds of a loan made under this  
12 section only for the district's operational and capital  
13 requirements. (Acts 59th Leg., R.S., Ch. 41, Sec. 10B.)

14 [Sections 1057.154-1057.200 reserved for expansion]

15 SUBCHAPTER E. BONDS

16 Sec. 1057.201. GENERAL OBLIGATION BONDS. The board may  
17 issue and sell general obligation bonds in the name and on the faith  
18 and credit of the district for any purpose relating to:

19 (1) the purchase, construction, acquisition, repair,  
20 or renovation of buildings or improvements; and

21 (2) equipping buildings or improvements for hospital  
22 purposes. (Acts 59th Leg., R.S., Ch. 41, Sec. 10 (part).)

23 Sec. 1057.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) An  
24 ad valorem tax shall be imposed at a rate sufficient to create an  
25 interest and sinking fund to pay the principal of and interest on  
26 general obligation bonds issued under Section 1057.201 as the bonds  
27 mature.

1           (b) The tax required by this section together with any other  
2 ad valorem tax imposed for the district may not in any year exceed  
3 75 cents on each \$100 valuation of all taxable property in the  
4 district. (Acts 59th Leg., R.S., Ch. 41, Sec. 10 (part).)

5           Sec. 1057.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
6 district may issue general obligation bonds only if the bonds are  
7 authorized by a majority of the district voters voting in an  
8 election held for that purpose.

9           (b) The board may order the election on its own motion.

10          (c) The order calling the election must specify:

- 11           (1) the date of the election;  
12           (2) the location of the polling places;  
13           (3) the presiding election officers;  
14           (4) the purpose of the bond issuance;  
15           (5) the amount of the bonds to be authorized;  
16           (6) the maximum interest rate of the bonds; and  
17           (7) the maximum maturity of the bonds.

18          (d) Notice of a bond election shall be given by publishing a  
19 substantial copy of the order calling the election in a newspaper of  
20 general circulation in the district once each week for two  
21 consecutive weeks before the date of the election. The first  
22 publication must occur at least 14 days before the date of the  
23 election. (Acts 59th Leg., R.S., Ch. 41, Secs. 5 (part), 10  
24 (part).)

25          Sec. 1057.204. MATURITY OF GENERAL OBLIGATION BONDS.  
26 District general obligation bonds must mature not later than 40  
27 years after the date of issuance. (Acts 59th Leg., R.S., Ch. 41,

1 Sec. 10 (part).)

2 Sec. 1057.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
3 The board's presiding officer shall execute the general obligation  
4 bonds in the district's name.

5 (b) The board secretary shall countersign the bonds. (Acts  
6 59th Leg., R.S., Ch. 41, Sec. 10 (part).)

7 Sec. 1057.206. INVESTMENT OF GENERAL OBLIGATION BOND  
8 PROCEEDS. Until the proceeds from the sale of general obligation  
9 bonds are needed to carry out the bond purpose, the proceeds may be:

10 (1) invested in direct obligations of the United  
11 States; or

12 (2) placed on time deposit. (Acts 59th Leg., R.S., Ch.  
13 41, Sec. 10 (part).)

14 Sec. 1057.207. REVENUE BONDS. (a) The board may issue  
15 revenue bonds to:

16 (1) purchase, construct, acquire, repair, renovate,  
17 or equip buildings or improvements for hospital purposes; or

18 (2) acquiresites to be used for hospital purposes.

19 (b) The bonds must be payable from and secured by a pledge of  
20 all or part of the revenue derived from the operation of the  
21 district's hospital system.

22 (c) The bonds may be additionally secured by a mortgage or  
23 deed of trust lien on all or part of district property.

24 (d) The bonds must be issued in the manner provided by  
25 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
26 Code, for issuance of revenue bonds by a county hospital authority.

27 (e) An election is not required to authorize the issuance of

1 revenue bonds. (Acts 59th Leg., R.S., Ch. 41, Sec. 10A.)

2 [Sections 1057.208-1057.250 reserved for expansion]

3 SUBCHAPTER F. TAXES

4 Sec. 1057.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
5 shall impose a tax on all property in the district subject to  
6 district taxation.

7 (b) The board shall impose the tax to:

8 (1) meet the requirements of district bonds and  
9 indebtedness assumed by the district;

10 (2) provide for the district's maintenance and  
11 operation expenses;

12 (3) make improvements and additions to the district's  
13 hospitals or hospital system; and

14 (4) acquire necessary sites by gift, purchase, lease,  
15 or condemnation. (Acts 59th Leg., R.S., Ch. 41, Secs. 6 (part), 7  
16 (part).)

17 Sec. 1057.252. TAX RATE. The board shall impose the tax at  
18 a rate not to exceed 75 cents on each \$100 valuation of all taxable  
19 property in the district. (Acts 59th Leg., R.S., Ch. 41, Sec. 6  
20 (part).)

21 Sec. 1057.253. TAX ASSESSOR-COLLECTOR. The tax  
22 assessor-collector of Matagorda County shall collect taxes imposed  
23 by the district. (Acts 59th Leg., R.S., Ch. 41, Sec. 7 (part).)

24 CHAPTER 1059. MCCULLOCH COUNTY HOSPITAL DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 1059.001. DEFINITIONS

27 Sec. 1059.002. AUTHORITY FOR OPERATION

- 1 Sec. 1059.003. ESSENTIAL PUBLIC FUNCTION  
2 Sec. 1059.004. DISTRICT TERRITORY  
3 Sec. 1059.005. DISTRICT SUPPORT AND MAINTENANCE NOT  
4 STATE OBLIGATION  
5 Sec. 1059.006. RESTRICTION ON STATE FINANCIAL  
6 ASSISTANCE  
7 [Sections 1059.007-1059.050 reserved for expansion]  
8 SUBCHAPTER B. DISTRICT ADMINISTRATION  
9 Sec. 1059.051. BOARD ELECTION; TERMS  
10 Sec. 1059.052. NOTICE OF ELECTION  
11 Sec. 1059.053. QUALIFICATIONS FOR OFFICE  
12 Sec. 1059.054. BOND; RECORD OF BOND  
13 Sec. 1059.055. BOARD VACANCY  
14 Sec. 1059.056. OFFICERS  
15 Sec. 1059.057. COMPENSATION; EXPENSES  
16 Sec. 1059.058. VOTING REQUIREMENT  
17 Sec. 1059.059. DISTRICT ADMINISTRATOR  
18 Sec. 1059.060. GENERAL DUTIES OF DISTRICT  
19 ADMINISTRATOR  
20 Sec. 1059.061. EMPLOYEES; APPOINTMENT AND REMOVAL OF  
21 STAFF  
22 Sec. 1059.062. RECRUITMENT OF MEDICAL STAFF AND  
23 PROFESSIONAL PERSONNEL  
24 Sec. 1059.063. RETIREMENT BENEFITS  
25 [Sections 1059.064-1059.100 reserved for expansion]  
26 SUBCHAPTER C. POWERS AND DUTIES  
27 Sec. 1059.101. DISTRICT RESPONSIBILITY

- 1 Sec. 1059.102. RESTRICTION ON POLITICAL SUBDIVISION  
2 TAXATION AND DEBT  
3 Sec. 1059.103. MANAGEMENT, CONTROL, AND ADMINISTRATION  
4 Sec. 1059.104. RULES  
5 Sec. 1059.105. PURCHASING AND ACCOUNTING PROCEDURES  
6 Sec. 1059.106. MOBILE EMERGENCY MEDICAL OR AIR  
7 AMBULANCE SERVICE  
8 Sec. 1059.107. DISTRICT PROPERTY, FACILITIES,  
9 EQUIPMENT, AND SERVICES  
10 Sec. 1059.108. EMINENT DOMAIN  
11 Sec. 1059.109. COST OF RELOCATING OR ALTERING PROPERTY  
12 Sec. 1059.110. GIFTS AND ENDOWMENTS  
13 Sec. 1059.111. CONSTRUCTION CONTRACTS  
14 Sec. 1059.112. OPERATING AND MANAGEMENT CONTRACTS  
15 Sec. 1059.113. CONTRACTS WITH GOVERNMENTAL ENTITIES  
16 FOR SERVICES  
17 Sec. 1059.114. PAYMENT FOR TREATMENT; PROCEDURES  
18 Sec. 1059.115. POLICIES OR RULES ON INDIGENT HEALTH  
19 CARE  
20 Sec. 1059.116. REIMBURSEMENT FOR SERVICES  
21 Sec. 1059.117. AUTHORITY TO SUE AND BE SUED  
22 [Sections 1059.118-1059.150 reserved for expansion]  
23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
24 Sec. 1059.151. BUDGET  
25 Sec. 1059.152. NOTICE; HEARING; ADOPTION OF BUDGET  
26 Sec. 1059.153. AMENDMENTS TO BUDGET  
27 Sec. 1059.154. RESTRICTION ON EXPENDITURES

- 1 Sec. 1059.155. FISCAL YEAR  
2 Sec. 1059.156. ANNUAL AUDIT  
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4 RECORDS  
5 Sec. 1059.158. FINANCIAL REPORT  
6 Sec. 1059.159. DEPOSITORY  
7 Sec. 1059.160. SPENDING AND INVESTMENT RESTRICTIONS  
8 Sec. 1059.161. AUTHORITY TO BORROW MONEY  
9 [Sections 1059.162-1059.200 reserved for expansion]  
10 SUBCHAPTER E. BONDS  
11 Sec. 1059.201. GENERAL OBLIGATION BONDS  
12 Sec. 1059.202. TAX TO PAY GENERAL OBLIGATION BONDS  
13 Sec. 1059.203. GENERAL OBLIGATION BOND ELECTION  
14 Sec. 1059.204. REVENUE BONDS  
15 Sec. 1059.205. REFUNDING BONDS  
16 Sec. 1059.206. MATURITY OF BONDS  
17 Sec. 1059.207. EXECUTION OF BONDS  
18 Sec. 1059.208. BONDS EXEMPT FROM TAXATION  
19 [Sections 1059.209-1059.250 reserved for expansion]  
20 SUBCHAPTER F. AD VALOREM TAX  
21 Sec. 1059.251. IMPOSITION OF AD VALOREM TAX  
22 Sec. 1059.252. TAX RATE  
23 Sec. 1059.253. TAX ASSESSOR-COLLECTOR  
24 [Sections 1059.254-1059.300 reserved for expansion]  
25 SUBCHAPTER G. DISSOLUTION  
26 Sec. 1059.301. DISSOLUTION; ELECTION  
27 Sec. 1059.302. NOTICE OF ELECTION



1 Sec. 1059.303. BALLOT

2 Sec. 1059.304. ELECTION RESULTS

3 Sec. 1059.305. TRANSFER OR ADMINISTRATION OF ASSETS

4 Sec. 1059.306. SALE OR TRANSFER OF ASSETS AND

5 LIABILITIES

6 Sec. 1059.307. IMPOSITION OF TAX AND RETURN OF SURPLUS

7 TAXES

8 Sec. 1059.308. REPORT; DISSOLUTION ORDER

9 CHAPTER 1059. MCCULLOCH COUNTY HOSPITAL DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1059.001. DEFINITIONS. In this chapter:

12 (1) "Board" means the board of directors of the  
13 district.

14 (2) "Director" means a member of the board.

15 (3) "District" means the McCulloch County Hospital  
16 District. (Acts 71st Leg., R.S., Ch. 51, Sec. 1.01.)

17 Sec. 1059.002. AUTHORITY FOR OPERATION. The district  
18 operates and is financed as provided by Section 9, Article IX, Texas  
19 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 51,  
20 Sec. 1.02.)

21 Sec. 1059.003. ESSENTIAL PUBLIC FUNCTION. The district is  
22 a public entity performing an essential public function. (Acts  
23 71st Leg., R.S., Ch. 51, Sec. 7.11 (part).)

24 Sec. 1059.004. DISTRICT TERRITORY. The boundaries of the  
25 district are coextensive with the boundaries of McCulloch County,  
26 Texas. (Acts 71st Leg., R.S., Ch. 51, Sec. 1.03.)

27 Sec. 1059.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE

1 OBLIGATION. The state may not become obligated for the support or  
2 maintenance of the district. (Acts 71st Leg., R.S., Ch. 51, Sec.  
3 9.01 (part).)

4 Sec. 1059.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
5 The legislature may not make a direct appropriation for the  
6 construction, maintenance, or improvement of a district facility.  
7 (Acts 71st Leg., R.S., Ch. 51, Sec. 9.01 (part).)

8 [Sections 1059.007-1059.050 reserved for expansion]

9 SUBCHAPTER B. DISTRICT ADMINISTRATION

10 Sec. 1059.051. BOARD ELECTION; TERMS. (a) The district is  
11 governed by a board of seven directors.

12 (b) One director is elected from each commissioners  
13 precinct and three directors are elected from the district at  
14 large.

15 (c) Directors serve staggered three-year terms.

16 (d) An election shall be held on the uniform election date  
17 in May of each year to elect the appropriate number of directors.  
18 (Acts 71st Leg., R.S., Ch. 51, Secs. 4.01(a), 4.03(a), (d).)

19 Sec. 1059.052. NOTICE OF ELECTION. Not earlier than 30 days  
20 or later than 10 days before the date of an election of directors,  
21 notice of the election shall be published one time in a newspaper  
22 with general circulation in the district. (Acts 71st Leg., R.S.,  
23 Ch. 51, Sec. 4.04.)

24 Sec. 1059.053. QUALIFICATIONS FOR OFFICE. (a) To be  
25 eligible to be a candidate for or to serve as a director, a person  
26 must be:

27 (1) a district resident;

1           (2) a qualified voter; and

2           (3) able to obtain a bond as prescribed by Section  
3 1059.054.

4           (b) In addition to Subsection (a), a person who is elected  
5 from a commissioners precinct or who is appointed to fill a vacancy  
6 for a commissioners precinct must be a resident of that  
7 commissioners precinct.

8           (c) A district employee or member of the district's medical  
9 staff may not serve as a director.

10           (d) A person formerly employed by the district may not serve  
11 as a director before the second anniversary of the date of the  
12 termination of that person's employment by the district. (Acts  
13 71st Leg., R.S., Ch. 51, Sec. 4.06.)

14           Sec. 1059.054. BOND; RECORD OF BOND. (a) Before assuming  
15 the duties of office, each director must execute a bond for \$5,000  
16 that is:

17           (1) payable to the district; and

18           (2) conditioned on the faithful performance of the  
19 director's duties.

20           (b) Each director's bond shall be kept in the district's  
21 permanent records.

22           (c) The director shall obtain the bond from an insurer  
23 authorized to engage in business in this state. (Acts 71st Leg.,  
24 R.S., Ch. 51, Sec. 4.07.)

25           Sec. 1059.055. BOARD VACANCY. If a vacancy occurs in the  
26 office of director, the remaining directors shall appoint a  
27 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 51,

1 Sec. 4.08.)

2 Sec. 1059.056. OFFICERS. (a) The board shall elect a  
3 president and a vice president from among its members.

4 (b) The board shall appoint a secretary, who need not be a  
5 director.

6 (c) Each officer of the board serves for a term of one year.

7 (d) The board shall fill a vacancy in a board office for the  
8 unexpired term. (Acts 71st Leg., R.S., Ch. 51, Secs. 4.09, 4.10.)

9 Sec. 1059.057. COMPENSATION; EXPENSES. A director or  
10 officer serves without compensation but may be reimbursed for  
11 actual expenses incurred in the performance of official duties.  
12 The expenses must be:

13 (1) reported in the district's records; and

14 (2) approved by the board. (Acts 71st Leg., R.S., Ch.  
15 51, Sec. 4.11.)

16 Sec. 1059.058. VOTING REQUIREMENT. A concurrence of a  
17 majority of the directors voting is necessary in any matter  
18 relating to district business. (Acts 71st Leg., R.S., Ch. 51, Sec.  
19 4.12.)

20 Sec. 1059.059. DISTRICT ADMINISTRATOR. (a) The board may  
21 appoint a qualified person as district administrator.

22 (b) The district administrator serves at the will of the  
23 board and is entitled to the compensation determined by the board.

24 (c) Before assuming the duties of district administrator,  
25 the administrator shall execute a bond in the amount determined by  
26 the board of not less than \$5,000 that is:

27 (1) payable to the district; and

1           (2) conditioned on the faithful performance of the  
2 administrator's duties under this chapter.

3           (d) The bond shall be kept in the district's permanent  
4 records.

5           (e) The district administrator shall obtain the bond from an  
6 insurer authorized to engage in business in this state.

7           (f) The board may pay for the bond with district money.  
8 (Acts 71st Leg., R.S., Ch. 51, Sec. 4.13.)

9           Sec. 1059.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
10 Subject to the limitations prescribed by the board, the district  
11 administrator shall:

12           (1) supervise the work and activities of the district;  
13 and

14           (2) direct the general affairs of the district. (Acts  
15 71st Leg., R.S., Ch. 51, Sec. 4.17.)

16           Sec. 1059.061. EMPLOYEES; APPOINTMENT AND REMOVAL OF STAFF.

17 (a) The board may:

18           (1) appoint to or remove from the staff any doctors the  
19 board considers necessary for the efficient operation of the  
20 district and may make temporary appointments as necessary; and

21           (2) adopt policies relating to the method of  
22 appointing and removing staff members.

23           (b) The district may employ technicians, nurses, fiscal  
24 agents, accountants, architects, attorneys, and other necessary  
25 employees.

26           (c) The board may delegate to the district administrator the  
27 authority to employ persons for the district.

1           (d) The district may not employ a person who is related to a  
2 director within the second degree by consanguinity or affinity, as  
3 determined under Subchapter B, Chapter 573, Government Code, during  
4 that director's term of office. A district employee who is related  
5 to a person elected as a director within the second degree by  
6 consanguinity or affinity shall resign from employment when that  
7 director takes office. (Acts 71st Leg., R.S., Ch. 51, Secs. 4.14,  
8 4.15.)

9           Sec. 1059.062. RECRUITMENT OF MEDICAL STAFF AND  
10 PROFESSIONAL PERSONNEL. The board may use innovative methods to  
11 recruit physicians, nurses, technicians, and other professional  
12 personnel, including:

- 13           (1) scholarship programs;
- 14           (2) agreements for future services;
- 15           (3) shared personnel;
- 16           (4) bonuses; and
- 17           (5) any other method the district considers  
18 necessary. (Acts 71st Leg., R.S., Ch. 51, Sec. 4.16.)

19           Sec. 1059.063. RETIREMENT BENEFITS. The board may provide  
20 retirement benefits for district employees by:

- 21           (1) establishing or administering a retirement  
22 program; or
- 23           (2) participating in:
  - 24           (A) the Texas County and District Retirement  
25 System; or
  - 26           (B) another statewide retirement system in which  
27 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.

1 51, Sec. 4.18.)

2 [Sections 1059.064-1059.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 1059.101. DISTRICT RESPONSIBILITY. The district has  
5 full responsibility for:

6 (1) operating hospital facilities; and

7 (2) providing medical and hospital care for the  
8 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 51, Sec.  
9 5.02(a) (part).)

10 Sec. 1059.102. RESTRICTION ON POLITICAL SUBDIVISION  
11 TAXATION AND DEBT. McCulloch County, the City of Brady, and the  
12 McCulloch County Hospital Authority may not impose a tax or issue  
13 bonds or other obligations for hospital purposes or to provide  
14 medical care for district residents. (Acts 71st Leg., R.S., Ch. 51,  
15 Sec. 5.01(b).)

16 Sec. 1059.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
17 The board shall manage, control, and administer the hospital system  
18 and the district's money and resources. (Acts 71st Leg., R.S., Ch.  
19 51, Sec. 5.03.)

20 Sec. 1059.104. RULES. The board may adopt rules governing:

21 (1) the operation of the hospital and hospital system;  
22 and

23 (2) the duties, functions, and responsibilities of  
24 district staff and employees. (Acts 71st Leg., R.S., Ch. 51, Sec.  
25 5.04.)

26 Sec. 1059.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
27 board may prescribe:

1           (1) the method of making purchases and expenditures by  
2 and for the district; and

3           (2) accounting and control procedures for the  
4 district. (Acts 71st Leg., R.S., Ch. 51, Sec. 5.05.)

5           Sec. 1059.106. MOBILE EMERGENCY MEDICAL OR AIR AMBULANCE  
6 SERVICE. The district may operate or provide for the operation of a  
7 mobile emergency medical or air ambulance service. (Acts 71st  
8 Leg., R.S., Ch. 51, Sec. 5.02(a) (part).)

9           Sec. 1059.107. DISTRICT PROPERTY, FACILITIES, EQUIPMENT,  
10 AND SERVICES. (a) The board shall determine:

11           (1) the type, number, and location of buildings  
12 required to maintain an adequate hospital system; and

13           (2) the type of equipment necessary for hospital care.

14           (b) The district has complete discretion as to the type and  
15 extent of services the district will offer. The district may  
16 provide any services or facilities the board finds necessary for  
17 hospital or medical care, including:

18           (1) facilities for domiciliary care, including  
19 geriatric domiciliary care;

20           (2) outpatient clinics;

21           (3) dispensaries;

22           (4) convalescent home facilities;

23           (5) necessary nurses;

24           (6) domiciliaries and training centers;

25           (7) blood banks;

26           (8) community mental health centers;

27           (9) alcohol or chemical dependency centers;



1 (10) minor emergency centers;

2 (11) research centers; or

3 (12) laboratories.

4 (c) The board may:

5 (1) acquire property, including facilities and  
6 equipment, for the district for use in the hospital system; and

7 (2) mortgage or pledge the property as security for  
8 the payment of the purchase price.

9 (d) The board may lease hospital facilities for the  
10 district.

11 (e) The board may sell or otherwise dispose of property,  
12 including facilities or equipment, for the district at public or  
13 private sale at the price and terms the board considers most  
14 advantageous. (Acts 71st Leg., R.S., Ch. 51, Sec. 5.06.)

15 Sec. 1059.108. EMINENT DOMAIN. (a) The district may  
16 exercise the power of eminent domain to acquire a fee simple or  
17 other interest in property located in district territory if the  
18 property interest is necessary to exercise a right or authority  
19 conferred by this chapter.

20 (b) The district must exercise the power of eminent domain  
21 in the manner provided by Chapter 21, Property Code, except the  
22 district is not required to deposit in the trial court money or a  
23 bond as provided by Section 21.021(a), Property Code.

24 (c) In a condemnation proceeding brought by the district,  
25 the district is not required to:

26 (1) pay in advance or provide a bond or other security  
27 for costs in the trial court;

1           (2) provide a bond for the issuance of a temporary  
2 restraining order or a temporary injunction; or

3           (3) provide a bond for costs or a supersedeas bond on  
4 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 51, Sec.  
5 5.09.)

6           Sec. 1059.109. COST OF RELOCATING OR ALTERING PROPERTY. In  
7 exercising the power of eminent domain, if the board requires  
8 relocating, raising, lowering, rerouting, changing the grade of, or  
9 altering the construction of any railroad, highway, pipeline, or  
10 electric transmission and electric distribution, telegraph, or  
11 telephone line, conduit, pole, or facility, the district must bear  
12 the actual cost of relocating, raising, lowering, rerouting,  
13 changing the grade, or altering the construction to provide  
14 comparable replacement without enhancement of facilities, after  
15 deducting the net salvage value derived from the old facility.  
16 (Acts 71st Leg., R.S., Ch. 51, Sec. 5.10.)

17           Sec. 1059.110. GIFTS AND ENDOWMENTS. The board may accept  
18 for the district a gift or endowment to be held in trust for any  
19 purpose and under any direction, limitation, or other provision  
20 prescribed in writing by the donor that is consistent with the  
21 proper management of the district. (Acts 71st Leg., R.S., Ch. 51,  
22 Sec. 5.14.)

23           Sec. 1059.111. CONSTRUCTION CONTRACTS. (a) The board may  
24 enter into construction contracts for the district.

25           (b) The board may enter into a construction contract that  
26 involves the expenditure of more than the amount provided by  
27 Section 271.024, Local Government Code, only after competitive

1 bidding as provided by Subchapter B, Chapter 271, Local Government  
2 Code. (Acts 71st Leg., R.S., Ch. 51, Sec. 5.07(a).)

3       Sec. 1059.112. OPERATING AND MANAGEMENT CONTRACTS. The  
4 board may enter into an operating or management contract relating  
5 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.  
6 51, Sec. 5.08.)

7       Sec. 1059.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
8 SERVICES. The board may contract with a political subdivision of  
9 this state or with a state or federal agency for the district to:

10           (1) furnish a mobile emergency medical or air  
11 ambulance service; or

12           (2) provide for the investigatory or welfare needs of  
13 district inhabitants. (Acts 71st Leg., R.S., Ch. 51, Sec. 5.13.)

14       Sec. 1059.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
15 When a patient who resides in the district is admitted to a district  
16 facility, the district administrator may have an inquiry made into  
17 the financial circumstances of:

18           (1) the patient; or

19           (2) a relative of the patient who is legally  
20 responsible for the patient's support.

21       (b) As required by Section 9, Article IX, Texas  
22 Constitution, the district without charge shall provide to a  
23 patient who resides in the district the care and treatment that the  
24 patient or a relative of the patient who is legally responsible for  
25 the patient's support cannot pay.

26       (c) On determining that the patient or a relative legally  
27 responsible for the patient's support can pay for all or part of the

1 care and treatment provided by the district, the district  
2 administrator shall report that determination to the board, and the  
3 board shall issue an order directing the patient or the relative to  
4 pay the district a specified amount each week. The amount must be  
5 based on the individual's ability to pay.

6 (d) The district administrator may collect money owed to the  
7 district from the patient's estate or from that of a relative who  
8 was legally responsible for the patient's support in the manner  
9 provided by law for collection of expenses of the last illness of a  
10 deceased person.

11 (e) If there is a dispute relating to an individual's  
12 ability to pay or if the district administrator has any doubt  
13 concerning an individual's ability to pay, the board shall:

- 14 (1) call witnesses;
- 15 (2) issue subpoenas and subpoenas duces tecum;
- 16 (3) administer oaths;
- 17 (4) hear and resolve the question; and
- 18 (5) issue a final order.

19 (f) A final order of the board may be appealed to a district  
20 court in McCulloch County. The substantial evidence rule applies  
21 to the appeal. (Acts 71st Leg., R.S., Ch. 51, Secs. 5.11(a), (d),  
22 (e), (f), (g).)

23 Sec. 1059.115. POLICIES OR RULES ON INDIGENT HEALTH CARE.

24 (a) The district may adopt, amend, or repeal policies or rules  
25 relating to indigent health care that include:

- 26 (1) eligibility of patients for indigent health care;
- 27 (2) application forms for patients or relatives of

1 patients requesting indigent health care that may require personal  
2 and financial information to be furnished;

3 (3) procedures for obtaining and completing  
4 applications for indigent health care and for filing the completed  
5 applications with the district;

6 (4) procedures for reviewing applications to  
7 determine eligibility for indigent health care; and

8 (5) other procedures provided by this section and  
9 Section 1059.116.

10 (b) The application procedure to determine eligibility for  
11 indigent health care must be adopted not later than the beginning of  
12 each operating year and must comply with Chapter 61, Health and  
13 Safety Code. (Acts 71st Leg., R.S., Ch. 51, Secs. 5.11(b), (c).)

14 Sec. 1059.116. REIMBURSEMENT FOR SERVICES. (a) The board  
15 shall require a county, municipality, or public hospital located  
16 outside the district to reimburse the district for the district's  
17 care and treatment of a sick or injured person of that county,  
18 municipality, or public hospital as provided by Chapter 61, Health  
19 and Safety Code.

20 (b) The board shall require the sheriff of McCulloch County  
21 to reimburse the district for the district's care and treatment of a  
22 person who is confined in a jail facility of McCulloch County and is  
23 not a district resident.

24 (c) The board may contract with the state or federal  
25 government for that government to reimburse the district for  
26 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.  
27 51, Sec. 5.12.)

1           Sec. 1059.117. AUTHORITY TO SUE AND BE SUED. (a) The board  
2 may sue and be sued on behalf of the district.

3           (b) The district may assert any defense or counterclaim the  
4 McCulloch County Hospital Authority could have asserted related to  
5 any debt that was:

6           (1) incurred by the authority for hospital purposes;  
7 and

8           (2) assumed by the district on the district's  
9 creation. (Acts 71st Leg., R.S., Ch. 51, Secs. 5.02(b), 5.15.)

10           [Sections 1059.118-1059.150 reserved for expansion]

11           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12           Sec. 1059.151. BUDGET. (a) The district administrator  
13 shall prepare a proposed annual budget for the district.

14           (b) The proposed budget must contain a complete financial  
15 statement, including a statement of:

16           (1) the outstanding obligations of the district;

17           (2) the amount of cash on hand in each district fund;

18           (3) the amount of money received by the district from  
19 all sources during the previous year;

20           (4) the amount of money available to the district from  
21 all sources during the ensuing year;

22           (5) the amount of the balances expected at the end of  
23 the year in which the budget is being prepared;

24           (6) the estimated amount of revenue and balances  
25 available to cover the proposed budget; and

26           (7) the estimated tax rate required. (Acts 71st Leg.,  
27 R.S., Ch. 51, Sec. 6.04.)

1           Sec. 1059.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

2 The board shall hold a public hearing on the proposed annual budget.

3           (b) The board shall publish notice of the hearing in a  
4 newspaper of general circulation in the district not later than the  
5 10th day before the date of the hearing.

6           (c) Any district resident is entitled to be present and  
7 participate at the hearing.

8           (d) At the conclusion of the hearing, the board shall adopt  
9 a budget by acting on the budget proposed by the district  
10 administrator. The board may make any changes in the proposed  
11 budget that the board judges to be in the interests of the  
12 taxpayers.

13           (e) The budget is effective only after adoption by the  
14 board. (Acts 71st Leg., R.S., Ch. 51, Sec. 6.05.)

15           Sec. 1059.153. AMENDMENTS TO BUDGET. After adoption, the  
16 annual budget may be amended on the board's approval. (Acts 71st  
17 Leg., R.S., Ch. 51, Sec. 6.06.)

18           Sec. 1059.154. RESTRICTION ON EXPENDITURES. Money may be  
19 spent only for an expense included in the budget or an amendment to  
20 the budget. (Acts 71st Leg., R.S., Ch. 51, Sec. 6.07.)

21           Sec. 1059.155. FISCAL YEAR. (a) The district operates on a  
22 fiscal year established by the board.

23           (b) The fiscal year may not be changed:

24                   (1) when revenue bonds of the district are  
25 outstanding; or

26                   (2) more than once in a 24-month period. (Acts 71st  
27 Leg., R.S., Ch. 51, Sec. 6.01.)

1           Sec. 1059.156. ANNUAL AUDIT. The board annually shall have  
2 an audit made of the district's financial condition. (Acts 71st  
3 Leg., R.S., Ch. 51, Sec. 6.02.)

4           Sec. 1059.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
5 RECORDS. The annual audit and other district records are open to  
6 inspection during regular business hours at the district's  
7 principal office. (Acts 71st Leg., R.S., Ch. 51, Sec. 6.03.)

8           Sec. 1059.158. FINANCIAL REPORT. As soon as practicable  
9 after the close of the fiscal year, the district administrator  
10 shall prepare for the board:

11                   (1) a sworn statement of the amount of district money;  
12 and

13                   (2) an account of the disbursements of that money.  
14 (Acts 71st Leg., R.S., Ch. 51, Sec. 6.08.)

15           Sec. 1059.159. DEPOSITORY. (a) The board shall select at  
16 least one bank to serve as a depository for district money.

17           (b) District money, other than money invested as provided by  
18 Section 1059.160(b) and money transmitted to a bank for payment of  
19 bonds or obligations issued or assumed by the district, shall be  
20 deposited as received with the depository bank and must remain on  
21 deposit. This subsection does not limit the power of the board to  
22 place a portion of district money on time deposit or to purchase  
23 certificates of deposit.

24           (c) The district may not deposit money with a bank in an  
25 amount that exceeds the maximum amount secured by the Federal  
26 Deposit Insurance Corporation unless the bank first executes a bond  
27 or other security in an amount sufficient to secure from loss the



1 district money that exceeds the amount secured by the Federal  
2 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 51, Sec.  
3 6.11.)

4 Sec. 1059.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
5 Except as provided by Sections 1059.111, 1059.201, 1059.204, and  
6 1059.205, the district may not incur a debt payable from district  
7 revenue other than the revenue on hand or to be on hand in the  
8 current and immediately following district fiscal years.

9 (b) The board may invest operating, depreciation, or  
10 building reserves only in funds or securities specified by Chapter  
11 2256, Government Code. (Acts 71st Leg., R.S., Ch. 51, Sec. 6.09.)

12 Sec. 1059.161. AUTHORITY TO BORROW MONEY. (a) The district  
13 may borrow money for district operating expenses in an amount not to  
14 exceed the amount of tax revenue the district expects to receive  
15 during the 12-month period following the date the money is  
16 borrowed.

17 (b) The district may pledge all or any part of that tax  
18 revenue to repay the amount borrowed. (Acts 71st Leg., R.S., Ch.  
19 51, Sec. 6.10.)

20 [Sections 1059.162-1059.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Sec. 1059.201. GENERAL OBLIGATION BONDS. The board may  
23 issue and sell general obligation bonds authorized by an election  
24 in the name and on the faith and credit of the district to:

25 (1) purchase, construct, acquire, repair, or renovate  
26 buildings or improvements;

27 (2) equip buildings or improvements for hospital

1 purposes; or

2 (3) acquire and operate a mobile emergency medical or  
3 air ambulance service. (Acts 71st Leg., R.S., Ch. 51, Sec. 7.01.)

4 Sec. 1059.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
5 the time general obligation bonds are issued by the district under  
6 Section 1059.201, the board shall impose an ad valorem tax at a rate  
7 sufficient to create an interest and sinking fund to pay the  
8 principal of and interest on the bonds as the bonds mature.

9 (b) The tax required by this section together with any other  
10 ad valorem tax the district imposes may not in any year exceed the  
11 limit approved by the voters at the election authorizing the  
12 imposition of the tax. (Acts 71st Leg., R.S., Ch. 51, Sec. 7.02.)

13 Sec. 1059.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
14 district may issue general obligation bonds only if the bonds are  
15 authorized by a majority of the district voters voting at an  
16 election held for that purpose.

17 (b) The board may order a bond election.

18 (c) The order calling the election must specify:

- 19 (1) the nature and date of the election;  
20 (2) the hours during which the polls will be open;  
21 (3) the location of polling places;  
22 (4) the amount of the bonds to be authorized; and  
23 (5) the maximum maturity of the bonds.

24 (d) Notice of a bond election shall be given as provided by  
25 Section 1251.003, Government Code.

26 (e) The board shall declare the results of the bond  
27 election. (Acts 71st Leg., R.S., Ch. 51, Sec. 7.03.)

1           Sec. 1059.204. REVENUE BONDS. (a) The board may issue  
2 revenue bonds to:

3                   (1) purchase, construct, acquire, repair, equip, or  
4 renovate buildings or improvements for hospital purposes,  
5 including the purposes described by Section 1059.107;

6                   (2) acquire sites to be used for hospital purposes; or

7                   (3) acquire and operate a mobile emergency medical or  
8 air ambulance service to assist the district in carrying out its  
9 hospital purposes.

10           (b) The bonds must be payable from and secured by a pledge of  
11 all or part of the revenue derived from the operation of the  
12 district's hospital system.

13           (c) The bonds may be additionally secured by a mortgage or  
14 deed of trust lien on all or part of district property.

15           (d) The bonds must be issued in the manner provided by  
16 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
17 Code, for issuance of revenue bonds by a county hospital authority.  
18 (Acts 71st Leg., R.S., Ch. 51, Sec. 7.04.)

19           Sec. 1059.205. REFUNDING BONDS. (a) The board may issue  
20 refunding bonds to refund outstanding indebtedness issued or  
21 assumed by the district.

22           (b) A refunding bond may be:

23                   (1) sold, with the proceeds of the refunding bond  
24 applied to the payment of the outstanding indebtedness; or

25                   (2) exchanged wholly or partly for not less than a  
26 similar principal amount of outstanding indebtedness. (Acts 71st  
27 Leg., R.S., Ch. 51, Secs. 7.05(a), (c) (part).)

1           Sec. 1059.206. MATURITY OF BONDS. District bonds must  
2 mature not later than 50 years after the date of issuance. (Acts  
3 71st Leg., R.S., Ch. 51, Sec. 7.06 (part).)

4           Sec. 1059.207. EXECUTION OF BONDS. (a) The board president  
5 shall execute the district's bonds in the district's name.

6           (b) The board secretary shall countersign the bonds in the  
7 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,  
8 R.S., Ch. 51, Sec. 7.07.)

9           Sec. 1059.208. BONDS EXEMPT FROM TAXATION. The following  
10 are exempt from taxation by this state or a political subdivision of  
11 this state:

- 12                 (1) bonds issued by the district;  
13                 (2) any transaction relating to the bonds; and  
14                 (3) profits made in the sale of the bonds. (Acts 71st  
15 Leg., R.S., Ch. 51, Sec. 7.11 (part).)

16           [Sections 1059.209-1059.250 reserved for expansion]

17                                 SUBCHAPTER F. AD VALOREM TAX

18           Sec. 1059.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
19 may impose a tax on all property in the district subject to district  
20 taxation.

21           (b) The tax may be used to pay:

- 22                 (1) indebtedness issued or assumed by the district;  
23 and  
24                 (2) the maintenance and operating expenses of the  
25 district.

26           (c) The district may not impose a tax to pay the principal of  
27 or interest on revenue bonds issued under this chapter. (Acts 71st

1 Leg., R.S., Ch. 51, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

2       Sec. 1059.252. TAX RATE. (a) The board may impose the tax  
3 at a rate not to exceed the limit approved by the voters at the  
4 election authorizing the imposition of the tax.

5       (b) The tax rate for all purposes may not exceed 75 cents on  
6 each \$100 valuation of all taxable property in the district.

7       (c) In setting the tax rate, the board shall consider the  
8 income of the district from sources other than taxation. (Acts  
9 71st Leg., R.S., Ch. 51, Secs. 8.01(a) (part), (b), 8.03 (part).)

10       Sec. 1059.253. TAX ASSESSOR-COLLECTOR. The board may  
11 provide for the appointment of a tax assessor-collector for the  
12 district or may contract for the assessment and collection of taxes  
13 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 51, Sec.  
14 8.04(b).)

15       [Sections 1059.254-1059.300 reserved for expansion]

16                                   SUBCHAPTER G. DISSOLUTION

17       Sec. 1059.301. DISSOLUTION; ELECTION. (a) The district  
18 may be dissolved only on approval of a majority of the district  
19 voters voting in an election held for that purpose.

20       (b) The board may order an election on the question of  
21 dissolving the district and disposing of the district's assets and  
22 obligations.

23       (c) The board shall order an election if the board receives  
24 a petition requesting an election that is signed by a number of  
25 district residents equal to at least 15 percent of the registered  
26 voters in the district.

27       (d) The order calling the election must state:

1           (1) the nature of the election, including the  
2 proposition to appear on the ballot;

3           (2) the date of the election;

4           (3) the hours during which the polls will be open; and

5           (4) the location of the polling places.

6           (e) Section 41.001(a), Election Code, does not apply to an  
7 election ordered under this section. (Acts 71st Leg., R.S., Ch. 51,  
8 Secs. 10.01(a), (b), (c) (part).)

9           Sec. 1059.302. NOTICE OF ELECTION. (a) The board shall  
10 give notice of an election under this subchapter by publishing once  
11 a week for two consecutive weeks the election order in a newspaper  
12 with general circulation in the district.

13           (b) The first publication of notice must appear not later  
14 than the 35th day before the date set for the election. (Acts 71st  
15 Leg., R.S., Ch. 51, Sec. 10.01(d) (part).)

16           Sec. 1059.303. BALLOT. The ballot for an election under  
17 this subchapter must be printed to permit voting for or against the  
18 proposition: "The dissolution of the McCulloch County Hospital  
19 District." (Acts 71st Leg., R.S., Ch. 51, Sec. 10.01(d) (part).)

20           Sec. 1059.304. ELECTION RESULTS. (a) If a majority of the  
21 votes in an election under this subchapter favor dissolution, the  
22 board shall find that the district is dissolved.

23           (b) If a majority of the votes in the election do not favor  
24 dissolution, the board shall continue to administer the district  
25 and another election on the question of dissolution may not be held  
26 before the first anniversary of the date of the most recent election  
27 to dissolve the district. (Acts 71st Leg., R.S., Ch. 51, Sec.

1 10.01(e).)

2           Sec. 1059.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
3 If a majority of the votes in the election held under this  
4 subchapter favor dissolution, the board shall:

5           (1) transfer the land, buildings, improvements,  
6 equipment, and other assets that belong to the district to  
7 McCulloch County or another governmental entity in McCulloch  
8 County; or

9           (2) administer the property, assets, and debts until  
10 all money has been disposed of and all district debts have been paid  
11 or settled.

12           (b) If the district makes the transfer under Subsection  
13 (a)(1), the county or entity assumes all debts and obligations of  
14 the district at the time of the transfer, and the district is  
15 dissolved. (Acts 71st Leg., R.S., Ch. 51, Secs. 10.01(f), (g).)

16           Sec. 1059.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

17 (a) The district may not be dissolved unless the board provides for  
18 the sale or transfer of the district's assets and liabilities to  
19 another person.

20           (b) The dissolution of the district and the sale or transfer  
21 of the district's assets or liabilities may not contravene a trust  
22 indenture or bond resolution relating to the district's outstanding  
23 bonds. The dissolution and sale or transfer does not diminish or  
24 impair the rights of a holder of an outstanding bond, warrant, or  
25 other obligation of the district.

26           (c) The sale or transfer of the district's assets and  
27 liabilities must satisfy the debt and bond obligations of the

1 district in a manner that protects the interests of district  
2 residents, including the residents' collective property rights in  
3 the district's assets.

4 (d) The district may not transfer or dispose of the  
5 district's assets except for due compensation unless:

6 (1) the transfer is made to another governmental  
7 entity that serves the district; and

8 (2) the transferred assets are to be used for the  
9 benefit of district residents.

10 (e) A grant from federal funds is an obligation to be repaid  
11 in satisfaction. (Acts 71st Leg., R.S., Ch. 51, Secs. 10.01(m),  
12 (n).)

13 Sec. 1059.307. IMPOSITION OF TAX AND RETURN OF SURPLUS  
14 TAXES. (a) After the board finds that the district is dissolved,  
15 the board shall:

16 (1) determine the debt owed by the district; and

17 (2) impose on the property included in the district's  
18 tax rolls a tax that is in proportion of the debt to the property  
19 value.

20 (b) On the payment of all outstanding debts and obligations  
21 of the district, the board shall order the secretary to return to  
22 each district taxpayer the taxpayer's pro rata share of all unused  
23 tax money.

24 (c) A taxpayer may request that the taxpayer's share of  
25 surplus tax money be credited to the taxpayer's county taxes. If a  
26 taxpayer requests the credit, the board shall direct the secretary  
27 to transmit the money to the county tax assessor-collector. (Acts



1 71st Leg., R.S., Ch. 51, Secs. 10.01(h), (i), (j).)

2 Sec. 1059.308. REPORT; DISSOLUTION ORDER. (a) After the  
3 district has paid all district debts and has disposed of all  
4 district money and other assets as prescribed by this subchapter,  
5 the board shall file a written report with the Commissioners Court  
6 of McCulloch County summarizing the board's actions in dissolving  
7 the district.

8 (b) Not later than the 10th day after the date the  
9 Commissioners Court of McCulloch County receives the report and  
10 determines that the requirements of this subchapter have been  
11 fulfilled, the commissioners court shall enter an order dissolving  
12 the district and releasing the board from any further duty or  
13 obligation. (Acts 71st Leg., R.S., Ch. 51, Secs. 10.01(k), (l).)

14 CHAPTER 1060. MENARD COUNTY HOSPITAL DISTRICT OF MENARD COUNTY,  
15 TEXAS

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 1060.001. DEFINITIONS

18 Sec. 1060.002. AUTHORITY FOR CREATION

19 Sec. 1060.003. DISTRICT TERRITORY

20 Sec. 1060.004. DISTRICT SUPPORT AND MAINTENANCE NOT

21 STATE OBLIGATION

22 Sec. 1060.005. RESTRICTION ON STATE FINANCIAL

23 ASSISTANCE

24 [Sections 1060.006-1060.050 reserved for expansion]

25 SUBCHAPTER B. DISTRICT ADMINISTRATION

26 Sec. 1060.051. BOARD ELECTION; TERM

27 Sec. 1060.052. NOTICE OF ELECTION

- 1 Sec. 1060.053. QUALIFICATIONS FOR OFFICE  
2 Sec. 1060.054. BOND; RECORD OF BOND AND OATH OR  
3 AFFIRMATION OF OFFICE  
4 Sec. 1060.055. BOARD VACANCY  
5 Sec. 1060.056. OFFICERS  
6 Sec. 1060.057. COMPENSATION; EXPENSES  
7 Sec. 1060.058. DISTRICT ADMINISTRATOR  
8 Sec. 1060.059. EMPLOYEES  
9 Sec. 1060.060. MAINTENANCE OF RECORDS; PUBLIC  
10 INSPECTION  
11 [Sections 1060.061-1060.100 reserved for expansion]  
12 SUBCHAPTER C. POWERS AND DUTIES  
13 Sec. 1060.101. DISTRICT RESPONSIBILITY  
14 Sec. 1060.102. RESTRICTION ON POLITICAL SUBDIVISION  
15 TAXATION AND DEBT  
16 Sec. 1060.103. MANAGEMENT AND CONTROL OF DISTRICT  
17 Sec. 1060.104. HOSPITAL SYSTEM  
18 Sec. 1060.105. RULES  
19 Sec. 1060.106. PURCHASING AND ACCOUNTING PROCEDURES  
20 Sec. 1060.107. EMINENT DOMAIN  
21 Sec. 1060.108. GIFTS AND ENDOWMENTS  
22 Sec. 1060.109. CONTRACTS FOR HOSPITAL AND MEDICAL CARE  
23 Sec. 1060.110. PAYMENT FOR TREATMENT; PROCEDURES  
24 [Sections 1060.111-1060.150 reserved for expansion]  
25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
26 Sec. 1060.151. BUDGET  
27 Sec. 1060.152. PROPOSED BUDGET: NOTICE AND HEARING

1 Sec. 1060.153. FISCAL YEAR

2 Sec. 1060.154. ANNUAL AUDIT

3 Sec. 1060.155. DEPOSITORY

4 [Sections 1060.156-1060.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 1060.201. BONDS

7 Sec. 1060.202. TAX TO PAY BONDS

8 Sec. 1060.203. BOND ELECTION

9 Sec. 1060.204. MATURITY OF BONDS

10 Sec. 1060.205. EXECUTION OF BONDS

11 [Sections 1060.206-1060.250 reserved for expansion]

12 SUBCHAPTER F. TAXES

13 Sec. 1060.251. IMPOSITION OF AD VALOREM TAX

14 Sec. 1060.252. TAX RATE

15 Sec. 1060.253. TAX ASSESSOR-COLLECTOR

16 CHAPTER 1060. MENARD COUNTY HOSPITAL DISTRICT OF MENARD COUNTY,

17 TEXAS

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 1060.001. DEFINITIONS. In this chapter:

20 (1) "Board" means the board of directors of the  
21 district.

22 (2) "Director" means a member of the board.

23 (3) "District" means the Menard County Hospital  
24 District of Menard County, Texas. (New.)

25 Sec. 1060.002. AUTHORITY FOR CREATION. The district of  
26 Menard County, Texas, is created under the authority of Section 9,  
27 Article IX, Texas Constitution. (Acts 64th Leg., R.S., Ch. 665,

1 Sec. 1.)

2 Sec. 1060.003. DISTRICT TERRITORY. The boundaries of the  
3 district are coextensive with the boundaries of Menard County.  
4 (Acts 64th Leg., R.S., Ch. 665, Sec. 2.)

5 Sec. 1060.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
6 OBLIGATION. The support and maintenance of the district's hospital  
7 system and any indebtedness incurred by the district under this  
8 chapter may not become a charge against or obligation of this state.  
9 (Acts 64th Leg., R.S., Ch. 665, Sec. 18 (part).)

10 Sec. 1060.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
11 The legislature may not make a direct appropriation for the  
12 construction, maintenance, or improvement of a district facility.  
13 (Acts 64th Leg., R.S., Ch. 665, Sec. 18 (part).)

14 [Sections 1060.006-1060.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1060.051. BOARD ELECTION; TERM. (a) The board  
17 consists of five directors elected from the district at large.

18 (b) Directors serve staggered two-year terms unless  
19 four-year terms are established under Section 285.081, Health and  
20 Safety Code. (Acts 64th Leg., R.S., Ch. 665, Secs. 5(a), (d), (e),  
21 (g).)

22 Sec. 1060.052. NOTICE OF ELECTION. At least 30 days before  
23 the date of an election of directors, notice of the election shall  
24 be published one time in a newspaper or newspapers that  
25 individually or collectively have general circulation in the  
26 district. (Acts 64th Leg., R.S., Ch. 665, Sec. 5(f) (part).)

27 Sec. 1060.053. QUALIFICATIONS FOR OFFICE. To qualify for

1 election to the board, a person must:

2 (1) be at least 21 years of age;

3 (2) have been a district resident for at least two  
4 years; and

5 (3) be a qualified voter of the district. (Acts 64th  
6 Leg., R.S., Ch. 665, Sec. 5(b).)

7 Sec. 1060.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
8 OF OFFICE. (a) Each director shall execute a good and sufficient  
9 commercial bond for \$1,000 that is:

10 (1) payable to the district; and

11 (2) conditioned on the faithful performance of the  
12 director's duties.

13 (b) The district shall pay for a director's bond.

14 (c) Each director's bond and constitutional oath or  
15 affirmation of office shall be deposited with the district's  
16 depository for safekeeping. (Acts 64th Leg., R.S., Ch. 665, Sec.  
17 6(a).)

18 Sec. 1060.055. BOARD VACANCY. If a vacancy occurs in the  
19 office of director, a majority of the directors shall appoint a  
20 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 665,  
21 Sec. 5(h).)

22 Sec. 1060.056. OFFICERS. The board shall elect from among  
23 its members a president, a secretary, and a treasurer at the first  
24 meeting of the board after each directors' election. (Acts 64th  
25 Leg., R.S., Ch. 665, Sec. 6(b).)

26 Sec. 1060.057. COMPENSATION; EXPENSES. A director serves  
27 without compensation but is entitled to reimbursement for necessary

1 expenses incurred in the performance of official duties. (Acts  
2 64th Leg., R.S., Ch. 665, Sec. 6(c).)

3 Sec. 1060.058. DISTRICT ADMINISTRATOR. (a) The board may  
4 employ a district administrator to manage the operations of the  
5 hospital system.

6 (b) The district administrator may employ necessary  
7 personnel to perform the services provided by the hospital system.  
8 (Acts 64th Leg., R.S., Ch. 665, Sec. 12(e) (part).)

9 Sec. 1060.059. EMPLOYEES. The board may employ an  
10 attorney, general manager, bookkeeper, architect, and other  
11 employees necessary for the efficient operation of the district.  
12 (Acts 64th Leg., R.S., Ch. 665, Sec. 12(e) (part).)

13 Sec. 1060.060. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
14 The board shall:

15 (1) maintain all district records, including books,  
16 accounts, notices, minutes, and other matters of the district and  
17 its operation, at the district office; and

18 (2) make those records available for public inspection  
19 at reasonable times. (Acts 64th Leg., R.S., Ch. 665, Sec. 12(b).)

20 [Sections 1060.061-1060.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 1060.101. DISTRICT RESPONSIBILITY. The district shall  
23 provide all necessary hospital and medical care for the district's  
24 needy inhabitants. (Acts 64th Leg., R.S., Ch. 665, Sec. 3 (part).)

25 Sec. 1060.102. RESTRICTION ON POLITICAL SUBDIVISION  
26 TAXATION AND DEBT. A political subdivision of this state, other  
27 than the district, may not impose a tax or issue bonds or other

1 obligations to provide hospital service or medical care in the  
2 district. (Acts 64th Leg., R.S., Ch. 665, Sec. 3 (part).)

3       Sec. 1060.103. MANAGEMENT AND CONTROL OF DISTRICT. The  
4 board has full power to manage and control the district. (Acts 64th  
5 Leg., R.S., Ch. 665, Sec. 12(a) (part).)

6       Sec. 1060.104. HOSPITAL SYSTEM. The district has the  
7 responsibility to establish a hospital or hospital system within  
8 its boundaries to provide hospital and medical care to the  
9 district's residents. (Acts 64th Leg., R.S., Ch. 665, Sec. 3  
10 (part).)

11       Sec. 1060.105. RULES. (a) The board shall adopt rules for  
12 the efficient operation of the district, including district  
13 facilities.

14       (b) The board shall:

15             (1) publish the rules in book form; and

16             (2) provide copies to interested persons on request at  
17 district expense. (Acts 64th Leg., R.S., Ch. 665, Sec. 12(c).)

18       Sec. 1060.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
19 board may prescribe the method of making purchases and expenditures  
20 and the manner of accounting and control used by the district.  
21 (Acts 64th Leg., R.S., Ch. 665, Sec. 12(e) (part).)

22       Sec. 1060.107. EMINENT DOMAIN. (a) The district may  
23 exercise the power of eminent domain to acquire a fee simple or  
24 other interest in real, personal, or mixed property located in  
25 district territory if the interest is necessary or convenient for  
26 the district to exercise a power or duty conferred on the district  
27 by this chapter.

1           (b) The district must exercise the power of eminent domain  
2 in the manner provided by Chapter 21, Property Code, except the  
3 district is not required to deposit in the trial court money or a  
4 bond as provided by Section 21.021(a), Property Code.

5           (c) In a condemnation proceeding, the district is not  
6 required to:

7                 (1) pay in advance or provide a bond or other security  
8 for costs in the trial court; or

9                 (2) provide a bond for costs or a supersedeas bond on  
10 an appeal or writ of error. (Acts 64th Leg., R.S., Ch. 665, Sec.  
11 15.)

12           Sec. 1060.108. GIFTS AND ENDOWMENTS. The board may accept  
13 for the district a gift or endowment to be held in trust and  
14 administered by the board under the directions, limitations, or  
15 other provisions prescribed in writing by the donor that are not  
16 inconsistent with the proper management of the district. (Acts  
17 64th Leg., R.S., Ch. 665, Sec. 12(f).)

18           Sec. 1060.109. CONTRACTS FOR HOSPITAL AND MEDICAL CARE.  
19 The board may contract with another political subdivision to  
20 provide hospital and medical care for needy persons who reside  
21 outside the district. (Acts 64th Leg., R.S., Ch. 665, Sec. 12(g).)

22           Sec. 1060.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A  
23 person who resides in the district is entitled to receive necessary  
24 medical and hospital care regardless of whether the person has the  
25 ability to pay for the care and may apply to receive this care  
26 without cost.

27           (b) The board or the district administrator shall employ a



1 person to investigate the ability of the patient and any relative  
2 who is liable for the patient's support to pay for the medical and  
3 hospital care received by the patient.

4 (c) If the investigator determines that the patient or  
5 relative legally liable for the patient's support cannot pay all or  
6 part of the costs of the patient's care, the expense of the care  
7 becomes a charge against the district.

8 (d) If the patient or a relative legally liable for the  
9 patient's support can pay for all or part of the costs of the  
10 patient's care, the board shall order the patient or relative to pay  
11 the treasurer each week an amount specified in the order, which must  
12 be proportionate to the person's ability to pay.

13 (e) The district may collect the amount from the patient's  
14 estate, or from any relative who is liable for the patient's  
15 support, in the manner provided by law for the collection of  
16 expenses of the last illness of a deceased person.

17 (f) If there is a dispute as to the ability to pay, or doubt  
18 in the mind of the investigator, the board shall hold a hearing and,  
19 after calling witnesses, shall:

20 (1) determine the question; and

21 (2) make the proper order based on the board's  
22 findings.

23 (g) A party to the hearing who is not satisfied with the  
24 result of the order may appeal to the district court in the  
25 district. (Acts 64th Leg., R.S., Ch. 665, Sec. 14.)

26 [Sections 1060.111-1060.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Sec. 1060.151. BUDGET. The board shall prepare a budget  
3 that includes:

- 4 (1) proposed expenditures and disbursements;
- 5 (2) estimated receipts and collections for the next  
6 fiscal year; and
- 7 (3) the amount of taxes required to be imposed to meet  
8 the proposed budget. (Acts 64th Leg., R.S., Ch. 665, Sec. 13(b).)

9 Sec. 1060.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
10 The board shall hold a public hearing on the proposed budget.

11 (b) Notice of the hearing must be published at least once in  
12 a newspaper of general circulation in the district not later than  
13 the 11th day before the date of the hearing.

14 (c) Any person who owns taxable property in the district and  
15 has rendered that property for taxation is entitled to:

- 16 (1) appear at the hearing; and
- 17 (2) be heard regarding any item in the proposed  
18 budget. (Acts 64th Leg., R.S., Ch. 665, Secs. 13(c), (d).)

19 Sec. 1060.153. FISCAL YEAR. The district's fiscal year is  
20 from October 1 to September 30. (Acts 64th Leg., R.S., Ch. 665,  
21 Sec. 13(a).)

22 Sec. 1060.154. ANNUAL AUDIT. (a) The board annually shall  
23 require an independent audit of the district's books and records.

24 (b) Not later than December 1 of each year, the board shall  
25 file a copy of the audit with:

- 26 (1) the comptroller; and
- 27 (2) the district. (Acts 64th Leg., R.S., Ch. 665, Sec.

1 12(d).)

2 Sec. 1060.155. DEPOSITORY. (a) The board by resolution  
3 shall designate a bank in Menard County as the district's  
4 depository. A designated bank serves for two years until a  
5 successor is designated.

6 (b) All district money shall be deposited in the district's  
7 depository and secured in the manner provided for securing county  
8 funds. (Acts 64th Leg., R.S., Ch. 665, Sec. 16.)

9 [Sections 1060.156-1060.200 reserved for expansion]

10 SUBCHAPTER E. BONDS

11 Sec. 1060.201. BONDS. The district may issue bonds to:

12 (1) purchase, construct, acquire, repair, or renovate  
13 buildings and improvements; and

14 (2) equip buildings for hospital purposes. (Acts 64th  
15 Leg., R.S., Ch. 665, Secs. 9(a) (part), 10(a) (part).)

16 Sec. 1060.202. TAX TO PAY BONDS. The board may issue bonds  
17 under Section 1060.201 only if the board imposes an ad valorem tax  
18 at a rate sufficient to create an interest and sinking fund to pay  
19 the principal of and interest on the bonds as the bonds mature.  
20 (Acts 64th Leg., R.S., Ch. 665, Sec. 10(c).)

21 Sec. 1060.203. BOND ELECTION. (a) The board may issue  
22 bonds under Section 1060.201 only if the bonds are authorized by a  
23 majority of district voters voting in an election held for that  
24 purpose. The total face value of the bonds may not exceed the  
25 amount specified in the election order.

26 (b) The board may order a bond election at any time.

27 (c) The order calling the election must include:

- 1 (1) the time of the election;
- 2 (2) the location of the polling places;
- 3 (3) the form of the ballots;
- 4 (4) the presiding judge for each polling place;
- 5 (5) the purpose of the bond issuance;
- 6 (6) the amount of the bonds to be authorized;
- 7 (7) the maximum interest rate of the bonds; and
- 8 (8) the maximum maturity date of the bonds.

9 (d) A substantial copy of the election order shall be  
10 published in a newspaper of general circulation in the district  
11 once a week for two consecutive weeks before the date of the  
12 election. The first notice must be published not later than the  
13 15th day before the date of the election.

14 (e) A copy of the election results must be filed with the  
15 county clerk and become a public record. (Acts 64th Leg., R.S., Ch.  
16 665, Secs. 4(b), (c), (d) (part); 9(a) (part), (b), (d); 10(a)  
17 (part).)

18 Sec. 1060.204. MATURITY OF BONDS. District bonds must  
19 mature not later than 40 years after the date of issuance. (Acts  
20 64th Leg., R.S., Ch. 665, Sec. 9(c).)

21 Sec. 1060.205. EXECUTION OF BONDS. (a) The board president  
22 shall execute the district's bonds in the district's name.

23 (b) The board secretary shall countersign the bonds. (Acts  
24 64th Leg., R.S., Ch. 665, Sec. 10(b) (part).)

25 [Sections 1060.206-1060.250 reserved for expansion]

26 SUBCHAPTER F. TAXES

27 Sec. 1060.251. IMPOSITION OF AD VALOREM TAX. (a) The board

1 shall impose a tax on all property in the district subject to  
2 district taxation.

3 (b) The tax may be used only to:

4 (1) pay the interest on and create a sinking fund for  
5 bonds issued under this chapter;

6 (2) provide for the operation and maintenance of the  
7 district and hospital system;

8 (3) make improvements and additions to the hospital  
9 system; or

10 (4) acquire sites for additions to the hospital  
11 system. (Acts 64th Leg., R.S., Ch. 665, Secs. 8(a) (part), (c).)

12 Sec. 1060.252. TAX RATE. The board may impose the tax at a  
13 rate not to exceed 75 cents on each \$100 valuation of all taxable  
14 property in the district. (Acts 64th Leg., R.S., Ch. 665, Sec. 8(a)  
15 (part).)

16 Sec. 1060.253. TAX ASSESSOR-COLLECTOR. The tax  
17 assessor-collector of Menard County shall collect taxes for the  
18 district. (Acts 64th Leg., R.S., Ch. 665, Sec. 8(d) (part).)

19 CHAPTER 1062. MITCHELL COUNTY HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 1062.001. DEFINITIONS

22 Sec. 1062.002. AUTHORITY FOR OPERATION

23 Sec. 1062.003. DISTRICT TERRITORY

24 Sec. 1062.004. DISTRICT SUPPORT AND MAINTENANCE NOT

25 STATE OBLIGATION

26 Sec. 1062.005. RESTRICTION ON STATE FINANCIAL

27 ASSISTANCE

1 [Sections 1062.006-1062.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1062.051. BOARD ELECTION; TERM

4 Sec. 1062.052. NOTICE OF ELECTION

5 Sec. 1062.053. QUALIFICATIONS FOR OFFICE

6 Sec. 1062.054. BOARD VACANCY

7 Sec. 1062.055. OFFICERS

8 Sec. 1062.056. COMPENSATION; EXPENSES

9 Sec. 1062.057. VOTING REQUIREMENT

10 Sec. 1062.058. DISTRICT ADMINISTRATOR; ASSISTANT

11 ADMINISTRATOR

12 Sec. 1062.059. GENERAL DUTIES OF DISTRICT

13 ADMINISTRATOR

14 Sec. 1062.060. APPOINTMENT AND RECRUITMENT OF STAFF

15 AND EMPLOYEES

16 Sec. 1062.061. PERSONNEL CONTRACTS

17 Sec. 1062.062. EDUCATIONAL PROGRAMS; COURSES

18 Sec. 1062.063. RETIREMENT BENEFITS

19 [Sections 1062.064-1062.100 reserved for expansion]

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 1062.101. DISTRICT RESPONSIBILITY

22 Sec. 1062.102. RESTRICTION ON POLITICAL SUBDIVISION

23 TAXATION AND DEBT

24 Sec. 1062.103. MANAGEMENT, CONTROL, AND ADMINISTRATION

25 Sec. 1062.104. HOSPITAL SYSTEM

26 Sec. 1062.105. RULES

27 Sec. 1062.106. PURCHASING AND ACCOUNTING PROCEDURES

- 1 Sec. 1062.107. DISTRICT PROPERTY, FACILITIES, AND  
2 EQUIPMENT
- 3 Sec. 1062.108. EMINENT DOMAIN
- 4 Sec. 1062.109. GIFTS AND ENDOWMENTS
- 5 Sec. 1062.110. CONSTRUCTION CONTRACTS
- 6 Sec. 1062.111. CONTRACTS WITH GOVERNMENTAL ENTITIES  
7 FOR CARE AND TREATMENT
- 8 Sec. 1062.112. PAYMENT FOR TREATMENT; PROCEDURES
- 9 Sec. 1062.113. NONPROFIT CORPORATION
- 10 Sec. 1062.114. AUTHORITY TO SUE AND BE SUED
- 11 [Sections 1062.115-1062.150 reserved for expansion]
- 12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 13 Sec. 1062.151. BUDGET
- 14 Sec. 1062.152. NOTICE; HEARING; APPROVAL OF BUDGET
- 15 Sec. 1062.153. AMENDMENTS TO BUDGET
- 16 Sec. 1062.154. RESTRICTION ON EXPENDITURES
- 17 Sec. 1062.155. FISCAL YEAR
- 18 Sec. 1062.156. ANNUAL AUDIT
- 19 Sec. 1062.157. INSPECTION OF ANNUAL AUDIT AND  
20 DISTRICT RECORDS
- 21 Sec. 1062.158. FINANCIAL REPORT
- 22 Sec. 1062.159. DEPOSITORY
- 23 Sec. 1062.160. SPENDING AND INVESTMENT RESTRICTIONS
- 24 Sec. 1062.161. GENERAL AUTHORITY TO BORROW MONEY;  
25 SECURITY
- 26 Sec. 1062.162. AUTHORITY TO BORROW MONEY IN EMERGENCY;  
27 SECURITY

1 [Sections 1062.163-1062.200 reserved for expansion]

2 SUBCHAPTER E. BONDS

3 Sec. 1062.201. GENERAL OBLIGATION BONDS

4 Sec. 1062.202. TAX TO PAY GENERAL OBLIGATION BONDS

5 Sec. 1062.203. GENERAL OBLIGATION BOND ELECTION

6 Sec. 1062.204. REVENUE BONDS

7 Sec. 1062.205. MATURITY OF BONDS

8 Sec. 1062.206. EXECUTION OF BONDS

9 [Sections 1062.207-1062.250 reserved for expansion]

10 SUBCHAPTER F. TAXES

11 Sec. 1062.251. IMPOSITION OF AD VALOREM TAX

12 Sec. 1062.252. TAX RATE

13 Sec. 1062.253. TAX ASSESSOR-COLLECTOR

14 [Sections 1062.254-1062.300 reserved for expansion]

15 SUBCHAPTER G. DISSOLUTION

16 Sec. 1062.301. DISSOLUTION; ELECTION

17 Sec. 1062.302. NOTICE OF ELECTION

18 Sec. 1062.303. BALLOT

19 Sec. 1062.304. ELECTION RESULTS

20 Sec. 1062.305. TRANSFER, SALE, OR ADMINISTRATION OF

21 ASSETS

22 Sec. 1062.306. SALE OR TRANSFER OF ASSETS AND

23 LIABILITIES

24 Sec. 1062.307. IMPOSITION OF TAX AND RETURN OF SURPLUS

25 TAXES

26 Sec. 1062.308. REPORT; DISSOLUTION ORDER



1           CHAPTER 1062. MITCHELL COUNTY HOSPITAL DISTRICT

2                   SUBCHAPTER A. GENERAL PROVISIONS

3           Sec. 1062.001. DEFINITIONS. In this chapter:

4                   (1) "Board" means the board of directors of the  
5 district.

6                   (2) "Director" means a member of the board.

7                   (3) "District" means the Mitchell County Hospital  
8 District. (Acts 60th Leg., R.S., Ch. 466, Sec. 1a(a) (part); New.)

9           Sec. 1062.002. AUTHORITY FOR OPERATION. The district  
10 operates in accordance with Section 9, Article IX, Texas  
11 Constitution, and has the rights, powers, and duties provided by  
12 this chapter. (Acts 60th Leg., R.S., Ch. 466, Sec. 1 (part).)

13           Sec. 1062.003. DISTRICT TERRITORY. The boundaries of the  
14 district are coextensive with the boundaries of:

15                   (1) Commissioners Precincts Nos. 1, 2, and 3 of  
16 Mitchell County, Texas, as those boundaries existed on January 1,  
17 1967; and

18                   (2) Commissioners Precinct No. 4 of Mitchell County,  
19 Texas, as those boundaries existed on January 1, 1973. (Acts 60th  
20 Leg., R.S., Ch. 466, Secs. 1 (part), 1a(a) (part).)

21           Sec. 1062.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
22 OBLIGATION. The support and maintenance of the district may not  
23 become a charge against or obligation of this state. (Acts 60th  
24 Leg., R.S., Ch. 466, Sec. 20 (part).)

25           Sec. 1062.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
26 The legislature may not make a direct appropriation for the  
27 construction, maintenance, or improvement of a district facility.

1 (Acts 60th Leg., R.S., Ch. 466, Sec. 20 (part).)

2 [Sections 1062.006-1062.050 reserved for expansion]

3 SUBCHAPTER B. DISTRICT ADMINISTRATION

4 Sec. 1062.051. BOARD ELECTION; TERM. (a) The board  
5 consists of seven directors elected from the district at large.

6 (b) Unless four-year terms are established under Section  
7 285.081, Health and Safety Code:

8 (1) directors serve staggered two-year terms; and

9 (2) an election shall be held on the uniform election  
10 date in May of each year to elect the appropriate number of  
11 directors.

12 (c) The election order must state the time, place, and  
13 purpose of the election. (Acts 60th Leg., R.S., Ch. 466, Secs. 4(a)  
14 (part), (b) (part), (e) (part).)

15 Sec. 1062.052. NOTICE OF ELECTION. At least 10 days before  
16 the date of an election of directors, notice of the election shall  
17 be published one time in a newspaper of general circulation in the  
18 district. (Acts 60th Leg., R.S., Ch. 466, Sec. 4(e) (part).)

19 Sec. 1062.053. QUALIFICATIONS FOR OFFICE. (a) To be  
20 qualified for election to the board, a person must be:

21 (1) a district resident; and

22 (2) a qualified voter.

23 (b) A district employee may not serve as a director. (Acts  
24 60th Leg., R.S., Ch. 466, Sec. 4(c) (part).)

25 Sec. 1062.054. BOARD VACANCY. (a) If a vacancy occurs in  
26 the office of director, the remaining directors by majority vote  
27 shall elect a director to hold office for the remainder of the

1 unexpired term.

2 (b) If the number of directors is reduced to fewer than four  
3 for any reason, the remaining directors shall immediately call a  
4 special election to fill the vacancies. If the remaining directors  
5 do not call the election, a district court, on application of a  
6 qualified voter or taxpayer of the district, may order the  
7 directors to hold the election. (Acts 60th Leg., R.S., Ch. 466,  
8 Sec. 4(d) (part).)

9 Sec. 1062.055. OFFICERS. (a) The board shall elect a  
10 president and a vice president from among its members.

11 (b) The board shall elect a person, who is not required to be  
12 a director, to serve as secretary and treasurer.

13 (c) Each officer of the board serves for a term of one year.  
14 (Acts 60th Leg., R.S., Ch. 466, Sec. 4(d) (part).)

15 Sec. 1062.056. COMPENSATION; EXPENSES. A director is not  
16 entitled to compensation but is entitled to reimbursement for  
17 actual expenses incurred in attending to district business. The  
18 expenses must be:

19 (1) reported in the district's records; and

20 (2) approved by the remainder of the board. (Acts 60th  
21 Leg., R.S., Ch. 466, Sec. 4(c) (part).)

22 Sec. 1062.057. VOTING REQUIREMENT. A concurrence of four  
23 directors is sufficient in any matter relating to district  
24 business. (Acts 60th Leg., R.S., Ch. 466, Sec. 4(d) (part).)

25 Sec. 1062.058. DISTRICT ADMINISTRATOR; ASSISTANT  
26 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
27 district administrator.

1 (b) The board may appoint an assistant administrator.

2 (c) The district administrator and any assistant  
3 administrator serve at the will of the board and are entitled to the  
4 compensation determined by the board.

5 (d) The board may require the district administrator, on  
6 assuming the administrator's duties, to execute a bond payable to  
7 the district in an amount set by the board of not less than \$5,000  
8 that:

9 (1) is conditioned on the administrator performing the  
10 administrator's duties; and

11 (2) contains other conditions the board may require.

12 (e) The board may pay for the bond with district money.  
13 (Acts 60th Leg., R.S., Ch. 466, Sec. 5(a) (part).)

14 Sec. 1062.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
15 Subject to the limitations prescribed by the board, the district  
16 administrator shall:

17 (1) supervise the work and activities of the district;  
18 and

19 (2) direct the affairs of the district. (Acts 60th  
20 Leg., R.S., Ch. 466, Sec. 5(a) (part).)

21 Sec. 1062.060. APPOINTMENT AND RECRUITMENT OF STAFF AND  
22 EMPLOYEES. (a) The board may appoint to the staff or may employ any  
23 doctors, technicians, nurses, and other employees the board  
24 considers necessary for the efficient operation of the district.

25 (b) The district may employ fiscal agents, accountants,  
26 architects, and attorneys the board considers proper.

27 (c) The board may provide that the district administrator

1 has the authority to hire district employees, including technicians  
2 and nurses.

3 (d) The board may spend district money to recruit  
4 physicians, nurses, and other trained medical personnel. (Acts  
5 60th Leg., R.S., Ch. 466, Secs. 5(a) (part), (d), 16.)

6 Sec. 1062.061. PERSONNEL CONTRACTS. (a) The board may  
7 contract to provide administrative and other personnel for the  
8 operation of the hospital facilities.

9 (b) The term of the contract may not exceed 25 years from  
10 the date the contract is entered. (Acts 60th Leg., R.S., Ch. 466,  
11 Sec. 9(c) (part).)

12 Sec. 1062.062. EDUCATIONAL PROGRAMS; COURSES. The board  
13 may provide or contract to provide educational programs or courses  
14 for district employees and medical staff. (Acts 60th Leg., R.S.,  
15 Ch. 466, Sec. 5(f).)

16 Sec. 1062.063. RETIREMENT BENEFITS. The board may provide  
17 retirement benefits for district employees by:

18 (1) establishing or administering a retirement  
19 program; or

20 (2) participating in a statewide retirement system.  
21 (Acts 60th Leg., R.S., Ch. 466, Sec. 5(c).)

22 [Sections 1062.064-1062.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 1062.101. DISTRICT RESPONSIBILITY. The district has  
25 full responsibility for operating all hospital facilities for  
26 providing medical and hospital care for the district's needy  
27 inhabitants. (Acts 60th Leg., R.S., Ch. 466, Sec. 19 (part).)

1           Sec. 1062.102. RESTRICTION ON POLITICAL SUBDIVISION  
2 TAXATION AND DEBT. A political subdivision located within the  
3 district may not impose a tax or issue bonds or other obligations  
4 for hospital purposes or to provide medical care. (Acts 60th Leg.,  
5 R.S., Ch. 466, Sec. 19 (part).)

6           Sec. 1062.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
7 The board shall manage, control, and administer the district's  
8 hospitals and hospital system. (Acts 60th Leg., R.S., Ch. 466, Sec.  
9 5(a) (part).)

10          Sec. 1062.104. HOSPITAL SYSTEM. The district shall provide  
11 for the establishment of a hospital system by:

12                   (1) purchasing, constructing, acquiring, repairing,  
13 or renovating buildings and equipment;

14                   (2) equipping the buildings; and

15                   (3) administering the buildings and equipment for  
16 hospital purposes. (Acts 60th Leg., R.S., Ch. 466, Sec. 2 (part).)

17          Sec. 1062.105. RULES. The board may adopt rules for the  
18 operation of the district. (Acts 60th Leg., R.S., Ch. 466, Sec.  
19 5(a) (part).)

20          Sec. 1062.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
21 board may prescribe:

22                   (1) the method and manner of making purchases and  
23 expenditures by and for the district; and

24                   (2) all accounting and control procedures. (Acts 60th  
25 Leg., R.S., Ch. 466, Sec. 10 (part).)

26          Sec. 1062.107. DISTRICT PROPERTY, FACILITIES, AND  
27 EQUIPMENT. (a) The board shall determine the type, number, and

1 location of buildings required to maintain an adequate hospital  
2 system. Nothing here prohibits the establishing and equipping of a  
3 clinic as a part of the hospital system.

4 (b) The board may:

5 (1) purchase or lease property, including facilities  
6 and equipment, for the district to use in the hospital system; and

7 (2) mortgage or pledge the property as security for  
8 the payment of the purchase price.

9 (c) The board may lease district hospital facilities to  
10 individuals, corporations, or other legal entities.

11 (d) The board may sell or otherwise dispose of the  
12 district's property, including facilities and equipment.

13 (e) The district may acquire equipment for use in the  
14 district's hospital system and mortgage or pledge the property as  
15 security for the payment of the purchase price. A contract entered  
16 into under this subsection must provide that the entire obligation  
17 be retired not later than the fifth anniversary of the date of the  
18 contract. (Acts 60th Leg., R.S., Ch. 466, Secs. 9(a), (b), (c)  
19 (part), 10 (part).)

20 Sec. 1062.108. EMINENT DOMAIN. (a) The district may  
21 exercise the power of eminent domain to acquire a fee simple or  
22 other interest in any type of property located in district  
23 territory if the interest is necessary or convenient for the  
24 district to exercise a power, right, or privilege conferred by this  
25 chapter.

26 (b) The district must exercise the power of eminent domain  
27 in the manner provided by Chapter 21, Property Code, except the

1 district is not required to deposit in the trial court money or a  
2 bond as provided by Section 21.021(a), Property Code.

3 (c) In a condemnation proceeding brought by the district,  
4 the district is not required to:

5 (1) pay in advance or provide a bond or other security  
6 for costs in the trial court;

7 (2) provide a bond for the issuance of a temporary  
8 restraining order or a temporary injunction; or

9 (3) provide a bond for costs or a supersedeas bond on  
10 an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 466, Sec.  
11 14.)

12 Sec. 1062.109. GIFTS AND ENDOWMENTS. The board may accept  
13 for the district a gift or endowment to be held in trust and  
14 administered by the board for the purposes and under the  
15 directions, limitations, or other provisions prescribed in writing  
16 by the donor that are not inconsistent with the proper management  
17 and objectives of the district. (Acts 60th Leg., R.S., Ch. 466,  
18 Sec. 18.)

19 Sec. 1062.110. CONSTRUCTION CONTRACTS. The board may  
20 contract for construction only after competitive bidding as  
21 provided by Subchapter B, Chapter 271, Local Government Code.  
22 (Acts 60th Leg., R.S., Ch. 466, Sec. 10 (part).)

23 Sec. 1062.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
24 CARE AND TREATMENT. (a) The board may contract with a county or  
25 municipality located outside the district's boundaries for the care  
26 and treatment of a sick or injured person of that county or  
27 municipality.



1           (b) The board may contract with this state or a federal  
2 agency for the treatment of a sick or injured person. (Acts 60th  
3 Leg., R.S., Ch. 466, Sec. 5(b).)

4           Sec. 1062.112. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
5 When a patient who resides in the district is admitted to a district  
6 facility, the district administrator may have an inquiry made into  
7 the financial circumstances of:

8                   (1) the patient; and

9                   (2) a relative of the patient who is legally  
10 responsible for the patient's support.

11           (b) If the district administrator determines that the  
12 patient or relative cannot pay all or part of the costs of the  
13 patient's care and treatment in the hospital, the amount of the  
14 costs that cannot be paid becomes a charge against the district.

15           (c) If the district administrator determines that the  
16 patient or relative can pay for all or part of the costs of the care  
17 and treatment provided to the patient by the district, the patient  
18 or relative shall be ordered to pay the district a specified amount  
19 each week for the patient's care and support. The amount ordered  
20 must be proportionate to the person's financial ability.

21           (d) The district administrator may collect the amount from  
22 the patient's estate, or from any relative who is legally  
23 responsible for the patient's support, in the manner provided by  
24 law for the collection of expenses of the last illness of a deceased  
25 person.

26           (e) The board may institute a suit to collect an amount owed  
27 to the district by a patient who is not able to pay under this

1 section.

2 (f) If there is a dispute as to the ability to pay, or doubt  
3 in the mind of the district administrator concerning the ability to  
4 pay, the board shall hold a hearing and, after calling witnesses,  
5 shall:

6 (1) resolve the dispute or doubt; and

7 (2) issue any appropriate orders.

8 (g) A final order of the board may be appealed to the  
9 district court. (Acts 60th Leg., R.S., Ch. 466, Secs. 5(g), 17.)

10 Sec. 1062.113. NONPROFIT CORPORATION. (a) The district  
11 may create and sponsor a nonprofit corporation under the Business  
12 Organizations Code and may contribute money to or solicit money for  
13 the corporation.

14 (a-1) On or before December 31, 2009, the district may  
15 create and sponsor a nonprofit corporation under the Texas  
16 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
17 Texas Civil Statutes) or the Business Organizations Code, as  
18 applicable, and may contribute money to or solicit money for the  
19 corporation.

20 (b) The corporation may use district money only to provide  
21 health care or other services the district is authorized to provide  
22 under this chapter.

23 (c) The corporation may invest the corporation's money in  
24 any manner in which the district may invest the district's money,  
25 including investing money as authorized by Chapter 2256, Government  
26 Code.

27 (d) The board shall establish controls to ensure that the

1 corporation uses its money as required by this section.

2 (e) This subsection and Subsection (a-1) expire December  
3 31, 2009. (Acts 60th Leg., R.S., Ch. 466, Sec. 5(h).)

4 Sec. 1062.114. AUTHORITY TO SUE AND BE SUED. The district,  
5 through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch.  
6 466, Sec. 5(a) (part).)

7 [Sections 1062.115-1062.150 reserved for expansion]

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Sec. 1062.151. BUDGET. The district administrator shall  
10 prepare an annual budget for approval by the board. (Acts 60th  
11 Leg., R.S., Ch. 466, Sec. 6 (part).)

12 Sec. 1062.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a)  
13 The board shall hold a public hearing on the proposed annual budget.

14 (b) At least 10 days before the date of the hearing, notice  
15 of the hearing must be published one time in a newspaper of general  
16 circulation in the district.

17 (c) The annual budget must be approved by the board. (Acts  
18 60th Leg., R.S., Ch. 466, Sec. 6 (part).)

19 Sec. 1062.153. AMENDMENTS TO BUDGET. The budget may be  
20 amended as required by circumstances. The board must approve all  
21 amendments. (Acts 60th Leg., R.S., Ch. 466, Sec. 6 (part).)

22 Sec. 1062.154. RESTRICTION ON EXPENDITURES. Money may be  
23 spent only for an expense included in the budget or an amendment to  
24 the budget. (Acts 60th Leg., R.S., Ch. 466, Sec. 6 (part).)

25 Sec. 1062.155. FISCAL YEAR. (a) The district operates on a  
26 fiscal year established by the board.

27 (b) The fiscal year may not be changed:

1           (1) if revenue bonds of the district are outstanding;  
2 or

3           (2) more than once in a 24-month period. (Acts 60th  
4 Leg., R.S., Ch. 466, Sec. 6 (part).)

5           Sec. 1062.156. ANNUAL AUDIT. The board annually shall have  
6 an audit made of the district's financial condition. (Acts 60th  
7 Leg., R.S., Ch. 466, Sec. 6 (part).)

8           Sec. 1062.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
9 RECORDS. The annual audit and other district records shall be open  
10 to inspection at the district's principal office. (Acts 60th Leg.,  
11 R.S., Ch. 466, Sec. 6 (part).)

12          Sec. 1062.158. FINANCIAL REPORT. As soon as practicable  
13 after the close of each fiscal year, the district administrator  
14 shall prepare for the board:

15           (1) a complete sworn statement of all district money;  
16 and

17           (2) a complete account of the disbursements of that  
18 money. (Acts 60th Leg., R.S., Ch. 466, Sec. 6 (part).)

19          Sec. 1062.159. DEPOSITORY. (a) The board shall select one  
20 or more banks to serve as a depository for district money.

21           (b) District money shall be immediately deposited on  
22 receipt with a depository bank, except that sufficient money must  
23 be remitted to the place or places designated as agent for the  
24 payment of principal of and interest on the district's outstanding  
25 bonds or other obligations in time for the agent to make that  
26 payment on or before the maturity date of the principal and  
27 interest.

1 (c) To the extent that money in a depository bank is not  
2 insured by the Federal Deposit Insurance Corporation, the money  
3 must be secured in the manner provided by law for the security of  
4 county funds.

5 (d) Membership on the district's board of an officer or  
6 director of a bank does not disqualify the bank from being  
7 designated as a depository bank. (Acts 60th Leg., R.S., Ch. 466,  
8 Sec. 11.)

9 Sec. 1062.160. SPENDING AND INVESTMENT RESTRICTIONS.  
10 Except as otherwise provided by Section 1062.107(e) and by  
11 Subchapter E, the district may not incur an obligation payable from  
12 district revenue other than the revenue on hand or to be on hand in  
13 the current district fiscal year. (Acts 60th Leg., R.S., Ch. 466,  
14 Sec. 10 (part).)

15 Sec. 1062.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.  
16 (a) The board may borrow money at a rate not to exceed the maximum  
17 annual percentage rate allowed by law for district obligations at  
18 the time the loan is made.

19 (b) To secure a loan, the board may pledge:

20 (1) district revenue that is not pledged to pay the  
21 district's bonded indebtedness;

22 (2) tax revenue to be collected by the district in the  
23 next 12-month period that is not pledged to pay the principal of or  
24 interest on district bonds; or

25 (3) district bonds that have been authorized but not  
26 sold.

27 (c) A loan for which tax revenue or bonds are pledged must

1 mature not later than the first anniversary of the date the loan is  
2 made. A loan for which other district revenue is pledged must  
3 mature not later than the fifth anniversary of the date the loan is  
4 made. (Acts 60th Leg., R.S., Ch. 466, Sec. 20B.)

5 Sec. 1062.162. AUTHORITY TO BORROW MONEY IN EMERGENCY;  
6 SECURITY. (a) The board may borrow money at a rate not to exceed  
7 the maximum annual percentage rate allowed by law for district  
8 obligations at the time the loan is made if the board determines  
9 that:

10 (1) money is not available to meet authorized  
11 obligations of the district; and

12 (2) an emergency exists.

13 (b) To secure a loan, the board may pledge:

14 (1) district revenue that is not pledged to pay the  
15 district's bonded indebtedness;

16 (2) tax revenue to be collected by the district in the  
17 next 12-month period that is not pledged to pay the principal of or  
18 interest on district bonds; or

19 (3) district bonds that have been authorized but not  
20 sold.

21 (c) A loan for which tax revenue or bonds are pledged must  
22 mature not later than the first anniversary of the date the loan is  
23 made. A loan for which other district revenue is pledged must  
24 mature not later than the fifth anniversary of the date the loan is  
25 made.

26 (d) The board may not spend money obtained from a loan under  
27 this section for any purpose other than:

1           (1) the purpose for which the board declared an  
2 emergency; and

3           (2) if district tax revenue or bonds are pledged to pay  
4 the loan, the purpose for which the pledged taxes were imposed or  
5 the pledged bonds were authorized. (Acts 60th Leg., R.S., Ch. 466,  
6 Sec. 20A.)

7           [Sections 1062.163-1062.200 reserved for expansion]

8   SUBCHAPTER E. BONDS

9           Sec. 1062.201. GENERAL OBLIGATION BONDS. The board may  
10 issue and sell general obligation bonds authorized by an election  
11 in the name and on the faith and credit of the district to:

12           (1) purchase, construct, acquire, repair, or renovate  
13 buildings or improvements;

14           (2) equip buildings or improvements for hospital  
15 purposes; or

16           (3) acquire and operate a mobile emergency medical or  
17 air ambulance service. (Acts 60th Leg., R.S., Ch. 466, Sec. 7(a).)

18           Sec. 1062.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
19 the time general obligation bonds are issued by the district under  
20 Section 1062.201, the board shall impose an ad valorem tax at a rate  
21 sufficient to create an interest and sinking fund to pay the  
22 principal of and interest on the bonds as the bonds mature.

23           (b) The tax required by this section together with any other  
24 ad valorem tax the district imposes may not in any year exceed the  
25 limit approved by the voters at the election authorizing the  
26 imposition of the tax. (Acts 60th Leg., R.S., Ch. 466, Sec. 7(b).)

27           Sec. 1062.203. GENERAL OBLIGATION BOND ELECTION. (a) The

1 district may issue general obligation bonds only if the bonds are  
2 authorized by a majority of the district voters voting at an  
3 election held for that purpose.

4 (b) The board may order a bond election.

5 (c) The election shall be conducted as provided by Chapter  
6 1251, Government Code. (Acts 60th Leg., R.S., Ch. 466, Secs. 7(c),  
7 (d).)

8 Sec. 1062.204. REVENUE BONDS. (a) The board may issue  
9 revenue bonds to:

10 (1) purchase, construct, acquire, repair, renovate,  
11 or equip buildings or improvements for hospital purposes;

12 (2) acquire sites to be used for hospital purposes; or

13 (3) acquire and operate a mobile emergency medical or  
14 air ambulance service to assist the district in carrying out its  
15 hospital purposes.

16 (b) The bonds must be payable from and secured by a pledge of  
17 all or part of the revenue derived from the operation of the  
18 district's hospital system.

19 (c) The bonds may be additionally secured by a mortgage or  
20 deed of trust lien on all or part of district property.

21 (d) The bonds must be issued in the manner provided by  
22 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
23 Code, for issuance of revenue bonds by a county hospital authority.  
24 (Acts 60th Leg., R.S., Ch. 466, Sec. 7A.)

25 Sec. 1062.205. MATURITY OF BONDS. District bonds must  
26 mature not later than 40 years after the date of issuance. (Acts  
27 60th Leg., R.S., Ch. 466, Sec. 7C (part).)



1           Sec. 1062.206. EXECUTION OF BONDS. (a) The board president  
2 shall execute the district's bonds in the district's name.

3           (b) The board secretary shall countersign the bonds in the  
4 manner provided by Chapter 618, Government Code. (Acts 60th Leg.,  
5 R.S., Ch. 466, Sec. 7C (part).)

6           [Sections 1062.207-1062.250 reserved for expansion]

7                                       SUBCHAPTER F. TAXES

8           Sec. 1062.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
9 may impose a tax on all property in the district subject to district  
10 taxation.

11          (b) The board shall impose the tax to pay:

12               (1) indebtedness issued or assumed by the district;  
13 and

14               (2) the maintenance and operating expenses of the  
15 district.

16          (c) The board may not impose a tax to pay the principal of or  
17 interest on revenue bonds. (Acts 60th Leg., R.S., Ch. 466, Secs. 12  
18 (part), 15 (part).)

19          Sec. 1062.252. TAX RATE. (a) The board may impose the tax  
20 at a rate not to exceed the limit approved by the voters at the  
21 election authorizing the imposition of the tax.

22          (b) The tax rate for all purposes may not exceed 75 cents on  
23 each \$100 valuation of all taxable property in the district.

24          (c) In setting the tax rate, the board shall consider the  
25 income of the district from sources other than taxation. (Acts 60th  
26 Leg., R.S., Ch. 466, Secs. 12 (part), 15 (part).)

27          Sec. 1062.253. TAX ASSESSOR-COLLECTOR. The board may

1 provide for the appointment of a tax assessor-collector for the  
2 district or may contract for the assessment and collection of taxes  
3 as provided by the Tax Code. (Acts 60th Leg., R.S., Ch. 466, Sec. 15  
4 (part).)

5 [Sections 1062.254-1062.300 reserved for expansion]

6 SUBCHAPTER G. DISSOLUTION

7 Sec. 1062.301. DISSOLUTION; ELECTION. (a) The district  
8 may be dissolved only on approval of a majority of the district  
9 voters voting in an election held for that purpose.

10 (b) The board may order an election on the question of  
11 dissolving the district and disposing of the district's assets and  
12 obligations.

13 (c) The board shall order an election if the board receives  
14 a petition requesting an election that is signed by at least 15  
15 percent of the registered voters of the district.

16 (d) The order calling the election must state:

17 (1) the nature of the election, including the  
18 proposition to appear on the ballot;

19 (2) the date of the election;

20 (3) the hours during which the polls will be open; and

21 (4) the location of the polling places.

22 (e) Section 41.001(a), Election Code, does not apply to an  
23 election ordered under this section. (Acts 60th Leg., R.S., Ch.  
24 466, Secs. 20C(a), (b), (c) (part).)

25 Sec. 1062.302. NOTICE OF ELECTION. (a) The board shall  
26 give notice of an election under this subchapter by publishing once  
27 a week for two consecutive weeks a copy of the election order in a

1 newspaper with general circulation in the district.

2 (b) The first publication of the notice must appear on or  
3 before the 35th day before the date set for the election. (Acts  
4 60th Leg., R.S., Ch. 466, Sec. 20C(d) (part).)

5 Sec. 1062.303. BALLOT. The ballot for an election under  
6 this subchapter must be printed to permit voting for or against the  
7 proposition: "The dissolution of the Mitchell County Hospital  
8 District." (Acts 60th Leg., R.S., Ch. 466, Sec. 20C(d) (part).)

9 Sec. 1062.304. ELECTION RESULTS. (a) If a majority of the  
10 votes in an election under this subchapter favor dissolution, the  
11 board shall find that the district is dissolved.

12 (b) If a majority of the votes in the election do not favor  
13 dissolution, the board shall continue to administer the district  
14 and another election on the question of dissolution may not be held  
15 before the first anniversary of the date of the most recent election  
16 to dissolve the district. (Acts 60th Leg., R.S., Ch. 466, Sec.  
17 20C(e).)

18 Sec. 1062.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

19 (a) If a majority of the votes in the election held under this  
20 subchapter favor dissolution, the board shall:

21 (1) transfer the land, buildings, improvements,  
22 equipment, and other assets that belong to the district to a county  
23 or to another governmental entity in Mitchell County;

24 (2) sell the assets and liabilities to another person;  
25 or

26 (3) administer the property, assets, and debts until  
27 all money has been disposed of and all district debts have been paid

1 or settled.

2 (b) If the board makes the transfer under Subsection (a)(1),  
3 the county or entity assumes all debts and obligations of the  
4 district at the time of the transfer, and the district is dissolved.

5 (c) If Subsections (a)(1) and (2) do not apply and the board  
6 administers the property, assets, and debts of the district under  
7 Subsection (a)(3), the district is dissolved when all money has  
8 been disposed of and all district debts have been paid or settled.  
9 (Acts 60th Leg., R.S., Ch. 466, Secs. 20C(f), (g), (m) (part).)

10 Sec. 1062.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

11 (a) The dissolution of the district and the sale or transfer of the  
12 district's assets and liabilities to another person may not  
13 contravene a trust indenture or bond resolution relating to the  
14 district's outstanding bonds. The dissolution and sale or transfer  
15 does not diminish or impair the rights of a holder of an outstanding  
16 bond, warrant, or other obligation of the district.

17 (b) The sale or transfer of the district's assets and  
18 liabilities must satisfy the debt and bond obligations of the  
19 district in a manner that protects the interests of district  
20 residents, including the residents' collective property rights in  
21 the district's assets.

22 (c) The district may not transfer or dispose of the  
23 district's assets except for due compensation unless:

24 (1) the transfer is made to another governmental  
25 entity that serves the district; and

26 (2) the transferred assets are to be used for the  
27 benefit of the district's residents.

1 (d) A grant from federal funds is an obligation to be repaid  
2 in satisfaction. (Acts 60th Leg., R.S., Ch. 466, Secs. 20C(m)  
3 (part), (n).)

4 Sec. 1062.307. IMPOSITION OF TAX AND RETURN OF SURPLUS  
5 TAXES. (a) After the board finds that the district is dissolved,  
6 the board shall:

7 (1) determine the debt owed by the district; and

8 (2) impose on the property included in the district's  
9 tax rolls a tax that is in proportion of the debt to the property  
10 value.

11 (b) On the payment of all outstanding debts and obligations  
12 of the district, the board shall order the person serving as  
13 secretary and treasurer to return to each district taxpayer the  
14 taxpayer's pro rata share of all unused tax money.

15 (c) A taxpayer may request that the taxpayer's share of  
16 surplus tax money be credited to the taxpayer's county taxes. If a  
17 taxpayer requests the credit, the board shall direct the person  
18 serving as secretary and treasurer to transmit the money to the  
19 county tax assessor-collector. (Acts 60th Leg., R.S., Ch. 466,  
20 Secs. 20C(h), (i), (j).)

21 Sec. 1062.308. REPORT; DISSOLUTION ORDER. (a) After the  
22 district has paid all district debts and has disposed of all  
23 district money and other assets as prescribed by this subchapter,  
24 the board shall file a written report with the Commissioners Court  
25 of Mitchell County summarizing the board's actions in dissolving  
26 the district.

27 (b) Not later than the 10th day after the date the

1 Commissioners Court of Mitchell County receives the report and  
2 determines that the requirements of this subchapter have been  
3 fulfilled, the commissioners court shall enter an order dissolving  
4 the district and releasing the board from any further duty or  
5 obligation. (Acts 60th Leg., R.S., Ch. 466, Secs. 20C(k), (l).)

6 CHAPTER 1065. MOTLEY COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1065.001. DEFINITIONS

9 Sec. 1065.002. AUTHORITY FOR OPERATION

10 Sec. 1065.003. POLITICAL SUBDIVISION

11 Sec. 1065.004. DISTRICT TERRITORY

12 Sec. 1065.005. CORRECTION OF INVALID PROCEDURES

13 [Sections 1065.006-1065.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1065.051. BOARD ELECTION; TERM

16 Sec. 1065.052. NOTICE OF ELECTION

17 Sec. 1065.053. BALLOT PETITION

18 Sec. 1065.054. QUALIFICATIONS FOR OFFICE

19 Sec. 1065.055. BOND NOT REQUIRED

20 Sec. 1065.056. BOARD VACANCY

21 Sec. 1065.057. OFFICERS

22 Sec. 1065.058. COMPENSATION; EXPENSES

23 Sec. 1065.059. VOTING REQUIREMENT

24 Sec. 1065.060. EMPLOYEES

25 Sec. 1065.061. MAINTENANCE OF RECORDS; PUBLIC

26 INSPECTION

27 Sec. 1065.062. SEAL

1 [Sections 1065.063-1065.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1065.101. DISTRICT RESPONSIBILITY

4 Sec. 1065.102. RESTRICTION ON COUNTY OR MUNICIPALITY

5 TAXATION

6 Sec. 1065.103. MANAGEMENT AND CONTROL

7 Sec. 1065.104. HOSPITAL SYSTEM

8 Sec. 1065.105. RULES

9 Sec. 1065.106. PURCHASING AND ACCOUNTING PROCEDURES

10 Sec. 1065.107. DISTRICT PROPERTY AND FACILITIES

11 Sec. 1065.108. EMINENT DOMAIN

12 Sec. 1065.109. GIFTS AND ENDOWMENTS

13 Sec. 1065.110. OPERATING AND MANAGEMENT CONTRACTS

14 Sec. 1065.111. PAYMENT FOR TREATMENT; PROCEDURES

15 Sec. 1065.112. AUTHORITY TO SUE AND BE SUED

16 [Sections 1065.113-1065.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 1065.151. BUDGET

19 Sec. 1065.152. PROPOSED BUDGET: NOTICE AND HEARING

20 Sec. 1065.153. FISCAL YEAR

21 Sec. 1065.154. ANNUAL AUDIT

22 Sec. 1065.155. DEPOSITORY OR TREASURER

23 [Sections 1065.156-1065.200 reserved for expansion]

24 SUBCHAPTER E. BONDS

25 Sec. 1065.201. GENERAL OBLIGATION BONDS

26 Sec. 1065.202. TAX TO PAY GENERAL OBLIGATION BONDS

27 Sec. 1065.203. GENERAL OBLIGATION BOND ELECTION

1 Sec. 1065.204. MATURITY OF GENERAL OBLIGATION BONDS

2 Sec. 1065.205. EXECUTION OF GENERAL OBLIGATION BONDS

3 Sec. 1065.206. REVENUE OR SPECIAL OBLIGATION BONDS

4 Sec. 1065.207. CHARGES FOR SERVICES RENDERED

5 [Sections 1065.208-1065.250 reserved for expansion]

6 SUBCHAPTER F. TAXES

7 Sec. 1065.251. IMPOSITION OF AD VALOREM TAX

8 Sec. 1065.252. TAX RATE

9 Sec. 1065.253. TAX ASSESSOR-COLLECTOR

10 CHAPTER 1065. MOTLEY COUNTY HOSPITAL DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 1065.001. DEFINITIONS. In this chapter:

13 (1) "Board" means the board of directors of the  
14 district.

15 (2) "Director" means a member of the board.

16 (3) "District" means the Motley County Hospital  
17 District. (New.)

18 Sec. 1065.002. AUTHORITY FOR OPERATION. The district  
19 operates in accordance with Section 9, Article IX, Texas  
20 Constitution. The district has the rights, powers, and duties  
21 provided by this chapter. (Acts 59th Leg., R.S., Ch. 465, Sec. 1  
22 (part).)

23 Sec. 1065.003. POLITICAL SUBDIVISION. The district is a  
24 political subdivision of this state. (Acts 59th Leg., R.S., Ch.  
25 465, Sec. 18 (part).)

26 Sec. 1065.004. DISTRICT TERRITORY. The boundaries of the  
27 district are identical with the boundaries of Motley County, Texas.



1 (Acts 59th Leg., R.S., Ch. 465, Sec. 1 (part).)

2 Sec. 1065.005. CORRECTION OF INVALID PROCEDURES. If a  
3 court holds that any procedure under this chapter violates the  
4 constitution of this state or of the United States, the district by  
5 resolution may provide an alternative procedure that conforms with  
6 the constitution. (Acts 59th Leg., R.S., Ch. 465, Sec. 19 (part).)

7 [Sections 1065.006-1065.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT ADMINISTRATION

9 Sec. 1065.051. BOARD ELECTION; TERM. (a) The board  
10 consists of five directors elected from the district at large.

11 (b) Directors serve staggered two-year terms unless  
12 four-year terms are established under Section 285.081, Health and  
13 Safety Code. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

14 Sec. 1065.052. NOTICE OF ELECTION. At least 10 days before  
15 the date of an election of directors, notice of the election shall  
16 be published one time in a newspaper of general circulation in  
17 Motley County. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

18 Sec. 1065.053. BALLOT PETITION. A person who wants to have  
19 the person's name printed on the ballot as a candidate for director  
20 must file with the board secretary a petition requesting that  
21 action. The petition must be:

22 (1) signed by not less than five registered voters;

23 and

24 (2) filed at least 25 days before the date of the  
25 election. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

26 Sec. 1065.054. QUALIFICATIONS FOR OFFICE. A director must:

27 (1) be a district resident;

1           (2) own land in the district subject to taxation; and  
2           (3) be at least 18 years of age when appointed or  
3 elected. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

4           Sec. 1065.055. BOND NOT REQUIRED. A director is not  
5 required to post a public official's bond. (Acts 59th Leg., R.S.,  
6 Ch. 465, Sec. 3 (part).)

7           Sec. 1065.056. BOARD VACANCY. (a) If a vacancy occurs in  
8 the office of director, the remaining directors shall appoint a  
9 director for the unexpired term.

10           (b) If the number of directors is reduced to fewer than  
11 three for any reason, the remaining directors shall immediately  
12 call a special election to fill the vacancies. If the remaining  
13 directors do not call the election, a district court, on  
14 application of a district voter or taxpayer, may order the  
15 directors to hold the election. (Acts 59th Leg., R.S., Ch. 465,  
16 Sec. 3 (part).)

17           Sec. 1065.057. OFFICERS. The board shall elect from among  
18 its members a president and a secretary. (Acts 59th Leg., R.S., Ch.  
19 465, Sec. 3 (part).)

20           Sec. 1065.058. COMPENSATION; EXPENSES. A director serves  
21 without compensation but may be reimbursed for actual expenses  
22 incurred in the performance of official duties on approval of the  
23 expenses by the board. (Acts 59th Leg., R.S., Ch. 465, Sec. 4  
24 (part).)

25           Sec. 1065.059. VOTING REQUIREMENT. A concurrence of three  
26 directors is sufficient in any matter relating to district  
27 business. (Acts 59th Leg., R.S., Ch. 465, Sec. 3 (part).)

1           Sec. 1065.060. EMPLOYEES. The board may employ a general  
2 manager, attorney, bookkeeper, and architect and any other  
3 employees considered necessary for the efficient operation of the  
4 district. (Acts 59th Leg., R.S., Ch. 465, Sec. 8 (part).)

5           Sec. 1065.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.  
6 All district records, including books, accounts, notices, minutes,  
7 and all other matters of the district and the operation of its  
8 facilities, shall be:

9                   (1) maintained at the district office; and

10                   (2) open to public inspection at the district office  
11 at all reasonable hours. (Acts 59th Leg., R.S., Ch. 465, Sec. 8  
12 (part).)

13           Sec. 1065.062. SEAL. The board may adopt a seal for the  
14 district. (Acts 59th Leg., R.S., Ch. 465, Sec. 8 (part).)

15                   [Sections 1065.063-1065.100 reserved for expansion]

16                                   SUBCHAPTER C. POWERS AND DUTIES

17           Sec. 1065.101. DISTRICT RESPONSIBILITY. The district has  
18 full responsibility for providing medical and hospital care for the  
19 district's needy inhabitants and for the district's needy and  
20 indigent residents. (Acts 59th Leg., R.S., Ch. 465, Secs. 2 (part),  
21 14 (part).)

22           Sec. 1065.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
23 TAXATION. Motley County or a municipality in the district may not  
24 impose a tax on property in the district for hospital purposes.  
25 (Acts 59th Leg., R.S., Ch. 465, Sec. 14 (part).)

26           Sec. 1065.103. MANAGEMENT AND CONTROL. The management and  
27 control of the district are vested in the board. (Acts 59th Leg.,

1 R.S., Ch. 465, Sec. 4 (part).)

2           Sec. 1065.104. HOSPITAL SYSTEM. The district shall provide  
3 for the establishment of a hospital system to provide medical and  
4 hospital care to the district's residents by:

5           (1) purchasing, constructing, acquiring, repairing,  
6 or renovating buildings and improvements;

7           (2) equipping the buildings and improvements; and

8           (3) administering the buildings and improvements for  
9 hospital purposes. (Acts 59th Leg., R.S., Ch. 465, Sec. 2 (part).)

10          Sec. 1065.105. RULES. (a) The board may adopt rules  
11 governing the operation of the district, including district  
12 facilities.

13          (b) On approval by the board, the rules may be published in  
14 booklet form at district expense and made available to any taxpayer  
15 on request. (Acts 59th Leg., R.S., Ch. 465, Sec. 8 (part).)

16          Sec. 1065.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
17 The board may prescribe the method and manner of making purchases  
18 and expenditures by and for the district.

19          (b) The board shall prescribe:

20           (1) all accounting and control procedures; and

21           (2) the method of purchasing necessary supplies,  
22 materials, and equipment. (Acts 59th Leg., R.S., Ch. 465, Sec. 8  
23 (part).)

24          Sec. 1065.107. DISTRICT PROPERTY AND FACILITIES. (a) The  
25 board shall determine the type, number, and location of buildings  
26 required to maintain an adequate hospital system. Nothing here  
27 prohibits the establishing and equipping of a clinic as part of the

1 hospital system.

2 (b) The board may lease all or part of the district's  
3 buildings and other facilities on terms considered to be in the best  
4 interest of the district's inhabitants. The term of the lease may  
5 not exceed 25 years. (Acts 59th Leg., R.S., Ch. 465, Sec. 7  
6 (part).)

7 Sec. 1065.108. EMINENT DOMAIN. (a) The district may  
8 exercise the power of eminent domain to acquire a fee simple or  
9 other interest in any type of property located in district  
10 territory if the property interest is necessary or convenient for  
11 the district to exercise a right, power, privilege, or function  
12 conferred on the district by this chapter.

13 (b) The district must exercise the power of eminent domain  
14 in the manner provided by Chapter 21, Property Code, except the  
15 district is not required to deposit in the trial court money or a  
16 bond as provided by Section 21.021(a), Property Code.

17 (c) In a condemnation proceeding brought by the district,  
18 the district is not required to:

19 (1) pay in advance or provide a bond or other security  
20 for costs in the trial court;

21 (2) provide a bond for the issuance of a temporary  
22 restraining order or a temporary injunction; or

23 (3) provide a bond for costs or a supersedeas bond on  
24 an appeal or writ of error. (Acts 59th Leg., R.S., Ch. 465, Sec.  
25 11.)

26 Sec. 1065.109. GIFTS AND ENDOWMENTS. The board may accept  
27 for the district a gift or endowment for the purposes and under the

1 directions, limitations, or other provisions prescribed in writing  
2 by the donor that are not inconsistent with the proper management  
3 and objectives of the district. (Acts 59th Leg., R.S., Ch. 465,  
4 Sec. 16.)

5 Sec. 1065.110. OPERATING AND MANAGEMENT CONTRACTS. The  
6 board may enter into an operating or management contract relating  
7 to a district facility. (Acts 59th Leg., R.S., Ch. 465, Sec. 7  
8 (part).)

9 Sec. 1065.111. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
10 When a patient who resides in the district is admitted to a district  
11 facility, the board shall have an inquiry made into the  
12 circumstances of:

- 13 (1) the patient; and  
14 (2) the patient's relatives who are legally liable for  
15 the patient's support.

16 (b) If an agent designated by the district to handle the  
17 inquiry determines that the patient or those relatives cannot pay  
18 all or part of the costs of the care and treatment in the hospital,  
19 the amount of the costs that cannot be paid becomes a charge against  
20 the district.

21 (c) If the board determines that the patient or those  
22 relatives are liable to pay for all or part of the costs of the  
23 patient's care and treatment, the patient or those relatives shall  
24 be ordered to pay to the district's treasurer a specified amount  
25 each week for the patient's support. The amount ordered must be  
26 proportionate to the person's financial ability and may not exceed  
27 the actual per capita cost of maintenance.

1 (d) The district may collect the amount from the patient's  
2 estate, or from any relative who is legally liable for the patient's  
3 support, in the manner provided by law for the collection of  
4 expenses of the last illness of a deceased person.

5 (e) If there is a dispute as to the ability to pay, or doubt  
6 in the mind of the district's designated agent, the board shall hold  
7 a hearing and, after calling witnesses, shall:

8 (1) resolve the dispute or doubt; and

9 (2) issue an appropriate order.

10 (f) The order may be appealed to the district court. (Acts  
11 59th Leg., R.S., Ch. 465, Sec. 15.)

12 Sec. 1065.112. AUTHORITY TO SUE AND BE SUED. As a  
13 governmental agency, the district may sue and be sued in its own  
14 name in any court of this state. (Acts 59th Leg., R.S., Ch. 465,  
15 Sec. 18 (part).)

16 [Sections 1065.113-1065.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 1065.151. BUDGET. The board annually shall require a  
19 budget to be prepared for the next fiscal year that includes:

20 (1) proposed expenditures and disbursements;

21 (2) estimated receipts and collections; and

22 (3) the amount of taxes required to be imposed for the  
23 year. (Acts 59th Leg., R.S., Ch. 465, Sec. 9 (part).)

24 Sec. 1065.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
25 The board shall hold a public hearing on the proposed budget.

26 (b) Notice of the hearing must be published at least once in  
27 a newspaper of general circulation in Motley County not later than

1 the 10th day before the date of the hearing.

2 (c) Any district taxpayer is entitled to:

3 (1) appear at the time and place designated in the  
4 notice; and

5 (2) be heard regarding any item included in the  
6 proposed budget. (Acts 59th Leg., R.S., Ch. 465, Sec. 9 (part).)

7 Sec. 1065.153. FISCAL YEAR. The district operates on a  
8 fiscal year that begins on October 1 and ends on September 30.  
9 (Acts 59th Leg., R.S., Ch. 465, Sec. 9 (part).)

10 Sec. 1065.154. ANNUAL AUDIT. The board annually shall have  
11 an independent audit made of the district's books and records.  
12 (Acts 59th Leg., R.S., Ch. 465, Sec. 9 (part).)

13 Sec. 1065.155. DEPOSITORY OR TREASURER. (a) The board by  
14 resolution shall designate a bank or banks in Motley County as the  
15 district's depository or treasurer. A designated bank serves for  
16 two years and until a successor is designated.

17 (b) All district money shall be secured in the manner  
18 provided for securing county funds. (Acts 59th Leg., R.S., Ch. 465,  
19 Sec. 12.)

20 [Sections 1065.156-1065.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Sec. 1065.201. GENERAL OBLIGATION BONDS. The board may  
23 issue and sell general obligation bonds in the name and on the faith  
24 of the district for any purpose relating to:

25 (1) the purchase, construction, acquisition, repair,  
26 or renovation of buildings or improvements; and

27 (2) equipping buildings or improvements for hospital



1 purposes. (Acts 59th Leg., R.S., Ch. 465, Sec. 6 (part).)

2       Sec. 1065.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)  
3 The board shall impose an ad valorem tax at a rate sufficient to  
4 create an interest and sinking fund to pay the principal of and  
5 interest on general obligation bonds issued under Section 1065.201  
6 as the bonds mature.

7       (b) The tax required by this section together with any other  
8 ad valorem tax the district imposes may not in any year exceed 75  
9 cents on each \$100 valuation of taxable property in the district.  
10 (Acts 59th Leg., R.S., Ch. 465, Sec. 6 (part).)

11       Sec. 1065.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
12 district may issue general obligation bonds only if the bonds are  
13 authorized by a majority of the district voters voting at an  
14 election.

15       (b) The board may call the election on its own motion.

16       (c) The order calling the election must specify:

- 17           (1) the date of the election;  
18           (2) the location of the polling places;  
19           (3) the presiding election officers;  
20           (4) the purpose of the bond issuance;  
21           (5) the amount of the bonds to be authorized;  
22           (6) the maximum interest rate of the bonds; and  
23           (7) the maximum maturity of the bonds.

24       (d) Notice of a bond election shall be given by publishing a  
25 substantial copy of the order calling the election in a newspaper of  
26 general circulation in Motley County once each week for two  
27 consecutive weeks before the date of the election. The first

1 publication must occur at least 14 days before the date of the  
2 election. (Acts 59th Leg., R.S., Ch. 465, Sec. 6 (part).)

3       Sec. 1065.204. MATURITY OF GENERAL OBLIGATION BONDS.  
4 District general obligation bonds must mature not later than 40  
5 years after the date of issuance. (Acts 59th Leg., R.S., Ch. 465,  
6 Sec. 6 (part).)

7       Sec. 1065.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
8 The board president shall execute the general obligation bonds in  
9 the district's name.

10       (b) The board secretary shall countersign the bonds. (Acts  
11 59th Leg., R.S., Ch. 465, Sec. 6 (part).)

12       Sec. 1065.206. REVENUE OR SPECIAL OBLIGATION BONDS. (a)  
13 The board may issue and sell revenue or special obligation bonds for  
14 the purposes provided by Section 1065.201.

15       (b) Special obligation bonds must be payable from the  
16 revenue of the district's entire hospital system, including that  
17 portion originally acquired and all past or future extensions,  
18 additions, or replacements, excluding taxes, after deducting the  
19 cost of maintaining and operating the system. For purposes of this  
20 subsection, the cost of maintaining and operating the system:

21           (1) may include only the items set forth and defined in  
22 the resolution authorizing the bond issuance; and

23           (2) may not include the cost of providing medical or  
24 hospital care for the district's needy inhabitants.

25       (c) A cost described by Subsection (b)(2) is a maintenance  
26 and operating expense for budget and tax purposes.

27       (d) The district may issue revenue bonds without an

1 election.

2 (e) Revenue bonds may be additionally secured by:

3 (1) a mortgage or deed of trust on real property;

4 (2) a chattel mortgage on the district's personal  
5 property; or

6 (3) both.

7 (f) The board may issue bonds that are a junior lien on the  
8 district's net revenue or property and additional parity bonds  
9 under conditions specified in the bond resolution or trust  
10 indenture.

11 (g) Money for the payment of not more than two years'  
12 interest on the bonds and an amount the board estimates will be  
13 required for maintenance and operating expenses during the first  
14 two years of operation may be set aside out of the proceeds from the  
15 sale of the bonds.

16 (h) A revenue bond issued by the district must contain the  
17 provision: "The holder of the bond may not demand payment of this  
18 bond or appurtenant coupons out of money raised or to be raised by  
19 taxation." (Acts 59th Leg., R.S., Ch. 465, Sec. 6(a) (part).)

20 Sec. 1065.207. CHARGES FOR SERVICES RENDERED. If the board  
21 issues revenue bonds, the board shall charge and collect rates for  
22 services rendered by the hospital system that are sufficient to:

23 (1) pay the maintenance and operating expenses  
24 described by Section 1065.206;

25 (2) pay the principal of and interest on the bonds as  
26 each becomes due; and

27 (3) create and maintain a bond reserve fund and other

1 funds as provided in the bond resolution or trust indenture. (Acts  
2 59th Leg., R.S., Ch. 465, Sec. 6(a) (part).)

3 [Sections 1065.208-1065.250 reserved for expansion]

4 SUBCHAPTER F. TAXES

5 Sec. 1065.251. IMPOSITION OF AD VALOREM TAX. (a) On final  
6 approval of the annual budget, the board shall impose a tax on all  
7 property in the district subject to district taxation.

8 (b) The board shall impose the tax to:

9 (1) pay the interest on and create a sinking fund for  
10 bonds issued by the district for hospital purposes; and

11 (2) provide for the maintenance and operation of the  
12 district and hospital system. (Acts 59th Leg., R.S., Ch. 465, Secs.  
13 5 (part), 9 (part).)

14 Sec. 1065.252. TAX RATE. The board may impose the tax at a  
15 rate not to exceed 75 cents on each \$100 valuation of all taxable  
16 property in the district. (Acts 59th Leg., R.S., Ch. 465, Sec. 5  
17 (part).)

18 Sec. 1065.253. TAX ASSESSOR-COLLECTOR. The tax  
19 assessor-collector of Motley County shall assess and collect taxes  
20 imposed by the district. (Acts 59th Leg., R.S., Ch. 465, Sec. 10  
21 (part).)

22 CHAPTER 1066. MOULTON COMMUNITY MEDICAL CLINIC DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 1066.001. DEFINITIONS

25 Sec. 1066.002. AUTHORITY FOR OPERATION

26 Sec. 1066.003. ESSENTIAL PUBLIC FUNCTION

27 Sec. 1066.004. DISTRICT TERRITORY

- 1 Sec. 1066.005. DISTRICT SUPPORT AND MAINTENANCE NOT  
2 STATE OBLIGATION
- 3 Sec. 1066.006. RESTRICTION ON STATE FINANCIAL  
4 ASSISTANCE
- 5 [Sections 1066.007-1066.050 reserved for expansion]
- 6 SUBCHAPTER B. DISTRICT ADMINISTRATION
- 7 Sec. 1066.051. BOARD ELECTION; TERM
- 8 Sec. 1066.052. NOTICE OF ELECTION
- 9 Sec. 1066.053. QUALIFICATIONS FOR OFFICE
- 10 Sec. 1066.054. BOARD VACANCY
- 11 Sec. 1066.055. OFFICERS
- 12 Sec. 1066.056. COMPENSATION; EXPENSES
- 13 Sec. 1066.057. VOTING REQUIREMENT
- 14 Sec. 1066.058. DISTRICT ADMINISTRATOR
- 15 Sec. 1066.059. GENERAL DUTIES OF DISTRICT  
16 ADMINISTRATOR
- 17 Sec. 1066.060. ASSISTANT DISTRICT ADMINISTRATOR;  
18 ATTORNEY
- 19 Sec. 1066.061. EMPLOYEES; APPOINTMENT OF STAFF
- 20 Sec. 1066.062. RETIREMENT BENEFITS
- 21 [Sections 1066.063-1066.100 reserved for expansion]
- 22 SUBCHAPTER C. POWERS AND DUTIES
- 23 Sec. 1066.101. DISTRICT RESPONSIBILITY
- 24 Sec. 1066.102. RESTRICTION ON COUNTY AND MUNICIPALITY  
25 TAXATION AND DEBT
- 26 Sec. 1066.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 27 Sec. 1066.104. RULES

- 1 Sec. 1066.105. PURCHASING AND ACCOUNTING PROCEDURES  
2 Sec. 1066.106. DISTRICT PROPERTY, FACILITIES, AND  
3 EQUIPMENT  
4 Sec. 1066.107. EMINENT DOMAIN  
5 Sec. 1066.108. COST OF RELOCATING OR ALTERING PROPERTY  
6 Sec. 1066.109. GIFTS AND ENDOWMENTS  
7 Sec. 1066.110. CONSTRUCTION CONTRACTS  
8 Sec. 1066.111. OPERATING AND MANAGEMENT CONTRACTS  
9 Sec. 1066.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
10 FOR SERVICES  
11 Sec. 1066.113. PAYMENT FOR TREATMENT; PROCEDURES  
12 Sec. 1066.114. REIMBURSEMENT FOR SERVICES  
13 Sec. 1066.115. AUTHORITY TO SUE AND BE SUED  
14 [Sections 1066.116-1066.150 reserved for expansion]  
15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
16 Sec. 1066.151. BUDGET  
17 Sec. 1066.152. NOTICE; HEARING; ADOPTION OF BUDGET  
18 Sec. 1066.153. AMENDMENTS TO BUDGET  
19 Sec. 1066.154. RESTRICTION ON EXPENDITURES  
20 Sec. 1066.155. FISCAL YEAR  
21 Sec. 1066.156. ANNUAL AUDIT  
22 Sec. 1066.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
23 RECORDS  
24 Sec. 1066.158. FINANCIAL REPORT  
25 Sec. 1066.159. DEPOSITORY  
26 Sec. 1066.160. SPENDING AND INVESTMENT RESTRICTIONS  
27 [Sections 1066.161-1066.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

2 Sec. 1066.201. GENERAL OBLIGATION BONDS

3 Sec. 1066.202. TAX TO PAY GENERAL OBLIGATION BONDS

4 Sec. 1066.203. GENERAL OBLIGATION BOND ELECTION

5 Sec. 1066.204. REVENUE BONDS

6 Sec. 1066.205. REFUNDING BONDS

7 Sec. 1066.206. MATURITY OF BONDS

8 Sec. 1066.207. EXECUTION OF BONDS

9 Sec. 1066.208. BONDS EXEMPT FROM TAXATION

10 [Sections 1066.209-1066.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1066.251. IMPOSITION OF AD VALOREM TAX

13 Sec. 1066.252. TAX RATE

14 Sec. 1066.253. TAX ASSESSOR-COLLECTOR

15 CHAPTER 1066. MOULTON COMMUNITY MEDICAL CLINIC DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 1066.001. DEFINITIONS. In this chapter:

18 (1) "Board" means the board of directors of the  
19 district.

20 (2) "Director" means a member of the board.

21 (3) "District" means the Moulton Community Medical  
22 Clinic District. (Acts 71st Leg., R.S., Ch. 546, Sec. 1.01.)

23 Sec. 1066.002. AUTHORITY FOR OPERATION. The district  
24 operates and is financed as provided by Section 9, Article IX, Texas  
25 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 546,  
26 Sec. 1.02.)

27 Sec. 1066.003. ESSENTIAL PUBLIC FUNCTION. The district is

1 a public entity performing an essential public function. (Acts  
2 71st Leg., R.S., Ch. 546, Sec. 7.11 (part).)

3 Sec. 1066.004. DISTRICT TERRITORY. The boundaries of the  
4 district are coextensive with the boundaries of Moulton Independent  
5 School District of Lavaca County, Texas, as those boundaries  
6 existed on August 28, 1989. (Acts 71st Leg., R.S., Ch. 546, Sec.  
7 1.03.)

8 Sec. 1066.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
9 OBLIGATION. The state may not become obligated for the support or  
10 maintenance of the district. (Acts 71st Leg., R.S., Ch. 546, Sec.  
11 9.01 (part).)

12 Sec. 1066.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
13 The legislature may not make a direct appropriation for the  
14 construction, maintenance, or improvement of a district facility.  
15 (Acts 71st Leg., R.S., Ch. 546, Sec. 9.01 (part).)

16 [Sections 1066.007-1066.050 reserved for expansion]

17 SUBCHAPTER B. DISTRICT ADMINISTRATION

18 Sec. 1066.051. BOARD ELECTION; TERM. (a) The district is  
19 governed by a board of nine directors elected from the district at  
20 large.

21 (b) Unless four-year terms are established under Section  
22 285.081, Health and Safety Code:

23 (1) directors serve staggered two-year terms; and

24 (2) an election shall be held on the uniform election  
25 date in May of each year to elect the appropriate number of  
26 directors. (Acts 71st Leg., R.S., Ch. 546, Secs. 4.01(a), 4.03(a),

27 (c) (part).)



1           Sec. 1066.052. NOTICE OF ELECTION. At least 35 days before  
2 the date of an election of directors, notice of the election shall  
3 be published one time in a newspaper with general circulation in the  
4 district. (Acts 71st Leg., R.S., Ch. 546, Sec. 4.04.)

5           Sec. 1066.053. QUALIFICATIONS FOR OFFICE. To be eligible  
6 to be a candidate for or to serve as a director, a person must be:

- 7                   (1) a district resident; and  
8                   (2) a qualified voter. (Acts 71st Leg., R.S., Ch. 546,  
9 Sec. 4.06.)

10          Sec. 1066.054. BOARD VACANCY. If a vacancy occurs in the  
11 office of director, the remaining directors shall appoint a  
12 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 546,  
13 Sec. 4.07.)

14          Sec. 1066.055. OFFICERS. (a) The board shall elect a  
15 president, vice president, and treasurer from among its members.

16               (b) The board shall appoint a secretary, who need not be a  
17 director.

18               (c) Each officer of the board serves for a term of one year.

19               (d) The board shall fill a vacancy in a board office for the  
20 unexpired term. (Acts 71st Leg., R.S., Ch. 546, Secs. 4.08, 4.09.)

21          Sec. 1066.056. COMPENSATION; EXPENSES. A director or  
22 officer serves without compensation but may be reimbursed for  
23 actual expenses incurred in the performance of official duties.  
24 The expenses must be:

- 25                   (1) reported in the district's records; and  
26                   (2) approved by the board. (Acts 71st Leg., R.S., Ch.  
27 546, Sec. 4.10.)

1           Sec. 1066.057. VOTING REQUIREMENT. A concurrence of a  
2 majority of the directors voting is necessary in any matter  
3 relating to district business. (Acts 71st Leg., R.S., Ch. 546, Sec.  
4 4.11.)

5           Sec. 1066.058. DISTRICT ADMINISTRATOR. (a) The board may  
6 appoint a qualified person as district administrator.

7           (b) The district administrator serves at the will of the  
8 board and is entitled to compensation determined by the board.

9           (c) Before assuming the duties of district administrator,  
10 the administrator must execute a bond in the amount determined by  
11 the board of not less than \$5,000 that is:

12                   (1) payable to the district; and

13                   (2) conditioned on the faithful performance of the  
14 administrator's duties under this chapter.

15           (d) The board may pay for the bond with district money.  
16 (Acts 71st Leg., R.S., Ch. 546, Secs. 4.12(a) (part), (b) (part),  
17 (c) (part), (d).)

18           Sec. 1066.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
19 Subject to the limitations prescribed by the board, the district  
20 administrator shall:

21                   (1) supervise the work and activities of the district;  
22 and

23                   (2) direct the general affairs of the district. (Acts  
24 71st Leg., R.S., Ch. 546, Sec. 4.15.)

25           Sec. 1066.060. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

26 (a) The board may appoint qualified persons as:

27                   (1) the assistant district administrator; and

1           (2) the attorney for the district.

2           (b) The attorney for the district and the assistant district  
3 administrator serve at the will of the board and are entitled to the  
4 compensation determined by the board. (Acts 71st Leg., R.S., Ch.  
5 546, Secs. 4.12(a) (part), (b) (part), (c) (part).)

6           Sec. 1066.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
7 board may appoint to the staff any doctors the board considers  
8 necessary for the efficient operation of the district and may make  
9 temporary appointments as necessary.

10          (b) The district may employ technicians, nurses, fiscal  
11 agents, accountants, architects, additional attorneys, and other  
12 necessary employees.

13          (c) The board may delegate to the district administrator the  
14 authority to employ district employees. (Acts 71st Leg., R.S., Ch.  
15 546, Secs. 4.13, 4.14.)

16          Sec. 1066.062. RETIREMENT BENEFITS. The board may provide  
17 retirement benefits for district employees by:

18           (1) establishing or administering a retirement  
19 program; or

20           (2) participating in:

21           (A) the Texas County and District Retirement  
22 System; or

23           (B) another statewide retirement system in which  
24 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.  
25 546, Sec. 4.16.)

26           [Sections 1066.063-1066.100 reserved for expansion]

1                   SUBCHAPTER C. POWERS AND DUTIES

2           Sec. 1066.101. DISTRICT RESPONSIBILITY. The district has  
3 full responsibility for:

4                   (1) operating hospital facilities; and

5                   (2) providing medical and hospital care for the  
6 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 546, Sec.  
7 5.02 (part).)

8           Sec. 1066.102. RESTRICTION ON COUNTY AND MUNICIPALITY  
9 TAXATION AND DEBT. Lavaca County and the City of Moulton may not  
10 impose a tax or issue bonds or other obligations for hospital  
11 purposes or to provide medical care for district residents. (Acts  
12 71st Leg., R.S., Ch. 546, Sec. 5.01(b).)

13           Sec. 1066.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
14 The board shall manage, control, and administer the clinic or a  
15 hospital system and the district's money and resources. (Acts 71st  
16 Leg., R.S., Ch. 546, Sec. 5.03.)

17           Sec. 1066.104. RULES. The board may adopt rules governing:

18                   (1) the operation of the clinic or a hospital and  
19 hospital system; and

20                   (2) the duties, functions, and responsibilities of  
21 district staff and employees. (Acts 71st Leg., R.S., Ch. 546, Sec.  
22 5.04.)

23           Sec. 1066.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
24 board may prescribe:

25                   (1) the method of making purchases and expenditures by  
26 and for the district; and

27                   (2) accounting and control procedures for the

1 district. (Acts 71st Leg., R.S., Ch. 546, Sec. 5.05.)

2 Sec. 1066.106. DISTRICT PROPERTY, FACILITIES, AND  
3 EQUIPMENT. (a) The board shall determine:

4 (1) the type, number, and location of buildings  
5 required to maintain the clinic or an adequate hospital system; and

6 (2) the type of equipment necessary for medical care.

7 (b) The board may:

8 (1) acquire property, including facilities and  
9 equipment, for the district for the clinic or the hospital system;  
10 and

11 (2) mortgage or pledge the property as security for  
12 the payment of the purchase price.

13 (c) The board may lease district facilities for the  
14 district.

15 (d) The board may sell or otherwise dispose of property,  
16 including facilities or equipment, for the district. (Acts 71st  
17 Leg., R.S., Ch. 546, Sec. 5.06.)

18 Sec. 1066.107. EMINENT DOMAIN. (a) The district may  
19 exercise the power of eminent domain to acquire a fee simple or  
20 other interest in property located in district territory if the  
21 interest is necessary for the district to exercise a right or  
22 authority conferred by this chapter.

23 (b) The district must exercise the power of eminent domain  
24 in the manner provided by Chapter 21, Property Code, except the  
25 district is not required to deposit in the trial court money or a  
26 bond as provided by Section 21.021(a), Property Code.

27 (c) In a condemnation proceeding brought by the district,

1 the district is not required to:

2 (1) pay in advance or provide a bond or other security  
3 for costs in the trial court;

4 (2) provide a bond for the issuance of a temporary  
5 restraining order or a temporary injunction; or

6 (3) provide a bond for costs or a supersedeas bond on  
7 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 546, Sec.  
8 5.09.)

9 Sec. 1066.108. COST OF RELOCATING OR ALTERING PROPERTY. In  
10 exercising the power of eminent domain, if the board requires  
11 relocating, raising, lowering, rerouting, changing the grade of, or  
12 altering the construction of any railroad, highway, pipeline, or  
13 electric transmission and electric distribution, telegraph, or  
14 telephone line, conduit, pole, or facility, the district must bear  
15 the actual cost of relocating, raising, lowering, rerouting,  
16 changing the grade, or altering the construction to provide  
17 comparable replacement, without enhancement of facilities, after  
18 deducting the net salvage value derived from the old facility.  
19 (Acts 71st Leg., R.S., Ch. 546, Sec. 5.10.)

20 Sec. 1066.109. GIFTS AND ENDOWMENTS. The board may accept  
21 for the district a gift or endowment to be held in trust for any  
22 purpose and under any direction, limitation, or other provision  
23 prescribed in writing by the donor that is consistent with the  
24 proper management of the district. (Acts 71st Leg., R.S., Ch. 546,  
25 Sec. 5.14.)

26 Sec. 1066.110. CONSTRUCTION CONTRACTS. (a) The board may  
27 enter into construction contracts for the district.

1 (b) The board may enter into a construction contract that  
2 involves the expenditure of more than the amount provided by  
3 Section 271.024, Local Government Code, only after competitive  
4 bidding as provided by Subchapter B, Chapter 271, Local Government  
5 Code. (Acts 71st Leg., R.S., Ch. 546, Sec. 5.07(a).)

6 Sec. 1066.111. OPERATING AND MANAGEMENT CONTRACTS. The  
7 board may enter into an operating or management contract relating  
8 to a district facility for the district. (Acts 71st Leg., R.S., Ch.  
9 546, Sec. 5.08.)

10 Sec. 1066.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
11 SERVICES. The board may contract with a political subdivision of  
12 this state or with a state or federal agency for the district to:

- 13 (1) furnish a mobile emergency medical service; or  
14 (2) provide for the investigatory or welfare needs of  
15 district inhabitants. (Acts 71st Leg., R.S., Ch. 546, Sec. 5.13.)

16 Sec. 1066.113. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
17 When a patient who resides in the district is admitted to a district  
18 facility, the district administrator may have an inquiry made into  
19 the financial circumstances of:

- 20 (1) the patient; or  
21 (2) a relative of the patient who is legally  
22 responsible for the patient's support.

23 (b) The district without charge shall provide to a patient  
24 who resides in the district the care and treatment that the patient  
25 or a relative of the patient who is legally responsible for the  
26 patient's support cannot pay.

27 (c) On determining that the patient or a relative legally

1 responsible for the patient's support can pay for all or part of the  
2 care and treatment provided by the district, the district  
3 administrator shall report that determination to the board, and the  
4 board shall issue an order directing the patient or the relative to  
5 pay the district a specified amount each week. The amount must be  
6 based on the individual's ability to pay.

7 (d) The district administrator may collect money owed to the  
8 district from the patient's estate or from that of a relative who  
9 was legally responsible for the patient's support in the manner  
10 provided by law for collection of expenses of the last illness of a  
11 deceased person.

12 (e) If there is a dispute relating to an individual's  
13 ability to pay or if the district administrator has any doubt  
14 concerning an individual's ability to pay, the board shall:

- 15 (1) call witnesses;  
16 (2) hear and resolve the question; and  
17 (3) issue a final order.

18 (f) A final order of the board may be appealed to a district  
19 court in Lavaca County. The substantial evidence rule applies to  
20 the appeal. (Acts 71st Leg., R.S., Ch. 546, Secs. 5.11(a), (c),  
21 (d), (e), (f).)

22 Sec. 1066.114. REIMBURSEMENT FOR SERVICES. (a) The board  
23 shall require a county, municipality, or public hospital located  
24 outside the district to reimburse the district for the district's  
25 care and treatment of a sick or injured person of that county,  
26 municipality, or public hospital as provided by Chapter 61, Health  
27 and Safety Code.



1           (b) The board shall require the sheriff of Lavaca County or  
2 the police chief of the City of Moulton to reimburse the district  
3 for the district's care and treatment of a person who is confined in  
4 a jail facility of Lavaca County or the City of Moulton and is not a  
5 district resident.

6           (c) The board may contract with the state or federal  
7 government for that government to reimburse the district for  
8 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.  
9 546, Sec. 5.12.)

10           Sec. 1066.115. AUTHORITY TO SUE AND BE SUED. The board may  
11 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,  
12 Ch. 546, Sec. 5.15.)

13           [Sections 1066.116-1066.150 reserved for expansion]

14           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

15           Sec. 1066.151. BUDGET. (a) The district administrator  
16 shall prepare a proposed annual budget for the district.

17           (b) The proposed budget must contain a complete financial  
18 statement, including a statement of:

19                   (1) the outstanding obligations of the district;

20                   (2) the amount of cash on hand in each district fund;

21                   (3) the amount of money received by the district from  
22 all sources during the previous year;

23                   (4) the amount of money available to the district from  
24 all sources during the ensuing year;

25                   (5) the amount of the balances expected at the end of  
26 the year in which the budget is being prepared;

27                   (6) the estimated amount of revenue and balances

1 available to cover the proposed budget; and

2 (7) the estimated tax rate required. (Acts 71st Leg.,  
3 R.S., Ch. 546, Sec. 6.04.)

4 Sec. 1066.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
5 The board shall hold a public hearing on the proposed annual budget.

6 (b) The board shall publish notice of the hearing in a  
7 newspaper with general circulation in the district not later than  
8 the 10th day before the date of the hearing.

9 (c) Any district resident is entitled to be present and  
10 participate at the hearing.

11 (d) At the conclusion of the hearing, the board shall adopt  
12 a budget by acting on the budget proposed by the district  
13 administrator. The board may make any changes in the proposed  
14 budget that the board judges to be in the interests of the  
15 taxpayers.

16 (e) The budget is effective only after adoption by the  
17 board. (Acts 71st Leg., R.S., Ch. 546, Sec. 6.05.)

18 Sec. 1066.153. AMENDMENTS TO BUDGET. After the annual  
19 budget is adopted, the budget may be amended on the board's  
20 approval. (Acts 71st Leg., R.S., Ch. 546, Sec. 6.06.)

21 Sec. 1066.154. RESTRICTION ON EXPENDITURES. Money may be  
22 spent only for an expense included in the budget or an amendment to  
23 the budget. (Acts 71st Leg., R.S., Ch. 546, Sec. 6.07.)

24 Sec. 1066.155. FISCAL YEAR. (a) The district operates on a  
25 fiscal year established by the board.

26 (b) The fiscal year may not be changed:

27 (1) when revenue bonds of the district are

1 outstanding; or

2 (2) more than once in a 24-month period. (Acts 71st  
3 Leg., R.S., Ch. 546, Sec. 6.01.)

4 Sec. 1066.156. ANNUAL AUDIT. The board annually shall have  
5 an audit made of the district's financial condition. (Acts 71st  
6 Leg., R.S., Ch. 546, Sec. 6.02.)

7 Sec. 1066.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
8 RECORDS. The annual audit and other district records are open to  
9 inspection during regular business hours at the district's  
10 principal office. (Acts 71st Leg., R.S., Ch. 546, Sec. 6.03.)

11 Sec. 1066.158. FINANCIAL REPORT. As soon as practicable  
12 after the close of the fiscal year, the district administrator  
13 shall prepare for the board:

14 (1) a sworn statement of the amount of district money;  
15 and

16 (2) an account of the disbursements of that money.  
17 (Acts 71st Leg., R.S., Ch. 546, Sec. 6.08.)

18 Sec. 1066.159. DEPOSITORY. (a) The board shall select at  
19 least one bank to serve as a depository for district money.

20 (b) District money, other than money invested as provided by  
21 Section 1066.160(b) and money transmitted to a bank for payment of  
22 bonds or obligations issued or assumed by the district, shall be  
23 deposited as received with the depository bank and must remain on  
24 deposit. This subsection does not limit the power of the board to  
25 place a portion of district money on time deposit or to purchase  
26 certificates of deposit.

27 (c) The district may not deposit money with a bank in an



1 principal of and interest on the bonds as the bonds mature.

2 (b) The tax required by this section together with any other  
3 ad valorem tax the district imposes may not in any year exceed the  
4 limit approved by the voters at the election authorizing the  
5 imposition of the tax. (Acts 71st Leg., R.S., Ch. 546, Sec. 7.02.)

6 Sec. 1066.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
7 district may issue general obligation bonds only if the bonds are  
8 authorized by a majority of the district voters voting at an  
9 election held for that purpose.

10 (b) The board may order a bond election.

11 (c) The order calling the election must specify:

- 12 (1) the nature and date of the election;  
13 (2) the hours during which the polls will be open;  
14 (3) the location of the polling places;  
15 (4) the amount of the bonds to be authorized; and  
16 (5) the maximum maturity of the bonds.

17 (d) Notice of a bond election shall be given as provided by  
18 Section 1251.003, Government Code.

19 (e) The board shall declare the results of the election.  
20 (Acts 71st Leg., R.S., Ch. 546, Sec. 7.03.)

21 Sec. 1066.204. REVENUE BONDS. (a) The board may issue  
22 revenue bonds to:

23 (1) purchase, construct, acquire, repair, renovate,  
24 or equip buildings or improvements for clinic or hospital purposes;  
25 or

26 (2) acquire sites to be used for clinic or hospital  
27 purposes.

1 (b) The bonds must be payable from and secured by a pledge of  
2 all or part of the revenue derived from the operation of the clinic  
3 or the district's hospital system.

4 (c) The bonds may be additionally secured by a mortgage or  
5 deed of trust lien on all or part of district property.

6 (d) The bonds must be issued in the manner provided by  
7 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
8 Code, for issuance of revenue bonds by a county hospital authority.  
9 (Acts 71st Leg., R.S., Ch. 546, Sec. 7.04.)

10 Sec. 1066.205. REFUNDING BONDS. (a) The board may issue  
11 refunding bonds to refund outstanding indebtedness issued or  
12 assumed by the district.

13 (b) A refunding bond may be:

14 (1) sold, with the proceeds of the refunding bond  
15 applied to the payment of the outstanding indebtedness; or

16 (2) exchanged wholly or partly for not less than a  
17 similar principal amount of outstanding indebtedness. (Acts 71st  
18 Leg., R.S., Ch. 546, Secs. 7.05(a), (c) (part).)

19 Sec. 1066.206. MATURITY OF BONDS. District bonds must  
20 mature not later than 50 years after the date of issuance. (Acts  
21 71st Leg., R.S., Ch. 546, Sec. 7.06 (part).)

22 Sec. 1066.207. EXECUTION OF BONDS. (a) The board president  
23 shall execute the district's bonds in the district's name.

24 (b) The board secretary shall countersign the bonds in the  
25 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,  
26 R.S., Ch. 546, Sec. 7.07.)

27 Sec. 1066.208. BONDS EXEMPT FROM TAXATION. The following

1 are exempt from taxation by this state or a political subdivision of  
2 this state:

- 3 (1) bonds issued by the district;
- 4 (2) any transaction relating to the bonds; and
- 5 (3) profits made in the sale of the bonds. (Acts 71st  
6 Leg., R.S., Ch. 546, Sec. 7.11 (part).)

7 [Sections 1066.209-1066.250 reserved for expansion]

8 SUBCHAPTER F. TAXES

9 Sec. 1066.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
10 may impose a tax on all property in the district subject to district  
11 taxation.

12 (b) The tax may be used to pay:

- 13 (1) indebtedness issued or assumed by the district;
- 14 and
- 15 (2) the maintenance and operating expenses of the  
16 district.

17 (c) The district may not impose a tax to pay the principal of  
18 or interest on revenue bonds issued under this chapter. (Acts 71st  
19 Leg., R.S., Ch. 546, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

20 Sec. 1066.252. TAX RATE. (a) The board may impose the tax  
21 at a rate not to exceed the limit approved by the voters at the  
22 election authorizing the imposition of the tax.

23 (b) The tax rate for all purposes may not exceed 75 cents on  
24 each \$100 valuation of all taxable property in the district.

25 (c) In setting the tax rate, the board shall consider the  
26 income of the district from sources other than taxation. (Acts 71st  
27 Leg., R.S., Ch. 546, Secs. 8.01(a) (part), (b), 8.03 (part).)

1           Sec. 1066.253. TAX ASSESSOR-COLLECTOR.    The board may  
2 provide for the appointment of a tax assessor-collector for the  
3 district or may contract for the assessment and collection of taxes  
4 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 546, Sec.  
5 8.04(b).)

6                   CHAPTER 1068. MULESHOE AREA HOSPITAL DISTRICT

7                           SUBCHAPTER A. GENERAL PROVISIONS

8   Sec. 1068.001.   DEFINITIONS

9   Sec. 1068.002.   AUTHORITY FOR OPERATION

10   Sec. 1068.003.   ESSENTIAL PUBLIC FUNCTION

11   Sec. 1068.004.   DISTRICT TERRITORY

12   Sec. 1068.005.   DISTRICT SUPPORT AND MAINTENANCE NOT

13                           STATE OBLIGATION

14   Sec. 1068.006.   RESTRICTION ON STATE FINANCIAL

15                           ASSISTANCE

16           [Sections 1068.007-1068.050 reserved for expansion]

17                           SUBCHAPTER B. DISTRICT ADMINISTRATION

18   Sec. 1068.051.   BOARD ELECTION; TERM

19   Sec. 1068.052.   NOTICE OF ELECTION

20   Sec. 1068.053.   BALLOT PETITION

21   Sec. 1068.054.   QUALIFICATIONS FOR OFFICE

22   Sec. 1068.055.   BOARD VACANCY

23   Sec. 1068.056.   OFFICERS

24   Sec. 1068.057.   COMPENSATION; EXPENSES

25   Sec. 1068.058.   VOTING REQUIREMENT

26   Sec. 1068.059.   DISTRICT ADMINISTRATOR



- 1 Sec. 1068.060. GENERAL DUTIES OF DISTRICT
- 2 ADMINISTRATOR
- 3 Sec. 1068.061. ASSISTANT DISTRICT ADMINISTRATOR;
- 4 ATTORNEY
- 5 Sec. 1068.062. EMPLOYEES; APPOINTMENT OF STAFF
- 6 Sec. 1068.063. RETIREMENT BENEFITS
- 7 [Sections 1068.064-1068.100 reserved for expansion]
- 8 SUBCHAPTER C. POWERS AND DUTIES
- 9 Sec. 1068.101. DISTRICT RESPONSIBILITY
- 10 Sec. 1068.102. RESTRICTION ON COUNTY TAXATION AND DEBT
- 11 Sec. 1068.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 12 Sec. 1068.104. RULES
- 13 Sec. 1068.105. PURCHASING AND ACCOUNTING PROCEDURES
- 14 Sec. 1068.106. MOBILE EMERGENCY MEDICAL SERVICE
- 15 Sec. 1068.107. DISTRICT PROPERTY, FACILITIES, AND
- 16 EQUIPMENT
- 17 Sec. 1068.108. EMINENT DOMAIN
- 18 Sec. 1068.109. COST OF RELOCATING OR ALTERING PROPERTY
- 19 Sec. 1068.110. GIFTS AND ENDOWMENTS
- 20 Sec. 1068.111. CONSTRUCTION CONTRACTS
- 21 Sec. 1068.112. OPERATING AND MANAGEMENT CONTRACTS
- 22 Sec. 1068.113. CONTRACTS WITH GOVERNMENTAL ENTITIES
- 23 FOR SERVICES
- 24 Sec. 1068.114. PAYMENT FOR TREATMENT; PROCEDURES
- 25 Sec. 1068.115. REIMBURSEMENT FOR SERVICES
- 26 Sec. 1068.116. AUTHORITY TO SUE AND BE SUED
- 27 [Sections 1068.117-1068.150 reserved for expansion]

1                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2   Sec. 1068.151.   BUDGET

3   Sec. 1068.152.   NOTICE; HEARING; ADOPTION OF BUDGET

4   Sec. 1068.153.   AMENDMENTS TO BUDGET

5   Sec. 1068.154.   RESTRICTION ON EXPENDITURES

6   Sec. 1068.155.   FISCAL YEAR

7   Sec. 1068.156.   ANNUAL AUDIT

8   Sec. 1068.157.   INSPECTION OF ANNUAL AUDIT AND DISTRICT

9                   RECORDS

10   Sec. 1068.158.   FINANCIAL REPORT

11   Sec. 1068.159.   DEPOSITORY

12   Sec. 1068.160.   SPENDING AND INVESTMENT RESTRICTIONS

13                   [Sections 1068.161-1068.200 reserved for expansion]

14                   SUBCHAPTER E. BONDS

15   Sec. 1068.201.   GENERAL OBLIGATION BONDS

16   Sec. 1068.202.   TAX TO PAY GENERAL OBLIGATION BONDS

17   Sec. 1068.203.   GENERAL OBLIGATION BOND ELECTION

18   Sec. 1068.204.   REVENUE BONDS

19   Sec. 1068.205.   REFUNDING BONDS

20   Sec. 1068.206.   MATURITY OF BONDS

21   Sec. 1068.207.   EXECUTION OF BONDS

22   Sec. 1068.208.   BONDS EXEMPT FROM TAXATION

23                   [Sections 1068.209-1068.250 reserved for expansion]

24                   SUBCHAPTER F. TAXES

25   Sec. 1068.251.   IMPOSITION OF AD VALOREM TAX

26   Sec. 1068.252.   TAX RATE

27   Sec. 1068.253.   ELECTION TO INCREASE MAXIMUM TAX RATE

1 Sec. 1068.254. TAX ASSESSOR-COLLECTOR

2 CHAPTER 1068. MULESHOE AREA HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1068.001. DEFINITIONS. In this chapter:

5 (1) "Board" means the board of directors of the  
6 district.

7 (2) "Director" means a member of the board.

8 (3) "District" means the Muleshoe Area Hospital  
9 District. (Acts 71st Leg., R.S., Ch. 45, Sec. 1.01.)

10 Sec. 1068.002. AUTHORITY FOR OPERATION. The district  
11 operates and is financed as provided by Section 9, Article IX, Texas  
12 Constitution, and by this chapter. (Acts 71st Leg., R.S., Ch. 45,  
13 Sec. 1.02.)

14 Sec. 1068.003. ESSENTIAL PUBLIC FUNCTION. The district is  
15 a public entity performing an essential public function. (Acts  
16 71st Leg., R.S., Ch. 45, Sec. 7.11 (part).)

17 Sec. 1068.004. DISTRICT TERRITORY. The district is  
18 composed of the territory described by Section 1.03, Chapter 45,  
19 Acts of the 71st Legislature, Regular Session, 1989. (New.)

20 Sec. 1068.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
21 OBLIGATION. The state may not become obligated for the support or  
22 maintenance of the district. (Acts 71st Leg., R.S., Ch. 45, Sec.  
23 9.01 (part).)

24 Sec. 1068.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
25 The legislature may not make a direct appropriation for the  
26 construction, maintenance, or improvement of a district facility.  
27 (Acts 71st Leg., R.S., Ch. 45, Sec. 9.01 (part).)

1 [Sections 1068.007-1068.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1068.051. BOARD ELECTION; TERM. (a) The district is  
4 governed by a board of five directors elected by place.

5 (b) Unless four-year terms are established under Section  
6 285.081, Health and Safety Code:

7 (1) directors serve staggered two-year terms; and

8 (2) an election shall be held on the uniform election  
9 date in May of each year to elect the appropriate number of  
10 directors. (Acts 71st Leg., R.S., Ch. 45, Secs. 4.01(a), 4.03(a),  
11 (d) (part).)

12 Sec. 1068.052. NOTICE OF ELECTION. At least 35 days before  
13 the date of an election of directors, notice of the election shall  
14 be published one time in a newspaper with general circulation in the  
15 district. (Acts 71st Leg., R.S., Ch. 45, Sec. 4.04.)

16 Sec. 1068.053. BALLOT PETITION. A person who wants to have  
17 the person's name printed on the ballot as a candidate for director  
18 must file with the board secretary a petition requesting that  
19 action. The petition must:

20 (1) be signed by at least 25 registered voters of the  
21 district as determined by the most recent official list of  
22 registered voters;

23 (2) be filed not later than the 31st day before the  
24 date of the election; and

25 (3) specify the place for which the person is to be a  
26 candidate. (Acts 71st Leg., R.S., Ch. 45, Sec. 4.05.)

27 Sec. 1068.054. QUALIFICATIONS FOR OFFICE. (a) To be

1 eligible to be a candidate for or to serve as a director, a person  
2 must be:

3 (1) a district resident; and

4 (2) a qualified voter.

5 (b) A district employee may not serve as a director. (Acts  
6 71st Leg., R.S., Ch. 45, Sec. 4.06.)

7 Sec. 1068.055. BOARD VACANCY. If a vacancy occurs in the  
8 office of director, the remaining directors shall appoint a  
9 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 45,  
10 Sec. 4.07.)

11 Sec. 1068.056. OFFICERS. (a) The board shall elect a  
12 president and a vice president from among its members.

13 (b) The board shall appoint a secretary, who need not be a  
14 director.

15 (c) Each officer of the board serves for a term of one year.

16 (d) The board shall fill a vacancy in a board office for the  
17 unexpired term. (Acts 71st Leg., R.S., Ch. 45, Secs. 4.08, 4.09.)

18 Sec. 1068.057. COMPENSATION; EXPENSES. A director or  
19 officer serves without compensation but may be reimbursed for  
20 actual expenses incurred in the performance of official duties.  
21 The expenses must be:

22 (1) reported in the district's records; and

23 (2) approved by the board. (Acts 71st Leg., R.S., Ch.  
24 45, Sec. 4.10.)

25 Sec. 1068.058. VOTING REQUIREMENT. A concurrence of a  
26 majority of the directors voting is necessary in any matter  
27 relating to district business. (Acts 71st Leg., R.S., Ch. 45, Sec.

1 4.11.)

2 Sec. 1068.059. DISTRICT ADMINISTRATOR. (a) The board may  
3 appoint a qualified person as district administrator.

4 (b) The district administrator serves at the will of the  
5 board and is entitled to the compensation determined by the board.

6 (c) Before assuming the duties of district administrator,  
7 the administrator must execute a bond in the amount determined by  
8 the board of not less than \$5,000 that is:

9 (1) payable to the district; and

10 (2) conditioned on the faithful performance of the  
11 administrator's duties under this chapter.

12 (d) The board may pay for the bond with district money.  
13 (Acts 71st Leg., R.S., Ch. 45, Secs. 4.12(a) (part), (b) (part), (c)  
14 (part), (d).)

15 Sec. 1068.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
16 Subject to the limitations prescribed by the board, the district  
17 administrator shall:

18 (1) supervise the work and activities of the district;  
19 and

20 (2) direct the general affairs of the district. (Acts  
21 71st Leg., R.S., Ch. 45, Sec. 4.15.)

22 Sec. 1068.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

23 (a) The board may appoint qualified persons as:

24 (1) the assistant district administrator; and

25 (2) the attorney for the district.

26 (b) The assistant district administrator and the attorney  
27 for the district serve at the will of the board and are entitled to

1 the compensation determined by the board. (Acts 71st Leg., R.S.,  
2 Ch. 45, Secs. 4.12(a) (part), (b) (part), (c) (part).)

3 Sec. 1068.062. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
4 board may appoint to the staff any doctors the board considers  
5 necessary for the efficient operation of the district and may make  
6 temporary appointments as necessary.

7 (b) The district may employ technicians, nurses, fiscal  
8 agents, accountants, architects, additional attorneys, and other  
9 necessary employees.

10 (c) The board may delegate to the district administrator the  
11 authority to employ persons for the district. (Acts 71st Leg.,  
12 R.S., Ch. 45, Secs. 4.13, 4.14.)

13 Sec. 1068.063. RETIREMENT BENEFITS. The board may provide  
14 retirement benefits for district employees by:

15 (1) establishing or administering a retirement  
16 program; or

17 (2) participating in:

18 (A) the Texas County and District Retirement  
19 System; or

20 (B) another statewide retirement system in which  
21 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.  
22 45, Sec. 4.16.)

23 [Sections 1068.064-1068.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 1068.101. DISTRICT RESPONSIBILITY. The district has  
26 full responsibility for:

27 (1) operating hospital facilities; and

1           (2) providing medical and hospital care for the  
2 district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 45, Sec.  
3 5.02 (part).)

4           Sec. 1068.102. RESTRICTION ON COUNTY TAXATION AND DEBT.  
5 Bailey and Parmer Counties may not impose a tax or issue bonds or  
6 other obligations for hospital purposes or to provide medical care  
7 for district residents. (Acts 71st Leg., R.S., Ch. 45, Sec.  
8 5.01(b).)

9           Sec. 1068.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
10 The board shall manage, control, and administer the hospital system  
11 and the district's money and resources. (Acts 71st Leg., R.S., Ch.  
12 45, Sec. 5.03.)

13           Sec. 1068.104. RULES. The board may adopt rules governing:

14           (1) the operation of the hospital and hospital system;  
15 and

16           (2) the duties, functions, and responsibilities of  
17 district staff and employees. (Acts 71st Leg., R.S., Ch. 45, Sec.  
18 5.04.)

19           Sec. 1068.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
20 board may prescribe:

21           (1) the method of making purchases and expenditures by  
22 and for the district; and

23           (2) accounting and control procedures for the  
24 district. (Acts 71st Leg., R.S., Ch. 45, Sec. 5.05.)

25           Sec. 1068.106. MOBILE EMERGENCY MEDICAL SERVICE. The  
26 district may operate or provide for the operation of a mobile  
27 emergency medical service. (Acts 71st Leg., R.S., Ch. 45, Sec. 5.02



1 (part).)

2           Sec. 1068.107. DISTRICT PROPERTY, FACILITIES, AND  
3 EQUIPMENT. (a) The board shall determine:

4                 (1) the type, number, and location of buildings  
5 required to maintain an adequate hospital system; and

6                 (2) the type of equipment necessary for hospital care.

7           (b) The board may:

8                 (1) acquire property, including facilities and  
9 equipment, for the district for use in the hospital system; and

10                (2) mortgage or pledge the property as security for  
11 the payment of the purchase price.

12           (c) The board may lease hospital facilities for the  
13 district.

14           (d) The board may sell or otherwise dispose of property,  
15 including facilities or equipment, for the district. (Acts 71st  
16 Leg., R.S., Ch. 45, Sec. 5.06.)

17           Sec. 1068.108. EMINENT DOMAIN. (a) The district may  
18 exercise the power of eminent domain to acquire a fee simple or  
19 other interest in property located in district territory if the  
20 interest is necessary to exercise a right or authority conferred by  
21 this chapter.

22                 (b) The district must exercise the power of eminent domain  
23 in the manner provided by Chapter 21, Property Code, except the  
24 district is not required to deposit in the trial court money or a  
25 bond as provided by Section 21.021(a), Property Code.

26                 (c) In a condemnation proceeding brought by the district,  
27 the district is not required to:

1           (1) pay in advance or provide a bond or other security  
2 for costs in the trial court;

3           (2) provide a bond for the issuance of a temporary  
4 restraining order or a temporary injunction; or

5           (3) provide a bond for costs or a supersedeas bond on  
6 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 45, Sec.  
7 5.09.)

8           Sec. 1068.109. COST OF RELOCATING OR ALTERING PROPERTY. In  
9 exercising the power of eminent domain, if the board requires  
10 relocating, raising, lowering, rerouting, changing the grade of, or  
11 altering the construction of any railroad, highway, pipeline, or  
12 electric transmission and electric distribution, telegraph, or  
13 telephone line, conduit, pole, or facility, the district must bear  
14 the actual cost of relocating, raising, lowering, rerouting,  
15 changing the grade, or altering the construction to provide  
16 comparable replacement without enhancement of facilities, after  
17 deducting the net salvage value derived from the old facility.  
18 (Acts 71st Leg., R.S., Ch. 45, Sec. 5.10.)

19           Sec. 1068.110. GIFTS AND ENDOWMENTS. The board may accept  
20 for the district a gift or endowment to be held in trust for any  
21 purpose and under any direction, limitation, or other provision  
22 prescribed in writing by the donor that is consistent with the  
23 proper management of the district. (Acts 71st Leg., R.S., Ch. 45,  
24 Sec. 5.14.)

25           Sec. 1068.111. CONSTRUCTION CONTRACTS. (a) The board may  
26 enter into construction contracts for the district.

27           (b) The board may enter into a construction contract that

1 involves the expenditure of more than the amount provided by  
2 Section 271.024, Local Government Code, only after competitive  
3 bidding as provided by Subchapter B, Chapter 271, Local Government  
4 Code. (Acts 71st Leg., R.S., Ch. 45, Sec. 5.07(a).)

5 Sec. 1068.112. OPERATING AND MANAGEMENT CONTRACTS. The  
6 board may enter into an operating or management contract relating  
7 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.  
8 45, Sec. 5.08.)

9 Sec. 1068.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
10 SERVICES. The board may contract with a political subdivision of  
11 this state or with a state or federal agency for the district to:

- 12 (1) furnish a mobile emergency medical service; or  
13 (2) provide for the investigatory or welfare needs of  
14 district inhabitants. (Acts 71st Leg., R.S., Ch. 45, Sec. 5.13.)

15 Sec. 1068.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
16 When a patient who resides in the district is admitted to a district  
17 facility, the district administrator may have an inquiry made into  
18 the financial circumstances of:

- 19 (1) the patient; or  
20 (2) a relative of the patient who is legally  
21 responsible for the patient's support.

22 (b) The district without charge shall provide to a patient  
23 who resides in the district the care and treatment that the patient  
24 or a relative of the patient who is legally responsible for the  
25 patient's support cannot pay.

26 (c) On determining that the patient or a relative legally  
27 responsible for the patient's support can pay for all or part of the

1 care and treatment provided by the district, the district  
2 administrator shall report that determination to the board, and the  
3 board shall issue an order directing the patient or the relative to  
4 pay the district a specified amount each week. The amount must be  
5 based on the individual's ability to pay.

6 (d) The district administrator may collect money owed to the  
7 district from the patient's estate or from that of a relative who  
8 was legally responsible for the patient's support in the manner  
9 provided by law for collection of expenses of the last illness of a  
10 deceased person.

11 (e) If there is a dispute relating to an individual's  
12 ability to pay or if the district administrator has any doubt  
13 concerning an individual's ability to pay, the board shall:

- 14 (1) call witnesses;  
15 (2) hear and resolve the question; and  
16 (3) issue a final order.

17 (f) A final order of the board may be appealed to a district  
18 court in the county in which the district is located. The  
19 substantial evidence rule applies to the appeal. (Acts 71st Leg.,  
20 R.S., Ch. 45, Secs. 5.11(a), (c), (d), (e), (f).)

21 Sec. 1068.115. REIMBURSEMENT FOR SERVICES. (a) The board  
22 shall require a county, municipality, or public hospital located  
23 outside the district to reimburse the district for the district's  
24 care and treatment of a sick or injured person of that county,  
25 municipality, or public hospital as provided by Chapter 61, Health  
26 and Safety Code.

27 (b) The board shall require the sheriff of Bailey County to

1 reimburse the district for the district's care and treatment of a  
2 person who is confined in a jail facility of Bailey County and is  
3 not a district resident.

4 (c) The board may contract with the state or federal  
5 government for that government to reimburse the district for  
6 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.  
7 45, Sec. 5.12.)

8 Sec. 1068.116. AUTHORITY TO SUE AND BE SUED. The board may  
9 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,  
10 Ch. 45, Sec. 5.15.)

11 [Sections 1068.117-1068.150 reserved for expansion]

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 1068.151. BUDGET. (a) The district administrator  
14 shall prepare a proposed annual budget for the district.

15 (b) The proposed budget must contain a complete financial  
16 statement, including a statement of:

- 17 (1) the outstanding obligations of the district;
- 18 (2) the amount of cash on hand in each district fund;
- 19 (3) the amount of money received by the district from  
20 all sources during the previous year;
- 21 (4) the amount of money available to the district from  
22 all sources during the ensuing year;
- 23 (5) the amount of the balances expected at the end of  
24 the year in which the budget is being prepared;
- 25 (6) the estimated amount of revenue and balances  
26 available to cover the proposed budget; and
- 27 (7) the estimated tax rate required. (Acts 71st Leg.,

1 R.S., Ch. 45, Sec. 6.04.)

2 Sec. 1068.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)

3 The board shall hold a public hearing on the proposed annual budget.

4 (b) The board shall publish notice of the hearing in a  
5 newspaper with general circulation in the district not later than  
6 the 10th day before the date of the hearing.

7 (c) Any district resident is entitled to be present and  
8 participate at the hearing.

9 (d) At the conclusion of the hearing, the board shall adopt  
10 a budget by acting on the budget proposed by the district  
11 administrator. The board may make any changes in the proposed  
12 budget that the board judges to be in the interests of the  
13 taxpayers.

14 (e) The budget is effective only after adoption by the  
15 board. (Acts 71st Leg., R.S., Ch. 45, Sec. 6.05.)

16 Sec. 1068.153. AMENDMENTS TO BUDGET. After adoption, the  
17 annual budget may be amended on the board's approval. (Acts 71st  
18 Leg., R.S., Ch. 45, Sec. 6.06.)

19 Sec. 1068.154. RESTRICTION ON EXPENDITURES. Money may be  
20 spent only for an expense included in the budget or an amendment to  
21 the budget. (Acts 71st Leg., R.S., Ch. 45, Sec. 6.07.)

22 Sec. 1068.155. FISCAL YEAR. (a) The district operates on a  
23 fiscal year established by the board.

24 (b) The fiscal year may not be changed:

25 (1) when revenue bonds of the district are  
26 outstanding; or

27 (2) more than once in a 24-month period. (Acts 71st

1 Leg., R.S., Ch. 45, Sec. 6.01.)

2           Sec. 1068.156. ANNUAL AUDIT. The board annually shall have  
3 an audit made of the district's financial condition. (Acts 71st  
4 Leg., R.S., Ch. 45, Sec. 6.02.)

5           Sec. 1068.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
6 RECORDS. The annual audit and other district records are open to  
7 inspection during regular business hours at the district's  
8 principal office. (Acts 71st Leg., R.S., Ch. 45, Sec. 6.03.)

9           Sec. 1068.158. FINANCIAL REPORT. As soon as practicable  
10 after the close of the fiscal year, the district administrator  
11 shall prepare for the board:

12                   (1) a sworn statement of the amount of district money;  
13 and

14                   (2) an account of the disbursements of that money.  
15 (Acts 71st Leg., R.S., Ch. 45, Sec. 6.08.)

16           Sec. 1068.159. DEPOSITORY. (a) The board shall select at  
17 least one bank to serve as a depository for district money.

18           (b) District money, other than money invested as provided by  
19 Section 1068.160(b) and money transmitted to a bank for payment of  
20 bonds or obligations issued or assumed by the district, shall be  
21 deposited as received with the depository bank and must remain on  
22 deposit. This subsection does not limit the power of the board to  
23 place a part of district money on time deposit or to purchase  
24 certificates of deposit.

25           (c) The district may not deposit money with a bank in an  
26 amount that exceeds the maximum amount secured by the Federal  
27 Deposit Insurance Corporation unless the bank first executes a bond

1 or other security in an amount sufficient to secure from loss the  
2 district money that exceeds the amount secured by the Federal  
3 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 45, Sec.  
4 6.10.)

5 Sec. 1068.160. SPENDING AND INVESTMENT RESTRICTIONS.

6 (a) Except as provided by Sections 1068.111, 1068.201, 1068.204,  
7 and 1068.205, the district may not incur a debt payable from  
8 district revenue other than the revenue on hand or to be on hand in  
9 the current and immediately following district fiscal years.

10 (b) The board may invest operating, depreciation, or  
11 building reserves only in funds or securities specified by Chapter  
12 2256, Government Code. (Acts 71st Leg., R.S., Ch. 45, Sec. 6.09.)

13 [Sections 1068.161-1068.200 reserved for expansion]

14 SUBCHAPTER E. BONDS

15 Sec. 1068.201. GENERAL OBLIGATION BONDS. The board may  
16 issue and sell general obligation bonds authorized by an election  
17 in the name and on the faith and credit of the district to:

18 (1) purchase, construct, acquire, repair, or renovate  
19 buildings or improvements;

20 (2) equip buildings or improvements for hospital  
21 purposes; or

22 (3) acquire and operate a mobile emergency medical  
23 service. (Acts 71st Leg., R.S., Ch. 45, Sec. 7.01.)

24 Sec. 1068.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
25 the time general obligation bonds are issued by the district under  
26 Section 1068.201, the board shall impose an ad valorem tax at a rate  
27 sufficient to create an interest and sinking fund to pay the



1 principal of and interest on the bonds as the bonds mature.

2 (b) The tax required by this section together with any other  
3 ad valorem tax the district imposes may not in any year exceed the  
4 limit approved by the voters at the election authorizing the  
5 imposition of the tax. (Acts 71st Leg., R.S., Ch. 45, Sec. 7.02.)

6 Sec. 1068.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
7 district may issue general obligation bonds only if the bonds are  
8 authorized by a majority of the district voters voting at an  
9 election held for that purpose.

10 (b) The board may order a bond election.

11 (c) The order calling the election must specify:

- 12 (1) the nature and date of the election;  
13 (2) the hours during which the polls will be open;  
14 (3) the location of the polling places;  
15 (4) the amount of the bonds to be authorized; and  
16 (5) the maximum maturity of the bonds.

17 (d) Notice of a bond election shall be given as provided by  
18 Section 1251.003, Government Code.

19 (e) The board shall declare the results of the election.  
20 (Acts 71st Leg., R.S., Ch. 45, Sec. 7.03.)

21 Sec. 1068.204. REVENUE BONDS. (a) The board may issue  
22 revenue bonds to:

23 (1) purchase, construct, acquire, repair, renovate,  
24 or equip buildings or improvements for hospital purposes;

25 (2) acquire sites to be used for hospital purposes; or

26 (3) acquire and operate a mobile emergency medical  
27 service to assist the district in carrying out its hospital

1 purposes.

2 (b) The bonds must be payable from and secured by a pledge of  
3 all or part of the revenue derived from the operation of the  
4 district's hospital system.

5 (c) The bonds may be additionally secured by a mortgage or  
6 deed of trust lien on all or part of district property.

7 (d) The bonds must be issued in the manner provided by  
8 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
9 Code, for issuance of revenue bonds by a county hospital authority.  
10 (Acts 71st Leg., R.S., Ch. 45, Sec. 7.04.)

11 Sec. 1068.205. REFUNDING BONDS. (a) The board may issue  
12 refunding bonds to refund outstanding indebtedness issued or  
13 assumed by the district.

14 (b) Refunding bonds may be:

15 (1) sold, with the proceeds of the refunding bonds  
16 applied to the payment of the outstanding indebtedness; or

17 (2) exchanged wholly or partly for not less than a  
18 similar principal amount of outstanding indebtedness. (Acts 71st  
19 Leg., R.S., Ch. 45, Secs. 7.05(a), (c) (part).)

20 Sec. 1068.206. MATURITY OF BONDS. District bonds must  
21 mature not later than 50 years after the date of issuance. (Acts  
22 71st Leg., R.S., Ch. 45, Sec. 7.06 (part).)

23 Sec. 1068.207. EXECUTION OF BONDS. (a) The board president  
24 shall execute the district's bonds in the district's name.

25 (b) The board secretary shall countersign the bonds in the  
26 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,  
27 R.S., Ch. 45, Sec. 7.07.)

1           Sec. 1068.208.   BONDS EXEMPT FROM TAXATION.   The following  
2 are exempt from taxation by this state or a political subdivision of  
3 this state:

- 4           (1)   bonds issued by the district;  
5           (2)   any transaction relating to the bonds; and  
6           (3)   profits made in the sale of the bonds.   (Acts 71st  
7 Leg., R.S., Ch. 45, Sec. 7.11 (part).)

8           [Sections 1068.209-1068.250 reserved for expansion]

9   SUBCHAPTER F.   TAXES

10          Sec. 1068.251.   IMPOSITION OF AD VALOREM TAX.   (a) The board  
11 may impose a tax on all property in the district subject to district  
12 taxation.

13          (b)   The tax may be used to pay:

- 14           (1)   indebtedness issued or assumed by the district;  
15 and  
16           (2)   the maintenance and operating expenses of the  
17 district.

18          (c)   The district may not impose a tax to pay the principal of  
19 or interest on revenue bonds issued under this chapter.   (Acts 71st  
20 Leg., R.S., Ch. 45, Secs. 8.02(a) (part), (c), (d), 8.03(b).)

21          Sec. 1068.252.   TAX RATE.   (a) The board may impose the tax  
22 at a rate not to exceed the limit approved by the voters at the  
23 election authorizing the imposition of the tax.

24          (b)   The tax rate for all purposes may not exceed 75 cents on  
25 each \$100 valuation of all taxable property in the district.

26          (c)   In setting the tax rate, the board shall consider the  
27 income of the district from sources other than taxation.   (Acts 71st

1 Leg., R.S., Ch. 45, Secs. 8.02(a) (part), (b), 8.04 (part).)

2 Sec. 1068.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)  
3 The board may order an election to increase the district's maximum  
4 ad valorem tax rate.

5 (b) The order calling the election must state:

6 (1) the nature of the election, including the  
7 proposition to appear on the ballot;

8 (2) the date of the election;

9 (3) the hours during which the polls will be open; and

10 (4) the location of the polling places.

11 (c) The board shall give notice of the election by  
12 publishing once a week for two consecutive weeks a substantial copy  
13 of the election order in a newspaper with general circulation in the  
14 district. The first publication must appear at least 35 days before  
15 the date set for the election.

16 (d) The ballot for the election must be printed to permit  
17 voting for or against the proposition: "The levy of annual taxes by  
18 the board of directors of the Muleshoe Area Hospital District for  
19 hospital purposes at a rate not to exceed \_\_\_\_ cents on each \$100  
20 valuation of all taxable property in the district subject to  
21 hospital district taxation."

22 (e) If the board finds that the election results favor the  
23 proposition, the board may impose taxes as authorized by the  
24 proposition. If the board finds that the election results do not  
25 favor the proposition, another election on raising the district's  
26 maximum tax rate may not be held before the first anniversary of the  
27 date of the most recent election at which voters disapproved the

1 proposition.

2 (f) Section 41.001(a), Election Code, does not apply to an  
3 election ordered under this section. (Acts 71st Leg., R.S., Ch. 45,  
4 Secs. 3.03, 3.04, 8.01(a) (part), (b), (c) (part), (d).)

5 Sec. 1068.254. TAX ASSESSOR-COLLECTOR. The board may  
6 provide for the appointment of a tax assessor-collector for the  
7 district or may contract for the assessment and collection of taxes  
8 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 45, Sec.  
9 8.05(b).)

10 CHAPTER 1070. HANSFORD COUNTY HOSPITAL DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

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21 [Sections 1070.260-1070.300 reserved for expansion]  
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1           CHAPTER 1070. HANSFORD COUNTY HOSPITAL DISTRICT

2                   SUBCHAPTER A. GENERAL PROVISIONS

3           Sec. 1070.001. DEFINITIONS. In this chapter:

4                   (1) "Board" means the board of directors of the  
5 district.

6                   (2) "Director" means a member of the board.

7                   (3) "District" means the Hansford County Hospital  
8 District. (New.)

9           Sec. 1070.002. AUTHORITY FOR OPERATION. The district  
10 operates in accordance with Section 9, Article IX, Texas  
11 Constitution, and has the rights, powers, and duties provided by  
12 this chapter. (Acts 62nd Leg., R.S., Ch. 872, Sec. 1 (part).)

13           Sec. 1070.003. ESSENTIAL PUBLIC FUNCTION. The district  
14 performs an essential public function in carrying out the purposes  
15 of this chapter. (Acts 62nd Leg., R.S., Ch. 872, Sec. 21 (part).)

16           Sec. 1070.004. DISTRICT TERRITORY. The boundaries of the  
17 district are coextensive with the boundaries of Hansford County,  
18 Texas, unless the boundaries are expanded under Subchapter D.  
19 (Acts 62nd Leg., R.S., Ch. 872, Secs. 1 (part), 1A(a) (part).)

20           Sec. 1070.005. CORRECTION OF INVALID PROCEDURES. If a  
21 court holds that any procedure under this chapter violates the  
22 constitution of this state or of the United States, the district by  
23 resolution may provide an alternative procedure that conforms with  
24 the constitution. (Acts 62nd Leg., R.S., Ch. 872, Sec. 23 (part).)

25           Sec. 1070.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
26 OBLIGATION. The support and maintenance of the district may not  
27 become a charge against or obligation of this state. (Acts 62nd

1 Leg., R.S., Ch. 872, Sec. 20 (part).)

2 Sec. 1070.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.

3 The legislature may not make a direct appropriation for the  
4 construction, maintenance, or improvement of a district facility.

5 (Acts 62nd Leg., R.S., Ch. 872, Sec. 20 (part).)

6 [Sections 1070.008-1070.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Sec. 1070.051. BOARD; TERM. (a) The board consists of six  
9 directors appointed by the Commissioners Court of Hansford County  
10 unless the method for selecting directors is changed under Section  
11 1070.052.

12 (b) Directors serve staggered two-year terms. (Acts 62nd  
13 Leg., R.S., Ch. 872, Secs. 4(a) (part), (b) (part).)

14 Sec. 1070.052. PETITION TO CHANGE METHOD FOR SELECTING  
15 DIRECTORS; ELECTION. (a) The Commissioners Court of Hansford  
16 County shall order an election on the question of electing  
17 directors if the court receives a petition requesting that action  
18 signed by at least 250 registered district voters who own taxable  
19 property in the district as of the date the petition is presented to  
20 the court. The election shall be held within 90 days of the date the  
21 petition is presented and notice of the election is given as  
22 provided by Section 1251.003, Government Code.

23 (b) The order calling the election must:

24 (1) specify the date of the election, the location of  
25 the polling places, and the presiding judge and alternate judge for  
26 each voting place; and

27 (2) provide for clerks as in a county election.

1           (c) The ballot shall be prepared to allow voting for or  
2 against the proposition: "Providing the office of director of the  
3 Hansford County Hospital District shall hereafter be an elective  
4 office."

5           (d) If a majority of the district voters voting in the  
6 election favor the proposition:

7                 (1) directors in office at the time of the election  
8 shall serve the terms for which the directors were appointed; and

9                 (2) successor directors shall be elected as provided  
10 by Section 1070.053.

11           (e) Another election on the question of electing directors  
12 may not be held before the third anniversary of the date of the most  
13 recent election on electing directors. (Acts 62nd Leg., R.S., Ch.  
14 872, Sec. 4(b) (part).)

15           Sec. 1070.053. DIRECTORS' ELECTION. (a) If a majority of  
16 the votes in an election under Section 1070.052 favor electing the  
17 directors, an election shall be held on the uniform election date in  
18 May of each year.

19           (b) The order calling a directors' election must specify the  
20 time, place, and purpose of the election.

21           (c) A person who wants to have the person's name printed on  
22 the ballot as a candidate for director must file with the board  
23 secretary a petition requesting that action. The petition must be:

24                 (1) signed by at least 50 registered voters; and

25                 (2) filed at least 25 days before the date of the  
26 election.

27           (d) At least five days before the date of an election of

1 directors, notice of the election shall be published one time in a  
2 newspaper of general circulation in the district.

3 (e) Unless four-year terms are established under Section  
4 285.081, Health and Safety Code, elected directors serve staggered  
5 two-year terms. (Acts 62nd Leg., R.S., Ch. 872, Sec. 4(b) (part).)

6 Sec. 1070.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
7 not serve as a director unless the person is:

8 (1) a district resident; and

9 (2) a qualified voter.

10 (b) A person is not eligible to serve as a director if the  
11 person is:

12 (1) the district administrator; or

13 (2) a district employee. (Acts 62nd Leg., R.S., Ch.  
14 872, Sec. 4(c) (part).)

15 Sec. 1070.055. BOARD VACANCY. (a) If a vacancy occurs in  
16 the office of an appointed director, the commissioners court shall  
17 appoint a director for the unexpired term.

18 (b) If a vacancy occurs in the office of an elected  
19 director, the remaining directors by majority vote shall appoint a  
20 director for the unexpired term. (Acts 62nd Leg., R.S., Ch. 872,  
21 Secs. 4(a) (part), (b) (part).)

22 Sec. 1070.056. OFFICERS. (a) The board shall elect:

23 (1) a president and a vice president from among its  
24 members; and

25 (2) a secretary, who need not be a director.

26 (b) Each officer of the board serves for a term of one year.

27 (c) The board shall fill a vacancy in a board office for the

1 unexpired term. (Acts 62nd Leg., R.S., Ch. 872, Sec. 4(d) (part).)

2       Sec. 1070.057. COMPENSATION; EXPENSES. A director or  
3 officer serves without compensation but may be reimbursed for  
4 actual expenses incurred in the performance of official duties.  
5 The expenses must be:

- 6           (1) reported in the district's records; and  
7           (2) approved by the board. (Acts 62nd Leg., R.S., Ch.  
8 872, Sec. 4(d) (part).)

9       Sec. 1070.058. VOTING REQUIREMENT. A concurrence of four  
10 directors is sufficient in any matter relating to district  
11 business. (Acts 62nd Leg., R.S., Ch. 872, Sec. 4(d) (part).)

12       Sec. 1070.059. ADMINISTRATORS; ASSISTANT ADMINISTRATORS.  
13 (a) The board shall appoint qualified persons as administrators of  
14 the district or the ancillary health care facilities.

15           (b) The board may appoint assistant administrators.

16           (c) The administrators and any assistant administrators  
17 serve at the will of the board and are entitled to the compensation  
18 determined by the board.

19           (d) On assuming the duties of district administrator, the  
20 administrator shall execute a bond payable to the district in an  
21 amount set by the board of not less than \$5,000 that:

22           (1) is conditioned on the administrator performing the  
23 administrator's duties; and

24           (2) contains other conditions the board may require.  
25 (Acts 62nd Leg., R.S., Ch. 872, Sec. 5(a) (part).)

26       Sec. 1070.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
27 Subject to the limitations prescribed by the board, the district

1 administrator shall:

- 2 (1) supervise the work and activities of the district;
- 3 (2) direct the affairs of the district; and
- 4 (3) have overall management responsibility for  
5 ancillary health care facilities. (Acts 62nd Leg., R.S., Ch. 872,  
6 Sec. 5(a) (part).)

7 Sec. 1070.061. EMPLOYEES; APPOINTMENT OF STAFF. (a) The  
8 board may appoint to the staff any doctors and allied health  
9 personnel the board considers necessary for the efficient operation  
10 of the district and may make temporary appointments as necessary.

11 (b) The district may employ fiscal agents, accountants,  
12 architects, and attorneys the board considers proper.

13 (c) The board may delegate to the district administrator the  
14 authority to hire district employees, including technicians and  
15 nurses. (Acts 62nd Leg., R.S., Ch. 872, Secs. 5(a) (part), 16.)

16 Sec. 1070.062. RECRUITMENT OF STAFF AND EMPLOYEES. The  
17 board may spend district money, enter into agreements, and take  
18 other necessary action to recruit physicians, ancillary and allied  
19 health professionals, and other persons to serve on the district's  
20 medical staff or to be employed by the district, including:

- 21 (1) advertising and marketing;
- 22 (2) paying travel, recruitment, and relocation  
23 expenses;
- 24 (3) providing a loan or scholarship to a physician or  
25 other person who:

26 (A) is enrolled in health care education courses  
27 at an institution of higher education; and

1 (B) contractually agrees to become a district  
2 employee or medical staff member; and

3 (4) providing on a rent-free basis or subsidizing the  
4 cost of office space or other facilities for a health care  
5 professional, including a physician. (Acts 62nd Leg., R.S., Ch.  
6 872, Sec. 10A(a).)

7 Sec. 1070.063. HEALTH CARE AND PROFESSIONAL EDUCATIONAL  
8 PROGRAMS. The board may spend district money, enter into  
9 agreements, and take other necessary action to conduct, participate  
10 in, or otherwise assist in providing health care and professional  
11 educational, development, or retraining programs for current or  
12 prospective medical staff members or district employees. (Acts  
13 62nd Leg., R.S., Ch. 872, Sec. 10A(b).)

14 Sec. 1070.064. DAY-CARE SERVICES. (a) The board may take  
15 any action to provide day-care services for the district's medical  
16 staff members, allied health professionals, officers, directors,  
17 and employees, including:

- 18 (1) spending district money;  
19 (2) entering into agreements; and  
20 (3) acquiring by lease, purchase, or lease to purchase  
21 facilities, supplies, and equipment.

22 (b) The district may provide day-care services to district  
23 residents as space permits. (Acts 62nd Leg., R.S., Ch. 872, Sec.  
24 10A(c).)

25 Sec. 1070.065. SENIORITY; RETIREMENT BENEFITS. The board  
26 may:

- 27 (1) adopt rules related to the seniority of district

1 employees, including rules for a retirement plan based on  
2 seniority; and

3 (2) give effect to previous years of service for a  
4 district employee continuously employed in the operation or  
5 management of hospital or ancillary health care facilities:

6 (A) constructed by the district; or

7 (B) acquired by the district, including  
8 facilities acquired when the district was created. (Acts 62nd  
9 Leg., R.S., Ch. 872, Sec. 5(a) (part).)

10 Sec. 1070.066. LIABILITY INSURANCE; INDEMNIFICATION. (a)  
11 The board may defend or indemnify an officer, director, board  
12 appointee, medical staff member, or district employee against or  
13 from a claim, expense, or liability arising from duties performed  
14 in that capacity, including a duty performed at a district  
15 facility.

16 (b) The board may purchase and maintain liability insurance  
17 coverage or establish a self-insurance program to fund an indemnity  
18 obligation under this section. (Acts 62nd Leg., R.S., Ch. 872,  
19 Sec. 5(b).)

20 [Sections 1070.067-1070.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 1070.101. DISTRICT RESPONSIBILITY. (a) The district  
23 has full responsibility for providing hospital services for the  
24 district's indigent residents.

25 (b) The district may assume full responsibility for  
26 providing ancillary health care services for the district's  
27 indigent residents. (Acts 62nd Leg., R.S., Ch. 872, Sec. 19



1 (part).)

2           Sec. 1070.102. RESTRICTION ON POLITICAL SUBDIVISION  
3 TAXATION AND DEBT. A political subdivision located within the  
4 district may not impose a tax or issue bonds or other obligations  
5 for hospital purposes or to provide medical care. (Acts 62nd Leg.,  
6 R.S., Ch. 872, Sec. 19 (part).)

7           Sec. 1070.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
8 The board shall manage, control, and administer the hospital system  
9 and the district's money and resources. (Acts 62nd Leg., R.S., Ch.  
10 872, Sec. 5(a) (part).)

11           Sec. 1070.104. HOSPITAL SYSTEM; ANCILLARY HEALTH CARE  
12 SERVICES SYSTEM. (a) The district shall provide for the  
13 establishment of a hospital system by:

14                   (1) purchasing, constructing, acquiring, repairing,  
15 or renovating buildings and equipment;

16                   (2) equipping the buildings; and

17                   (3) administering the buildings and equipment for  
18 hospital purposes.

19           (b) The hospital and ancillary health care services systems  
20 may include:

21                   (1) facilities and equipment to provide domiciliary  
22 care and treatment of the sick or injured;

23                   (2) outpatient clinics;

24                   (3) dispensaries;

25                   (4) geriatric domiciliary care;

26                   (5) convalescent home facilities;

27                   (6) physicians' offices;

- 1 (7) home health services;
- 2 (8) durable medical equipment;
- 3 (9) long-term care;
- 4 (10) skilled nursing care;
- 5 (11) intermediate nursing care;
- 6 (12) hospice care;
- 7 (13) ambulatory surgery centers;
- 8 (14) urgent care facilities;
- 9 (15) rural health clinics;
- 10 (16) operation of a mobile emergency medical service;
- 11 (17) necessary nurses' domiciliaries and training
- 12 centers;
- 13 (18) blood banks;
- 14 (19) research centers or laboratories; and
- 15 (20) any other facilities or equipment the board
- 16 considers necessary to provide hospital and ancillary health care
- 17 services. (Acts 62nd Leg., R.S., Ch. 872, Secs. 2 (part), 9
- 18 (part).)

19 Sec. 1070.105. RULES. The board may adopt rules governing:

20 (1) the operation of the hospital, ancillary health

21 care facilities, hospital system, and ancillary health care system;

22 and

23 (2) the duties, functions, and responsibilities of

24 district staff, employees, contractors, or agents. (Acts 62nd

25 Leg., R.S., Ch. 872, Sec. 5(a) (part).)

26 Sec. 1070.106. PURCHASING AND ACCOUNTING PROCEDURES. The

27 board may prescribe:

1           (1) the method and manner of making purchases and  
2 expenditures by and for the district; and

3           (2) all accounting and control procedures. (Acts 62nd  
4 Leg., R.S., Ch. 872, Sec. 10 (part).)

5           Sec. 1070.107. MOBILE EMERGENCY MEDICAL SERVICE. The  
6 district may operate or provide for the operation of a mobile  
7 emergency medical service. (Acts 62nd Leg., R.S., Ch. 872, Sec. 19  
8 (part).)

9           Sec. 1070.108. DISTRICT PROPERTY, FACILITIES, AND  
10 EQUIPMENT. (a) The board shall determine the type, number, and  
11 location, either inside or outside the district, of buildings  
12 required to maintain an adequate hospital system and ancillary  
13 health care services system.

14           (b) The board may lease all or part of the district's  
15 buildings, facilities, or equipment on terms considered to be in  
16 the best interest of the district's inhabitants. The term of the  
17 lease may not exceed 25 years.

18           (c) The district may acquire, by purchase, lease, or lease  
19 to purchase, equipment for use in the district's hospital system  
20 and mortgage or pledge the property as security for the payment of  
21 the purchase or lease price. A contract entered into under this  
22 subsection must provide that the entire obligation be retired not  
23 later than the fifth anniversary of the date of the contract.

24           (d) The district may sell, lease, or otherwise dispose of  
25 any property, including equipment, on terms the board finds are in  
26 the best interest of the district's inhabitants. The board may not  
27 sell or otherwise dispose of any real property unless the board

1 affirmatively finds that the sale, lease, or disposition is in the  
2 best interest of the district's inhabitants. (Acts 62nd Leg.,  
3 R.S., Ch. 872, Secs. 9 (part), 10 (part).)

4 Sec. 1070.109. EMINENT DOMAIN. (a) The district may  
5 exercise the power of eminent domain to acquire a fee simple or  
6 other interest in any type of property located in district  
7 territory if the interest is necessary for the district to exercise  
8 a power, right, or privilege conferred by this chapter.

9 (b) The district must exercise the power of eminent domain  
10 in the manner provided by Chapter 21, Property Code, except the  
11 district is not required to deposit in the trial court money or a  
12 bond as provided by Section 21.021, Property Code.

13 (c) In a condemnation proceeding brought by the district,  
14 the district is not required to:

15 (1) pay in advance or provide a bond or other security  
16 for costs in the trial court;

17 (2) provide a bond for the issuance of a temporary  
18 restraining order or a temporary injunction; or

19 (3) provide a bond for costs or a supersedeas bond on  
20 an appeal or writ of error. (Acts 62nd Leg., R.S., Ch. 872, Sec.  
21 14.)

22 Sec. 1070.110. GIFTS AND ENDOWMENTS. The board may accept  
23 for the district a gift or endowment to be held in trust and  
24 administered by the board for the purposes and under the  
25 directions, limitations, or other provisions prescribed in writing  
26 by the donor that are not inconsistent with the proper management  
27 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 872,

1 Sec. 18.)

2           Sec. 1070.111. CONSTRUCTION CONTRACTS. A construction  
3 contract that involves the expenditure of more than \$10,000 may be  
4 made only after advertising in the manner provided by Chapter 252,  
5 Local Government Code, Subchapter B, Chapter 271, Local Government  
6 Code, or Section 286.078, Health and Safety Code. (Acts 62nd Leg.,  
7 R.S., Ch. 872, Sec. 10 (part).)

8           Sec. 1070.112. OPERATING AND MANAGEMENT CONTRACTS. The  
9 board may enter into an operating or management contract with a  
10 public or private entity relating to the district's facilities,  
11 equipment, or services. (Acts 62nd Leg., R.S., Ch. 872, Sec. 9  
12 (part).)

13           Sec. 1070.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
14 TREATMENT. The board may contract with this state, another state, a  
15 political subdivision of this or another state, or a federal agency  
16 for the treatment of a sick or injured person. (Acts 62nd Leg.,  
17 R.S., Ch. 872, Sec. 5(a) (part).)

18           Sec. 1070.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
19 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
20 political subdivision or governmental agency for the district to  
21 provide investigatory or other services for the hospital, ancillary  
22 health care, or welfare needs of district inhabitants. (Acts 62nd  
23 Leg., R.S., Ch. 872, Sec. 5(a) (part).)

24           Sec. 1070.115. PROVISION OF SERVICES OUTSIDE DISTRICT. The  
25 board may provide health care services outside the district for the  
26 care and treatment of the sick or injured persons of any  
27 jurisdiction. (Acts 62nd Leg., R.S., Ch. 872, Sec. 5(a) (part).)

1           Sec. 1070.116. PAYMENT FOR TREATMENT; PROCEDURES.   (a)

2   When a patient is admitted to a district facility, the district  
3   administrator may have an inquiry made into the circumstances of:

4           (1)   the patient; and

5           (2)   the patient's relatives who are legally liable for  
6   the patient's support.

7           (b)   If the district administrator determines that the  
8   patient or those relatives cannot pay all or part of the costs of  
9   the care and treatment provided to the patient by the district and  
10   that payment is not available from any other source, the amount of  
11   the costs that cannot be paid becomes a charge against the district.

12          (c)   If the district administrator determines that the  
13   patient or those relatives can pay for all or part of the costs of  
14   the patient's care and treatment, the patient or those relatives  
15   shall be ordered to pay the district a specified amount each week  
16   for the patient's care and support. The amount ordered must be  
17   proportionate to the person's financial ability.

18          (d)   The district administrator may collect the amount from  
19   the patient's estate, or from any relative who is legally liable for  
20   the patient's support, in the manner provided by law for the  
21   collection of expenses of the last illness of a deceased person.

22          (e)   If there is a dispute as to the ability to pay, or doubt  
23   in the mind of the district administrator, the board shall hold a  
24   hearing and, after calling witnesses, shall:

25           (1)   determine the patient's ability to pay; and

26           (2)   issue any appropriate orders.

27          (f)   The final order may be appealed to the district court.

1 The substantial evidence rule applies to the appeal. (Acts 62nd  
2 Leg., R.S., Ch. 872, Sec. 17.)

3 Sec. 1070.117. AUTHORITY TO SUE AND BE SUED. (a) The  
4 district, through the board, may sue and be sued.

5 (b) The district is entitled to all causes of action and  
6 defenses to which similar authorities performing only governmental  
7 functions are entitled. (Acts 62nd Leg., R.S., Ch. 872, Sec. 5(a)  
8 (part).)

9 [Sections 1070.118-1070.150 reserved for expansion]

10 SUBCHAPTER D. CHANGE IN BOUNDARIES

11 Sec. 1070.151. TERRITORY THAT MAY BE ANNEXED. (a) The  
12 district may annex territory that is not located in:

- 13 (1) Hansford County;
- 14 (2) the boundaries of another hospital district; or
- 15 (3) the proposed boundaries of another hospital  
16 district authorized by the legislature under Section 9, Article IX,  
17 Texas Constitution.

18 (b) Territory may be annexed in one or more tracts. Each  
19 tract must be contiguous to:

- 20 (1) the district; or
- 21 (2) territory proposed to be annexed to the district.

22 (Acts 62nd Leg., R.S., Ch. 872, Sec. 1A(a).)

23 Sec. 1070.152. PETITION TO ANNEX TERRITORY. (a) A petition  
24 requesting that territory be annexed to the district may be  
25 presented to the board. The petition must:

- 26 (1) describe the tract or tracts of land to be annexed;

27 and

1           (2) be signed by 100 or a majority of the registered  
2 voters who:

3                   (A) reside in the territory to be annexed; and

4                   (B) own property that will be subject to district  
5 taxation if the territory is annexed.

6           (b) This chapter does not prohibit simultaneous action on  
7 several petitions for annexation. Each ballot proposition must be  
8 submitted for each different territory proposed to be annexed, and  
9 an election held in each territory represented by a petition.

10           (c) If the board receives two or more petitions for  
11 annexation that include all or part of the same territory to be  
12 annexed to the district, the petition filed first with the board  
13 shall be considered and another petition that includes any of the  
14 same territory has no effect.

15           (d) The board may consider all petitions for annexation  
16 presented to it and may approve or reject each petition. The board  
17 may not partly approve or partly reject any petition. (Acts 62nd  
18 Leg., R.S., Ch. 872, Secs. 1A(b) (part), (f).)

19           Sec. 1070.153. ELECTION ORDER. (a) If, on receipt of a  
20 petition, the board finds that annexing the territory is in the  
21 district's best interest, the board shall within 90 days of the  
22 board's finding:

23                   (1) approve the annexation of the territory described  
24 in the petition; and

25                   (2) order an election on the question of annexing the  
26 territory to the district.

27           (b) The election order shall provide for a separate



1 election:

2 (1) in the territory proposed to be annexed; and

3 (2) in the district.

4 (c) The election order shall provide for clerks as in county  
5 elections and must specify:

6 (1) the date of the election;

7 (2) the location of the polling places;

8 (3) the form of ballot; and

9 (4) the presiding judge and alternate judge for each  
10 polling place.

11 (d) The election order may provide that:

12 (1) the entire district is one election precinct; or

13 (2) the county election precincts be combined for the  
14 election. (Acts 62nd Leg., R.S., Ch. 872, Secs. 1A(b) (part), (d)  
15 (part), 3(a) (part).)

16 Sec. 1070.154. BALLOT. The ballot for the election shall be  
17 printed to permit voting for or against the proposition: "The  
18 establishment of the Hansford County Hospital District with  
19 extended boundaries and establishment of a hospital district tax at  
20 a rate not to exceed 50 cents on the \$100 valuation on all taxable  
21 property in the extended boundaries of the hospital district that  
22 is subject to hospital district taxation for hospital purposes."  
23 (Acts 62nd Leg., R.S., Ch. 872, Sec. 1A(b) (part).)

24 Sec. 1070.155. NOTICE OF ELECTION. (a) Notice of the  
25 election shall be given by publishing once a week for two  
26 consecutive weeks a substantial copy of the election order in a  
27 newspaper or newspapers that individually or collectively have

1 general circulation in the county or district.

2 (b) The first publication must appear at least 30 days  
3 before the date of the election. (Acts 62nd Leg., R.S., Ch. 872,  
4 Secs. 1A(d) (part), 3(a) (part).)

5 Sec. 1070.156. ELECTION RESULTS. (a) Territory may not be  
6 annexed to the district unless:

7 (1) an election is held in accordance with this  
8 subchapter; and

9 (2) the annexation is approved by a majority of the  
10 voters voting in the election in:

11 (A) the district; and

12 (B) the territory proposed to be annexed.

13 (b) If the territory is annexed to the district, a certified  
14 copy of the order canvassing the returns of the election shall be  
15 filed and recorded in the deed records of each county in which the  
16 district is located following the annexation election.

17 (c) An election may not be held under this subchapter  
18 within six months of an election previously held under this  
19 subchapter. (Acts 62nd Leg., R.S., Ch. 872, Secs. 1A(c), (d)  
20 (part), (e), 3(a) (part).)

21 Sec. 1070.157. EFFECT OF ANNEXATION. (a) Territory  
22 annexed to the district is part of the district for all purposes.

23 (b) The annexation of territory to the district does not  
24 change the manner in which the board or district officers are  
25 selected. (Acts 62nd Leg., R.S., Ch. 872, Sec. 1A(g).)

26 [Sections 1070.158-1070.200 reserved for expansion]

27 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

1           Sec. 1070.201. BUDGET. (a) The district administrator  
2 shall prepare an annual budget for approval by the board.

3           (b) The proposed budget must contain a complete financial  
4 statement of:

5                   (1) the outstanding obligations of the district;

6                   (2) the cash on hand in each district fund;

7                   (3) the money received by the district from all  
8 sources during the previous year;

9                   (4) the money available to the district from all  
10 sources during the ensuing year;

11                   (5) the balances expected at the end of the year in  
12 which the budget is being prepared;

13                   (6) the estimated revenue and balances available to  
14 cover the proposed budget;

15                   (7) the estimated tax rate required; and

16                   (8) the proposed expenditures and disbursements and  
17 the estimated receipts and collections for the following fiscal  
18 year. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

19           Sec. 1070.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
20 The board shall hold a public hearing on the proposed annual budget.

21           (b) At least 10 days before the date of the hearing, notice  
22 of the hearing shall be published one time in a newspaper or  
23 newspapers that individually or collectively have general  
24 circulation in the district.

25           (c) Any property taxpayer of the district is entitled to be  
26 present and participate at the hearing in accordance with the rules  
27 of decorum and procedures prescribed by the board.

1 (d) At the conclusion of the hearing, the board shall adopt  
2 a budget by acting on the budget proposed by the district  
3 administrator. The board may make any changes in the proposed  
4 budget that the board judges to be in the interests of the taxpayers  
5 and that the law warrants. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6  
6 (part).)

7 Sec. 1070.203. AMENDMENTS TO BUDGET. The annual budget may  
8 be amended as required by circumstances. The board must approve all  
9 amendments. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

10 Sec. 1070.204. RESTRICTION ON EXPENDITURES. Money may be  
11 spent only for an expense included in the budget or an amendment to  
12 the budget. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

13 Sec. 1070.205. FISCAL YEAR. (a) The district operates on a  
14 fiscal year established by the board.

15 (b) The fiscal year may not be changed more than once in a  
16 24-month period. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

17 Sec. 1070.206. AUDIT. (a) The board shall have an  
18 independent audit made of the district's financial condition for  
19 the fiscal year.

20 (b) As soon as the audit is completed, the audit shall be  
21 filed at the district's office. (Acts 62nd Leg., R.S., Ch. 872,  
22 Sec. 6 (part).)

23 Sec. 1070.207. INSPECTION OF AUDIT AND DISTRICT RECORDS.  
24 The audit and other district records shall be open to inspection at  
25 the district's principal office. (Acts 62nd Leg., R.S., Ch. 872,  
26 Sec. 6 (part).)

27 Sec. 1070.208. FINANCIAL REPORT. As soon as practicable

1 after the close of each fiscal year, the district administrator  
2 shall prepare for the board:

3 (1) a complete sworn statement of all district money;  
4 and

5 (2) a complete account of the disbursements of that  
6 money. (Acts 62nd Leg., R.S., Ch. 872, Sec. 6 (part).)

7 Sec. 1070.209. DEPOSITORY. (a) The board shall select one  
8 or more banks inside or outside the district to serve as a  
9 depository for district money.

10 (b) District money, other than money invested as provided by  
11 Section 1070.210(b), and money transmitted to a bank for payment of  
12 bonds or obligations issued or assumed by the district, shall be  
13 deposited as received with the depository bank and shall remain on  
14 deposit.

15 (c) This chapter, including Subsection (b), does not limit  
16 the power of the board to:

17 (1) place a part of district money on time deposit;

18 (2) purchase certificates of deposit; or

19 (3) make other investments authorized by Chapter 2256,  
20 Government Code. (Acts 62nd Leg., R.S., Ch. 872, Sec. 11.)

21 Sec. 1070.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
22 Except as otherwise provided by Sections 1070.062, 1070.063,  
23 1070.064, 1070.108(c), and 1070.211 and by Subchapter F, the  
24 district may not incur an obligation payable from district revenue  
25 other than the revenue on hand or to be on hand in the current and  
26 following district fiscal years.

27 (b) The board may invest operating, depreciation, or

1 building money only in funds or securities specified by Chapter  
2 2256, Government Code. (Acts 62nd Leg., R.S., Ch. 872, Secs. 5(a)  
3 (part), 10 (part).)

4         Sec. 1070.211. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
5 The district may borrow money for district operating expenses in an  
6 amount not to exceed the amount of tax or other revenue the district  
7 expects to receive during the fiscal year in which the money is  
8 borrowed.

9         (b) To repay the debt, the board may pledge all or part of  
10 the tax or other revenue received during the fiscal year in which  
11 the board borrows money under this section. (Acts 62nd Leg., R.S.,  
12 Ch. 872, Sec. 15(d).)

13         [Sections 1070.212-1070.250 reserved for expansion]

14                     SUBCHAPTER F. BONDS

15         Sec. 1070.251. OBLIGATIONS AND CREDIT AGREEMENTS. The  
16 district may issue, sell, and deliver obligations and execute  
17 corresponding credit agreements in the manner provided by Chapters  
18 1201 and 1371, Government Code. (Acts 62nd Leg., R.S., Ch. 872,  
19 Sec. 8A.)

20         Sec. 1070.252. GENERAL OBLIGATION BONDS. The board may  
21 issue and sell general obligation bonds in the name and on the faith  
22 and credit of the district for any purpose relating to:

23                 (1) the purchase, construction, acquisition, repair,  
24 or renovation of buildings or improvements; and

25                 (2) equipping buildings or improvements for hospital  
26 and ancillary health care purposes. (Acts 62nd Leg., R.S., Ch. 872,  
27 Sec. 7 (part).)

1           Sec. 1070.253. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
2 the time general obligation bonds are issued under Section  
3 1070.252, the board shall impose an ad valorem tax at a rate  
4 sufficient to create an interest and sinking fund to pay the  
5 principal of and interest on the bonds as the bonds mature.

6           (b) The tax required by this section together with any other  
7 ad valorem tax the district imposes may not in any year exceed the  
8 tax rate approved by the voters at the election authorizing the  
9 imposition of the tax. (Acts 62nd Leg., R.S., Ch. 872, Sec. 7  
10 (part).)

11           Sec. 1070.254. GENERAL OBLIGATION BOND ELECTION. (a) The  
12 district may issue general obligation bonds only if the bonds are  
13 authorized by a majority of the district voters voting at an  
14 election held for that purpose.

15           (b) The order calling the election shall provide for clerks  
16 as in county elections and must specify:

- 17                   (1) the date of the election;  
18                   (2) the location of the polling places;  
19                   (3) the presiding and alternate election judges for  
20 each polling place;  
21                   (4) the amount of the bonds to be authorized;  
22                   (5) the maximum interest rate of the bonds; and  
23                   (6) the maximum maturity of the bonds.

24           (c) Notice of a bond election shall be given as provided by  
25 Section 1251.003, Government Code. (Acts 62nd Leg., R.S., Ch. 872,  
26 Sec. 7 (part).)

27           Sec. 1070.255. REVENUE BONDS. (a) The board may issue

1 revenue bonds to:

2 (1) purchase, construct, acquire, repair, renovate,  
3 or equip buildings or improvements for hospital or ancillary health  
4 care purposes; or

5 (2) acquire sites to be used for hospital or ancillary  
6 health care purposes.

7 (b) The bonds must be payable from and secured by a pledge of  
8 all or part of the revenue derived from the operation of the  
9 district's hospitals or ancillary health care facilities.

10 (c) The bonds may be additionally secured by a mortgage or  
11 deed of trust lien on all or part of district property.

12 (d) The bonds must be issued in the manner and in accordance  
13 with the procedures and requirements prescribed by Sections  
14 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for  
15 issuance of revenue bonds by a county hospital authority. (Acts  
16 62nd Leg., R.S., Ch. 872, Sec. 8(b) (part).)

17 Sec. 1070.256. REFUNDING BONDS. (a) The board may issue  
18 refunding bonds to refund outstanding indebtedness issued or  
19 assumed by the district.

20 (b) A refunding bond may be:

21 (1) sold, with the proceeds of the refunding bond  
22 applied to the payment of outstanding indebtedness; or

23 (2) exchanged wholly or partly for not less than a  
24 similar principal amount of outstanding indebtedness. (Acts 62nd  
25 Leg., R.S., Ch. 872, Secs. 8(a) (part), (b) (part).)

26 Sec. 1070.257. MATURITY OF BONDS. District bonds must  
27 mature not later than 40 years after the date of issuance. (Acts



1 62nd Leg., R.S., Ch. 872, Sec. 8(c) (part).)

2 Sec. 1070.258. EXECUTION OF BONDS. (a) The board president  
3 shall execute district bonds in the district's name.

4 (b) The board secretary shall countersign the bonds in the  
5 manner provided by Chapter 618, Government Code. (Acts 62nd Leg.,  
6 R.S., Ch. 872, Sec. 8(c) (part).)

7 Sec. 1070.259. BONDS EXEMPT FROM TAXATION. The following  
8 are exempt from taxation by this state or a political subdivision of  
9 this state:

- 10 (1) bonds issued by the district;  
11 (2) the transfer and issuance of the bonds; and  
12 (3) profits made in the sale of the bonds. (Acts 62nd  
13 Leg., R.S., Ch. 872, Sec. 21 (part).)

14 [Sections 1070.260-1070.300 reserved for expansion]

15 SUBCHAPTER G. TAXES

16 Sec. 1070.301. IMPOSITION OF AD VALOREM TAX. (a) The board  
17 shall impose a tax on all property in the district subject to  
18 district taxation.

19 (b) The board shall impose the tax to:

20 (1) pay the interest on and create a sinking fund for  
21 bonds and other obligations issued or assumed by the district for  
22 hospital purposes;

23 (2) provide for the operation and maintenance of the  
24 district and hospital system;

25 (3) make improvements and additions to the hospital  
26 system; and

27 (4) acquire necessary sites for the hospital system by

1 purchase, lease, or condemnation. (Acts 62nd Leg., R.S., Ch. 872,  
2 Secs. 12 (part), 15(a) (part).)

3       Sec. 1070.302. TAX RATE. (a) The board may impose the tax  
4 at a rate not to exceed 50 cents on each \$100 valuation of taxable  
5 property in the district unless the maximum tax rate is increased as  
6 provided by Section 1070.303.

7       (b) In setting the tax rate, the board shall consider the  
8 income of the district from sources other than taxation. (Acts 62nd  
9 Leg., R.S., Ch. 872, Secs. 3(b) (part), 12 (part).)

10       Sec. 1070.303. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)  
11 The board may order an election to increase the district's maximum  
12 tax rate to a rate not to exceed 75 cents on each \$100 valuation of  
13 taxable property in the district.

14       (b) The maximum tax rate may not be increased unless the  
15 increase is approved by a majority of the district voters voting in  
16 an election held for that purpose.

17       (c) An election held under this section must be ordered and  
18 notice must be given in the manner provided for a bond election  
19 under Subchapter F.

20       (d) The election order must specify:

- 21           (1) the ballot proposition;  
22           (2) the proposed maximum tax rate;  
23           (3) the time of the election;  
24           (4) the location of the polling places; and  
25           (5) the presiding judge for each polling place. (Acts  
26 62nd Leg., R.S., Ch. 872, Sec. 3(d).)

27       Sec. 1070.304. TAX ASSESSOR-COLLECTOR. The board may

1 provide for the appointment of a tax assessor-collector for the  
2 district or may contract for the assessment and collection of taxes  
3 as provided by the Tax Code. (Acts 62nd Leg., R.S., Ch. 872, Sec.  
4 15(c).)

5 CHAPTER 1071. OCHILTREE COUNTY HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1071.001. DEFINITIONS

8 Sec. 1071.002. AUTHORITY FOR OPERATION

9 Sec. 1071.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL

10 SUBDIVISION

11 Sec. 1071.004. DISTRICT TERRITORY

12 Sec. 1071.005. CORRECTION OF INVALID PROCEDURES

13 [Sections 1071.006-1071.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 1071.051. BOARD ELECTION; TERM

16 Sec. 1071.052. NOTICE OF ELECTION

17 Sec. 1071.053. BALLOT PETITION

18 Sec. 1071.054. QUALIFICATIONS FOR OFFICE

19 Sec. 1071.055. BOND; RECORD OF BOND AND OATH OR

20 AFFIRMATION OF OFFICE

21 Sec. 1071.056. BOARD VACANCY

22 Sec. 1071.057. OFFICERS

23 Sec. 1071.058. COMPENSATION; EXPENSES

24 Sec. 1071.059. VOTING REQUIREMENT

25 Sec. 1071.060. DISTRICT ADMINISTRATOR

26 Sec. 1071.061. GENERAL DUTIES OF DISTRICT

27 ADMINISTRATOR

- 1 Sec. 1071.062. EMPLOYEES  
2 Sec. 1071.063. RECRUITMENT OF MEDICAL STAFF AND  
3 EMPLOYEES  
4 Sec. 1071.064. APPOINTMENT AND REMOVAL OF MEDICAL  
5 STAFF  
6 Sec. 1071.065. HEALTH CARE EDUCATIONAL PROGRAMS  
7 Sec. 1071.066. RETIREMENT BENEFITS  
8 Sec. 1071.067. LIABILITY INSURANCE; INDEMNIFICATION  
9 Sec. 1071.068. MAINTENANCE OF RECORDS; PUBLIC  
10 INSPECTION  
11 Sec. 1071.069. SEAL  
12 [Sections 1071.070-1071.100 reserved for expansion]  
13 SUBCHAPTER C. POWERS AND DUTIES  
14 Sec. 1071.101. DISTRICT RESPONSIBILITY  
15 Sec. 1071.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
16 TAXATION  
17 Sec. 1071.103. MANAGEMENT AND CONTROL  
18 Sec. 1071.104. HOSPITAL SYSTEM  
19 Sec. 1071.105. RULES  
20 Sec. 1071.106. PURCHASING AND ACCOUNTING PROCEDURES  
21 Sec. 1071.107. MOBILE EMERGENCY MEDICAL SERVICE  
22 Sec. 1071.108. DISTRICT PROPERTY, FACILITIES, AND  
23 EQUIPMENT  
24 Sec. 1071.109. EMINENT DOMAIN  
25 Sec. 1071.110. GIFTS AND ENDOWMENTS  
26 Sec. 1071.111. CONTRACTS FOR CARE AND TREATMENT

- 1 Sec. 1071.112. CONTRACTS WITH GOVERNMENTAL ENTITIES  
2 FOR INVESTIGATORY OR OTHER SERVICES  
3 Sec. 1071.113. PROVISION OF SERVICES OUTSIDE DISTRICT  
4 Sec. 1071.114. JOINT ADMINISTRATION OR DELIVERY OF  
5 HEALTH CARE SERVICES  
6 Sec. 1071.115. PAYMENT FOR TREATMENT; PROCEDURES  
7 Sec. 1071.116. REIMBURSEMENT FOR SERVICES  
8 Sec. 1071.117. NONPROFIT CORPORATION  
9 Sec. 1071.118. AUTHORITY TO SUE AND BE SUED  
10 [Sections 1071.119-1071.150 reserved for expansion]  
11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
12 Sec. 1071.151. BUDGET  
13 Sec. 1071.152. PROPOSED BUDGET: NOTICE AND HEARING  
14 Sec. 1071.153. FISCAL YEAR  
15 Sec. 1071.154. ANNUAL AUDIT  
16 Sec. 1071.155. DEPOSITORY OR TREASURER  
17 Sec. 1071.156. AUTHORITY TO BORROW MONEY  
18 [Sections 1071.157-1071.200 reserved for expansion]  
19 SUBCHAPTER E. BONDS  
20 Sec. 1071.201. GENERAL OBLIGATION BONDS  
21 Sec. 1071.202. TAX TO PAY GENERAL OBLIGATION BONDS  
22 Sec. 1071.203. GENERAL OBLIGATION BOND ELECTION  
23 Sec. 1071.204. MATURITY OF GENERAL OBLIGATION BONDS  
24 Sec. 1071.205. EXECUTION OF GENERAL OBLIGATION BONDS  
25 Sec. 1071.206. REVENUE BONDS  
26 Sec. 1071.207. REFUNDING BONDS  
27 Sec. 1071.208. BONDS EXEMPT FROM TAXATION

1 [Sections 1071.209-1071.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

3 Sec. 1071.251. IMPOSITION OF AD VALOREM TAX

4 Sec. 1071.252. TAX RATE

5 Sec. 1071.253. TAX ASSESSOR-COLLECTOR

6 CHAPTER 1071. OCHILTREE COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 1071.001. DEFINITIONS. In this chapter:

9 (1) "Board" means the board of directors of the  
10 district.

11 (2) "Director" means a member of the board.

12 (3) "District" means the Ochiltree County Hospital  
13 District. (New.)

14 Sec. 1071.002. AUTHORITY FOR OPERATION. The district  
15 operates under the authority of and has the powers and  
16 responsibilities provided by Section 11, Article IX, Texas  
17 Constitution. (Acts 57th Leg., R.S., Ch. 103, Sec. 1 (part).)

18 Sec. 1071.003. ESSENTIAL PUBLIC FUNCTION; POLITICAL  
19 SUBDIVISION. The district is:

20 (1) a public entity performing an essential public  
21 function; and

22 (2) a political subdivision of this state. (Acts 57th  
23 Leg., R.S., Ch. 103, Secs. 6A(c) (part), 18 (part).)

24 Sec. 1071.004. DISTRICT TERRITORY. The boundaries of the  
25 district are coextensive with the boundaries of Ochiltree County.  
26 (Acts 57th Leg., R.S., Ch. 103, Sec. 1 (part).)

27 Sec. 1071.005. CORRECTION OF INVALID PROCEDURES. If a

1 court holds that any procedure under this chapter violates the  
2 constitution of this state or of the United States, the district by  
3 resolution may provide an alternative procedure that conforms with  
4 the constitution. (Acts 57th Leg., R.S., Ch. 103, Sec. 19 (part).)

5 [Sections 1071.006-1071.050 reserved for expansion]

6 SUBCHAPTER B. DISTRICT ADMINISTRATION

7 Sec. 1071.051. BOARD ELECTION; TERM. (a) The board  
8 consists of five directors elected from the district at large.

9 (b) Unless four-year terms are established under Section  
10 285.081, Health and Safety Code:

11 (1) directors serve staggered two-year terms; and

12 (2) an election shall be held on the uniform election  
13 date in May of each year to elect the appropriate number of  
14 directors. (Acts 57th Leg., R.S., Ch. 103, Secs. 3(a) (part), (e)  
15 (part).)

16 Sec. 1071.052. NOTICE OF ELECTION. Not earlier than the  
17 30th day or later than the 10th day before the date of an election of  
18 directors, notice of the election shall be published one time in a  
19 newspaper of general circulation in Ochiltree County. (Acts 57th  
20 Leg., R.S., Ch. 103, Sec. 3(e) (part).)

21 Sec. 1071.053. BALLOT PETITION. A person who wants to have  
22 the person's name printed on the ballot as a candidate for director  
23 must file with the board secretary a petition requesting that  
24 action. The petition must be:

25 (1) signed by at least 25 registered voters; and

26 (2) filed not later than the 25th day before the date  
27 of the election. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(e) (part).)

1           Sec. 1071.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
2 not be elected or appointed as a director unless the person is:

- 3                   (1) a district resident; and  
4                   (2) more than 21 years of age.

5           (b) An employee or medical staff member of the district may  
6 not serve as a director. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(b)  
7 (part).)

8           Sec. 1071.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
9 OF OFFICE. (a) Each director shall execute a good and sufficient  
10 bond for \$1,000 that is:

- 11                   (1) payable to the district; and  
12                   (2) conditioned on the faithful performance of the  
13 director's duties.

14           (b) The district may pay for the directors' bonds with  
15 district money.

16           (c) Each director's bond and constitutional oath or  
17 affirmation of office shall be deposited with the district's  
18 depository bank for safekeeping. (Acts 57th Leg., R.S., Ch. 103,  
19 Sec. 3(c) (part).)

20           Sec. 1071.056. BOARD VACANCY. (a) If a vacancy occurs in  
21 the office of director, the remaining directors shall appoint a  
22 director for the unexpired term.

23           (b) If the number of directors is reduced to fewer than  
24 three for any reason, the remaining directors shall immediately  
25 call a special election to fill the vacancies. If the remaining  
26 directors do not call the election, a district court, on  
27 application of a district voter or taxpayer, may order the



1 directors to hold the election. (Acts 57th Leg., R.S., Ch. 103,  
2 Sec. 3(d) (part).)

3 Sec. 1071.057. OFFICERS. The board shall elect from among  
4 its members a president and a secretary. (Acts 57th Leg., R.S., Ch.  
5 103, Sec. 3(d) (part).)

6 Sec. 1071.058. COMPENSATION; EXPENSES. A director serves  
7 without compensation but may be reimbursed for actual expenses  
8 incurred in the performance of official duties on approval of the  
9 expenses by the entire board. (Acts 57th Leg., R.S., Ch. 103, Sec.  
10 4 (part).)

11 Sec. 1071.059. VOTING REQUIREMENT. A concurrence of three  
12 directors is sufficient in any matter relating to district  
13 business. (Acts 57th Leg., R.S., Ch. 103, Sec. 3(d) (part).)

14 Sec. 1071.060. DISTRICT ADMINISTRATOR. (a) The board may  
15 appoint a qualified person as district administrator.

16 (b) The district administrator serves at the will of the  
17 board and receives the compensation determined by the board. (Acts  
18 57th Leg., R.S., Ch. 103, Sec. 8(b) (part).)

19 Sec. 1071.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
20 Subject to the limitations prescribed by the board, the district  
21 administrator shall:

22 (1) supervise the work and activities of the district;  
23 and

24 (2) direct the general affairs of the district. (Acts  
25 57th Leg., R.S., Ch. 103, Sec. 8(b) (part).)

26 Sec. 1071.062. EMPLOYEES. (a) The board may employ a  
27 general manager, attorney, bookkeeper, and architect.

1 (b) The board may employ technicians, nurses, fiscal  
2 agents, accountants, and other necessary employees.

3 (c) The board may delegate to the district administrator the  
4 authority to hire employees under Subsection (b). (Acts 57th Leg.,  
5 R.S., Ch. 103, Secs. 8(a) (part), (c) (part).)

6 Sec. 1071.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.  
7 The board may spend district money, enter into agreements, and take  
8 other necessary action to recruit physicians and other persons to  
9 serve as medical staff members or district employees, including:

10 (1) advertising and marketing;  
11 (2) paying travel, recruitment, and relocation  
12 expenses;

13 (3) providing a loan or scholarship to a physician or a  
14 person who:

15 (A) is currently enrolled in health care  
16 education courses at an institution of higher education; and

17 (B) contractually agrees to become a district  
18 employee or medical staff member; and

19 (4) providing on a rent-free basis or subsidizing the  
20 cost of office space or other facilities for a health care  
21 professional, including a physician. (Acts 57th Leg., R.S., Ch.  
22 103, Secs. 8B(a), (k).)

23 Sec. 1071.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

24 (a) The board may appoint to or remove from the medical staff any  
25 doctors as necessary for the efficient operation of the district  
26 and may make temporary appointments as necessary.

27 (b) The board may adopt policies relating to the appointment

1 and removal of medical staff members. (Acts 57th Leg., R.S., Ch.  
2 103, Sec. 8(d) (part).)

3       Sec. 1071.065. HEALTH CARE EDUCATIONAL PROGRAMS. The  
4 board may spend district money, enter into agreements, or take  
5 other necessary action to conduct, participate in, or assist in  
6 providing health care educational programs for current or  
7 prospective medical staff members or employees of the district.  
8 (Acts 57th Leg., R.S., Ch. 103, Sec. 8B(1).)

9       Sec. 1071.066. RETIREMENT BENEFITS. The board may provide  
10 retirement benefits for district employees by:

11             (1) establishing or administering a retirement  
12 program; or

13             (2) participating in:

14                 (A) the Texas County and District Retirement  
15 System; or

16                 (B) another statewide retirement system in which  
17 the district is eligible to participate. (Acts 57th Leg., R.S., Ch.  
18 103, Sec. 8B(m).)

19       Sec. 1071.067. LIABILITY INSURANCE; INDEMNIFICATION. (a)  
20 The board may defend or indemnify an officer, director, board  
21 appointee, medical staff member, or district employee against or  
22 from a claim, expense, or liability arising from duties performed  
23 in that capacity.

24             (b) The board may purchase liability insurance coverage or  
25 establish a self-insurance program to fund an indemnity obligation  
26 under this section. (Acts 57th Leg., R.S., Ch. 103, Sec. 4 (part).)

27       Sec. 1071.068. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

1 Except as provided by Section 1071.055, all district records,  
2 including books, accounts, notices, minutes, and all other matters  
3 of the district and the operation of its facilities, shall be:

- 4 (1) maintained at the district office; and  
5 (2) open to public inspection at the district office  
6 at all reasonable hours. (Acts 57th Leg., R.S., Ch. 103, Sec.  
7 8(e).)

8 Sec. 1071.069. SEAL. The board may adopt a seal for the  
9 district. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(a) (part).)

10 [Sections 1071.070-1071.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 1071.101. DISTRICT RESPONSIBILITY. The district has  
13 full responsibility for providing medical and hospital care for the  
14 district's needy and indigent residents. (Acts 57th Leg., R.S.,  
15 Ch. 103, Sec. 13 (part).)

16 Sec. 1071.102. RESTRICTION ON COUNTY OR MUNICIPALITY  
17 TAXATION. Ochiltree County or a municipality in Ochiltree County  
18 may not impose a tax for hospital purposes. (Acts 57th Leg., R.S.,  
19 Ch. 103, Sec. 13 (part).)

20 Sec. 1071.103. MANAGEMENT AND CONTROL. The management and  
21 control of the district is vested in the board. (Acts 57th Leg.,  
22 R.S., Ch. 103, Sec. 4 (part).)

23 Sec. 1071.104. HOSPITAL SYSTEM. (a) The district may  
24 provide for the establishment of a hospital or hospital system to  
25 provide medical and hospital care to the district's needy  
26 residents.

27 (b) The hospital system may include:

- 1 (1) facilities and equipment for domiciliary care and  
2 treatment of sick, injured, or geriatric patients;
- 3 (2) outpatient clinics;
- 4 (3) rural health clinics;
- 5 (4) convalescent home facilities;
- 6 (5) assisted living or personal care facilities;
- 7 (6) physicians' offices;
- 8 (7) home health care services;
- 9 (8) durable medical equipment;
- 10 (9) long-term care;
- 11 (10) skilled nursing care;
- 12 (11) intermediate nursing care;
- 13 (12) hospice care;
- 14 (13) community mental health centers;
- 15 (14) alcohol or chemical dependency centers; and
- 16 (15) any other facilities or equipment the board  
17 considers necessary for hospital purposes. (Acts 57th Leg., R.S.,  
18 Ch. 103, Secs. 2 (part), 8B(b) (part).)

19 Sec. 1071.105. RULES. (a) The board may adopt rules  
20 governing the operation of the district, including district  
21 facilities.

22 (b) On approval by the board, the rules may be published in  
23 booklet form at district expense and made available to any taxpayer  
24 on request. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(f).)

25 Sec. 1071.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)  
26 The board may prescribe the method and manner of making purchases  
27 and expenditures by and for the district.

1 (b) The board shall prescribe:

2 (1) all accounting and control procedures; and

3 (2) the method of purchasing necessary supplies,  
4 materials, and equipment. (Acts 57th Leg., R.S., Ch. 103, Sec. 8(a)  
5 (part).)

6 Sec. 1071.107. MOBILE EMERGENCY MEDICAL SERVICE. The  
7 district may operate or assist in the operation of a mobile  
8 emergency medical service as part of the hospital system. (Acts  
9 57th Leg., R.S., Ch. 103, Sec. 8B(b) (part).)

10 Sec. 1071.108. DISTRICT PROPERTY, FACILITIES, AND  
11 EQUIPMENT. (a) The board shall determine:

12 (1) the type, number, and location of facilities  
13 required to maintain an adequate hospital system; and

14 (2) the type of equipment necessary for hospital care.

15 (b) The board may:

16 (1) acquire by lease, purchase, or lease to purchase  
17 or may construct, repair, or renovate property, including  
18 facilities or equipment, for use in the district's hospital system;  
19 and

20 (2) mortgage or pledge the property as security for  
21 the payment of the purchase price.

22 (c) The board may lease hospital facilities for the  
23 district.

24 (d) The board may lease, sell, or otherwise dispose of all  
25 or part of the district's property for the district, including  
26 facilities or equipment, to a public or private entity.

27 (e) The district may operate any facility covered by this

1 section or contract with any person to manage or operate the  
2 facility. (Acts 57th Leg., R.S., Ch. 103, Secs. 8B(a), (b) (part),  
3 (c), (d), (e), (f).)

4 Sec. 1071.109. EMINENT DOMAIN. (a) The district may  
5 exercise the power of eminent domain to acquire a fee simple or  
6 other interest in any type of property, real, personal, or mixed,  
7 located in district territory, if the interest is necessary or  
8 convenient for the district to exercise a right, power, privilege,  
9 or function conferred on the district by this chapter.

10 (b) The district must exercise the power of eminent domain  
11 in the manner provided by Chapter 21, Property Code, except the  
12 district is not required to deposit in the trial court money or a  
13 bond as provided by Section 21.021(a), Property Code.

14 (c) In a condemnation proceeding brought by the district,  
15 the district is not required to:

16 (1) pay in advance or provide a bond or other security  
17 for costs in the trial court;

18 (2) provide a bond for the issuance of a temporary  
19 restraining order or a temporary injunction; or

20 (3) provide a bond for costs or a supersedeas bond on  
21 an appeal or writ of error. (Acts 57th Leg., R.S., Ch. 103, Sec.  
22 10.)

23 Sec. 1071.110. GIFTS AND ENDOWMENTS. The board may accept  
24 for the district a gift or endowment to be held in trust and  
25 administered by the board for the purposes and under the  
26 directions, limitations, or other provisions prescribed in writing  
27 by the donor that are not inconsistent with the proper management

1 and objectives of the district. (Acts 57th Leg., R.S., Ch. 103,  
2 Sec. 16.)

3       Sec. 1071.111. CONTRACTS FOR CARE AND TREATMENT. (a) The  
4 board may contract with a hospital, hospital authority, or  
5 political subdivision of this state located outside the district's  
6 boundaries to reimburse the district for the care and treatment of a  
7 sick or injured person of that entity.

8       (b) The board may contract with this state or a federal  
9 agency for the state or agency to reimburse the district for the  
10 treatment of a sick or injured person. (Acts 57th Leg., R.S., Ch.  
11 103, Sec. 8B(h) (part).)

12       Sec. 1071.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR  
13 INVESTIGATORY OR OTHER SERVICES. The board may contract with a  
14 political subdivision or governmental agency to provide  
15 investigatory or other services related to facilities for the  
16 medical care, hospital, or welfare needs of district inhabitants.  
17 (Acts 57th Leg., R.S., Ch. 103, Sec. 8B(h) (part).)

18       Sec. 1071.113. PROVISION OF SERVICES OUTSIDE DISTRICT.  
19 Subject to board approval the district may provide primary care,  
20 emergency services, preventative medical services, and other  
21 health-related services outside the district, provided that the  
22 services serve the purpose of the district as established by this  
23 chapter. (Acts 57th Leg., R.S., Ch. 103, Sec. 8B(g).)

24       Sec. 1071.114. JOINT ADMINISTRATION OR DELIVERY OF HEALTH  
25 CARE SERVICES. (a) To provide joint administration or delivery of  
26 health care services, the district may contract with, affiliate  
27 with, or enter into another arrangement with:



- 1 (1) a managed care system;
- 2 (2) a preferred provider organization;
- 3 (3) a health maintenance organization;
- 4 (4) another provider of an alternative health care or
- 5 delivery system; or
- 6 (5) a private hospital.

7 (b) The district may spend district money to establish and  
8 maintain a partnership, corporation, or other entity involved in  
9 the delivery of health care services. (Acts 57th Leg., R.S., Ch.  
10 103, Sec. 8B(i).)

11 Sec. 1071.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
12 When a patient who resides in Ochiltree County is admitted to a  
13 district facility, the board shall have an inquiry made into the  
14 circumstances of:

- 15 (1) the patient; and
- 16 (2) the patient's relatives who are legally liable for
- 17 the patient's support.

18 (b) If an agent designated by the district to handle the  
19 inquiry determines that the patient or those relatives cannot pay  
20 all or part of the costs of the patient's care and treatment in the  
21 hospital, the amount of the costs that cannot be paid becomes a  
22 charge against the district.

23 (c) If it is determined that the patient or those relatives  
24 are liable to pay for all or part of the costs of the patient's care  
25 and treatment, the patient or those relatives shall be ordered to  
26 pay to the district's treasurer a specified amount each week for the  
27 patient's support. The amount ordered must be proportionate to the

1 person's financial ability and may not exceed the actual per capita  
2 cost of maintenance.

3 (d) The district may collect the amount from the patient's  
4 estate, or from any relative who is legally liable for the patient's  
5 support, in the manner provided by law for the collection of  
6 expenses of the last illness of a deceased person.

7 (e) If there is a dispute as to the ability to pay, or doubt  
8 in the mind of the district's designated agent, the board shall hold  
9 a hearing and, after calling witnesses, shall:

10 (1) resolve the dispute or doubt; and

11 (2) issue an appropriate order.

12 (f) Either party to the dispute may appeal the order to the  
13 district court. (Acts 57th Leg., R.S., Ch. 103, Sec. 14.)

14 Sec. 1071.116. REIMBURSEMENT FOR SERVICES. (a) The board  
15 shall require a county, municipality, or public hospital located  
16 outside the district to reimburse the district for the district's  
17 care and treatment of a sick or injured person for whom that county,  
18 municipality, or public hospital has an obligation to provide care,  
19 as provided by Chapter 61, Health and Safety Code.

20 (b) The board shall seek reimbursement under Article  
21 104.002, Code of Criminal Procedure, for the district's care and  
22 treatment of a person who is confined in an Ochiltree County jail  
23 facility and is not a district resident. (Acts 57th Leg., R.S., Ch.  
24 103, Secs. 14A(a) (part), (b).)

25 Sec. 1071.117. NONPROFIT CORPORATION. (a) The district  
26 may create and sponsor a nonprofit corporation under the Business  
27 Organizations Code and may contribute money to or solicit money for

1 the corporation.

2 (a-1) On or before December 31, 2009, the district may  
3 create and sponsor a nonprofit corporation under the Texas  
4 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
5 Texas Civil Statutes) or the Business Organizations Code, as  
6 applicable, and may contribute money to or solicit money for the  
7 corporation.

8 (b) The corporation may use money, other than money the  
9 corporation pays to the district, only to provide health care or  
10 other services the district is authorized to provide under this  
11 chapter.

12 (c) The corporation may invest the corporation's money in  
13 any manner in which the district may invest the district's money,  
14 including investing money as authorized by Chapter 2256, Government  
15 Code.

16 (d) The board shall establish controls to ensure that the  
17 corporation uses its money as required by this section.

18 (e) This subsection and Subsection (a-1) expire December  
19 31, 2009. (Acts 57th Leg., R.S., Ch. 103, Sec. 8B(j).)

20 Sec. 1071.118. AUTHORITY TO SUE AND BE SUED. As a  
21 governmental agency, the district may sue and be sued in its own  
22 name in any court of this state. (Acts 57th Leg., R.S., Ch. 103,  
23 Sec. 18 (part).)

24 [Sections 1071.119-1071.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 1071.151. BUDGET. The board annually shall require a  
27 budget to be prepared for the next fiscal year that includes:

- 1           (1) proposed expenditures and disbursements;  
2           (2) estimated receipts and collections; and  
3           (3) the amount of taxes required to be imposed for the  
4 year. (Acts 57th Leg., R.S., Ch. 103, Sec. 9(b) (part).)

5           Sec. 1071.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)  
6 The board shall hold a public hearing on the proposed budget.

7           (b) Notice of the hearing must be published at least once in  
8 a newspaper of general circulation in Ochiltree County not later  
9 than the 10th day before the date of the hearing.

10          (c) Any district taxpayer is entitled to:

11           (1) appear at the time and place designated in the  
12 notice; and

13           (2) be heard regarding any item included in the  
14 proposed budget. (Acts 57th Leg., R.S., Ch. 103, Sec. 9(b) (part).)

15           Sec. 1071.153. FISCAL YEAR. The district operates on a  
16 fiscal year that begins on October 1 and ends on September 30. (Acts  
17 57th Leg., R.S., Ch. 103, Sec. 9(a) (part).)

18           Sec. 1071.154. ANNUAL AUDIT. (a) The board annually shall  
19 have an independent audit made of the district's books and records  
20 for the fiscal year.

21           (b) Not later than December 31 each year, the audit shall be  
22 filed:

23           (1) with the comptroller; and

24           (2) at the district office. (Acts 57th Leg., R.S., Ch.  
25 103, Sec. 9(a) (part).)

26           Sec. 1071.155. DEPOSITORY OR TREASURER. (a) The board by  
27 resolution shall designate a bank or banks in Ochiltree County as

1 the district's depository or treasurer. A designated bank serves  
2 for three years and until a successor is designated.

3 (b) All income received by the district shall be deposited  
4 in the district depository.

5 (c) All district money shall be secured in the manner  
6 provided for securing county funds. (Acts 57th Leg., R.S., Ch. 103,  
7 Secs. 5(b) (part), 11.)

8 Sec. 1071.156. AUTHORITY TO BORROW MONEY. The board may  
9 borrow money for district purposes on district credit or secured by  
10 district revenue. (Acts 57th Leg., R.S., Ch. 103, Sec. 6B (part).)

11 [Sections 1071.157-1071.200 reserved for expansion]

12 SUBCHAPTER E. BONDS

13 Sec. 1071.201. GENERAL OBLIGATION BONDS. The board may  
14 issue and sell general obligation bonds in the name and on the faith  
15 and credit of the district for health care purposes and for any  
16 purpose relating to:

17 (1) the purchase, construction, acquisition, repair,  
18 or renovation of buildings or improvements; and

19 (2) equipping buildings or improvements for hospital  
20 purposes. (Acts 57th Leg., R.S., Ch. 103, Secs. 6(a), (b) (part).)

21 Sec. 1071.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
22 the time general obligation bonds are issued by the district under  
23 Section 1071.201, the board shall impose an ad valorem tax at a rate  
24 sufficient to create an interest and sinking fund to pay the  
25 principal of and interest on the bonds as the bonds mature.

26 (b) The tax required by this section together with any other  
27 ad valorem tax the district imposes may not in any year exceed 75

1 cents on each \$100 valuation of all taxable property in the  
2 district. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(b) (part).)

3 Sec. 1071.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
4 district may issue general obligation bonds only if the bonds are  
5 authorized by a majority of the district voters voting at an  
6 election held for that purpose.

7 (b) The board may order the election on its own motion.

8 (c) The order calling the election must specify:

- 9 (1) the location of the polling places;  
10 (2) the presiding election officers;  
11 (3) the purpose of the bond issuance;  
12 (4) the amount of the bonds to be authorized;  
13 (5) the maximum interest rate of the bonds; and  
14 (6) the maximum maturity of the bonds.

15 (d) Notice of a bond election shall be given by publishing a  
16 substantial copy of the order calling the election in a newspaper of  
17 general circulation in Ochiltree County once a week for two  
18 consecutive weeks before the date of the election. The first  
19 publication must occur at least 14 days before the date of the  
20 election. (Acts 57th Leg., R.S., Ch. 103, Sec. 6(d) (part).)

21 Sec. 1071.204. MATURITY OF GENERAL OBLIGATION BONDS.  
22 District general obligation bonds must mature not later than 40  
23 years after the date of issuance. (Acts 57th Leg., R.S., Ch. 103,  
24 Sec. 6(d) (part).)

25 Sec. 1071.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
26 The board president shall execute the general obligation bonds in  
27 the district's name.

1 (b) The board secretary shall countersign the bonds. (Acts  
2 57th Leg., R.S., Ch. 103, Sec. 6(c) (part).)

3 Sec. 1071.206. REVENUE BONDS. (a) The board may issue  
4 revenue bonds to:

5 (1) purchase, construct, acquire, repair, renovate,  
6 or equip buildings or improvements for hospital or health care  
7 purposes; or

8 (2) acquire sites for hospital or health care  
9 purposes.

10 (b) The bonds must be payable from and secured by a pledge of  
11 all or part of the revenue derived from the operation of the  
12 district's facilities.

13 (c) The bonds may be additionally secured by a mortgage or  
14 deed of trust lien on all or part of district property.

15 (d) The bonds must be issued in accordance with the  
16 procedures and requirements prescribed by Sections 264.042,  
17 264.043, and 264.046-264.049, Health and Safety Code, for issuance  
18 of revenue bonds by a county hospital authority. (Acts 57th Leg.,  
19 R.S., Ch. 103, Sec. 6A(b) (part).)

20 Sec. 1071.207. REFUNDING BONDS. (a) The board may, without  
21 an election, issue refunding bonds to refund outstanding bonds  
22 issued or assumed by the district.

23 (b) A refunding bond may be:

24 (1) sold, with the proceeds of the refunding bond  
25 applied to the payment of the bonds to be refunded; or

26 (2) exchanged wholly or partly for not less than a  
27 similar amount of outstanding bonds and the unpaid matured interest

1 on the bonds. (Acts 57th Leg., R.S., Ch. 103, Secs. 6(d) (part),  
2 (e) (part), 6A(b) (part).)

3 Sec. 1071.208. BONDS EXEMPT FROM TAXATION. The following  
4 are exempt from taxation by this state or a political subdivision of  
5 this state:

- 6 (1) bonds issued by the district;
- 7 (2) any transaction relating to the bonds; and
- 8 (3) profits made in the sale of the bonds. (Acts 57th  
9 Leg., R.S., Ch. 103, Sec. 6A(c) (part).)

10 [Sections 1071.209-1071.250 reserved for expansion]

11 SUBCHAPTER F. TAXES

12 Sec. 1071.251. IMPOSITION OF AD VALOREM TAX. (a) On final  
13 approval of the annual budget, the board shall impose a tax on all  
14 property in the district subject to district taxation.

15 (b) The board shall impose the tax to:

- 16 (1) pay the interest on and create a sinking fund for  
17 bonds issued or assumed by the district for hospital purposes;
- 18 (2) provide for operation and maintenance of the  
19 hospital and hospital system;
- 20 (3) make improvements and additions to the hospital  
21 system; and
- 22 (4) acquire necessary sites for the hospital system by  
23 purchase, lease, or condemnation. (Acts 57th Leg., R.S., Ch. 103,  
24 Secs. 5(a) (part), (b) (part), 9(b) (part).)

25 Sec. 1071.252. TAX RATE. The board may impose the tax at a  
26 rate not to exceed 75 cents on each \$100 valuation of all taxable  
27 property in the district. (Acts 57th Leg., R.S., Ch. 103, Sec. 5(a)



1 (part).)

2           Sec. 1071.253. TAX       ASSESSOR-COLLECTOR.           The     tax  
3 assessor-collector of Ochiltree County shall assess and collect  
4 taxes imposed by the district. (Acts 57th Leg., R.S., Ch. 103,  
5 Secs. 5(b) (part), 9(b) (part).)

6           SECTION 1.03. Subtitle C, Title 4, Special District Local  
7 Laws Code, is amended by adding Chapter 3846 to read as follows:

8           CHAPTER 3846. EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

9                           SUBCHAPTER A. GENERAL PROVISIONS

10          Sec. 3846.001. DEFINITIONS

11          Sec. 3846.002. EAST MONTGOMERY COUNTY IMPROVEMENT

12                           DISTRICT

13          Sec. 3846.003. PURPOSE; DECLARATION OF INTENT

14          Sec. 3846.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

15          Sec. 3846.005. DISTRICT TERRITORY

16          Sec. 3846.006. TORT LIABILITY

17                   [Sections 3846.007-3846.050 reserved for expansion]

18                           SUBCHAPTER B. BOARD OF DIRECTORS

19          Sec. 3846.051. COMPOSITION OF BOARD; TERMS

20          Sec. 3846.052. ELECTION OF DIRECTORS

21          Sec. 3846.053. QUALIFICATIONS OF DIRECTOR

22          Sec. 3846.054. PARTICIPATION IN VOTING

23          Sec. 3846.055. LAW GOVERNING ADMINISTRATION OF BOARD

24          Sec. 3846.056. OFFICERS

25                   [Sections 3846.057-3846.100 reserved for expansion]

26                           SUBCHAPTER C. POWERS AND DUTIES

27          Sec. 3846.101. GENERAL POWERS OF DISTRICT

- 1 Sec. 3846.102. RULES
- 2 Sec. 3846.103. SPECIFIC POWERS RELATING TO IMPROVEMENT
- 3 PROJECTS OR SERVICES
- 4 Sec. 3846.104. CONTRACTS; GRANTS; DONATIONS
- 5 Sec. 3846.105. PEACE OFFICERS
- 6 Sec. 3846.106. ECONOMIC DEVELOPMENT PROGRAMS
- 7 Sec. 3846.107. ANNEXATION OR EXCLUSION OF TERRITORY
- 8 Sec. 3846.108. NO EMINENT DOMAIN POWER
- 9 [Sections 3846.109-3846.150 reserved for expansion]
- 10 SUBCHAPTER D. FINANCIAL PROVISIONS
- 11 Sec. 3846.151. SALES AND USE TAX; EXCISE TAX
- 12 Sec. 3846.152. TAX ELECTION PROCEDURES
- 13 Sec. 3846.153. BALLOT WORDING
- 14 Sec. 3846.154. IMPOSITION, COMPUTATION,
- 15 ADMINISTRATION, AND GOVERNANCE OF
- 16 TAXES
- 17 Sec. 3846.155. TAX RATES
- 18 Sec. 3846.156. ABOLITION OF TAX
- 19 Sec. 3846.157. USE OF TAX
- 20 Sec. 3846.158. EFFECTIVE DATE OF TAX OR TAX CHANGE
- 21 Sec. 3846.159. AD VALOREM TAX PROHIBITED
- 22 Sec. 3846.160. FEES; CHARGES
- 23 Sec. 3846.161. CERTAIN RESIDENTIAL PROPERTY EXEMPT
- 24 Sec. 3846.162. BORROWING MONEY
- 25 Sec. 3846.163. PAYMENT OF EXPENSES
- 26 Sec. 3846.164. BONDS
- 27 [Sections 3846.165-3846.200 reserved for expansion]

1 SUBCHAPTER E. DISSOLUTION

2 Sec. 3846.201. DISSOLUTION BY BOARD ORDER

3 Sec. 3846.202. ADMINISTRATION OF DISTRICT PROPERTY

4 FOLLOWING DISSOLUTION

5 CHAPTER 3846. EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 3846.001. DEFINITIONS. In this chapter:

8 (1) "Board" means the district's board of directors.

9 (2) "District" means the East Montgomery County  
10 Improvement District. (Acts 75th Leg., R.S., Ch. 1316, Secs. 3(1),  
11 (2).)

12 Sec. 3846.002. EAST MONTGOMERY COUNTY IMPROVEMENT  
13 DISTRICT. A special district known as the "East Montgomery County  
14 Improvement District" is a governmental agency and political  
15 subdivision of this state. (Acts 75th Leg., R.S., Ch. 1316, Sec.  
16 1(a).)

17 Sec. 3846.003. PURPOSE; DECLARATION OF INTENT. (a) The  
18 creation of the district is essential to accomplish the purposes of  
19 Section 52, Article III, and Section 59, Article XVI, Texas  
20 Constitution, and other public purposes stated in this chapter.

21 (b) The creation of the district is necessary to promote,  
22 develop, encourage, and maintain employment, commerce, economic  
23 development, and the public welfare in the eastern area of  
24 Montgomery County.

25 (c) This chapter does not relieve Montgomery County or a  
26 governmental agency, political subdivision, or municipality from  
27 providing the level of services provided by the entity as of August

1 31, 1997, to the area of the district or to release the entity from  
2 the obligations each entity has to provide services to that area.  
3 The district is created to supplement and not to supplant the  
4 county, governmental agency, political subdivision, or municipal  
5 services provided in the district. (Acts 75th Leg., R.S., Ch. 1316,  
6 Sec. 2.)

7 Sec. 3846.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
8 The district is created to serve a public use and benefit.

9 (b) All land and other property included in the district  
10 will benefit from the works, projects, improvements, and services  
11 to be provided by the district under powers granted by Section 52,  
12 Article III, and Section 59, Article XVI, Texas Constitution, and  
13 other powers granted under this chapter.

14 (c) Each improvement project authorized by this chapter is  
15 essential to carry out a public purpose.

16 (d) The creation of the district is in the public interest  
17 and is essential to:

18 (1) further the public purposes of developing and  
19 diversifying the economy of the state;

20 (2) eliminate unemployment and underemployment; and

21 (3) develop or expand transportation and commerce.

22 (e) The district will:

23 (1) promote the health, safety, and general welfare of  
24 residents, employers, employees, and consumers in the district and  
25 of the public;

26 (2) promote and develop public transportation and  
27 pedestrian facilities and systems by new and alternative means,

1 including securing expanded and improved transportation and  
2 pedestrian facilities and systems;

3 (3) provide needed funding for the area in the  
4 district to preserve, maintain, and enhance the economic health and  
5 vitality of the area as a community and business center; and

6 (4) promote the health, safety, welfare, education,  
7 convenience, and enjoyment of the public by:

8 (A) improving, landscaping, and developing  
9 certain areas in and adjacent to the district; and

10 (B) providing public services and facilities in  
11 and adjacent to the district that are necessary for the  
12 restoration, preservation, enhancement, and enjoyment of scenic  
13 and aesthetic beauty.

14 (f) The district will not act as the agent or  
15 instrumentality of any private interest even though the district  
16 will benefit many private interests as well as the public. (Acts  
17 75th Leg., R.S., Ch. 1316, Sec. 6.)

18 Sec. 3846.005. DISTRICT TERRITORY. Except as the board may  
19 modify the territory of the district under Subchapter J, Chapter  
20 49, Water Code, or other law, the territory of the district is  
21 coextensive with the territory as of January 1, 1997, of the New  
22 Caney Independent School District and the Splendora Independent  
23 School District except that the district does not include:

24 (1) any part of the City of Houston as it existed on  
25 January 1, 1997; and

26 (2) any portion of the New Caney Independent School  
27 District as it exists on or after September 1, 2001, that is located

1 in Harris County. (Acts 75th Leg., R.S., Ch. 1316, Sec. 4; New.)

2           Sec. 3846.006. TORT LIABILITY.           The district is a  
3 governmental unit for purposes of Chapter 101, Civil Practice and  
4 Remedies Code, and operations of the district are considered for  
5 all purposes, including the application of that chapter, to be  
6 essential governmental functions and not proprietary functions.  
7 (Acts 75th Leg., R.S., Ch. 1316, Sec. 1(b).)

8           [Sections 3846.007-3846.050 reserved for expansion]

9                           SUBCHAPTER B. BOARD OF DIRECTORS

10           Sec. 3846.051. COMPOSITION OF BOARD; TERMS.   (a)   The  
11 district is governed by a board of eight directors.

12           (b)   Directors serve staggered terms of four years, with four  
13 directors' terms expiring July 1 of each even-numbered year. (Acts  
14 75th Leg., R.S., Ch. 1316, Sec. 10.)

15           Sec. 3846.052. ELECTION OF DIRECTORS.   An election to elect  
16 the appropriate number of directors shall be held on the uniform  
17 election date in May of each even-numbered year as provided by  
18 Section 41.001(a), Election Code. (Acts 75th Leg., R.S., Ch. 1316,  
19 Sec. 9(d).)

20           Sec. 3846.053. QUALIFICATIONS OF DIRECTOR.   (a)   To be  
21 qualified to serve as a director, a person must be at least 18 years  
22 old and:

- 23                   (1) a district resident;
- 24                   (2) an owner of real property in the district;
- 25                   (3) an owner of stock, whether beneficial or  
26 otherwise, of a corporate owner of real property in the district;
- 27                   (4) an owner of a beneficial interest in a trust that

1 owns real property in the district; or

2 (5) an agent, employee, or tenant of a person  
3 described by Subdivision (2), (3), or (4).

4 (b) For purposes of this section, a person or entity that  
5 owns an interest in a general or limited partnership owning real  
6 property in the district or that has a lease of real property in the  
7 district with a remaining term of 10 years or more, excluding  
8 options, is considered to be an owner of real property. (Acts 75th  
9 Leg., R.S., Ch. 1316, Sec. 12.)

10 Sec. 3846.054. PARTICIPATION IN VOTING. Regardless of a  
11 statute to the contrary, a person who qualifies to serve on the  
12 board is qualified to serve as a director and participate in all  
13 votes pertaining to the business of the district. (Acts 75th Leg.,  
14 R.S., Ch. 1316, Sec. 14.)

15 Sec. 3846.055. LAW GOVERNING ADMINISTRATION OF BOARD.  
16 Sections 375.066, 375.067, 375.069, and 375.070, Local Government  
17 Code, apply to the board as if the board were established under  
18 Chapter 375, Local Government Code. (Acts 75th Leg., R.S., Ch.  
19 1316, Sec. 11(a).)

20 Sec. 3846.056. OFFICERS. After the directors have been  
21 elected and have qualified as provided by Section 375.067, Local  
22 Government Code, they shall organize or reorganize by electing a  
23 chair, a vice chair, a secretary, and other officers of the board as  
24 the board considers necessary. (Acts 75th Leg., R.S., Ch. 1316,  
25 Sec. 11(b).)

26 [Sections 3846.057-3846.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3846.101. GENERAL POWERS OF DISTRICT. The district has:

(1) all powers necessary or required to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, and other functions of a municipal management district under Subchapter E, Chapter 375, Local Government Code; and

(3) the powers given to an industrial development corporation organized under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes). (Acts 75th Leg., R.S., Ch. 1316, Sec. 15.)

Sec. 3846.102. RULES. The district may adopt rules for:

(1) the administration and operation of the district;

(2) the use, enjoyment, availability, protection, security, and maintenance of the district's property, including facilities; and

(3) the provision of public safety and security in the district. (Acts 75th Leg., R.S., Ch. 1316, Sec. 16(a) (part).)

Sec. 3846.103. SPECIFIC POWERS RELATING TO IMPROVEMENT PROJECTS OR SERVICES. (a) The district may undertake an improvement project separately or jointly with another person and pay all or part of the costs of improvement projects, including an improvement project that:

(1) improves, enhances, or supports public safety and security, fire protection, emergency medical services, or law enforcement in the district;



1           (2) confers a general benefit on the entire district  
2 and the areas adjacent to the district; or

3           (3) confers a special benefit on all or part of the  
4 district.

5           (b) A district improvement project or service may include:

6           (1) the construction, acquisition, lease, rental,  
7 installment purchase, improvement, rehabilitation, repair,  
8 relocation, and operation of:

9           (A) landscaping; lighting, banners, or signs;  
10 streets or sidewalks, pedestrian or bicycle paths and trails;  
11 pedestrian walkways, skywalks, crosswalks, or tunnels; highway  
12 right-of-way or transit corridor beautification and improvements;

13           (B) drainage or storm water detention  
14 improvements and solid waste, water, sewer, or power facilities and  
15 services, including electrical, gas, steam, and chilled water  
16 facilities and services;

17           (C) parks, lakes, gardens, recreational  
18 facilities, open space, scenic areas, and related exhibits and  
19 preserves; fountains, plazas, or pedestrian malls; public art or  
20 sculpture and related exhibits and facilities; educational or  
21 cultural exhibits and facilities; exhibits, displays, attractions,  
22 or facilities for special events, holidays, or seasonal or cultural  
23 celebrations;

24           (D) off-street parking facilities, bus  
25 terminals, heliports, mass-transit, or roadway-borne or  
26 water-borne transportation systems; and

27           (E) other public improvements, facilities, or

1 services similar to the improvements, facilities, or services  
2 described by Paragraphs (A)-(D);

3 (2) the cost of removal, razing, demolition, or  
4 clearing of land or improvements in connection with providing an  
5 improvement project;

6 (3) the acquisition of property or an interest in the  
7 property that is made in connection with an authorized improvement  
8 project; and

9 (4) the provision of special or supplemental services  
10 to improve or promote the area in the district or to protect the  
11 public health and safety in the district, including advertising,  
12 promotion, tourism, health and sanitation, public safety,  
13 security, fire protection or emergency medical services, business  
14 recruitment, development, elimination of traffic congestion, and  
15 recreational, educational, or cultural improvements, enhancements,  
16 or services. (Acts 75th Leg., R.S., Ch. 1316, Secs. 16(a) (part),  
17 17.)

18 Sec. 3846.104. CONTRACTS; GRANTS; DONATIONS. (a) The  
19 district may contract with any person, including a municipality,  
20 county, other political subdivision, or corporation, to accomplish  
21 the purposes of this chapter on terms and for the period the board  
22 determines, including contracting for the payment, repayment, or  
23 reimbursement of costs incurred by the person on behalf of the  
24 district, including all or part of the costs of an improvement  
25 project, from tax proceeds or any other specified source of money.

26 (b) The district may make application for and contract with  
27 a person to receive, administer, and perform the district's duties

1 under a federal, state, local, or private gift, grant, loan,  
2 conveyance, transfer, bequest, donation, or other financial  
3 arrangement relating to the investigation, planning, analysis,  
4 acquisition, construction, completion, implementation, or  
5 operation of a proposed or existing improvement project.

6 (c) A state agency, municipality, county, other political  
7 subdivision, corporation, individual, or other person may contract  
8 with the district to carry out the purposes of this chapter. (Acts  
9 75th Leg., R.S., Ch. 1316, Secs. 16(a) (part), 31.)

10 Sec. 3846.105. PEACE OFFICERS. The district may not employ  
11 peace officers, but may contract with off-duty peace officers to  
12 provide public safety and security services:

13 (1) in connection with a special event, holiday,  
14 period with high traffic congestion, or similar circumstance; and

15 (2) at district property, including facilities. (Acts  
16 75th Leg., R.S., Ch. 1316, Sec. 16(b).)

17 Sec. 3846.106. ECONOMIC DEVELOPMENT PROGRAMS. The district  
18 has the economic development powers granted a home-rule  
19 municipality with a population of more than 100,000 under Chapter  
20 380, Local Government Code, and Subchapter A, Chapter 1509,  
21 Government Code. (Acts 75th Leg., R.S., Ch. 1316, Sec. 16(d).)

22 Sec. 3846.107. ANNEXATION OR EXCLUSION OF TERRITORY. (a)  
23 The district may add or exclude territory in the manner provided by  
24 Subchapter J, Chapter 49, Water Code.

25 (b) Not later than the 10th day after the date on which the  
26 district annexes or excludes territory, the board shall send to the  
27 comptroller a certified copy of any resolution, order, or ordinance

1 relating to the annexation or exclusion. (Acts 75th Leg., R.S., Ch.  
2 1316, Secs. 16(a) (part), 28.)

3 Sec. 3846.108. NO EMINENT DOMAIN POWER. The district may  
4 not exercise the power of eminent domain. (Acts 75th Leg., R.S.,  
5 Ch. 1316, Sec. 19.)

6 [Sections 3846.109-3846.150 reserved for expansion]

7 SUBCHAPTER D. FINANCIAL PROVISIONS

8 Sec. 3846.151. SALES AND USE TAX; EXCISE TAX. (a) For  
9 purposes of this section:

10 (1) "Taxable items" includes all items that could be  
11 subject to a sales and use tax imposed by Montgomery County.

12 (2) "Use," with respect to a taxable service, means  
13 the derivation in the district of direct or indirect benefit from  
14 the service.

15 (b) The district may impose a sales and use tax if  
16 authorized by a majority of the district voters voting at an  
17 election held for that purpose.

18 (c) If the district adopts a sales and use tax:

19 (1) a tax is imposed on the receipts from the sale at  
20 retail of taxable items in the district; and

21 (2) an excise tax is imposed on the use, storage, or  
22 other consumption in the district of taxable items purchased,  
23 leased, or rented from a retailer during the period that the tax is  
24 effective in the district.

25 (d) The rate of the excise tax is the same as the rate of the  
26 sales tax portion of the tax applied to the sales price of the  
27 taxable items and is included in the sales tax. (Acts 75th Leg.,

1 R.S., Ch. 1316, Secs. 16(a) (part), 21(a) (part), (b), (c), (d).)

2       Sec. 3846.152. TAX ELECTION PROCEDURES. (a) Except as  
3 provided by Subsection (b), the board may order an election to  
4 adopt, change the rate of, or abolish a sales and use tax. The  
5 election may be held at the same time and in conjunction with a  
6 directors' election.

7       (b) The board may not call an election to abolish a sales and  
8 use tax or to reduce the rate of the sales and use tax below the  
9 amount pledged to secure payment of any outstanding district debt  
10 while any district debt remains outstanding.

11       (c) Notice of the election shall be given and the election  
12 shall be held in the manner prescribed for bond elections under  
13 Subchapter D, Chapter 49, Water Code. (Acts 75th Leg., R.S., Ch.  
14 1316, Secs. 22(a), (c).)

15       Sec. 3846.153. BALLOT WORDING. (a) In an election to adopt  
16 the tax, the ballot shall be prepared to permit voting for or  
17 against the proposition: "The adoption of a local sales and use tax  
18 in the East Montgomery County Improvement District at the rate of  
19 (proposed tax rate)."

20       (b) In an election to change the rate of the sales and use  
21 tax, the ballot shall be prepared to permit voting for or against  
22 the proposition: "The (increase or decrease, as applicable) in the  
23 rate of the local sales and use tax imposed in the East Montgomery  
24 County Improvement District from (tax rate on election date)  
25 percent to (proposed tax rate) percent."

26       (c) In an election to abolish the sales and use tax, the  
27 ballot shall be prepared to permit voting for or against the

1 proposition: "The abolition of the local sales and use tax in the  
2 East Montgomery County Improvement District." (Acts 75th Leg.,  
3 R.S., Ch. 1316, Secs. 22(d), (e), (f).)

4 Sec. 3846.154. IMPOSITION, COMPUTATION, ADMINISTRATION,  
5 AND GOVERNANCE OF TAXES. (a) Chapter 323, Tax Code, to the extent  
6 not inconsistent with this chapter, governs the application,  
7 collection, and administration of the sales and use tax and the  
8 excise tax, except that Sections 323.401-323.406, and 323.505, Tax  
9 Code, do not apply. Subtitles A and B, Title 2, and Chapter 151, Tax  
10 Code, govern the administration and enforcement of the sales and  
11 use tax and the excise tax.

12 (b) Chapter 323, Tax Code, does not apply to the use and  
13 allocation of revenue under this chapter.

14 (c) In applying Chapter 323, Tax Code:

15 (1) a reference in that chapter to "the county" means  
16 the district; and

17 (2) a reference in that chapter to the "commissioners  
18 court" means the board.

19 (d) The district is entitled to examine and receive  
20 information related to the imposition and collection of sales and  
21 use taxes to the same extent as if the district were a municipality  
22 under Subchapter D, Chapter 321, Tax Code. (Acts 75th Leg., R.S.,  
23 Ch. 1316, Sec. 23.)

24 Sec. 3846.155. TAX RATES. (a) The district may impose the  
25 sales and use tax in increments of one-eighth of one percent, with a  
26 minimum tax of one-half percent and a maximum tax of two percent.

27 (b) The district may not impose a sales and use tax of

1 greater than one percent unless the voters of the district have  
2 approved the imposition of a rate of one percent or less in addition  
3 to the existing one percent rate at an election called for that  
4 purpose and conducted generally in the manner provided by Section  
5 3846.152.

6 (c) In the election, the ballot must permit voting for or  
7 against the proposition: "The adoption of a local sales and use tax  
8 imposed in the East Montgomery County Improvement District of  
9 \_\_\_\_\_ (state percentage rate) percent in addition to the sales  
10 and use tax that the East Montgomery County Improvement District is  
11 currently authorized to impose at the rate of \_\_\_\_ (state percentage  
12 rate) percent."

13 (d) If as a result of the imposition or increase in a sales  
14 and use tax by the district as provided under this section or  
15 Section 3846.152, the overlapping local sales and use taxes in a  
16 municipality located in the boundaries of the district will exceed  
17 two percent, the municipality's sales and use tax is automatically  
18 reduced in that municipality to a rate that, when added to the  
19 district's rate, does not exceed two percent.

20 (e) If the tax rate of a municipality is reduced in  
21 accordance with Subsection (d), the comptroller shall withhold from  
22 the district's monthly sales and use tax allocation an amount equal  
23 to the amount that would have been collected by the municipality had  
24 the district not imposed or increased its sales and use tax less  
25 amounts that the municipality collects following the district's  
26 imposition of or increase in its sales and use tax. The comptroller  
27 shall withhold and pay the amount withheld to the municipality

1 under policies or procedures that the comptroller considers  
2 reasonable. (Acts 75th Leg., R.S., Ch. 1316, Sec. 25, as amended by  
3 Acts 79th Leg., R.S., Chs. 1355 and 1376.)

4 Sec. 3846.156. ABOLITION OF TAX. The board by order may  
5 abolish the local sales and use tax rate without an election. (Acts  
6 75th Leg., R.S., Ch. 1316, Sec. 26.)

7 Sec. 3846.157. USE OF TAX. The district may use the  
8 proceeds from a tax collected under this chapter only for the  
9 purposes for which the district was created. (Acts 75th Leg., R.S.,  
10 Ch. 1316, Secs. 16(a) (part), 21(a) (part), 27.)

11 Sec. 3846.158. EFFECTIVE DATE OF TAX OR TAX CHANGE. The  
12 adoption of a tax rate or change in the tax rate takes effect after  
13 the expiration of the first complete calendar quarter occurring  
14 after the date on which the comptroller receives a notice of the  
15 results of the election. (Acts 75th Leg., R.S., Ch. 1316, Sec. 24.)

16 Sec. 3846.159. AD VALOREM TAX PROHIBITED. The district may  
17 not impose an ad valorem tax on property in the district. (Acts  
18 75th Leg., R.S., Ch. 1316, Sec. 16(c).)

19 Sec. 3846.160. FEES; CHARGES. The district may:

20 (1) establish and collect only at the district's  
21 facilities user fees, concession fees, admission fees, rental fees,  
22 or other similar fees or charges; and

23 (2) apply the proceeds from those fees or charges for  
24 the enjoyment, sale, rental, or other use of the district's  
25 facilities or other property, services, or improvement projects.  
26 (Acts 75th Leg., R.S., Ch. 1316, Sec. 16(a) (part).)

27 Sec. 3846.161. CERTAIN RESIDENTIAL PROPERTY EXEMPT. The



1 district may not impose an impact fee or assessment on a  
2 single-family residential property or a residential duplex,  
3 triplex, fourplex, or condominium. (Acts 75th Leg., R.S., Ch.  
4 1316, Sec. 20.)

5 Sec. 3846.162. BORROWING MONEY. The district may borrow  
6 money for the corporate purposes of the district. (Acts 75th Leg.,  
7 R.S., Ch. 1316, Sec. 16(a) (part).)

8 Sec. 3846.163. PAYMENT OF EXPENSES. The district may  
9 provide or secure the payment or repayment of:

10 (1) an expense of the establishment, administration,  
11 or operation of the district;

12 (2) a district cost relating to an improvement  
13 project;

14 (3) a district contractual obligation or  
15 indebtedness, because of a lease, installment purchase contract, or  
16 other agreement; or

17 (4) a tax, user fee, concession fee, rental fee, or  
18 other revenue or resources of the district. (Acts 75th Leg., R.S.,  
19 Ch. 1316, Sec. 16(a) (part).)

20 Sec. 3846.164. BONDS. (a) The board may issue bonds as  
21 provided by Subchapter J, Chapter 375, Local Government Code.

22 (b) In addition to the sources described in Subchapter J,  
23 Chapter 375, Local Government Code, bonds issued by the district  
24 may be secured and made payable, wholly or partly, by a pledge of  
25 any part of the net proceeds the district receives from a specified  
26 portion of not more than one-half of the maximum sales and use tax  
27 amount authorized under Section 3846.152.

1 (c) Sections 375.207 and 375.208, Local Government Code, do  
2 not apply to bonds issued under this section.

3 (d) To the extent consistent with the documents authorizing  
4 the issuance of the district's bonds, the proceeds of bonds  
5 remaining after the payment of the cost of issuing the bonds and all  
6 costs associated with the projects for which the bonds were sold may  
7 be spent by the district for any lawful purpose or for any project  
8 the district is authorized to undertake. (Acts 75th Leg., R.S., Ch.  
9 1316, Sec. 30A.)

10 [Sections 3846.165-3846.200 reserved for expansion]

11 SUBCHAPTER E. DISSOLUTION

12 Sec. 3846.201. DISSOLUTION BY BOARD ORDER. The board by  
13 order may dissolve the district at any time unless the district has  
14 outstanding indebtedness or contractual obligations. (Acts 75th  
15 Leg., R.S., Ch. 1316, Sec. 32.)

16 Sec. 3846.202. ADMINISTRATION OF DISTRICT PROPERTY  
17 FOLLOWING DISSOLUTION. (a) After the date the board orders the  
18 dissolution of the district, the board shall transfer ownership of  
19 all property and assets of the district to Montgomery County,  
20 except as provided by Subsection (b).

21 (b) If, on the date on which the board orders the  
22 dissolution of the district, more than 50 percent of the territory  
23 in the district is in the corporate limits of a municipality, the  
24 board shall transfer ownership of the district's property and  
25 assets to the municipality. (Acts 75th Leg., R.S., Ch. 1316, Sec.  
26 34.)

27 SECTION 1.04. Subtitle A, Title 5, Special District Local

1 Laws Code, is amended by adding Chapters 5002, 5003, and 5004 to  
2 read as follows:

3 CHAPTER 5002. BRAZOS RIVER HARBOR NAVIGATION DISTRICT OF

4 BRAZORIA COUNTY

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 5002.001. DEFINITIONS

7 Sec. 5002.002. NATURE AND PURPOSE OF DISTRICT

8 Sec. 5002.003. LEGISLATIVE FINDINGS

9 Sec. 5002.004. DISTRICT TERRITORY

10 [Sections 5002.005-5002.050 reserved for expansion]

11 SUBCHAPTER B. DISTRICT ADMINISTRATION

12 Sec. 5002.051. BOARD OF COMMISSIONERS; TERM; ELECTION

13 Sec. 5002.052. NAVIGATION PRECINCTS

14 Sec. 5002.053. ELECTION BY POSITION; QUALIFICATIONS

15 Sec. 5002.054. PLACING CANDIDATE ON BALLOT

16 Sec. 5002.055. ELECTION ADMINISTRATION; NOTICE OF

17 ELECTION

18 Sec. 5002.056. DATE COMMISSIONER TAKES OFFICE

19 Sec. 5002.057. BOND

20 Sec. 5002.058. VACANCIES

21 Sec. 5002.059. DISTRICT TREASURER

22 [Sections 5002.060-5002.100 reserved for expansion]

23 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

24 Sec. 5002.101. DEPOSITORY

25 Sec. 5002.102. MAINTENANCE OF BOOKS, RECORDS, AND

26 ACCOUNTS

1 CHAPTER 5002. BRAZOS RIVER HARBOR NAVIGATION DISTRICT OF

2 BRAZORIA COUNTY

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 5002.001. DEFINITIONS. In this chapter:

5 (1) "Board" means the board of navigation and canal  
6 commissioners of the district.

7 (2) "Commissioner" means a board member.

8 (3) "District" means the Brazos River Harbor  
9 Navigation District of Brazoria County. (New.)

10 Sec. 5002.002. NATURE AND PURPOSE OF DISTRICT. The  
11 district is created under Section 59, Article XVI, Texas  
12 Constitution, to make improvements for the navigation of inland and  
13 coastal waters, and for the preservation and conservation of inland  
14 and coastal waters for navigation and for control and distribution  
15 of storm and flood waters of rivers and streams in aid of  
16 navigation. (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 1 (part).)

17 Sec. 5002.003. LEGISLATIVE FINDINGS. All property situated  
18 in the district and subject to taxation will benefit from the  
19 improvements to be constructed by the district. (Acts 40th Leg.,  
20 1st C.S., Ch. 55, Sec. 1 (part).)

21 Sec. 5002.004. DISTRICT TERRITORY. The district is  
22 composed of the territory in Brazoria County described by Section  
23 1, Chapter 55, Acts of the 40th Legislature, 1st Called Session,  
24 1927, as that territory may have been modified under:

25 (1) Section 3, Chapter 103, Acts of the 41st  
26 Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's  
27 Texas Civil Statutes), on or after May 23, 1929, and before August

1 30, 1971;

2 (2) Section 3a, Chapter 103, Acts of the 41st  
3 Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's  
4 Texas Civil Statutes), on or after May 16, 1951, and before August  
5 30, 1971;

6 (3) Subchapter H, Chapter 62, Water Code; or

7 (4) other law. (Acts 40th Leg., 1st C.S., Ch. 55,  
8 Sec. 1 (part); New.)

9 [Sections 5002.005-5002.050 reserved for expansion]

10 SUBCHAPTER B. DISTRICT ADMINISTRATION

11 Sec. 5002.051. BOARD OF COMMISSIONERS; TERM; ELECTION. (a)  
12 The district is governed by an elected board consisting of six  
13 commissioners.

14 (b) Commissioners serve staggered six-year terms.

15 (c) An election shall be held in the district every two  
16 years to elect two commissioners. (Acts 40th Leg., 1st C.S., Ch.  
17 55, Sec. 4a (part).)

18 Sec. 5002.052. NAVIGATION PRECINCTS. For the purpose of  
19 electing commissioners, the district is divided into four  
20 navigation precincts. The boundaries of the navigation precincts  
21 are described by Section 4a, Chapter 55, Acts of the 40th  
22 Legislature, 1st Called Session, 1927. (Acts 40th Leg., 1st C.S.,  
23 Ch. 55, Sec. 4a (part).)

24 Sec. 5002.053. ELECTION BY POSITION; QUALIFICATIONS. (a)  
25 Commissioners are elected by position as follows:

26 (1) the commissioner elected for Position 1 is at  
27 large and must reside in the district;

1           (2) the commissioners elected for Positions 2 and 3  
2 must reside in Navigation Precinct No. 1;

3           (3) the commissioner elected for Position 4 must  
4 reside in Navigation Precinct No. 2;

5           (4) the commissioner elected for Position 5 must  
6 reside in Navigation Precinct No. 3; and

7           (5) the commissioner elected for Position 6 must  
8 reside in Navigation Precinct No. 4.

9           (b) Each commissioner must be a qualified voter of the  
10 district. (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 4a (part).)

11           Sec. 5002.054. PLACING CANDIDATE ON BALLOT. A request for  
12 placing the name of a candidate on the ballot must be filed with the  
13 board's presiding officer and be:

14           (1) in writing and signed by the candidate; or

15           (2) in the form of a petition signed by at least 25  
16 qualified voters of the district. (Acts 40th Leg., 1st C.S., Ch.  
17 55, Sec. 4a (part).)

18           Sec. 5002.055. ELECTION ADMINISTRATION; NOTICE OF  
19 ELECTION. (a) The board shall make arrangements for each election.

20           (b) Notice of the election, signed by the board's presiding  
21 officer or secretary, must be published once a week for two  
22 consecutive weeks in a newspaper of general circulation within the  
23 district. The first publication must occur not later than the 14th  
24 day before the date of the election.

25           (c) All district voters may vote for candidates for  
26 commissioner in all navigation precincts.

27           (d) The board shall declare the results of each election.

1 (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 4a (part).)

2 Sec. 5002.056. DATE COMMISSIONER TAKES OFFICE. A  
3 commissioner shall take office on the appropriate date following  
4 the person's election. (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 4a  
5 (part).)

6 Sec. 5002.057. BOND. As a qualification for office, a  
7 commissioner must post a bond in the amount of \$10,000 that is:

8 (1) executed by the commissioner and by two solvent  
9 sureties or by a surety company authorized to do business in this  
10 state; and

11 (2) approved by the county judge of Brazoria County.  
12 (Acts 40th Leg., 1st C.S., Ch. 55, Sec. 4a (part).)

13 Sec. 5002.058. VACANCIES. (a) Except as otherwise  
14 provided by this section, if a vacancy occurs in the office of  
15 commissioner, the board shall appoint a commissioner for the  
16 remainder of the unexpired term.

17 (b) If more than two vacancies occur at the same time, the  
18 remaining commissioners shall call a special election to fill the  
19 vacancies.

20 (c) If the remaining commissioners fail to call the election  
21 within 15 days after the date the vacancies occur, the judge or  
22 judges of the district court or courts of the judicial district in  
23 which the district is located, on the petition of a voter or  
24 creditor of the district, may:

25 (1) order that an election be held, specifying the  
26 date of the election;

27 (2) order the Brazoria County clerk to publish notice

1 of the election; and

2 (3) name the officers to hold the election.

3 (d) The returns of an election held by order of the district  
4 judge or judges shall be made and filed in the office of the clerk of  
5 the district court, and the clerk of the district court shall  
6 declare the result of the election. (Acts 40th Leg., 1st C.S., Ch.  
7 55, Sec. 4a (part).)

8 Sec. 5002.059. DISTRICT TREASURER. (a) The board shall  
9 appoint from time to time a person to serve in the office of  
10 district treasurer.

11 (b) The district treasurer shall perform the duties for the  
12 district that were performed before September 1, 1999, by the  
13 county treasurer of Brazoria County.

14 (c) Before receiving district money from any source, the  
15 district treasurer shall execute a good and sufficient bond payable  
16 to the board for the benefit of the district in an amount set by the  
17 board. (Acts 40th Leg., 1st C.S., Ch. 55, Secs. 1a (part), 1b.)

18 [Sections 5002.060-5002.100 reserved for expansion]

19 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

20 Sec. 5002.101. DEPOSITORY. (a) The board by resolution  
21 shall designate a bank in Brazoria County as the district's  
22 depository.

23 (b) The designated bank serves as the depository for a term  
24 of two years and until a successor depository has been selected.

25 (c) All money of the district shall be secured in the manner  
26 provided for the security of county funds.

27 (d) The tax assessor and collector for Brazoria County or



1 another official performing the duties of tax assessor and  
2 collector for the district shall:

3 (1) deposit all taxes collected for the district in  
4 the depository bank designated as depository for Brazoria County;  
5 and

6 (2) promptly transfer and deposit the money to the  
7 district's account in the district's depository. (Acts 40th Leg.,  
8 1st C.S., Ch. 55, Secs. 1a (part), 4c.)

9 Sec. 5002.102. MAINTENANCE OF BOOKS, RECORDS, AND ACCOUNTS.  
10 The district shall maintain the books, records, and accounts of the  
11 district. The Brazoria County treasurer is not required to  
12 maintain any books, records, or accounts for the district other  
13 than as required by the board. (Acts 40th Leg., 1st C.S., Ch. 55,  
14 Sec. 4b.)

15 CHAPTER 5003. CALHOUN COUNTY NAVIGATION DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 5003.001. DEFINITIONS

18 Sec. 5003.002. NATURE AND PURPOSE OF DISTRICT

19 Sec. 5003.003. LEGISLATIVE FINDINGS

20 Sec. 5003.004. DISTRICT TERRITORY

21 [Sections 5003.005-5003.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT ADMINISTRATION

23 Sec. 5003.051. BOARD OF NAVIGATION COMMISSIONERS

24 Sec. 5003.052. NAVIGATION PRECINCTS

25 Sec. 5003.053. ELECTION; TERMS

26 Sec. 5003.054. PLACING CANDIDATE ON BALLOT;

27 QUALIFICATIONS

1 Sec. 5003.055. VACANCY

2 [Sections 5003.056-5003.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 5003.101. GENERAL NAVIGATION DISTRICT POWERS

5 Sec. 5003.102. AD VALOREM TAXES; BOND ELECTION

6 Sec. 5003.103. CHANGE OF DISTRICT NOT AUTHORIZED

7 Sec. 5003.104. LIMIT ON EMINENT DOMAIN POWER

8 Sec. 5003.105. AUTHORITY TO DESIGNATE INDUSTRIAL AREAS

9 OR PLANT SITES; FINDINGS

10 CHAPTER 5003. CALHOUN COUNTY NAVIGATION DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 5003.001. DEFINITIONS. In this chapter:

13 (1) "Board" means the board of navigation  
14 commissioners of the district.

15 (2) "Commissioner" means a board member.

16 (3) "District" means the Calhoun County Navigation  
17 District. (New.)

18 Sec. 5003.002. NATURE AND PURPOSE OF DISTRICT. The  
19 district is a navigation district. To the extent authorized by this  
20 chapter, the district is created to:

21 (1) improve navigation in the district; and

22 (2) maintain, develop, extend, and improve port  
23 facilities and wharf and dock facilities in the district. (Acts  
24 53rd Leg., R.S., Ch. 195, Sec. 1 (part).)

25 Sec. 5003.003. LEGISLATIVE FINDINGS. (a) The creation of  
26 the district is essential:

27 (1) to accomplish the purposes of Section 59, Article

1 XVI, Texas Constitution;

2 (2) to the general welfare of this state; and

3 (3) for the development of marine shipping.

4 (b) All property in the district benefits from the creation  
5 of the district by the improvements to be constructed or acquired by  
6 the district in carrying out the district's purposes. (Acts 53rd  
7 Leg., R.S., Ch. 195, Sec. 1 (part).)

8 Sec. 5003.004. DISTRICT TERRITORY. The district is  
9 composed of all the territory of Calhoun County, including all land  
10 and water areas of the county:

11 (1) except for territory included in the West Side  
12 Calhoun County Navigation District as described in Volume H, pages  
13 568-570, of the minutes of the Commissioners Court of Calhoun  
14 County; and

15 (2) as that territory may have been modified under:

16 (A) Section 3 or Section 3a, Chapter 103, Acts of  
17 the 41st Legislature, 1st Called Session, 1929 (Article 8263a,  
18 Vernon's Texas Civil Statutes), before August 30, 1971;

19 (B) Subchapter H, Chapter 62, Water Code; or

20 (C) other law. (Acts 53rd Leg., R.S., Ch. 195,  
21 Sec. 1 (part); New.)

22 [Sections 5003.005-5003.050 reserved for expansion]

23 SUBCHAPTER B. DISTRICT ADMINISTRATION

24 Sec. 5003.051. BOARD OF NAVIGATION COMMISSIONERS. The  
25 district is governed by a board of six commissioners. (Acts 53rd  
26 Leg., R.S., Ch. 195, Sec. 2(a) (part).)

27 Sec. 5003.052. NAVIGATION PRECINCTS. (a) The board shall

1 from time to time divide the district into six navigation  
2 commissioner precincts that are:

- 3           (1) compact and contiguous; and  
4           (2) as nearly as practicable, of equal population.

5           (b) The board shall complete any division of the district  
6 into new precincts not later than the 90th day before the date of  
7 the first election of commissioners from those precincts.

8           (c) The voters of each precinct, in accordance with this  
9 subchapter, shall elect one commissioner. (Acts 53rd Leg., R.S.,  
10 Ch. 195, Secs. 2(a) (part), (b), (c), (d) (part).)

11           Sec. 5003.053. ELECTION; TERMS. (a) The six commissioners  
12 elected at the first election after a division of the district into  
13 new precincts under Section 5003.052 shall draw lots after the  
14 election to select three commissioners to serve two-year terms and  
15 three commissioners to serve four-year terms. Successor  
16 commissioners serve terms as provided by Subsection (b).

17           (b) Except as provided by Subsection (a), commissioners are  
18 elected for staggered four-year terms at elections held each  
19 odd-numbered year on the uniform election date in May. (Acts 53rd  
20 Leg., R.S., Ch. 195, Secs. 2(e), (g) (part).)

21           Sec. 5003.054. PLACING CANDIDATE ON BALLOT;  
22 QUALIFICATIONS. (a) A person qualified under this section to be a  
23 candidate for the office of commissioner may file an application  
24 with the board to have the person's name placed on the ballot. The  
25 application must be filed not later than 5 p.m. of the 45th day  
26 before the election date for that office.

27           (b) The application must include an affidavit made by the

1 applicant under oath disclosing that the applicant is:

2 (1) a bona fide resident of the precinct that the  
3 person seeks to represent; and

4 (2) a qualified voter who owns real property in the  
5 area.

6 (c) If the application is timely filed in proper form, the  
7 board shall place the applicant's name on the official ballot.  
8 (Acts 53rd Leg., R.S., Ch. 195, Secs. 2(d) (part), (h).)

9 Sec. 5003.055. VACANCY. (a) If a vacancy occurs on the  
10 board, a majority of the remaining commissioners shall appoint a  
11 successor to fill the vacancy for the remainder of the unexpired  
12 term.

13 (b) For purposes of this chapter, the successor  
14 commissioner is treated as an elected commissioner.

15 (c) The legislature finds that it is in the best interest of  
16 public welfare, general benefit, and the assurance of proper  
17 development of marine shipping that:

18 (1) the commissioners be representatives of all areas  
19 of the district; and

20 (2) if a commissioner no longer resides in the  
21 precinct from which elected, the commissioner's office is vacant.  
22 (Acts 53rd Leg., R.S., Ch. 195, Secs. 2(f), (j).)

23 [Sections 5003.056-5003.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 5003.101. GENERAL NAVIGATION DISTRICT POWERS. The  
26 district and the board, except as specifically restricted by this  
27 chapter, have the powers of government and may exercise the rights,

1 powers, duties, privileges, and functions conferred by Chapter 60,  
2 61, 62, or 63, Water Code, on a navigation district created under  
3 Section 59, Article XVI, Texas Constitution, that are appropriate  
4 to the accomplishment of the purposes stated in Subchapter A. (Acts  
5 53rd Leg., R.S., Ch. 195, Secs. 1 (part), 3 (part).)

6 Sec. 5003.102. AD VALOREM TAXES; BOND ELECTION. (a) If  
7 authorized by a majority vote of the district voters voting at an  
8 election held in the manner provided for a bond election under  
9 Subchapter F, Chapter 62, Water Code, the Commissioners Court of  
10 Calhoun County may:

11 (1) impose maintenance taxes; or  
12 (2) issue tax bonds and impose taxes to pay for the  
13 bonds.

14 (b) The commissioners court shall impose the tax for:

15 (1) the maintenance of the district and its property,  
16 including facilities; and

17 (2) the payment of the principal of and interest on all  
18 bonds or other indebtedness issued by the district.

19 (c) The maximum tax rate for both maintenance and  
20 indebtedness purposes may not exceed a total of 15 cents on each  
21 \$100 of taxable property in the district.

22 (d) The Calhoun County tax assessor-collector shall assess  
23 and collect taxes imposed under this section. (Acts 53rd Leg.,  
24 R.S., Ch. 195, Sec. 3(a) (part).)

25 Sec. 5003.103. CHANGE OF DISTRICT NOT AUTHORIZED. The  
26 board may not by a vote change the district from a navigation  
27 district to any other type of district authorized by general law.

1 (Acts 53rd Leg., R.S., Ch. 195, Sec. 3(b).)

2 Sec. 5003.104. LIMIT ON EMINENT DOMAIN POWER. The district  
3 may not exercise the power of eminent domain outside Calhoun County  
4 in an area in another navigation district without the consent of the  
5 other district. (Acts 53rd Leg., R.S., Ch. 195, Sec. 3(c).)

6 Sec. 5003.105. AUTHORITY TO DESIGNATE INDUSTRIAL AREAS OR  
7 PLANT SITES; FINDINGS. (a) The board may adopt an order or  
8 resolution designating an area of land in the district that fronts  
9 on navigable water in the district as an industrial area or plant  
10 site for the aid of navigation. A defined area may not:

11 (1) be located in the corporate limits of a  
12 municipality; or

13 (2) exceed 1,000 yards in depth as measured from the  
14 shoreline.

15 (b) A certified copy of an order or resolution adopted under  
16 Subsection (a) shall be filed and recorded in the deed records of  
17 Calhoun County. After the copy is filed, a municipality may not  
18 include any part of the defined area in its boundaries.

19 (c) The board may adopt an order or resolution that removes  
20 all or part of a defined area from that designation if the board  
21 determines that:

22 (1) the area is not suitable for or being used as an  
23 industrial area or plant site;

24 (2) the area will not be suitable for or used as an  
25 industrial area or plant site within a reasonable time; and

26 (3) the continued designation does not aid navigation.

27 (d) A certified copy of an order or resolution adopted under

1 Subsection (c) shall be filed and recorded in the deed records of  
2 Calhoun County. After the copy is filed, any restriction imposed  
3 under this section by the previous designation on the area is  
4 removed.

5 (e) The legislature finds that the powers granted and  
6 restrictions imposed by this section are necessary:

7 (1) for the proper exercise by the district of the  
8 powers granted by Section 59, Article XVI, Texas Constitution, and  
9 by this chapter; and

10 (2) to promote and effect the navigation of the inland  
11 and coastal waters of the state. (Acts 53rd Leg., R.S., Ch. 195,  
12 Sec. 3(d).)

13 CHAPTER 5004. CYPRESS VALLEY NAVIGATION DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 5004.001. DEFINITIONS

16 Sec. 5004.002. NATURE OF DISTRICT

17 Sec. 5004.003. LEGISLATIVE FINDINGS

18 Sec. 5004.004. LIBERAL CONSTRUCTION OF CHAPTER

19 Sec. 5004.005. DISTRICT TERRITORY

20 Sec. 5004.006. EFFECT OF CHAPTER ON NORTHEAST TEXAS

21 MUNICIPAL WATER DISTRICT

22 [Sections 5004.007-5004.050 reserved for expansion]

23 SUBCHAPTER B. BOARD OF DIRECTORS

24 Sec. 5004.051. COMPOSITION OF BOARD; TERMS

25 Sec. 5004.052. QUALIFICATIONS FOR OFFICE

26 Sec. 5004.053. APPOINTMENT OF DIRECTORS

27 Sec. 5004.054. BOND



- 1 Sec. 5004.055. FILING OF OATH
- 2 Sec. 5004.056. VACANCIES
- 3 Sec. 5004.057. COMPENSATION; EXPENSES
- 4 Sec. 5004.058. REMOVAL FROM OFFICE
- 5 Sec. 5004.059. OFFICERS
- 6 Sec. 5004.060. MEETINGS
- 7 [Sections 5004.061-5004.100 reserved for expansion]
- 8 SUBCHAPTER C. POWERS AND DUTIES
- 9 Sec. 5004.101. GENERAL POWERS AND DUTIES
- 10 Sec. 5004.102. POWERS REGARDING CANALS, PORTS,
- 11 WATERWAYS, AND FACILITIES
- 12 Sec. 5004.103. BYLAWS AND RULES
- 13 Sec. 5004.104. GIFT OR PURCHASE OF PROPERTY; EMINENT
- 14 DOMAIN
- 15 Sec. 5004.105. SURPLUS PROPERTY
- 16 Sec. 5004.106. GENERAL AUTHORITY TO MAKE CONTRACTS AND
- 17 EXECUTE INSTRUMENTS
- 18 Sec. 5004.107. CONTRACTS WITH UNITED STATES
- 19 Sec. 5004.108. AUTHORITY TO SPEND MONEY FOR SEEKING
- 20 COOPERATION
- 21 Sec. 5004.109. COOPERATION WITH OTHER GOVERNMENTAL
- 22 ENTITIES CONCERNED WITH NAVIGATION ON
- 23 BIG CYPRESS RIVER
- 24 Sec. 5004.110. EMPLOYMENT OF OFFICERS AND EMPLOYEES
- 25 Sec. 5004.111. PERMITS
- 26 Sec. 5004.112. AUTHORITY TO SUE AND BE SUED
- 27 Sec. 5004.113. SEAL

1 Sec. 5004.114. RED RIVER COMPACT

2 [Sections 5004.115-5004.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 5004.151. FORM OF ACCOUNTS; MAINTENANCE OF  
5 RECORDS; PUBLIC INSPECTION

6 Sec. 5004.152. FILING COPIES OF AUDIT REPORT

7 Sec. 5004.153. PROCEDURE FOR DISTRIBUTION OF MONEY

8 Sec. 5004.154. BOND OF CERTAIN OFFICERS, AGENTS, AND  
9 EMPLOYEES

10 Sec. 5004.155. AUTHORITY TO BORROW MONEY, ACCEPT  
11 GRANTS, AND ISSUE ASSOCIATED REVENUE  
12 BONDS

13 Sec. 5004.156. AUTHORITY TO BORROW MONEY FOR CURRENT  
14 EXPENSES; EVIDENCE OF OBLIGATION

15 Sec. 5004.157. NO AUTHORITY FOR AD VALOREM TAX

16 [Sections 5004.158-5004.200 reserved for expansion]

17 SUBCHAPTER E. BONDS

18 Sec. 5004.201. DEFINITION

19 Sec. 5004.202. AUTHORITY TO ISSUE BONDS

20 Sec. 5004.203. PROVISIONS OF BOND RESOLUTION OR ORDER;  
21 AUTHORITY TO ADOPT OR EXECUTE OTHER  
22 PROCEEDINGS OR INSTRUMENTS

23 Sec. 5004.204. FORM OF BONDS

24 Sec. 5004.205. MATURITY

25 Sec. 5004.206. USE OF BOND PROCEEDS

26 Sec. 5004.207. REFUNDING BONDS

27 CHAPTER 5004. CYPRESS VALLEY NAVIGATION DISTRICT

1                   SUBCHAPTER A. GENERAL PROVISIONS

2           Sec. 5004.001. DEFINITIONS. In this chapter:

3                   (1) "Board" means the board of directors of the  
4 district.

5                   (2) "Director" means a member of the board.

6                   (3) "District" means the Cypress Valley Navigation  
7 District. (V.A.C.S. Art. 8280-340, Secs. 1 (part), 4(a) (part);  
8 New.)

9           Sec. 5004.002. NATURE OF DISTRICT. The district is a  
10 navigation, conservation, and reclamation district. (V.A.C.S.  
11 Art. 8280-340, Sec. 1 (part).)

12           Sec. 5004.003. LEGISLATIVE FINDINGS. (a) All land  
13 included in the district will benefit from the exercise of the power  
14 conferred by this chapter.

15                   (b) The creation of the district is essential to accomplish  
16 the purposes of Section 59, Article XVI, Texas Constitution.  
17 (V.A.C.S. Art. 8280-340, Secs. 1 (part), 2 (part).)

18           Sec. 5004.004. LIBERAL CONSTRUCTION OF CHAPTER. This  
19 chapter shall be liberally construed to effect its purposes.  
20 (V.A.C.S. Art. 8280-340, Sec. 15.)

21           Sec. 5004.005. DISTRICT TERRITORY. The district is  
22 composed of all the territory in the watershed of the Cypress River  
23 and its tributaries in Harrison and Marion Counties as shown by the  
24 state contour maps on file in the office of the Texas Commission on  
25 Environmental Quality, unless the district's territory is modified  
26 under:

27                   (1) Section 3 or 3a, Chapter 103, Acts of the 41st

1 Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's  
2 Texas Civil Statutes), after August 30, 1965, and before August 30,  
3 1971;

4 (2) Subchapter H, Chapter 62, Water Code; or

5 (3) other law. (V.A.C.S. Art. 8280-340, Sec. 2  
6 (part).)

7 Sec. 5004.006. EFFECT OF CHAPTER ON NORTHEAST TEXAS  
8 MUNICIPAL WATER DISTRICT. It is recognized that the district  
9 boundaries described by Section 5004.005 partly overlap an area in  
10 the Northeast Texas Municipal Water District as created by Chapter  
11 78, Acts of the 53rd Legislature, Regular Session, 1953 (Article  
12 8280-147, Vernon's Texas Civil Statutes). This chapter does not  
13 alter in any manner the rights, duties, privileges, powers, or  
14 immunities of that district. (V.A.C.S. Art. 8280-340, Sec. 2  
15 (part).)

16 [Sections 5004.007-5004.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 5004.051. COMPOSITION OF BOARD; TERMS. (a) All powers  
19 of the district shall be exercised by a board consisting of 10  
20 directors.

21 (b) Directors serve staggered terms of two years, with the  
22 terms of:

23 (1) four directors expiring January 1 of even-numbered  
24 years; and

25 (2) six directors expiring January 1 of odd-numbered  
26 years. (V.A.C.S. Art. 8280-340, Secs. 4(a) (part), (c) (part).)

27 Sec. 5004.052. QUALIFICATIONS FOR OFFICE. To be eligible

1 for appointment and to serve as a director, a person must:

2 (1) be at least 18 years of age;

3 (2) reside in the district and in Harrison or Marion  
4 County; and

5 (3) possess the qualifications of a juror. (V.A.C.S.  
6 Art. 8280-340, Secs. 4(a) (part), (c) (part).)

7 Sec. 5004.053. APPOINTMENT OF DIRECTORS. At least 10 but  
8 not more than 30 days before the date on which a director's term of  
9 office expires, the commissioners court of the county of residence  
10 of the retiring director shall designate a successor. (V.A.C.S.  
11 Art. 8280-340, Sec. 4(c) (part).)

12 Sec. 5004.054. BOND. (a) Before assuming the director's  
13 duties, each director shall execute a good and sufficient bond in  
14 the amount of \$1,000, payable to the county judges of Harrison and  
15 Marion Counties, for the use and benefit of the district  
16 conditioned on the faithful performance of the director's duties.

17 (b) The district shall pay the cost of the bond. (V.A.C.S.  
18 Art. 8280-340, Sec. 4(b).)

19 Sec. 5004.055. FILING OF OATH. Before assuming the duties  
20 of office, each director shall file with the board  
21 secretary-treasurer a copy of the constitutional oath of office  
22 taken by the director. (V.A.C.S. Art. 8280-340, Sec. 4(c) (part).)

23 Sec. 5004.056. VACANCIES. If a vacancy occurs on the board,  
24 the commissioners court of the county of residence of the retiring  
25 director shall fill the vacancy by appointment. (V.A.C.S. Art.  
26 8280-340, Sec. 4(c) (part).)

27 Sec. 5004.057. COMPENSATION; EXPENSES. (a) A director may

1 not be paid for services as a director or as a member of a committee  
2 authorized by the board.

3 (b) A director may be reimbursed for actual expenses  
4 incurred by the director in performing a service for the district  
5 but only from money raised in the director's county of residence.  
6 (V.A.C.S. Art. 8280-340, Sec. 5.)

7 Sec. 5004.058. REMOVAL FROM OFFICE. (a) A director or  
8 officer is subject to removal or suspension from office by the  
9 affirmative vote of 10 directors for incompetence, official  
10 misconduct, official gross negligence, habitual drunkenness, or  
11 nonattendance at six consecutive regular meetings of the board.

12 (b) A director or officer may not be removed or suspended  
13 from office until written charges are filed against the director or  
14 officer and the director or officer is given an opportunity for a  
15 fair hearing before the board. (V.A.C.S. Art. 8280-340, Sec. 6.)

16 Sec. 5004.059. OFFICERS. (a) At the first board meeting in  
17 January of each odd-numbered year, the board shall appoint by board  
18 majority:

19 (1) from the directors, a presiding officer, an  
20 assistant presiding officer, and a secretary-treasurer; and

21 (2) if considered proper, an assistant secretary and  
22 an assistant treasurer.

23 (b) The assistant secretary and assistant treasurer:

24 (1) are not required to be directors; and

25 (2) may be granted limited powers by the bylaws.

26 (c) Officers serve two-year terms, except that the  
27 assistant secretary and assistant treasurer, if appointed, hold

1 office at the pleasure of the board. (V.A.C.S. Art. 8280-340, Sec.  
2 7 (part).)

3 Sec. 5004.060. MEETINGS. (a) All regular and special board  
4 meetings shall be held as provided for by the bylaws.

5 (b) Notice of all regular and special board meetings shall  
6 be given as required by the bylaws. (V.A.C.S. Art. 8280-340, Sec. 7  
7 (part).)

8 [Sections 5004.061-5004.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 5004.101. GENERAL POWERS AND DUTIES. The district  
11 has:

12 (1) the powers of government and the authority to  
13 exercise the rights, privileges, and functions provided by this  
14 chapter; and

15 (2) all powers, rights, privileges, and functions  
16 conferred on navigation districts created under Section 59, Article  
17 XVI, Texas Constitution, and conferred on navigation districts by  
18 general law, except as expressly limited by this chapter.  
19 (V.A.C.S. Art. 8280-340, Secs. 1 (part), 3 (part).)

20 Sec. 5004.102. POWERS REGARDING CANALS, PORTS, WATERWAYS,  
21 AND FACILITIES. The district may:

22 (1) promote, construct, maintain, operate, make  
23 practicable, aid, and encourage the construction, maintenance, and  
24 operation of navigable canals or waterways and all navigational  
25 systems or facilities auxiliary to navigable canals or waterways,  
26 using the natural bed and banks of the Cypress River and its  
27 tributaries and of Caddo Lake where practicable;

1           (2) acquire, improve, extend, take over, construct,  
2 maintain, repair, operate, develop, and regulate ports, levees,  
3 wharves, docks, locks, warehouses, grain elevators, dumping  
4 facilities, aids to navigation, or aids consistent with or  
5 necessary to the operation or development of ports or waterways  
6 within the district; and

7           (3) construct, extend, improve, repair, maintain,  
8 reconstruct, own, use, and operate any facility of any kind  
9 necessary or convenient to the exercise of the powers, rights,  
10 privileges, and functions granted by this chapter. (V.A.C.S. Art.  
11 8280-340, Sec. 3 (part).)

12           Sec. 5004.103. BYLAWS AND RULES. The district may adopt  
13 bylaws and rules for the management, control, and regulation of its  
14 affairs. (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

15           Sec. 5004.104. GIFT OR PURCHASE OF PROPERTY; EMINENT  
16 DOMAIN. (a) In this section, "property" means property of any  
17 kind, including a lighter, tug, barge, or other floating equipment  
18 of any nature.

19           (b) If necessary or convenient to exercising a power, right,  
20 privilege, or function conferred on the district by this chapter,  
21 the district:

22           (1) by gift or purchase may acquire property or an  
23 interest in property that is inside or outside the district  
24 boundaries; or

25           (2) by exercising the power of eminent domain may  
26 acquire property or an interest in property that is inside the  
27 district boundaries.



1           (c) The district must exercise the power of eminent domain  
2 in the manner provided by Chapter 21, Property Code, except that the  
3 district is not required to give bond for appeal or bond for costs  
4 in any judicial proceeding. (V.A.C.S. Art. 8280-340, Sec. 3  
5 (part).)

6           Sec. 5004.105. SURPLUS PROPERTY. The district may sell or  
7 otherwise dispose of property or an interest in property of any kind  
8 that is not considered necessary to carrying on the business of the  
9 district. (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

10          Sec. 5004.106. GENERAL AUTHORITY TO MAKE CONTRACTS AND  
11 EXECUTE INSTRUMENTS. The district may make a contract or execute an  
12 instrument necessary or convenient to exercising a power, right,  
13 privilege, or function conferred on the district by this chapter.  
14 (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

15          Sec. 5004.107. CONTRACTS WITH UNITED STATES. The district  
16 may:

17               (1) enter into a contract with the United States,  
18 including a contract to consummate or aid a navigation project  
19 approved or undertaken by the United States; and

20               (2) assume and become responsible for an obligation of  
21 the United States and enter into an agreement with the United States  
22 to hold and save the United States free from damages due to the  
23 construction and maintenance of navigation works in the district.  
24 (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

25          Sec. 5004.108. AUTHORITY TO SPEND MONEY FOR SEEKING  
26 COOPERATION. The district may spend any amount reasonably  
27 necessary or expedient for seeking cooperation from the federal

1 government or any other person in accomplishing the objects of this  
2 chapter. (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

3       Sec. 5004.109. COOPERATION WITH OTHER GOVERNMENTAL  
4 ENTITIES CONCERNED WITH NAVIGATION ON BIG CYPRESS RIVER. The  
5 district shall cooperate with each commission, agency, district, or  
6 other governmental entity concerned with navigation on the Big  
7 Cypress River to all practical extent. (V.A.C.S. Art. 8280-340,  
8 Sec. 14(c).)

9       Sec. 5004.110. EMPLOYMENT OF OFFICERS AND EMPLOYEES. The  
10 district may employ, prescribe the duties of, and set the  
11 compensation of officers, attorneys, agents, and employees.  
12 (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

13       Sec. 5004.111. PERMITS. The district shall obtain from the  
14 Texas Commission on Environmental Quality any permit required by  
15 general law. (V.A.C.S. Art. 8280-340, Sec. 14(a).)

16       Sec. 5004.112. AUTHORITY TO SUE AND BE SUED. The district  
17 may sue and be sued in its corporate name. (V.A.C.S. Art. 8280-340,  
18 Sec. 3 (part).)

19       Sec. 5004.113. SEAL. The district may adopt and use a  
20 corporate seal. (V.A.C.S. Art. 8280-340, Sec. 3 (part).)

21       Sec. 5004.114. RED RIVER COMPACT. The district shall  
22 comply with the Red River Compact. The creation of the district  
23 does not affect the compact. (V.A.C.S. Art. 8280-340, Sec. 14(b).)

24       [Sections 5004.115-5004.150 reserved for expansion]

25                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26       Sec. 5004.151. FORM OF ACCOUNTS; MAINTENANCE OF RECORDS;  
27 PUBLIC INSPECTION. (a) The board shall keep complete and accurate

1 accounts conforming to approved methods of bookkeeping.

2 (b) The accounts and all contracts, documents, and records  
3 shall be:

4 (1) kept at the district's office; and

5 (2) open to public inspection at all reasonable times.

6 (V.A.C.S. Art. 8280-340, Sec. 9 (part).)

7 Sec. 5004.152. FILING COPIES OF AUDIT REPORT. Copies of the  
8 audit report prepared under Subchapter G, Chapter 49, Water Code,  
9 as required by Section 60.002 of that code, shall be filed:

10 (1) as required by Section 49.194, Water Code; and

11 (2) with the county clerks of Harrison and Marion  
12 Counties. (V.A.C.S. Art. 8280-340, Sec. 9 (part); New.)

13 Sec. 5004.153. PROCEDURE FOR DISTRIBUTION OF MONEY.  
14 District money shall be distributed only by check, voucher, draft,  
15 order, or other written instrument signed by a person authorized by  
16 board resolution to sign the instrument. (V.A.C.S. Art. 8280-340,  
17 Sec. 9 (part).)

18 Sec. 5004.154. BOND OF CERTAIN OFFICERS, AGENTS, AND  
19 EMPLOYEES. (a) Each officer, agent, or employee of the district  
20 who is charged with the collection, custody, or payment of district  
21 money shall give bond conditioned on the faithful performance of  
22 the person's duties and accounting for all money and property of the  
23 district coming into the person's hands.

24 (b) The bond must be in a form and manner and with a surety  
25 authorized to do business in this state approved by the board.

26 (c) The district shall pay the premium on the bond and  
27 charge the premium as an operating expense. (V.A.C.S. Art.

1 8280-340, Sec. 10.)

2 Sec. 5004.155. AUTHORITY TO BORROW MONEY, ACCEPT GRANTS,  
3 AND ISSUE ASSOCIATED REVENUE BONDS. The district may:

4 (1) borrow money for its corporate purpose consistent  
5 with the constitution and general laws of this state;

6 (2) borrow money or accept a grant from the United  
7 States or from a corporation or agency created or designated by the  
8 United States and, in connection with the loan or grant, enter into  
9 any agreement the United States or the corporation or agency  
10 requires; and

11 (3) issue bonds payable from revenue only for the  
12 money borrowed under this section. (V.A.C.S. Art. 8280-340, Sec. 3  
13 (part).)

14 Sec. 5004.156. AUTHORITY TO BORROW MONEY FOR CURRENT  
15 EXPENSES; EVIDENCE OF OBLIGATION. (a) The board may:

16 (1) borrow money for current expenses; and

17 (2) evidence the borrowed money by notes or warrants  
18 payable not later than the close of the calendar year for which the  
19 loan is made.

20 (b) The total amount of the notes or warrants may not exceed  
21 the anticipated revenue. (V.A.C.S. Art. 8280-340, Sec. 11 (part).)

22 Sec. 5004.157. NO AUTHORITY FOR AD VALOREM TAX. This  
23 chapter does not authorize the imposition of ad valorem taxes on any  
24 property in the district. (V.A.C.S. Art. 8280-340, Sec. 8.)

25 [Sections 5004.158-5004.200 reserved for expansion]

26 SUBCHAPTER E. BONDS

27 Sec. 5004.201. DEFINITION. In this subchapter, "net

1 revenue" means the gross revenue derived from the operation of the  
2 improvements and facilities of the district the income of which is  
3 pledged to the payment of district bonds less the reasonable  
4 expense of maintaining and operating those improvements and  
5 facilities, including necessary repair, upkeep, and insurance  
6 expenses for those improvements and facilities. (V.A.C.S. Art.  
7 8280-340, Sec. 11 (part).)

8 Sec. 5004.202. AUTHORITY TO ISSUE BONDS. (a) To provide  
9 money for any of the purposes provided by this chapter or other laws  
10 relating to navigation districts, the board may:

11 (1) issue district bonds that are secured solely by a  
12 pledge of and payable from the net revenue derived from the  
13 operation of all or a designated part of the improvements and  
14 facilities of the district then in existence or to be constructed or  
15 acquired; or

16 (2) issue district bonds secured by a pledge of all or  
17 part of the proceeds of one or more contracts previously or  
18 subsequently made or other revenue or income specified by board  
19 resolution.

20 (b) As long as bonds issued under Subsection (a)(1) are  
21 outstanding, the board shall charge and collect fees, tolls, and  
22 other charges sufficient to:

23 (1) pay all maintenance and operation expenses of the  
24 improvements and facilities the income of which is pledged;

25 (2) pay the interest on the bonds as it accrues;

26 (3) pay the principal of the bonds as they mature; and

27 (4) make any other payments prescribed in the bond

1 order or resolution.

2 (c) All district bonds must be authorized by board  
3 resolution or order.

4 (d) Bonds payable solely from net revenue may be issued  
5 without an election. (V.A.C.S. Art. 8280-340, Sec. 11 (part).)

6 Sec. 5004.203. PROVISIONS OF BOND RESOLUTION OR ORDER;  
7 AUTHORITY TO ADOPT OR EXECUTE OTHER PROCEEDINGS OR INSTRUMENTS.

8 (a) In the resolution or order adopted by the board authorizing the  
9 issuance of bonds payable from net revenue or from the proceeds of a  
10 contract or contracts, the board may:

11 (1) provide for the flow of funds and the  
12 establishment and maintenance of an interest and sinking fund,  
13 reserve funds, and other funds;

14 (2) make any additional covenants for the bonds, the  
15 pledged revenue, and the operation, maintenance, and upkeep of the  
16 improvements and facilities the income of which is pledged,  
17 including a provision for leasing all or part of the improvements  
18 and facilities and the use or pledge of money derived from those  
19 leases, as the board considers appropriate;

20 (3) prohibit the further issuance of bonds or other  
21 obligations payable from the pledged net revenue;

22 (4) reserve the right to issue additional bonds to be  
23 secured by a pledge of and payable from the net revenue on a parity  
24 with, or subordinate to, the lien and pledge in support of the bonds  
25 being issued, subject to any conditions provided by the resolution  
26 or order; or

27 (5) include any other provision or covenant, as

1 determined by the board, that is not prohibited by the Texas  
2 Constitution or this chapter.

3 (b) The board may adopt and execute any other proceeding or  
4 instrument necessary or convenient to issue the bonds. (V.A.C.S.  
5 Art. 8280-340, Sec. 11 (part).)

6 Sec. 5004.204. FORM OF BONDS. District bonds must:

- 7 (1) be issued in the district's name;  
8 (2) be signed by the presiding officer; and  
9 (3) be attested by the secretary-treasurer. (V.A.C.S.  
10 Art. 8280-340, Sec. 11 (part).)

11 Sec. 5004.205. MATURITY. District bonds must mature not  
12 later than 40 years after the date of their issuance. (V.A.C.S.  
13 Art. 8280-340, Sec. 11 (part).)

14 Sec. 5004.206. USE OF BOND PROCEEDS. The board may  
15 appropriate or set aside an amount of proceeds from the sale of any  
16 district bonds for:

- 17 (1) the payment of interest expected to accrue during  
18 construction of the improvements or facilities;  
19 (2) reserve funds; and  
20 (3) expenses incurred and to be incurred in the  
21 issuance, sale, and delivery of the bonds. (V.A.C.S. Art.  
22 8280-340, Sec. 11 (part).)

23 Sec. 5004.207. REFUNDING BONDS. (a) The board may issue  
24 refunding bonds of the district to refund any outstanding district  
25 bonds and accrued interest on those bonds.

26 (b) Refunding bonds may:

- 27 (1) be issued to refund more than one series or issue

1 of the outstanding bonds;

2 (2) combine the pledges for the outstanding bonds for  
3 the security of the refunding bonds; and

4 (3) be secured by other or additional revenue.

5 (c) Refunding under this section may not impair the contract  
6 rights of the holders of any of the outstanding bonds that are not  
7 to be refunded.

8 (d) Refunding bonds must be authorized by board resolution  
9 or order and be executed and mature as provided by this chapter for  
10 original bonds.

11 (e) The comptroller shall register the refunding bonds on  
12 surrender and cancellation of the bonds to be refunded.

13 (f) Instead of issuing bonds to be registered on the  
14 surrender and cancellation of the bonds to be refunded, the  
15 district, in the resolution or order authorizing the issuance of  
16 the refunding bonds, may provide for the sale of the refunding bonds  
17 and the deposit of the proceeds in the place or places at which the  
18 bonds to be refunded are payable. In that case, the refunding bonds  
19 may be issued in an amount sufficient to pay the interest on the  
20 bonds to be refunded to their option date or maturity date, and the  
21 comptroller shall register the refunding bonds without the  
22 surrender and cancellation of the bonds to be refunded. (V.A.C.S.  
23 Art. 8280-340, Sec. 11 (part).)

24 SECTION 1.05. Subtitle A, Title 6, Special District Local  
25 Laws Code, is amended by adding Chapters 6602, 6603, and 6605 to  
26 read as follows:



1 CHAPTER 6602. BRAZORIA COUNTY DRAINAGE DISTRICT NUMBER FIVE

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 6602.001. DEFINITIONS

4 Sec. 6602.002. NATURE OF DISTRICT

5 Sec. 6602.003. LEGISLATIVE FINDINGS

6 Sec. 6602.004. DISTRICT TERRITORY

7 [Sections 6602.005-6602.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

9 Sec. 6602.051. BOARD OF DIRECTORS

10 [Sections 6602.052-6602.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 6602.101. GENERAL POWERS AND DUTIES

13 [Sections 6602.102-6602.150 reserved for expansion]

14 SUBCHAPTER D. FINANCIAL PROVISIONS

15 Sec. 6602.151. DEPOSITING REVENUE

16 Sec. 6602.152. RESPONSIBILITY FOR DISTRICT MONEY

17 [Sections 6602.153-6602.200 reserved for expansion]

18 SUBCHAPTER E. TAXES

19 Sec. 6602.201. IMPOSITION OF TAXES

20 Sec. 6602.202. TAX ASSESSOR-COLLECTOR

21 CHAPTER 6602. BRAZORIA COUNTY DRAINAGE DISTRICT NUMBER FIVE

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Sec. 6602.001. DEFINITIONS. In this chapter:

24 (1) "Board" means the district's board of directors.

25 (2) "Director" means a member of the board.

26 (3) "District" means the Brazoria County Drainage

27 District Number Five. (New.)

1           Sec. 6602.002. NATURE OF DISTRICT. The district is a  
2 conservation and reclamation district under Section 59, Article  
3 XVI, Texas Constitution. (Acts 41st Leg., 1st C.S., Ch. 36, Secs. 2  
4 (part), 5 (part).)

5           Sec. 6602.003. LEGISLATIVE FINDINGS. The legislature finds  
6 that:

7                   (1) providing the district with the powers authorized  
8 by Section 59, Article XVI, Texas Constitution, benefits the  
9 citizens and property in the district;

10                   (2) all property in the district benefits;

11                   (3) all property the district benefits is included in  
12 the district; and

13                   (4) the district is essential to accomplish the  
14 purposes of Section 59, Article XVI, Texas Constitution. (Acts  
15 41st Leg., 1st C.S., Ch. 36, Secs. 2 (part), 11 (part).)

16           Sec. 6602.004. DISTRICT TERRITORY. The district is  
17 composed of the territory described by Section 1, Chapter 36, Acts  
18 of the 41st Legislature, 1st Called Session, 1929, as that  
19 territory may have been modified under:

20                   (1) Subchapter I, Chapter 56, Water Code, before  
21 September 1, 1995;

22                   (2) Subchapter J, Chapter 56, Water Code;

23                   (3) Subchapter J, Chapter 49, Water Code; or

24                   (4) other law. (New.)

25           [Sections 6602.005-6602.050 reserved for expansion]

26                   SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

27           Sec. 6602.051. BOARD OF DIRECTORS. (a) The board consists

1 of three directors.

2 (b) The board has all the powers conferred on a board of  
3 directors under Chapter 56, Water Code. (Acts 41st Leg., 1st C.S.,  
4 Ch. 36, Sec. 4 (part); Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(a)  
5 (part).)

6 [Sections 6602.052-6602.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 6602.101. GENERAL POWERS AND DUTIES. The district has  
9 the rights, powers, privileges, and duties of a drainage district  
10 created under Section 59, Article XVI, Texas Constitution,  
11 including the right to:

12 (1) impose taxes; and

13 (2) issue bonds. (Acts 41st Leg., 1st C.S., Ch. 36,  
14 Secs. 5 (part), 7 (part), 11 (part).)

15 [Sections 6602.102-6602.150 reserved for expansion]

16 SUBCHAPTER D. FINANCIAL PROVISIONS

17 Sec. 6602.151. DEPOSITING REVENUE. (a) Tax collections,  
18 after deductions of discounts and fees for collecting taxes, shall  
19 be deposited in the depository of the district. The collections may  
20 be withdrawn as directed by the board.

21 (b) All other district income shall be deposited in the  
22 district depository. (Acts 41st Leg., 1st C.S., Ch. 36, Sec. 7A(f);  
23 Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(c) (part).)

24 Sec. 6602.152. RESPONSIBILITY FOR DISTRICT MONEY. (a) The  
25 board is responsible for all money the district receives.

26 (b) The county judge does not have a duty to countersign any  
27 warrants or checks. The county treasurer and the county auditor do

1 not have a duty to perform any services for the district. (Acts  
2 41st Leg., 1st C.S., Ch. 36, Sec. 7A(g); Acts 67th Leg., 1st C.S.,  
3 Ch. 8, Sec. 57(d) (part).)

4 [Sections 6602.153-6602.200 reserved for expansion]

5 SUBCHAPTER E. TAXES

6 Sec. 6602.201. IMPOSITION OF TAXES. Not later than October  
7 1 of each year, for the benefit of the district, the board shall:

8 (1) impose a tax on all property subject to taxation in  
9 the district to:

10 (A) meet the requirements of district bonds; and

11 (B) provide for district maintenance and  
12 operating expenses; and

13 (2) immediately certify the tax rate to the  
14 assessor-collector of Brazoria County. (Acts 41st Leg., 1st C.S.,  
15 Ch. 36, Secs. 7A(a), (b) (part); Acts 67th Leg., 1st C.S., Ch. 8,  
16 Secs. 57(b), (c) (part).)

17 Sec. 6602.202. TAX ASSESSOR-COLLECTOR. (a) The tax  
18 assessor-collector of Brazoria County is the tax  
19 assessor-collector for the district.

20 (b) The tax assessor-collector shall charge and deduct from  
21 payments to the district amounts for the tax assessor-collector's  
22 services as may be agreed on by the tax assessor-collector and the  
23 board. (Acts 41st Leg., 1st C.S., Ch. 36, Secs. 7A(b) (part), (e);  
24 Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(c) (part).)

25 CHAPTER 6603. BROOKSHIRE-KATY DRAINAGE DISTRICT

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 6603.001. DEFINITIONS

- 1 Sec. 6603.002. NATURE OF DISTRICT  
2 Sec. 6603.003. FINDINGS OF BENEFIT AND PURPOSE  
3 Sec. 6603.004. DISTRICT TERRITORY  
4 [Sections 6603.005-6603.050 reserved for expansion]  
5 SUBCHAPTER B. DISTRICT BOARD OF SUPERVISORS  
6 Sec. 6603.051. COMPOSITION OF BOARD  
7 Sec. 6603.052. QUALIFICATIONS  
8 Sec. 6603.053. SUPERVISORS ELECTION  
9 [Sections 6603.054-6603.100 reserved for expansion]  
10 SUBCHAPTER C. POWERS AND DUTIES  
11 Sec. 6603.101. GENERAL POWERS AND DUTIES  
12 Sec. 6603.102. CONSTRUCTION OF DRAINAGE FACILITIES OR  
13 IMPROVEMENTS  
14 Sec. 6603.103. CONSISTENCY OF RULES  
15 Sec. 6603.104. LIMIT ON EMINENT DOMAIN POWER  
16 [Sections 6603.105-6603.150 reserved for expansion]  
17 SUBCHAPTER D. TAXES  
18 Sec. 6603.151. IMPOSITION OF TAXES  
19 Sec. 6603.152. DISTRICT TAX ASSESSOR AND COLLECTOR  
20 [Sections 6603.153-6603.200 reserved for expansion]  
21 SUBCHAPTER E. ENFORCEMENT  
22 Sec. 6603.201. CIVIL PENALTY  
23 Sec. 6603.202. INJUNCTIVE RELIEF  
24 Sec. 6603.203. DAMAGES, COURT COSTS, AND ATTORNEY'S  
25 FEES  
26 Sec. 6603.204. PENALTIES CUMULATIVE  
27 CHAPTER 6603. BROOKSHIRE-KATY DRAINAGE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6603.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of supervisors of the district.

(2) "District" means the Brookshire-Katy Drainage District.

(3) "Supervisor" means a member of the board. (V.A.C.S. Art. 8280-249, Sec. 1 (part); New.)

Sec. 6603.002. NATURE OF DISTRICT. The district is:

(1) a conservation and reclamation district created and incorporated in Waller County under Section 59, Article XVI, Texas Constitution, for the sole purpose of the reclamation and drainage of the district's overflowed lands and other lands needing drainage;

(2) a fresh water supply district; and

(3) a municipal corporation. (V.A.C.S. Art. 8280-249, Secs. 1 (part), 2 (part), 6 (part), 7 (part).)

Sec. 6603.003. FINDINGS OF BENEFIT AND PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the creation of the district and the improvements the district will purchase, construct, or otherwise acquire.

(c) The district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-249, Secs. 6 (part), 7 (part).)

Sec. 6603.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 203, Acts

1 of the 57th Legislature, Regular Session, 1961 (Article 8280-249,  
2 Vernon's Texas Civil Statutes), as that territory may have been  
3 modified under:

4 (1) Subchapter J, Chapter 49, Water Code; or

5 (2) other law.

6 (b) The legislature finds that the boundaries of the  
7 district as described by Section 1, Chapter 203, Acts of the 57th  
8 Legislature, Regular Session, 1961 (Article 8280-249, Vernon's  
9 Texas Civil Statutes), and the field notes relating to those  
10 boundaries form a closure. A mistake in the field notes or in  
11 copying the field notes in the legislative process does not affect:

12 (1) the district's organization, existence, or  
13 validity;

14 (2) the district's authority to take any action  
15 authorized by this chapter and the general laws; or

16 (3) the legality or operation of the district or the  
17 board.

18 (c) It is the intention of the legislature that all land  
19 included in the district as created in 1961 be included in the  
20 boundaries of the district as described by Section 1, Chapter 203,  
21 Acts of the 57th Legislature, Regular Session, 1961 (Article  
22 8280-249, Vernon's Texas Civil Statutes). (V.A.C.S. Art. 8280-249,  
23 Sec. 1A; New.)

24 [Sections 6603.005-6603.050 reserved for expansion]

25 SUBCHAPTER B. DISTRICT BOARD OF SUPERVISORS

26 Sec. 6603.051. COMPOSITION OF BOARD. The board consists of  
27 five supervisors. (V.A.C.S. Art. 8280-249, Sec. 3 (part).)

1           Sec. 6603.052. QUALIFICATIONS. A candidate for supervisor  
2 must:

- 3           (1) be at least 18 years of age;  
4           (2) own land subject to taxation in the district; and  
5           (3) reside in the area from which the candidate seeks  
6 election. (V.A.C.S. Art. 8280-249, Sec. 3 (part).)

7           Sec. 6603.053. SUPERVISORS ELECTION. (a) For the election  
8 of supervisors, the district is divided into five areas, numbered  
9 one to five.

10           (b) Each candidate for supervisor must be designated on the  
11 official ballot according to the number of the area in which the  
12 candidate resides.

13           (c) Each district voter is entitled to vote for candidates  
14 from all five areas.

15           (d) The candidate from each area who receives the highest  
16 number of votes for supervisor is elected. (V.A.C.S. Art.  
17 8280-249, Sec. 3 (part).)

18           [Sections 6603.054-6603.100 reserved for expansion]

19                           SUBCHAPTER C. POWERS AND DUTIES

20           Sec. 6603.101. GENERAL POWERS AND DUTIES. To accomplish  
21 the purposes of Section 6603.002(1), the district has all the  
22 rights, powers, privileges, and duties conferred and imposed by  
23 general law, including Chapters 49 and 53, Water Code, on fresh  
24 water supply districts created under Section 59, Article XVI, Texas  
25 Constitution, including the power to conserve, transport, and  
26 distribute fresh water. (V.A.C.S. Art. 8280-249, Sec. 2 (part).)

27           Sec. 6603.102. CONSTRUCTION OF DRAINAGE FACILITIES OR



1 IMPROVEMENTS. (a) Except as provided by Subsection (b), a person  
2 may not construct drainage facilities or improvements on or to  
3 serve a tract of land in the district unless the district has  
4 approved the plans and specifications for the facilities or  
5 improvements.

6 (b) Plans and specifications for drainage facilities or  
7 improvements located in the corporate limits or the  
8 extraterritorial jurisdiction of a municipality require only the  
9 approval of the municipality if:

10 (1) the municipality's corporate limits are located in  
11 more than one county;

12 (2) part of the municipality's corporate limits and  
13 extraterritorial jurisdiction in Waller County is located in the  
14 district;

15 (3) the municipality has a population of less than  
16 100,000; and

17 (4) the drainage facilities or improvements are  
18 located outside district-owned property or facilities.

19 (c) The district may adopt reasonable rules and set  
20 reasonable standards to provide for adequate drainage construction  
21 in accordance with standard engineering practices. The rules and  
22 standards may require the drainage plan to be generally compatible  
23 with the district's master plan.

24 (d) The district by rule may establish procedures for:

25 (1) the presentation of plans and specifications to  
26 the district; and

27 (2) the review and disposition of the plans and

1 specifications by the district.

2 (e) The district, after review by its engineer, shall  
3 determine the cost of any drainage facilities or improvements and  
4 recommend to the appropriate governing body with jurisdiction over  
5 the subdivision that a surety bond or other approved security in  
6 that amount for the construction of drainage facilities or  
7 improvements be secured in the name of the governing body. If the  
8 governing body does not secure a bond, the district may secure a  
9 bond for the cost of construction of drainage facilities or  
10 improvements.

11 (f) The district may refuse to approve plans and  
12 specifications if:

13 (1) the plans and specifications do not comply with  
14 district rules; or

15 (2) all applicable fees have not been paid.

16 (g) This section does not apply to:

17 (1) agricultural activity; or

18 (2) any other activity that does not create an  
19 aggregate impervious area of more than one acre.

20 (h) This section does not limit the authority or  
21 jurisdiction of a municipality or county to regulate plans and  
22 specifications for the construction of drainage facilities or  
23 improvements other than facilities owned or maintained by the  
24 district.

25 (i) The district's rules and standards for the construction  
26 of drainage facilities or improvements do not apply to a facility or  
27 improvement not owned or maintained by the district in the

1 corporate limits of a municipality unless the governing body of the  
2 municipality or county requires the person to submit the plans and  
3 specifications for drainage construction to the district.  
4 (V.A.C.S. Art. 8280-249, Sec. 6A.)

5 Sec. 6603.103. CONSISTENCY OF RULES. Rules adopted by the  
6 district must be consistent with Chapters 49 and 53, Water Code.  
7 (V.A.C.S. Art. 8280-249, Sec. 6B(a).)

8 Sec. 6603.104. LIMIT ON EMINENT DOMAIN POWER. The district  
9 may not exercise its power of eminent domain outside the district  
10 without the express consent of the governing body of the  
11 municipality or the commissioners court of the county in which the  
12 territory being condemned is located. (V.A.C.S. Art. 8280-249,  
13 Sec. 6B(b).)

14 [Sections 6603.105-6603.150 reserved for expansion]

15 SUBCHAPTER D. TAXES

16 Sec. 6603.151. IMPOSITION OF TAXES. (a) Taxes shall be  
17 imposed under the provisions of the general laws applicable to  
18 fresh water supply districts, including Chapters 49 and 53, Water  
19 Code. The district must hold an election required for the  
20 imposition or increase of taxes in the manner provided by Section  
21 49.107, Water Code.

22 (b) The district may not impose taxes at a rate that exceeds  
23 75 cents on the \$100 valuation of taxable property in the district.  
24 (V.A.C.S. Art. 8280-249, Sec. 5.)

25 Sec. 6603.152. DISTRICT TAX ASSESSOR AND COLLECTOR. (a)  
26 The assessor and collector of taxes for Waller County is the  
27 assessor and collector of taxes for the district.

1 (b) For services to the district in assessing and collecting  
2 taxes for the district, the assessor and collector may deduct from  
3 all taxes collected on the current year's tax rolls an amount of  
4 money to which the board agrees, not to exceed the amount provided  
5 by the general laws relating to the imposition of ad valorem taxes.

6 (c) For the collection of delinquent taxes, the assessor and  
7 collector may receive compensation in the same manner as the  
8 assessor and collector receives for collecting delinquent state and  
9 county taxes. The assessor and collector may not duplicate a charge  
10 made for costs of suit related to enforcement of state and county  
11 taxes. (V.A.C.S. Art. 8280-249, Sec. 4.)

12 [Sections 6603.153-6603.200 reserved for expansion]

13 SUBCHAPTER E. ENFORCEMENT

14 Sec. 6603.201. CIVIL PENALTY. (a) A person who violates  
15 this chapter or a rule adopted under this chapter is liable to the  
16 district for a civil penalty of not less than \$10 or more than \$200  
17 for each violation.

18 (b) Each day a violation continues is a separate violation.  
19 (V.A.C.S. Art. 8280-249, Sec. 6C(a) (part).)

20 Sec. 6603.202. INJUNCTIVE RELIEF. (a) The district may sue  
21 in a district court to enjoin a violation or threatened violation of  
22 this chapter or a rule adopted under this chapter.

23 (b) The district may sue for injunctive relief and a civil  
24 penalty in the same proceeding. (V.A.C.S. Art. 8280-249, Sec.  
25 6C(b).)

26 Sec. 6603.203. DAMAGES, COURT COSTS, AND ATTORNEY'S FEES.  
27 If the district sues to recover a civil penalty or for injunctive

1 relief under this chapter, or to recover any fee or charge under  
2 this chapter, the court may include in any final judgment in favor  
3 of the district an award for damages, the recovery of court costs,  
4 and reasonable attorney's fees. (V.A.C.S. Art. 8280-249, Sec.  
5 6C(c).)

6 Sec. 6603.204. PENALTIES CUMULATIVE. A penalty under this  
7 subchapter is in addition to any other penalty authorized by law.  
8 (V.A.C.S. Art. 8280-249, Sec. 6C(a) (part).)

9 CHAPTER 6605. BRAZORIA COUNTY DRAINAGE DISTRICT NO. 8

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 6605.001. DEFINITIONS

12 Sec. 6605.002. NATURE OF DISTRICT

13 Sec. 6605.003. LEGISLATIVE FINDINGS

14 Sec. 6605.004. DISTRICT TERRITORY

15 [Sections 6605.005-6605.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

17 Sec. 6605.051. BOARD OF DIRECTORS

18 [Sections 6605.052-6605.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 6605.101. GENERAL POWERS AND DUTIES

21 [Sections 6605.102-6605.150 reserved for expansion]

22 SUBCHAPTER D. FINANCIAL PROVISIONS

23 Sec. 6605.151. DEPOSITING REVENUE

24 Sec. 6605.152. RESPONSIBILITY FOR DISTRICT MONEY

25 [Sections 6605.153-6605.200 reserved for expansion]

26 SUBCHAPTER E. TAXES

27 Sec. 6605.201. IMPOSITION OF TAXES

1 Sec. 6605.202. TAX ASSESSOR-COLLECTOR

2 CHAPTER 6605. BRAZORIA COUNTY DRAINAGE DISTRICT NO. 8

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 6605.001. DEFINITIONS. In this chapter:

5 (1) "Board" means the district's board of directors.

6 (2) "Director" means a member of the board.

7 (3) "District" means the Brazoria County Drainage  
8 District No. 8. (New.)

9 Sec. 6605.002. NATURE OF DISTRICT. The district is a  
10 conservation and reclamation district under Section 59, Article  
11 XVI, Texas Constitution. (Acts 41st Leg., 4th C.S., Ch. 6, S.L.,  
12 Secs. 2 (part), 5 (part).)

13 Sec. 6605.003. LEGISLATIVE FINDINGS. The legislature finds  
14 that:

15 (1) providing the district with the powers authorized  
16 by Section 59, Article XVI, Texas Constitution, benefits the  
17 citizens and property in the district;

18 (2) all property in the district benefits;

19 (3) all property the district benefits is included in  
20 the district; and

21 (4) the district is essential to accomplish the  
22 purposes of Section 59, Article XVI, Texas Constitution. (Acts  
23 41st Leg., 4th C.S., Ch. 6, S.L., Secs. 2 (part), 11 (part).)

24 Sec. 6605.004. DISTRICT TERRITORY. The district is  
25 composed of the territory described by Section 1, Chapter 6,  
26 Special Laws, Acts of the 41st Legislature, 4th Called Session,  
27 1930, as that territory may have been modified under:

1           (1) Subchapter I, Chapter 56, Water Code, before  
2 September 1, 1995;

3           (2) Subchapter J, Chapter 56, Water Code;

4           (3) Subchapter J, Chapter 49, Water Code; or

5           (4) other law. (New.)

6           [Sections 6605.005-6605.050 reserved for expansion]

7           SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

8           Sec. 6605.051. BOARD OF DIRECTORS. (a) The board consists  
9 of three directors.

10          (b) The board has all the powers conferred on a board of  
11 directors under Chapter 56, Water Code. (Acts 41st Leg., 4th C.S.,  
12 Ch. 6, S.L., Sec. 4 (part); Acts 67th Leg., 1st C.S., Ch. 8, Sec.  
13 57(a) (part).)

14          [Sections 6605.052-6605.100 reserved for expansion]

15          SUBCHAPTER C. POWERS AND DUTIES

16          Sec. 6605.101. GENERAL POWERS AND DUTIES. The district has  
17 the rights, powers, privileges, and duties of a drainage district  
18 created under Section 59, Article XVI, Texas Constitution,  
19 including the right to:

20               (1) impose taxes; and

21               (2) issue bonds. (Acts 41st Leg., 4th C.S., Ch. 6,  
22 S.L., Secs. 5 (part), 7 (part), 11 (part).)

23          [Sections 6605.102-6605.150 reserved for expansion]

24          SUBCHAPTER D. FINANCIAL PROVISIONS

25          Sec. 6605.151. DEPOSITING REVENUE. (a) Tax collections,  
26 after deductions of discounts and fees for collecting taxes, shall  
27 be deposited in the depository of the district. The collections may

1 be withdrawn as directed by the board.

2 (b) All other district income shall be deposited in the  
3 district depository. (Acts 41st Leg., 4th C.S., Ch. 6, S.L., Sec.  
4 7A(f); Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(c) (part).)

5 Sec. 6605.152. RESPONSIBILITY FOR DISTRICT MONEY. (a) The  
6 board is responsible for all money the district receives.

7 (b) The county judge does not have a duty to countersign any  
8 warrants or checks. The county treasurer and the county auditor do  
9 not have a duty to perform any services for the district. (Acts  
10 41st Leg., 4th C.S., Ch. 6, S.L., Sec. 7A(g); Acts 67th Leg., 1st  
11 C.S., Ch. 8, Sec. 57(d) (part).)

12 [Sections 6605.153-6605.200 reserved for expansion]

13 SUBCHAPTER E. TAXES

14 Sec. 6605.201. IMPOSITION OF TAXES. Not later than October  
15 1 of each year, for the benefit of the district, the board shall:

16 (1) impose a tax on all property subject to taxation in  
17 the district to:

18 (A) meet the requirements of district bonds; and

19 (B) provide for district maintenance and  
20 operating expenses; and

21 (2) immediately certify the tax rate to the  
22 assessor-collector of Brazoria County. (Acts 41st Leg., 4th C.S.,  
23 Ch. 6, S.L., Secs. 7A(a), (b) (part); Acts 67th Leg., 1st C.S., Ch.  
24 8, Secs. 57(b), (c) (part).)

25 Sec. 6605.202. TAX ASSESSOR-COLLECTOR. (a) The tax  
26 assessor-collector of Brazoria County is the tax  
27 assessor-collector for the district.



1 (b) The tax assessor-collector shall charge and deduct from  
2 payments to the district amounts for the tax assessor-collector's  
3 services as may be agreed on by the tax assessor-collector and the  
4 board. (Acts 41st Leg., 4th C.S., Ch. 6, S.L., Secs. 7A(b) (part),  
5 (e); Acts 67th Leg., 1st C.S., Ch. 8, Sec. 57(c) (part).)

6 SECTION 1.06. Subtitle B, Title 6, Special District Local  
7 Laws Code, is amended by adding Chapters 6902, 6903, 6904, 6905, and  
8 6906 to read as follows:

9 CHAPTER 6902. CRANE COUNTY WATER DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

- 11 Sec. 6902.001. DEFINITIONS  
12 Sec. 6902.002. NATURE OF DISTRICT  
13 Sec. 6902.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE  
14 Sec. 6902.004. DISTRICT TERRITORY  
15 Sec. 6902.005. SUFFICIENT AUTHORITY FOR ENTITIES TO

16 ACT

17 [Sections 6902.006-6902.050 reserved for expansion]

18 SUBCHAPTER B. BOARD OF DIRECTORS

- 19 Sec. 6902.051. COMPOSITION OF BOARD  
20 Sec. 6902.052. TERMS  
21 Sec. 6902.053. QUALIFICATIONS FOR OFFICE  
22 Sec. 6902.054. EX OFFICIO DIRECTORS  
23 Sec. 6902.055. VACANCY  
24 Sec. 6902.056. REMOVAL FROM OFFICE  
25 Sec. 6902.057. QUORUM  
26 Sec. 6902.058. BOARD RESOLUTIONS; VOTING REQUIREMENTS  
27 Sec. 6902.059. OFFICERS AND ASSISTANTS

- 1 Sec. 6902.060. OFFICER DUTIES  
2 Sec. 6902.061. MEETINGS  
3 Sec. 6902.062. PERSONAL LIABILITY OF DIRECTORS  
4 [Sections 6902.063-6902.100 reserved for expansion]  
5 SUBCHAPTER C. POWERS AND DUTIES  
6 Sec. 6902.101. GENERAL POWERS  
7 Sec. 6902.102. AUTHORITY TO SUE AND BE SUED  
8 Sec. 6902.103. SEAL  
9 Sec. 6902.104. BYLAWS; RULES  
10 Sec. 6902.105. GIFTS AND GRANTS  
11 Sec. 6902.106. OFFICE  
12 Sec. 6902.107. EMPLOYEES, AGENTS, AND OFFICERS  
13 Sec. 6902.108. WATER CONSERVATION PROGRAM  
14 Sec. 6902.109. WATER PERMITS  
15 Sec. 6902.110. GENERAL AUTHORITY OF PUBLIC AGENCIES  
16 AND POLITICAL SUBDIVISIONS TO  
17 CONTRACT WITH DISTRICT  
18 Sec. 6902.111. CONTRACTS TO SUPPLY WATER  
19 Sec. 6902.112. SOURCES FOR WATER; ACQUISITION OF LAND;  
20 STORAGE CAPACITY  
21 Sec. 6902.113. ACQUISITION, DISPOSAL, AND MANAGEMENT  
22 OF PROPERTY  
23 Sec. 6902.114. CONSTRUCTION CONTRACTS  
24 Sec. 6902.115. CONVEYANCE OF LAND TO DISTRICT  
25 Sec. 6902.116. SURPLUS PROPERTY  
26 Sec. 6902.117. EMINENT DOMAIN  
27 Sec. 6902.118. COST OF RELOCATING OR ALTERING PROPERTY

- 1 Sec. 6902.119. RIGHTS-OF-WAY; EASEMENTS  
2 [Sections 6902.120-6902.150 reserved for expansion]  
3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
4 Sec. 6902.151. TAX COLLECTION  
5 Sec. 6902.152. ADVISORY DUTIES OF CRANE COUNTY AUDITOR  
6 Sec. 6902.153. DISTRICT MONEY  
7 Sec. 6902.154. DEPOSITORY  
8 Sec. 6902.155. INVESTMENT OF DISTRICT MONEY  
9 Sec. 6902.156. DISTRICT FACILITIES EXEMPT FROM  
10 TAXATION AND ASSESSMENT  
11 [Sections 6902.157-6902.200 reserved for expansion]  
12 SUBCHAPTER E. GENERAL BOND PROVISIONS  
13 Sec. 6902.201. AUTHORITY TO ISSUE BONDS  
14 Sec. 6902.202. FORM OF BONDS  
15 Sec. 6902.203. MATURITY  
16 Sec. 6902.204. ELECTION FOR BONDS PAYABLE FROM  
17 PROPERTY TAXES  
18 Sec. 6902.205. BONDS SECURED BY REVENUE; ADDITIONAL  
19 BONDS  
20 Sec. 6902.206. BONDS PAYABLE FROM PROPERTY TAXES  
21 Sec. 6902.207. ADDITIONAL SECURITY  
22 Sec. 6902.208. TRUST INDENTURE  
23 Sec. 6902.209. CHARGES FOR DISTRICT SERVICES  
24 Sec. 6902.210. USE OF BOND PROCEEDS  
25 Sec. 6902.211. APPOINTMENT OF RECEIVER  
26 Sec. 6902.212. LIMITATION ON RIGHTS OF HOLDERS  
27 Sec. 6902.213. BONDS EXEMPT FROM TAXATION

1 Sec. 6902.214. EXCLUSION OF TERRITORY AFTER ISSUANCE  
2 OF BONDS

3 [Sections 6902.215-6902.250 reserved for expansion]

4 SUBCHAPTER F. REFUNDING BONDS

5 Sec. 6902.251. AUTHORITY TO ISSUE REFUNDING BONDS;  
6 APPLICABILITY OF LAW RELATING TO  
7 OTHER BONDS

8 Sec. 6902.252. TERMS OF ISSUANCE OF REFUNDING BONDS

9 Sec. 6902.253. REGISTRATION OF REFUNDING BONDS BY  
10 COMPTROLLER

11 Sec. 6902.254. ESCROW AGREEMENT

12 CHAPTER 6902. CRANE COUNTY WATER DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 6902.001. DEFINITIONS. In this chapter:

15 (1) "Board" means the district's board of directors.

16 (2) "Director" means a member of the board.

17 (3) "District" means the Crane County Water District.

18 (Acts 69th Leg., R.S., Ch. 775, Sec. 2; New.)

19 Sec. 6902.002. NATURE OF DISTRICT. The district is a  
20 conservation and reclamation district created under Section 59,  
21 Article XVI, Texas Constitution. (Acts 69th Leg., R.S., Ch. 775,  
22 Sec. 1 (part).)

23 Sec. 6902.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

24 The accomplishment of the purposes stated in this chapter is for:

25 (1) the benefit of the people of this state; and

26 (2) the improvement of their property and industries.

27 (b) The district, in carrying out the purposes of this

1 chapter, will be performing an essential public function under the  
2 constitution. (Acts 69th Leg., R.S., Ch. 775, Sec. 22.)

3 Sec. 6902.004. DISTRICT TERRITORY. The district includes  
4 all of the territory in the boundaries of Crane County as the  
5 boundaries of that county existed on January 1, 1985, and as the  
6 district territory may have been modified under:

- 7 (1) Subchapter J, Chapter 49, Water Code; or  
8 (2) other law. (Acts 69th Leg., R.S., Ch. 775, Sec. 3;  
9 New.)

10 Sec. 6902.005. SUFFICIENT AUTHORITY FOR ENTITIES TO ACT.  
11 This chapter provides sufficient authority to issue district bonds,  
12 execute contracts and conveyances, and perform any other act or  
13 procedure authorized under this chapter by the district, the City  
14 of Crane, public agencies, special districts, and other political  
15 subdivisions, without reference to other law or a restriction or  
16 limitation contained in other law, except as specifically provided  
17 by this chapter. (Acts 69th Leg., R.S., Ch. 775, Sec. 26 (part).)

18 [Sections 6902.006-6902.050 reserved for expansion]

19 SUBCHAPTER B. BOARD OF DIRECTORS

20 Sec. 6902.051. COMPOSITION OF BOARD. The district is  
21 governed by a board composed of five directors appointed by the  
22 Commissioners Court of Crane County. The directors occupy numbered  
23 places on the board, with the places numbered as Places 1, 2, 3, 4,  
24 and 5. (Acts 69th Leg., R.S., Ch. 775, Secs. 4(a), (d).)

25 Sec. 6902.052. TERMS. Each appointed director shall serve  
26 for a term of two years, with the terms of the directors appointed  
27 to occupy Places 1 and 2 expiring on June 1 of each even-numbered

1 year and the terms of the directors appointed to occupy Places 3, 4,  
2 and 5 expiring on June 1 of each odd-numbered year. (Acts 69th  
3 Leg., R.S., Ch. 775, Secs. 4(b), (e).)

4 Sec. 6902.053. QUALIFICATIONS FOR OFFICE. (a) To be  
5 eligible for appointment as a director, a person must be:

6 (1) a qualified district voter; and

7 (2) a district resident.

8 (b) A director is eligible for reappointment. (Acts 69th  
9 Leg., R.S., Ch. 775, Secs. 4(f), (h).)

10 Sec. 6902.054. EX OFFICIO DIRECTORS. The county judge of  
11 Crane County and the mayor of the City of Crane shall serve as ex  
12 officio directors. The county judge and mayor are entitled to  
13 attend all board meetings and participate in all board proceedings  
14 but are not entitled to vote on matters before the board. (Acts  
15 69th Leg., R.S., Ch. 775, Sec. 4(c).)

16 Sec. 6902.055. VACANCY. The Commissioners Court of Crane  
17 County by appointment shall fill a vacancy on the board for the  
18 unexpired term. (Acts 69th Leg., R.S., Ch. 775, Sec. 4(g).)

19 Sec. 6902.056. REMOVAL FROM OFFICE. After reasonable  
20 notice and a public hearing, the remaining members of the board may  
21 remove a director from office for misfeasance, malfeasance, or  
22 wilful neglect of duty. Reasonable notice and a public hearing are  
23 not required if the director to be removed expressly waives the  
24 notice and hearing in writing. (Acts 69th Leg., R.S., Ch. 775, Sec.  
25 4(i).)

26 Sec. 6902.057. QUORUM. Any three regular directors  
27 constitute a quorum. (Acts 69th Leg., R.S., Ch. 775, Sec. 5(d))

1 (part).)

2 Sec. 6902.058. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)  
3 The district shall act through resolutions adopted by the board.

4 (b) All regular directors are entitled to vote on matters  
5 before the board.

6 (c) The affirmative vote of at least three of the regular  
7 directors is necessary to adopt a resolution. (Acts 69th Leg.,  
8 R.S., Ch. 775, Sec. 5(d) (part).)

9 Sec. 6902.059. OFFICERS AND ASSISTANTS. (a) The board  
10 shall elect a president, vice president, secretary, and treasurer  
11 at the first meeting of the board in March of each year or at any  
12 time necessary to fill a vacancy.

13 (b) The board shall elect the president and vice president  
14 from among the directors. The president and vice president shall  
15 serve for terms of one year.

16 (c) The offices of secretary and treasurer:

17 (1) may be held by one person; and

18 (2) are not required to be held by a director.

19 (d) The board may appoint as assistant board secretary one  
20 or more persons who are not directors. (Acts 69th Leg., R.S., Ch.  
21 775, Secs. 5(a) (part), (b) (part), (c) (part), (e) (part).)

22 Sec. 6902.060. OFFICER DUTIES. (a) The board president  
23 shall preside at board meetings and perform other duties prescribed  
24 by the board.

25 (b) The board secretary is the official custodian of the  
26 minutes, books, records, and seal of the board and shall perform  
27 other duties and functions prescribed by the board. An assistant

1 board secretary may perform any duty or function of the board  
2 secretary.

3 (c) The board treasurer shall perform duties and functions  
4 prescribed by the board. (Acts 69th Leg., R.S., Ch. 775, Secs. 5(a)  
5 (part), (c) (part).)

6 Sec. 6902.061. MEETINGS. The board shall have regular  
7 meetings at times specified by board resolution and shall have  
8 special meetings when called by the board president or by any three  
9 directors. (Acts 69th Leg., R.S., Ch. 775, Sec. 5(f).)

10 Sec. 6902.062. PERSONAL LIABILITY OF DIRECTORS. A director  
11 is not personally liable for any bond issued or contract executed by  
12 the district. (Acts 69th Leg., R.S., Ch. 775, Sec. 5(g).)

13 [Sections 6902.063-6902.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 6902.101. GENERAL POWERS. The district may exercise  
16 all powers necessary or appropriate to carry out the purposes of  
17 this chapter. (Acts 69th Leg., R.S., Ch. 775, Sec. 7(a).)

18 Sec. 6902.102. AUTHORITY TO SUE AND BE SUED. The district  
19 may sue and be sued in the district's own name. (Acts 69th Leg.,  
20 R.S., Ch. 775, Sec. 7(b).)

21 Sec. 6902.103. SEAL. The board may adopt an official seal.  
22 (Acts 69th Leg., R.S., Ch. 775, Sec. 7(c) (part).)

23 Sec. 6902.104. BYLAWS; RULES. The board may adopt and  
24 enforce bylaws and rules. (Acts 69th Leg., R.S., Ch. 775, Sec. 7(c)  
25 (part).)

26 Sec. 6902.105. GIFTS AND GRANTS. The district may request  
27 and accept any appropriation, grant, allocation, subsidy,



1 guaranty, aid, service, material, or gift from any person. (Acts  
2 69th Leg., R.S., Ch. 775, Sec. 7(g).)

3       Sec. 6902.106. OFFICE. The district may operate and  
4 maintain an office. (Acts 69th Leg., R.S., Ch. 775, Sec. 7(h)  
5 (part).)

6       Sec. 6902.107. EMPLOYEES, AGENTS, AND OFFICERS. The  
7 district may appoint and determine the duties, tenure,  
8 qualifications, and compensation of the officers, employees,  
9 agents, and professional advisors and counselors of the district,  
10 including financial consultants, accountants, attorneys,  
11 architects, engineers, appraisers, and financial experts the board  
12 considers necessary. (Acts 69th Leg., R.S., Ch. 775, Sec. 7(h)  
13 (part).)

14       Sec. 6902.108. WATER CONSERVATION PROGRAM. (a) In this  
15 section, "program of water conservation" means the practices,  
16 techniques, and technologies that will reduce water consumption,  
17 reduce water loss or waste, improve efficiency in water use, or  
18 increase water recycling and reuse so that a water supply is  
19 available for future uses.

20       (b) The district shall adopt and implement a program of  
21 water conservation consistent with rules and criteria adopted and  
22 enforceable by the Texas Commission on Environmental Quality for  
23 similarly situated districts in the region. (Acts 69th Leg., R.S.,  
24 Ch. 775, Sec. 6.)

25       Sec. 6902.109. WATER PERMITS. (a) The district may obtain  
26 water appropriation permits and diversion permits from the Texas  
27 Commission on Environmental Quality.

1           (b) The district may acquire water appropriation permits  
2 from owners of permits by contract or otherwise. (Acts 69th Leg.,  
3 R.S., Ch. 775, Secs. 8(a), (b).)

4           Sec. 6902.110. GENERAL AUTHORITY OF PUBLIC AGENCIES AND  
5 POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A municipality,  
6 public agency, special district, or other political subdivision of  
7 the state, including the City of Crane, may enter into a contract or  
8 agreement with the district for a water supply, or for any purpose  
9 relating to the district's powers or functions, on terms agreed to  
10 by the parties. Approval, notice, consent, or an election is not  
11 required in connection with a contract or agreement. (Acts 69th  
12 Leg., R.S., Ch. 775, Sec. 9(c) (part).)

13           Sec. 6902.111. CONTRACTS TO SUPPLY WATER. (a) The district  
14 may contract with municipalities, public agencies, special  
15 districts, other political subdivisions of the state, and other  
16 entities, including the City of Crane, for supplying water to them.  
17 The district may sell water inside or outside the boundaries of the  
18 district.

19           (b) A contract with the City of Crane must provide that the  
20 city will pay to the district a portion of any surplus revenue from  
21 the operation of the city's water system.

22           (c) The district may contract with a municipality, public  
23 agency, special district, or other political subdivision of the  
24 state for the rental or leasing of or for the operation of the water  
25 production, water field, water supply, water filtration or  
26 purification, or water supply facilities of the entity on the  
27 consideration agreed to by the district and the entity.

1 (d) A contract may include the terms and be for the time  
2 agreed to by the parties.

3 (e) A contract may provide that it will continue in effect  
4 until bonds specified in it and refunding bonds issued in lieu of  
5 those bonds are paid.

6 (f) The district may contract with the City of Crane for the  
7 operation of the district's water facilities by the City of Crane.  
8 An election is not required in connection with the contract. (Acts  
9 69th Leg., R.S., Ch. 775, Secs. 9(b) (part), 19.)

10 Sec. 6902.112. SOURCES FOR WATER; ACQUISITION OF LAND;  
11 STORAGE CAPACITY. (a) The district may acquire or construct inside  
12 or outside the district one or more reservoirs and any work, water  
13 well, water field, pump, plant, transmission line, or other  
14 facility necessary or useful to divert, impound, drill for, store,  
15 treat, or transport water to the City of Crane and others for  
16 municipal, domestic, industrial, mining, oil flooding, or other  
17 useful purposes.

18 (b) The district may acquire land or an interest in land,  
19 inside or outside the district, for any work, water well, water  
20 field, pump, plant, or other facility necessary or useful to  
21 divert, impound, drill for, store, treat, or transport water to the  
22 City of Crane and others for municipal, domestic, industrial,  
23 mining, oil flooding, or any other useful purpose.

24 (c) The district may lease, purchase, or otherwise acquire  
25 rights in and to storage and storage capacity in any reservoir  
26 constructed or to be constructed by any person.

27 (d) The district may develop or otherwise acquire

1 underground sources of water. (Acts 69th Leg., R.S., Ch. 775, Secs.  
2 8(c), 9(a) (part), (b) (part), 10 (part).)

3 Sec. 6902.113. ACQUISITION, DISPOSAL, AND MANAGEMENT OF  
4 PROPERTY. The district may:

5 (1) acquire, own, rent, lease, accept, hold, or  
6 dispose of property or an interest in property, including a right or  
7 easement, by any means, including purchase, exchange, gift,  
8 assignment, condemnation, sale, or lease, to perform a duty or  
9 exercise a power under this chapter;

10 (2) sell, assign, lease, encumber, mortgage, or  
11 otherwise dispose of property or an interest in property, and  
12 release or relinquish a right, title, claim, lien, interest,  
13 easement, or demand by public or private sale, with or without  
14 public bidding, notwithstanding any other law;

15 (3) lease or rent any land, buildings, structures, or  
16 facilities to carry out the purposes of this chapter; and

17 (4) manage, operate, or improve property. (Acts 69th  
18 Leg., R.S., Ch. 775, Secs. 7(e), (f).)

19 Sec. 6902.114. CONSTRUCTION CONTRACTS. (a) The district  
20 may award a construction contract that requires an expenditure of  
21 more than \$5,000 only after publication of notice to bidders once  
22 each week for two consecutive weeks in a newspaper of general  
23 circulation in the district.

24 (b) The notice is sufficient if it states:

25 (1) the time and place for opening the bids;

26 (2) the general nature of the work to be done or the  
27 material, equipment, or supplies to be purchased; and

1           (3) the place where the terms of bidding and copies of  
2 the plans and specifications may be obtained. (Acts 69th Leg.,  
3 R.S., Ch. 775, Sec. 13.)

4           Sec. 6902.115. CONVEYANCE OF LAND TO DISTRICT. A  
5 municipality, public agency, special district, or other political  
6 subdivision of the state, including the City of Crane, may lease,  
7 sell, or otherwise convey its land or an interest in land to the  
8 district for consideration that the parties agree is adequate.  
9 Approval, notice, consent, or an election is not required in  
10 connection with a conveyance, contract, or agreement. (Acts 69th  
11 Leg., R.S., Ch. 775, Sec. 9(c) (part).)

12           Sec. 6902.116. SURPLUS PROPERTY. Subject to the terms of a  
13 resolution or deed of trust authorizing or securing bonds issued by  
14 the district, the district may sell, lease, rent, trade, or  
15 otherwise dispose of property the board considers not needed for  
16 district purposes. (Acts 69th Leg., R.S., Ch. 775, Sec. 10 (part).)

17           Sec. 6902.117. EMINENT DOMAIN. (a) To carry out a power  
18 conferred by this chapter, the district may exercise the power of  
19 eminent domain to acquire the fee simple title to land or any other  
20 interest in land and other property and easements, including water  
21 rights, land, or any interest in land needed for water fields, water  
22 wells, or reservoir and dam and flood easements above the probable  
23 high water line around any reservoirs inside or outside the  
24 district.

25           (b) The district must exercise the power of eminent domain  
26 in the manner provided by Chapter 21, Property Code.

27           (c) The board shall determine the amount and the type of the

1 interest in land, other property, and easements to be acquired.  
2 (Acts 69th Leg., R.S., Ch. 775, Secs. 11(a), (b).)

3 Sec. 6902.118. COST OF RELOCATING OR ALTERING PROPERTY.

4 (a) In this section, "sole expense" means the actual cost of the  
5 relocating, raising, lowering, rerouting, or change in grade or  
6 alteration of construction required under Subsection (b) to provide  
7 a comparable replacement without enhancing the facility, after  
8 deducting the net salvage value derived from the old facility.

9 (b) If the district's exercise of eminent domain, police  
10 power, or of another power conferred by this chapter requires  
11 relocating, raising, lowering, rerouting, or changing the grade of,  
12 or altering the construction of any railroad, electric  
13 transmission, telegraph, or telephone line, conduit, pole,  
14 property or facility, or pipeline, the action shall be accomplished  
15 at the sole expense of the district. (Acts 69th Leg., R.S., Ch.  
16 775, Sec. 11(c).)

17 Sec. 6902.119. RIGHTS-OF-WAY; EASEMENTS. The district  
18 has necessary or useful rights-of-way and easements along, over,  
19 under, and across all public, state, municipal, and county roads,  
20 highways, and places for any of its purposes. The district shall  
21 restore a facility used by the district to its previous condition as  
22 nearly as possible at the sole expense of the district as defined by  
23 Section 6902.118(a). (Acts 69th Leg., R.S., Ch. 775, Sec. 12(b).)

24 [Sections 6902.120-6902.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 6902.151. TAX COLLECTION. The district shall contract  
27 with Crane County to collect property taxes for the district. (Acts

1 69th Leg., R.S., Ch. 775, Sec. 24(b).)

2           Sec. 6902.152. ADVISORY DUTIES OF CRANE COUNTY AUDITOR.  
3 The Crane County auditor shall serve as an advisor to the district,  
4 without remuneration, for the preparation of the district's budget  
5 and the imposition of the district's property taxes. (Acts 69th  
6 Leg., R.S., Ch. 775, Sec. 24(c).)

7           Sec. 6902.153. DISTRICT MONEY. The district may acquire,  
8 hold, use, and dispose of its money from any source. (Acts 69th  
9 Leg., R.S., Ch. 775, Sec. 7(d) (part).)

10           Sec. 6902.154. DEPOSITORY. (a) The board may select and  
11 shall designate one or more banks inside or outside the district to  
12 serve as the depository for the district's money.

13           (b) The district's money shall be deposited in the  
14 depository designated by the board, except that:

15                 (1) bond proceeds and money pledged to pay bonds, to  
16 the extent provided in a resolution or trust indenture authorizing  
17 or securing district bonds, may be deposited with another bank or  
18 trustee named in the bond resolution or trust indenture; and

19                 (2) money shall be remitted to each paying agent for  
20 the payment of principal of and interest on the bonds.

21           (c) To the extent that money in a depository bank or trustee  
22 bank is not insured by the Federal Deposit Insurance Corporation,  
23 the money must be secured in the manner provided by law for the  
24 security of county funds. (Acts 69th Leg., R.S., Ch. 775, Secs.  
25 7(d) (part), 20(a), (b), (c).)

26           Sec. 6902.155. INVESTMENT OF DISTRICT MONEY. The board may  
27 invest district money as determined by the board or in the manner

1 provided by a resolution or trust indenture authorizing or securing  
2 district bonds. (Acts 69th Leg., R.S., Ch. 775, Sec. 20(d).)

3 Sec. 6902.156. DISTRICT FACILITIES EXEMPT FROM TAXATION AND  
4 ASSESSMENT. The district is not required to pay a tax or assessment  
5 on its facilities or any part of its facilities. (Acts 69th Leg.,  
6 R.S., Ch. 775, Sec. 23 (part).)

7 [Sections 6902.157-6902.200 reserved for expansion]

8 SUBCHAPTER E. GENERAL BOND PROVISIONS

9 Sec. 6902.201. AUTHORITY TO ISSUE BONDS. (a) The district  
10 may issue bonds to carry out any power provided by this chapter.  
11 The bonds must be authorized by a board resolution.

12 (b) The bonds may be payable from and secured by revenue or  
13 property taxes, or both revenue and property taxes, of the  
14 district, in the manner and under the terms of the resolution  
15 authorizing the issuance of the bonds.

16 (c) The district may issue bonds, provide for and secure the  
17 payment of the bonds, and provide for the rights of the bondholders,  
18 in the manner and to the extent permitted by this chapter. (Acts  
19 69th Leg., R.S., Ch. 775, Secs. 7(i), 14(a), (b) (part), (c), (e)  
20 (part).)

21 Sec. 6902.202. FORM OF BONDS. (a) A district bond must be:

- 22 (1) issued in the district's name;  
23 (2) signed by the president or vice president;  
24 (3) attested by the secretary; and  
25 (4) bear the district seal.

26 (b) The district seal may be impressed or printed on the  
27 bonds. (Acts 69th Leg., R.S., Ch. 775, Sec. 14(b) (part).)



1           Sec. 6902.203. MATURITY. District bonds must mature not  
2 later than 40 years after the date of their issuance. (Acts 69th  
3 Leg., R.S., Ch. 775, Sec. 14(b) (part).)

4           Sec. 6902.204. ELECTION FOR BONDS PAYABLE FROM PROPERTY  
5 TAXES. (a) The district may not issue bonds, except refunding  
6 bonds, payable wholly or partly from property taxes unless the  
7 issuance of the bonds is authorized by a majority of the district  
8 voters at an election.

9           (b) The district may issue bonds not payable wholly or  
10 partly from property taxes without an election.

11           (c) A bond election may be called by the board on a motion of  
12 the board.

13           (d) A resolution calling a bond election must state:

14                   (1) the time and each place for holding the election;

15                   (2) the purpose for which the bonds are to be issued;

16                   (3) the amount of the bonds;

17                   (4) the form of the ballot; and

18                   (5) other matters considered necessary or advisable by  
19 the board.

20           (e) The board shall give notice of the election by  
21 publishing a substantial copy of the resolution calling the  
22 election in a newspaper with general circulation in the district  
23 once a week for two consecutive weeks, with the first publication to  
24 be not later than the 14th day before the date of the election.  
25 (Acts 69th Leg., R.S., Ch. 775, Secs. 17(a), (c), (d), (e), (f).)

26           Sec. 6902.205. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

27 (a) Bonds issued under this subchapter may be secured by a pledge

1 of all or part of the district's revenue, or by all or part of the  
2 revenue of one or more district contracts or other revenue or income  
3 specified by board resolution or a trust indenture securing the  
4 bonds. The pledge may reserve the right, under conditions  
5 specified by the pledge, to issue additional bonds that will be on a  
6 parity with or subordinate to the bonds being issued.

7 (b) The district may issue bonds secured by both property  
8 taxes and revenue of the district. (Acts 69th Leg., R.S., Ch. 775,  
9 Secs. 14(d), (e) (part).)

10 Sec. 6902.206. BONDS PAYABLE FROM PROPERTY TAXES. (a) If  
11 bonds are issued payable wholly or partly from property taxes, the  
12 board must impose a tax on the taxable property in the district in  
13 an amount sufficient to pay the principal of and interest on the  
14 bonds.

15 (b) The district may adopt the rate of a tax imposed under  
16 Subsection (a) after giving consideration to the money received  
17 from the pledged revenue that may be available for payment of  
18 principal and interest, to the extent and in the manner permitted by  
19 the resolution authorizing the issuance of the bonds. (Acts 69th  
20 Leg., R.S., Ch. 775, Sec. 14(e) (part).)

21 Sec. 6902.207. ADDITIONAL SECURITY. (a) Bonds not payable  
22 wholly from ad valorem taxes may be additionally secured, at the  
23 discretion of the board, by a deed of trust or mortgage lien on  
24 physical property of the district, franchises, easements, water  
25 rights and appropriation permits, leases, contracts, and all rights  
26 appurtenant to the property, vesting in the trustee power to:

27 (1) sell the property for the payment of the debt;

1           (2) operate the property; and

2           (3) take other action to further secure the bonds.

3           (b) A purchaser under a sale under the deed of trust lien, if  
4 one is given:

5           (1) is the absolute owner of property, facilities, and  
6 rights purchased; and

7           (2) is entitled to maintain and operate the property  
8 and facilities. (Acts 69th Leg., R.S., Ch. 775, Secs. 16(a) (part),  
9 (b), (d).)

10           Sec. 6902.208. TRUST INDENTURE. (a) A bond issued under  
11 this subchapter, including a refunding bond, that is not payable  
12 wholly from property taxes may be additionally secured by a trust  
13 indenture. The trustee may be a bank with trust powers located  
14 inside or outside the state.

15           (b) A trust indenture, regardless of the existence of the  
16 deed of trust or mortgage lien on the property, may:

17           (1) provide for the security of the bonds and the  
18 preservation of the trust estate in the manner prescribed by the  
19 board;

20           (2) provide for amendment or modification of the trust  
21 indenture;

22           (3) provide for the issuance of bonds to replace lost  
23 or mutilated bonds;

24           (4) condition the right to spend district money or  
25 sell district property on the approval of a licensed engineer  
26 selected as provided by this chapter; and

27           (5) provide for the investment of district money.

1 (Acts 69th Leg., R.S., Ch. 775, Secs. 16(a), (c).)

2 Sec. 6902.209. CHARGES FOR DISTRICT SERVICES. (a) If bonds  
3 payable wholly from revenue are issued, the board shall set the  
4 rates of compensation for water sold and services provided by the  
5 district. The rates must be sufficient to:

6 (1) pay the expense of operating and maintaining  
7 district facilities;

8 (2) pay the principal of and interest on the bonds when  
9 due; and

10 (3) maintain the reserve fund and other funds as  
11 provided in the resolution authorizing the bonds.

12 (b) If bonds payable partly from revenue are issued, the  
13 board shall set the rate of compensation for water sold and any  
14 other services provided by the district. The rate must be  
15 sufficient to ensure compliance with the resolution authorizing the  
16 bonds or the trust indenture securing the bonds. (Acts 69th Leg.,  
17 R.S., Ch. 775, Sec. 14(f).)

18 Sec. 6902.210. USE OF BOND PROCEEDS. (a) The district may  
19 set aside and use an amount of proceeds from the sale of bonds  
20 issued under this subchapter for:

21 (1) the payment of interest expected to accrue during  
22 construction not to exceed three years;

23 (2) a reserve interest and sinking fund; and

24 (3) other funds provided by the resolution authorizing  
25 the bonds or in the trust indenture.

26 (b) The district may use proceeds from the sale of the bonds  
27 to pay any expense necessarily incurred in accomplishing the

1 purpose of the district, including any expense of issuing and  
2 selling the bonds. (Acts 69th Leg., R.S., Ch. 775, Sec. 14(g).)

3 Sec. 6902.211. APPOINTMENT OF RECEIVER. (a) On default or  
4 threatened default in the payment of principal of or interest on  
5 bonds issued under this subchapter that are payable wholly or  
6 partly from revenue, a court may, on petition of the holders of  
7 outstanding bonds, appoint a receiver for the district.

8 (b) The receiver may collect and receive all district  
9 income, except taxes, employ and discharge district agents and  
10 employees, take charge of money on hand, except money received from  
11 taxes, unless commingled, and manage the proprietary affairs of the  
12 district without the consent of the board.

13 (c) The receiver may be authorized to sell or contract for  
14 the sale of water or renew those contracts with the approval of the  
15 court that appointed the receiver.

16 (d) The court may vest the receiver with any other power or  
17 duty the court finds necessary to protect the bondholders. (Acts  
18 69th Leg., R.S., Ch. 775, Sec. 14(h) (part).)

19 Sec. 6902.212. LIMITATION ON RIGHTS OF HOLDERS. The  
20 resolution authorizing the bonds or the trust indenture securing  
21 the bonds may limit or qualify the rights of the holders of less  
22 than all of the outstanding bonds payable from the same source to  
23 institute or prosecute litigation affecting the district's  
24 property or income. (Acts 69th Leg., R.S., Ch. 775, Sec. 14(h)  
25 (part).)

26 Sec. 6902.213. BONDS EXEMPT FROM TAXATION. A bond issued  
27 under this chapter, the transfer of the bond, and income from the

1 bond, including profits made on the sale of the bond, are exempt  
2 from taxation in this state. (Acts 69th Leg., R.S., Ch. 775, Sec.  
3 23 (part).)

4 Sec. 6902.214. EXCLUSION OF TERRITORY AFTER ISSUANCE OF  
5 BONDS. Territory may not be excluded from the district after the  
6 issuance of bonds. (Acts 69th Leg., R.S., Ch. 775, Sec. 17(b).)

7 [Sections 6902.215-6902.250 reserved for expansion]

8 SUBCHAPTER F. REFUNDING BONDS

9 Sec. 6902.251. AUTHORITY TO ISSUE REFUNDING BONDS;  
10 APPLICABILITY OF LAW RELATING TO OTHER BONDS. (a) The district may  
11 issue refunding bonds to refund outstanding bonds issued under this  
12 chapter and interest on those bonds.

13 (b) The provisions of this chapter relating to the issuance  
14 by the district of other bonds, their security, their approval by  
15 the attorney general, and the remedies of the bondholders apply to  
16 refunding bonds.

17 (c) An election is not required for refunding bonds.

18 (d) The district may also issue refunding bonds under any  
19 other applicable law. (Acts 69th Leg., R.S., Ch. 775, Secs. 15(a),  
20 (c), (e) (part).)

21 Sec. 6902.252. TERMS OF ISSUANCE OF REFUNDING BONDS.  
22 Refunding bonds may:

- 23 (1) be issued to refund bonds of more than one series;  
24 (2) combine the pledges for the outstanding bonds for  
25 the security of the refunding bonds; or  
26 (3) be secured by a pledge of other or additional  
27 revenue or mortgage liens. (Acts 69th Leg., R.S., Ch. 775, Sec.

1 15(b).)

2           Sec. 6902.253. REGISTRATION OF REFUNDING BONDS BY  
3 COMPTROLLER. (a) The comptroller shall register the refunding  
4 bonds on the surrender and cancellation of the bonds to be refunded.

5           (b) Instead of issuing bonds to be registered on the  
6 surrender and cancellation of the bonds to be refunded, the  
7 district, in the resolution authorizing the issuance of the  
8 refunding bonds, may provide for the sale of the refunding bonds and  
9 the deposit of the proceeds, together with other money that may be  
10 available, in a bank at which the bonds to be refunded are payable.  
11 In that case, the refunding bonds may be issued in an amount  
12 sufficient to pay the principal of and interest and any required  
13 redemption premium on the bonds to be refunded to any redemption  
14 date or to their maturity date, and the comptroller shall register  
15 the refunding bonds without the surrender and cancellation of the  
16 bonds to be refunded.

17           (c) The provisions described by Subsection (b) constitute  
18 the making of firm banking arrangements for the discharge and final  
19 payment or redemption of the bonds to be refunded or to be paid or  
20 redeemed. (Acts 69th Leg., R.S., Ch. 775, Sec. 15(d).)

21           Sec. 6902.254. ESCROW AGREEMENT. (a) The district may  
22 enter into an escrow or similar agreement with any place of payment,  
23 paying agent, or trustee with respect to the safekeeping,  
24 investment, administration, and disposition of a deposit made under  
25 Section 6902.253(b).

26           (b) A deposit under Section 6902.253(b) may be invested only  
27 in direct obligations of the United States, including obligations

1 the principal of and interest on which are unconditionally  
2 guaranteed by the United States, that mature and bear interest  
3 payable at the times and in amounts sufficient to provide for the  
4 scheduled payment or redemption of the bonds to be refunded. The  
5 obligations may be in book-entry form.

6 (c) The district must enter into an agreement under  
7 Subsection (a) if a bond to be refunded is scheduled to be paid or  
8 redeemed on a date later than the next scheduled interest payment  
9 date. (Acts 69th Leg., R.S., Ch. 775, Sec. 15(e) (part).)

10 CHAPTER 6903. EASTLAND COUNTY WATER SUPPLY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 6903.001. DEFINITIONS

13 Sec. 6903.002. NATURE OF DISTRICT

14 Sec. 6903.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

15 [Sections 6903.004-6903.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT

17 TERRITORY

18 Sec. 6903.051. DISTRICT TERRITORY

19 Sec. 6903.052. AUTHORITY TO ANNEX TERRITORY

20 Sec. 6903.053. PETITION FOR ANNEXATION; BOARD FINDINGS

21 AND RESOLUTION

22 Sec. 6903.054. COMMISSIONERS COURT RESOLUTION; HEARING

23 Sec. 6903.055. ANNEXATION HEARING

24 Sec. 6903.056. COMMISSIONERS COURT FINDINGS AND

25 RESOLUTION; ELECTION

26 Sec. 6903.057. NOTICE OF ANNEXATION ELECTION

27 Sec. 6903.058. ELECTION RESULTS



- 1 Sec. 6903.059. ASSUMPTION OF DEBT; TAXES  
2 Sec. 6903.060. RESTRICTION ON ANNEXATION OF RAILROAD  
3 RIGHT-OF-WAY  
4 [Sections 6903.061-6903.100 reserved for expansion]  
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1 Sec. 6903.310. APPOINTMENT OF RECEIVER

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3 Sec. 6903.312. BONDS EXEMPT FROM TAXATION

4 CHAPTER 6903. EASTLAND COUNTY WATER SUPPLY DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 6903.001. DEFINITIONS. In this chapter:

7 (1) "Board" means the board of directors of the  
8 district.

9 (2) "Commissioners court" means the Commissioners  
10 Court of Eastland County.

11 (3) "Director" means a member of the board.

12 (4) "District" means the Eastland County Water Supply  
13 District. (Acts 51st Leg., R.S., Ch. 465, Sec. 1 (part); New.)

14 Sec. 6903.002. NATURE OF DISTRICT. The district is created  
15 under Section 59, Article XVI, Texas Constitution. (Acts 51st  
16 Leg., R.S., Ch. 465, Sec. 1 (part).)

17 Sec. 6903.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
18 All land in the district will benefit from the improvement to be  
19 acquired and constructed by the district.

20 (b) The accomplishment of the purposes stated in this  
21 chapter is for the benefit of the people of this state and for the  
22 improvement of their property and industries. The district, in  
23 carrying out the purposes of this chapter, will be performing an  
24 essential public function under the Texas Constitution. (Acts 51st  
25 Leg., R.S., Ch. 465, Secs. 2 (part), 19 (part).)

26 [Sections 6903.004-6903.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT  
2 TERRITORY

3 Sec. 6903.051. DISTRICT TERRITORY. The district is  
4 composed of the territory in the city of Ranger on May 26, 1949, and  
5 the territory in the city of Eastland that was added to the district  
6 before June 8, 1953. The district's territory may have been  
7 modified under:

8 (1) this subchapter or its predecessor statute,  
9 Section 5, Chapter 465, Acts of the 51st Legislature, Regular  
10 Session, 1949;

11 (2) Subchapter J, Chapter 49, Water Code; or

12 (3) other law. (Acts 51st Leg., R.S., Ch. 465, Secs. 2  
13 (part), 3(a) (part); New.)

14 Sec. 6903.052. AUTHORITY TO ANNEX TERRITORY. Territory,  
15 whether contiguous to the district or not, and inside or outside  
16 Eastland County, may be annexed to the district in the manner  
17 provided by this subchapter. (Acts 51st Leg., R.S., Ch. 465, Sec. 5  
18 (part).)

19 Sec. 6903.053. PETITION FOR ANNEXATION; BOARD FINDINGS AND  
20 RESOLUTION. (a) The board may annex territory under this  
21 subchapter if a petition requesting annexation is signed by 50  
22 registered voters of the territory to be annexed who own taxable  
23 property in that territory, or a majority of the registered voters  
24 of that territory who own taxable property in that territory, and is  
25 filed with the board. The petition must describe the territory to  
26 be annexed by metes and bounds, or otherwise, except that if the  
27 territory is the same as that contained in a municipality, the

1 petition is sufficient if it states that the territory to be annexed  
2 is the territory contained in the municipality.

3 (b) If the board determines that the petition complies with  
4 Subsection (a), that the annexation would be in the interest of the  
5 district, and that the district will be able to supply water to the  
6 territory, the board shall adopt a resolution:

7 (1) stating the conditions, if any, under which the  
8 territory may be annexed to the district; and

9 (2) requesting the commissioners court to annex the  
10 territory to the district.

11 (c) A certified copy of the resolution and petition shall be  
12 filed with the commissioners court. (Acts 51st Leg., R.S., Ch. 465,  
13 Secs. 5(a), (b).)

14 Sec. 6903.054. COMMISSIONERS COURT RESOLUTION; HEARING.  
15 The commissioners court shall:

16 (1) adopt a resolution declaring its intention to call  
17 an election in the territory to submit the proposition of whether  
18 the territory is to be annexed to the district; and

19 (2) set a time and place to hold a commissioners court  
20 hearing on the question of whether the territory to be annexed will  
21 benefit from the improvements, works, and facilities then owned or  
22 operated or contemplated to be owned or operated by the district.  
23 (Acts 51st Leg., R.S., Ch. 465, Sec. 5(c) (part).)

24 Sec. 6903.055. ANNEXATION HEARING. (a) At least 10 days  
25 before the date of the annexation hearing, notice of the adoption of  
26 the resolution stating the time and place of the hearing and  
27 addressed to the citizens and owners of property in the territory to

1 be annexed shall be published one time in a newspaper designated by  
2 the commissioners court. The notice must describe the territory in  
3 the same manner in which Section 6903.053(a) requires the petition  
4 to describe the territory.

5 (b) If a newspaper is not published in the territory to be  
6 annexed, the notice shall be posted in three public places in the  
7 territory.

8 (c) Any interested person may appear at the hearing and  
9 offer evidence for or against the annexation.

10 (d) The hearing may proceed in the order and under the rules  
11 prescribed by the commissioners court and may be recessed from time  
12 to time. (Acts 51st Leg., R.S., Ch. 465, Secs. 5(d), (e) (part),  
13 (k).)

14 Sec. 6903.056. COMMISSIONERS COURT FINDINGS AND  
15 RESOLUTION; ELECTION. If, at the conclusion of the annexation  
16 hearing, the commissioners court finds that all land in the  
17 territory to be annexed will benefit from the present or  
18 contemplated improvements, works, or facilities of the district,  
19 the court shall adopt a resolution that:

20 (1) calls an election in the territory to be annexed;  
21 and

22 (2) states the date of the election and the place or  
23 places of holding the election. (Acts 51st Leg., R.S., Ch. 465,  
24 Sec. 5(e) (part).)

25 Sec. 6903.057. NOTICE OF ANNEXATION ELECTION. In addition  
26 to complying with Section 4.004, Election Code, notice of the  
27 annexation election must:

1           (1) state the conditions under which the territory may  
2 be annexed; or

3           (2) refer to the resolution of the board for that  
4 purpose. (Acts 51st Leg., R.S., Ch. 465, Sec. 5(f) (part).)

5           Sec. 6903.058. ELECTION RESULTS. (a) The commissioners  
6 court shall issue an order declaring the results of the annexation  
7 election.

8           (b) If the order shows that a majority of the votes cast are  
9 in favor of annexation, the commissioners court shall annex the  
10 proposed territory to the district. The annexation is  
11 incontestable except within the time for contesting elections under  
12 the general election law.

13           (c) A certified copy of the order shall be recorded in the  
14 deed records of the county in which the territory is located. (Acts  
15 51st Leg., R.S., Ch. 465, Sec. 5(h) (part).)

16           Sec. 6903.059. ASSUMPTION OF DEBT; TAXES. (a) In calling  
17 the election on the proposition for annexation of territory, the  
18 commissioners court may include, as a part of the same proposition,  
19 a proposition for:

20           (1) the territory to assume its part of the  
21 tax-supported bonds of the district then outstanding and those  
22 bonds previously voted but not yet sold; and

23           (2) an ad valorem tax to be imposed on taxable property  
24 in the territory along with the tax in the rest of the district for  
25 the payment of the bonds.

26           (b) After territory is annexed to the district, the board  
27 may hold an election in the district as enlarged to determine

1 whether the district as enlarged shall assume any tax-supported  
2 bonds then outstanding and those previously voted but not yet sold  
3 and impose an ad valorem tax on all taxable property in the district  
4 as enlarged to pay the bonds, unless the proposition is submitted as  
5 provided by Subsection (a) and becomes binding on the territory  
6 annexed.

7 (c) An election held under Subsection (b) shall be held in  
8 the same manner as an election under this chapter for the issuance  
9 of bonds. (Acts 51st Leg., R.S., Ch. 465, Secs. 5(i), (j).)

10 Sec. 6903.060. RESTRICTION ON ANNEXATION OF RAILROAD  
11 RIGHT-OF-WAY. (a) A railroad right-of-way may not be annexed to  
12 the district unless the right-of-way is contained in the limits of a  
13 municipality annexed at the same time or previously annexed to the  
14 district.

15 (b) A railroad right-of-way that is not in the defined  
16 limits of a municipality will not benefit from improvements, works,  
17 and facilities the district is authorized to construct. (Acts 51st  
18 Leg., R.S., Ch. 465, Sec. 5(c) (part).)

19 [Sections 6903.061-6903.100 reserved for expansion]

20 SUBCHAPTER C. BOARD OF DIRECTORS

21 Sec. 6903.101. COMPOSITION OF BOARD; TERMS. (a) The board  
22 consists of eight directors.

23 (b) Voters of the city of Ranger who reside in the district  
24 elect four directors. Voters of the city of Eastland who reside in  
25 the district elect four directors.

26 (c) Directors serve staggered terms, with the terms of two  
27 directors elected from each city expiring at the same time. (Acts



1 51st Leg., R.S., Ch. 465, Secs. 3(a) (part), (c) (part), (d)  
2 (part).)

3 Sec. 6903.102. QUALIFICATIONS FOR OFFICE. (a) A director  
4 must reside in the municipality from which elected and own taxable  
5 property in the district.

6 (b) A member of a municipality's governing body or an  
7 employee of a municipality may not be a director. (Acts 51st Leg.,  
8 R.S., Ch. 465, Secs. 3(a) (part), (c) (part).)

9 Sec. 6903.103. LOCATION AND NOTICE FOR DIRECTORS ELECTION;  
10 RESULTS. (a) For a regular directors election, there shall be at  
11 least one voting place in each municipality in the district.

12 (b) Notice of a directors election shall be published in a  
13 newspaper published in each municipality in the district one time  
14 not later than the 10th day before the date of the election.

15 (c) The board shall adopt a resolution declaring the  
16 election results. (Acts 51st Leg., R.S., Ch. 465, Sec. 3(d)  
17 (part).)

18 Sec. 6903.104. BALLOT PROCEDURE FOR CANDIDATES. (a) A  
19 person who wants to have the person's name printed on the ballot as  
20 a candidate for director must present a petition requesting that  
21 action.

22 (b) The petition must be:

23 (1) signed by at least 50 residents of the district who  
24 are registered to vote at the election; and

25 (2) presented to the board's secretary not later than  
26 the 16th day before the date of the election. (Acts 51st Leg.,  
27 R.S., Ch. 465, Sec. 3(e).)

1           Sec. 6903.105. APPOINTMENT OF SECRETARY AND TREASURER. The  
2 board shall appoint a secretary and a treasurer, who are not  
3 required to be directors. The board may combine the offices of  
4 secretary and treasurer. (Acts 51st Leg., R.S., Ch. 465, Sec. 4  
5 (part).)

6           Sec. 6903.106. VOTE BY BOARD PRESIDENT. The president has  
7 the same right to vote as any other director. (Acts 51st Leg.,  
8 R.S., Ch. 465, Sec. 4 (part).)

9           Sec. 6903.107. DIRECTOR'S AND TREASURER'S BOND. (a) Each  
10 director shall give bond in the amount of \$5,000 conditioned on the  
11 faithful performance of the director's duties.

12           (b) The treasurer shall give bond in the amount required by  
13 the board. The treasurer's bond shall be conditioned on the  
14 treasurer's faithful accounting for all money that comes into the  
15 treasurer's custody as treasurer of the district. (Acts 51st Leg.,  
16 R.S., Ch. 465, Secs. 3(a) (part), 4 (part).)

17           Sec. 6903.108. COMPENSATION. Unless the board by  
18 resolution increases the fee to an amount authorized by Section  
19 49.060, Water Code, each director:

20           (1) shall receive a fee of \$5 for attending each board  
21 meeting; and

22           (2) is also entitled to receive \$5 for each day devoted  
23 to the business of the district if the service is expressly approved  
24 by the board. (Acts 51st Leg., R.S., Ch. 465, Sec. 3(g) (part);  
25 New.)

26           [Sections 6903.109-6903.150 reserved for expansion]

1                   SUBCHAPTER D. GENERAL POWERS AND DUTIES

2           Sec. 6903.151. CONSTRUCTION OF DAM. (a) The district may  
3 impound storm and flood waters and the unappropriated flow waters  
4 at one or more places and in an amount approved by the Texas  
5 Commission on Environmental Quality by constructing one or more  
6 dams inside or outside the district. In exercising its powers under  
7 this subsection, the district shall comply with Subchapters A-D,  
8 Chapter 11, and Subchapter B, Chapter 12, Water Code.

9           (b) A dam or other works for the impounding of water from a  
10 river under this section may not be constructed until the plans for  
11 the dam or other works are approved by the Texas Commission on  
12 Environmental Quality. (Acts 51st Leg., R.S., Ch. 465, Sec. 6  
13 (part).)

14          Sec. 6903.152. UNDERGROUND SOURCES OF WATER. The district  
15 may develop or otherwise acquire underground sources of water.  
16 (Acts 51st Leg., R.S., Ch. 465, Sec. 6 (part).)

17          Sec. 6903.153. CONSTRUCTION OR ACQUISITION OF PROPERTY.  
18 The district may construct or otherwise acquire all works, plants,  
19 and other facilities necessary or useful for the purpose of  
20 processing water impounded, developed, or otherwise acquired and  
21 transporting it to municipalities and others for municipal,  
22 domestic, and industrial purposes. (Acts 51st Leg., R.S., Ch. 465,  
23 Sec. 6 (part).)

24          Sec. 6903.154. WATER APPROPRIATION PERMITS. The district  
25 may acquire water appropriation permits directly from the Texas  
26 Commission on Environmental Quality or from owners of permits.  
27 (Acts 51st Leg., R.S., Ch. 465, Sec. 16 (part).)

1           Sec. 6903.155. PURCHASE OF WATER.       The district may  
2 purchase water or a water supply from any person, including a public  
3 agency. (Acts 51st Leg., R.S., Ch. 465, Sec. 16 (part).)

4           Sec. 6903.156. SURPLUS PROPERTY. The district may sell any  
5 property that, in the opinion of the board, will not be needed for  
6 the conduct of the affairs or business of the district. (Acts 51st  
7 Leg., R.S., Ch. 465, Sec. 6 (part).)

8           Sec. 6903.157. EMINENT DOMAIN. (a) To carry out a power  
9 provided by this chapter, the district may exercise the power of  
10 eminent domain to acquire land and easements inside or outside the  
11 district, including land above the probable high water line around  
12 the reservoirs.

13           (b) The district must exercise the power of eminent domain  
14 in the manner provided by Chapter 21, Property Code.

15           (c) The board shall determine the amount and the type of  
16 interest in land and easements to be acquired under this section.  
17 (Acts 51st Leg., R.S., Ch. 465, Sec. 7.)

18           Sec. 6903.158. PARKS AND RECREATION FACILITIES. (a) The  
19 district may establish or otherwise provide for public parks and  
20 recreation facilities and may acquire land adjacent to any of its  
21 reservoirs for those purposes.

22           (b) The district may not use money received from taxation or  
23 from bonds payable wholly or partly from taxation for a purpose  
24 described by Subsection (a). (Acts 51st Leg., R.S., Ch. 465, Sec.  
25 22.)

26           Sec. 6903.159. CONSTRUCTION CONTRACTS. (a) This section  
27 applies only to a construction contract or a contract for the

1 purchase of material, equipment, or supplies requiring an  
2 expenditure of more than \$25,000.

3 (b) The district shall award a contract to the lowest and  
4 best bidder after publishing notice to bidders once a week for two  
5 weeks in a newspaper published in the district that is designated by  
6 the board.

7 (c) The notice is sufficient if it states:

8 (1) the time and place for opening the bids;

9 (2) the general nature of the work to be done or the  
10 material, equipment, or supplies to be purchased; and

11 (3) the place where and the terms on which copies of  
12 the plans and specifications may be obtained. (Acts 51st Leg.,  
13 R.S., Ch. 465, Sec. 8.)

14 Sec. 6903.160. CONTRACTS TO SUPPLY WATER. (a) The district  
15 may contract with municipalities and others to supply water to  
16 those entities.

17 (b) The district may contract with a municipality for the  
18 rental or leasing of or for the operation of the water production,  
19 water supply, and water supply facilities of the municipality on  
20 the consideration agreed to by the district and the municipality.

21 (c) The contract may be on terms and for the time agreed to  
22 by the parties.

23 (d) The contract may provide that it will continue in effect  
24 until bonds specified in it and refunding bonds issued in lieu of  
25 the bonds are paid. (Acts 51st Leg., R.S., Ch. 465, Sec. 14.)

26 Sec. 6903.161. CONTRACTS FOR TOLL BRIDGES OR FERRY SERVICE.

27 (a) The board may contract with a responsible person for:

1           (1) the construction and operation of a toll bridge  
2 over the district's water; or

3           (2) ferry service on or over the district's water.

4           (b) The period of a contract under Subsection (a) may not  
5 exceed:

6           (1) 20 years under Subsection (a)(1); or

7           (2) 10 years under Subsection (a)(2).

8           (c) The contract under Subsection (a) may:

9           (1) set reasonable compensation to be charged for  
10 service by the facility;

11           (2) require from the contracting person an adequate  
12 bond payable to the district in an amount and conditioned as the  
13 board considers to be required; and

14           (3) provide for forfeiture of the particular franchise  
15 if the license holder fails to render adequate public service.  
16 (Acts 51st Leg., R.S., Ch. 465, Sec. 21(a) (part).)

17           [Sections 6903.162-6903.200 reserved for expansion]

18                                   SUBCHAPTER E. REGULATORY POWERS

19           Sec. 6903.201. ADOPTION OF RULES. The board may adopt  
20 reasonable rules to:

21           (1) secure, maintain, and preserve the sanitary  
22 condition of water in and water that flows into any reservoir owned  
23 by the district;

24           (2) prevent waste of or the unauthorized use of water;  
25 and

26           (3) regulate residence, hunting, fishing, boating,  
27 camping, and any other recreational or business privilege along or

1 around any district reservoir and the stream leading into the  
2 reservoir, and its tributaries, or any body of land, or easement  
3 owned or controlled by the district. (Acts 51st Leg., R.S., Ch.  
4 465, Sec. 21(a) (part).)

5 Sec. 6903.202. ENFORCEMENT OF RULES; PENALTY. (a) The  
6 district by rule may prescribe reasonable penalties for the  
7 violation of a district rule.

8 (b) A penalty may consist of:

9 (1) a fine not to exceed \$200;

10 (2) confinement in jail for a term not to exceed 30  
11 days; or

12 (3) both the fine and confinement.

13 (c) A penalty adopted under this section is in addition to  
14 any other penalty provided by Texas law. (Acts 51st Leg., R.S., Ch.  
15 465, Sec. 21(b) (part).)

16 Sec. 6903.203. NOTICE OF RULE PROVIDING PENALTY. (a) If  
17 the district adopts a rule that provides a penalty, the district  
18 must publish a substantive statement of the rule and the penalty  
19 once a week for two consecutive weeks in Eastland County.

20 (b) The statement must be as condensed as possible so that  
21 the act prohibited by the rule can be easily understood.

22 (c) The statement may include notice of any number of rules.

23 (d) The notice must state that:

24 (1) a person who violates the rule is subject to a  
25 penalty; and

26 (2) the rule is on file in the principal office of the  
27 district, where it may be read by any interested person.

1 (e) A rule takes effect five days after the date of the  
2 second publication of the statement under this section. (Acts 51st  
3 Leg., R.S., Ch. 465, Sec. 21(b) (part).)

4 Sec. 6903.204. JUDICIAL NOTICE OF RULES. A court shall take  
5 judicial notice of a rule adopted under this subchapter and  
6 published as required by Section 6903.203, and the court shall  
7 consider the rule to be similar in nature to a penal ordinance of a  
8 municipality. (Acts 51st Leg., R.S., Ch. 465, Sec. 21(b) (part).)

9 Sec. 6903.205. ENFORCEMENT BY PEACE OFFICERS. (a) A peace  
10 officer employed by the district or a county peace officer may make  
11 an arrest when necessary to prevent or abate the commission of an  
12 offense:

13 (1) in violation of a district rule or a law of this  
14 state that occurs or threatens to occur on any land, water, or  
15 easement owned or controlled by the district; or

16 (2) involving damage to any property owned or  
17 controlled by the district.

18 (b) A peace officer described by Subsection (a) may make an  
19 arrest under Subsection (a)(2) at any location. (Acts 51st Leg.,  
20 R.S., Ch. 465, Sec. 21(c).)

21 [Sections 6903.206-6903.250 reserved for expansion]

22 SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

23 Sec. 6903.251. DEPOSITORY. (a) Except as provided by  
24 Subsection (i), the board shall designate one or more banks in the  
25 district to serve as depository for the district's money.

26 (b) District money shall be deposited with a designated  
27 depository bank or banks, except that:



1           (1) money pledged to pay bonds may be deposited with  
2 the trustee bank named in the trust agreement; and

3           (2) money shall be remitted to the bank of payment for  
4 the payment of principal of and interest on bonds.

5           (c) To the extent that money in a depository bank or a  
6 trustee bank is not insured by the Federal Deposit Insurance  
7 Corporation, the money must be secured in the manner provided by law  
8 for the security of county funds.

9           (d) The board shall prescribe the terms of service for  
10 depositories.

11           (e) Before designating a depository bank, the board shall  
12 issue a notice that:

13                 (1) states the time and place at which the board will  
14 meet to designate a depository bank or banks; and

15                 (2) invites the banks in the district to submit an  
16 application to be designated as a depository.

17           (f) The notice must be published one time in a newspaper  
18 published in the district and specified by the board.

19           (g) At the time stated in the notice, the board shall:

20                 (1) consider the application and the management and  
21 condition of each bank that applies; and

22                 (2) designate as a depository the bank or banks that:

23                         (A) offer the most favorable terms for handling  
24 the money; and

25                         (B) the board finds have proper management and  
26 are in condition to handle the money.

27           (h) Membership on the board of an officer or director of a

1 bank does not disqualify the bank from being designated as a  
2 depository.

3 (i) If the board does not receive any applications before  
4 the time stated in the notice, or if the board rejects all  
5 applications, the board shall designate one or more banks located  
6 inside or outside the district on terms that the board finds  
7 advantageous to the district. (Acts 51st Leg., R.S., Ch. 465, Sec.  
8 15.)

9 Sec. 6903.252. TAX ASSESSOR AND COLLECTOR. The board shall  
10 appoint a tax assessor and collector. (Acts 51st Leg., R.S., Ch.  
11 465, Sec. 20(b) (part).)

12 Sec. 6903.253. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION.  
13 The district is not required to pay a tax or assessment on a project  
14 or any part of a project. (Acts 51st Leg., R.S., Ch. 465, Sec. 19  
15 (part).)

16 [Sections 6903.254-6903.300 reserved for expansion]

17 SUBCHAPTER G. BONDS

18 Sec. 6903.301. AUTHORITY TO ISSUE BONDS. (a) The district  
19 may issue bonds to:

20 (1) provide a source of water supply for  
21 municipalities and other users for municipal, domestic, and  
22 industrial purposes; or

23 (2) carry out any other power conferred by this  
24 chapter.

25 (b) The bonds must be authorized by a board resolution.  
26 (Acts 51st Leg., R.S., Ch. 465, Secs. 9(a) (part), (b) (part), (c),  
27 (e) (part).)

1           Sec. 6903.302. FORM OF BONDS. District bonds must be:

2                   (1) issued in the district's name;

3                   (2) signed by the president or vice president; and

4                   (3) attested by the secretary. (Acts 51st Leg., R.S.,  
5 Ch. 465, Sec. 9(b) (part).)

6           Sec. 6903.303. MATURITY. District bonds must mature not  
7 later than 40 years after the date of their issuance. (Acts 51st  
8 Leg., R.S., Ch. 465, Sec. 9(b) (part).)

9           Sec. 6903.304. ELECTION FOR BONDS PAYABLE FROM AD VALOREM  
10 TAXES. (a) Bonds, other than refunding bonds, payable wholly or  
11 partly from ad valorem taxes may not be issued unless authorized by  
12 a district election at which a majority of the votes cast in each  
13 municipality in the district favor the bond issuance.

14           (b) The board may order an election under this section  
15 without a petition. The order must specify:

16                   (1) the time and places at which the election will be  
17 held;

18                   (2) the purpose for which the bonds will be issued;

19                   (3) the maximum amount of the bonds;

20                   (4) the maximum maturity of the bonds;

21                   (5) the form of the ballot; and

22                   (6) the presiding judge for each voting place.

23           (c) Notice of the election must be given by publishing a  
24 substantial copy of the order calling the election in a newspaper  
25 published in the district for two consecutive weeks. The first  
26 publication must be not later than the 21st day before the date of  
27 the election. (Acts 51st Leg., R.S., Ch. 465, Secs. 12(a) (part),

1 (b).)

2           Sec. 6903.305. BONDS PAYABLE FROM REVENUE. (a) In this  
3 section, "net revenue" means the gross revenue of the district less  
4 the amount necessary to pay the cost of maintaining and operating  
5 the district and its property.

6           (b) Bonds issued under this subchapter may be secured under  
7 board resolution by a pledge of:

8                   (1) all or part of the district's net revenue;

9                   (2) the net revenue of one or more contracts made  
10 before or after the issuance of the bonds; or

11                   (3) other revenue specified by board resolution.

12           (c) The pledge may reserve the right to issue additional  
13 bonds on a parity with or subordinate to the bonds being issued,  
14 subject to conditions specified by the pledge.

15           (d) Bonds not payable wholly or partly from ad valorem taxes  
16 may be issued without an election. (Acts 51st Leg., R.S., Ch. 465,  
17 Secs. 9(a) (part), (d), 12(a) (part).)

18           Sec. 6903.306. BONDS PAYABLE FROM AD VALOREM TAXES. The  
19 district may issue bonds payable from:

20                   (1) ad valorem taxes imposed on taxable property in  
21 the district; or

22                   (2) ad valorem taxes and revenue of the district.  
23 (Acts 51st Leg., R.S., Ch. 465, Sec. 9(e) (part).)

24           Sec. 6903.307. TAX AND RATE REQUIREMENTS. (a) If the  
25 district issues bonds payable wholly or partly from ad valorem  
26 taxes, the board shall impose a tax sufficient to pay the bonds and  
27 the interest on the bonds as the bonds and interest become due. The

1 board may adopt the rate of the tax after considering the money  
2 received from the pledged revenue available for payment of  
3 principal and interest to the extent and in the manner permitted by  
4 the resolution authorizing the issuance of the bonds.

5 (b) If the district issues bonds payable wholly or partly  
6 from revenue, the board shall set and revise the rates of  
7 compensation for water sold and services rendered by the district.

8 (c) For bonds payable wholly from revenue, the rates of  
9 compensation must be sufficient to:

10 (1) pay the expense of operating and maintaining the  
11 facilities of the district;

12 (2) pay the bonds as they mature and the interest as it  
13 accrues; and

14 (3) maintain the reserve and other funds as provided  
15 by the resolution authorizing the issuance of the bonds.

16 (d) For bonds payable partly from revenue, the rates of  
17 compensation must be sufficient to assure compliance with the  
18 resolution authorizing the issuance of the bonds. (Acts 51st Leg.,  
19 R.S., Ch. 465, Secs. 9(e) (part), (f).)

20 Sec. 6903.308. ADDITIONAL SECURITY. (a) Bonds, including  
21 refunding bonds, authorized by this subchapter that are not payable  
22 wholly from ad valorem taxes may be additionally secured by a deed  
23 of trust lien on physical property of the district and all  
24 franchises, easements, water rights and appropriation permits,  
25 leases, contracts, and all rights appurtenant to the property,  
26 vesting in the trustee power to:

27 (1) sell the property for payment of the debt;

1 (2) operate the property; and

2 (3) take other action to further secure the bonds.

3 (b) The deed of trust may:

4 (1) contain any provision the board prescribes to  
5 secure the bonds and preserve the trust estate;

6 (2) provide for amendment or modification of the deed  
7 of trust; and

8 (3) provide for the issuance of bonds to replace lost  
9 or mutilated bonds.

10 (c) A purchaser under a sale under the deed of trust:

11 (1) is the owner of the dam or dams and the other  
12 property, including facilities, purchased; and

13 (2) is entitled to maintain and operate the property,  
14 including facilities. (Acts 51st Leg., R.S., Ch. 465, Sec. 11.)

15 Sec. 6903.309. USE OF BOND PROCEEDS. (a) The district may  
16 set aside an amount of proceeds from the sale of bonds issued under  
17 this subchapter for the payment of interest expected to accrue  
18 during construction and a reserve interest and sinking fund. The  
19 resolution authorizing the bonds may provide for setting aside and  
20 using the proceeds.

21 (b) The district may use proceeds from the sale of the bonds  
22 to pay any expense necessarily incurred in accomplishing the  
23 purposes of the district. (Acts 51st Leg., R.S., Ch. 465, Sec.  
24 9(g).)

25 Sec. 6903.310. APPOINTMENT OF RECEIVER. (a) On default or  
26 threatened default in the payment of principal of or interest on  
27 bonds issued under this subchapter that are payable wholly or

1 partly from revenue, a court may, on petition of the holders of 25  
2 percent of the outstanding bonds of the issue in default or  
3 threatened with default, appoint a receiver for the district.

4 (b) The receiver may collect and receive all district income  
5 except taxes, employ and discharge district agents and employees,  
6 take charge of money on hand, except money received from taxes,  
7 unless commingled, and manage the district's proprietary affairs  
8 without consent or hindrance by the board.

9 (c) The receiver may be authorized to sell or contract for  
10 the sale of water or to renew those contracts with the approval of  
11 the court that appointed the receiver.

12 (d) The court may vest the receiver with any other power or  
13 duty the court finds necessary to protect the bondholders. (Acts  
14 51st Leg., R.S., Ch. 465, Sec. 9(h).)

15 Sec. 6903.311. REFUNDING BONDS. (a) The district may issue  
16 refunding bonds to refund outstanding bonds issued under this  
17 subchapter and interest on those bonds.

18 (b) Refunding bonds may:

- 19 (1) be issued to refund bonds of more than one series;  
20 (2) combine the pledges for the outstanding bonds for  
21 the security of the refunding bonds; or  
22 (3) be secured by a pledge of other or additional  
23 revenue.

24 (c) The provisions of this subchapter regarding the  
25 issuance of other bonds and the remedies of the holders apply to  
26 refunding bonds.

27 (d) The comptroller shall register the refunding bonds on

1 surrender and cancellation of the bonds to be refunded.

2 (e) Instead of issuing bonds to be registered on the  
3 surrender and cancellation of the bonds to be refunded, the  
4 district, in the resolution authorizing the issuance of the  
5 refunding bonds, may provide for the sale of the refunding bonds and  
6 the deposit of the proceeds in a bank at which the bonds to be  
7 refunded are payable. In that case, the refunding bonds may be  
8 issued in an amount sufficient to pay the interest on the bonds to  
9 be refunded to their option date or maturity date, and the  
10 comptroller shall register the refunding bonds without the  
11 surrender and cancellation of the bonds to be refunded. (Acts 51st  
12 Leg., R.S., Ch. 465, Sec. 10.)

13 Sec. 6903.312. BONDS EXEMPT FROM TAXATION. A bond issued  
14 under this subchapter, the transfer of the bond, and income from the  
15 bond, including profits made on the sale of the bond, are exempt  
16 from taxation in this state. (Acts 51st Leg., R.S., Ch. 465, Sec.  
17 19 (part).)

18 CHAPTER 6904. AQUILLA WATER SUPPLY DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 6904.001. DEFINITIONS

21 Sec. 6904.002. NATURE OF DISTRICT

22 Sec. 6904.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

23 [Sections 6904.004-6904.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT

25 TERRITORY

26 Sec. 6904.051. DISTRICT TERRITORY

27 Sec. 6904.052. ANNEXATION OF TERRITORY



- 1 Sec. 6904.053. ANNEXATION OF TERRITORY ANNEXED TO  
2 MUNICIPALITY IN DISTRICT  
3 [Sections 6904.054-6904.100 reserved for expansion]  
4 SUBCHAPTER C. BOARD OF DIRECTORS  
5 Sec. 6904.101. COMPOSITION OF BOARD  
6 Sec. 6904.102. QUALIFICATIONS FOR OFFICE  
7 Sec. 6904.103. DIRECTORS' ELECTION  
8 Sec. 6904.104. REMOVAL FROM OFFICE  
9 Sec. 6904.105. BOARD RESOLUTIONS; VOTING REQUIREMENTS  
10 Sec. 6904.106. OFFICERS AND ASSISTANTS  
11 Sec. 6904.107. OFFICER DUTIES  
12 Sec. 6904.108. MEETINGS  
13 Sec. 6904.109. PERSONAL LIABILITY OF DIRECTORS  
14 [Sections 6904.110-6904.150 reserved for expansion]  
15 SUBCHAPTER D. POWERS AND DUTIES  
16 Sec. 6904.151. DISTRICT POWERS  
17 Sec. 6904.152. PERMITS  
18 Sec. 6904.153. GENERAL AUTHORITY OF PUBLIC AGENCIES  
19 AND POLITICAL SUBDIVISIONS TO  
20 CONTRACT WITH DISTRICT  
21 Sec. 6904.154. CONTRACTS TO SUPPLY WATER  
22 Sec. 6904.155. SOURCES FOR WATER; ACQUISITION OF LAND;  
23 STORAGE CAPACITY  
24 Sec. 6904.156. CONSTRUCTION CONTRACTS  
25 Sec. 6904.157. CONVEYANCE OF LAND TO DISTRICT  
26 Sec. 6904.158. DISPOSAL OF PROPERTY  
27 Sec. 6904.159. EMINENT DOMAIN

- 1 Sec. 6904.160. COST OF RELOCATING OR ALTERING PROPERTY  
2 Sec. 6904.161. RIGHTS-OF-WAY; EASEMENTS  
3 Sec. 6904.162. ELECTIONS  
4 [Sections 6904.163-6904.200 reserved for expansion]  
5 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS  
6 Sec. 6904.201. IMPOSITION OF TAX  
7 Sec. 6904.202. DEPOSITORY  
8 Sec. 6904.203. INVESTMENT OF DISTRICT MONEY  
9 Sec. 6904.204. DISTRICT FACILITIES EXEMPT FROM  
10 TAXATION AND ASSESSMENT  
11 [Sections 6904.205-6904.250 reserved for expansion]  
12 SUBCHAPTER F. BONDS  
13 Sec. 6904.251. AUTHORITY TO ISSUE BONDS  
14 Sec. 6904.252. FORM OF BONDS  
15 Sec. 6904.253. MATURITY  
16 Sec. 6904.254. ELECTION FOR BONDS PAYABLE FROM AD  
17 VALOREM TAXES  
18 Sec. 6904.255. BONDS SECURED BY REVENUE; ADDITIONAL  
19 BONDS  
20 Sec. 6904.256. BONDS PAYABLE FROM AD VALOREM TAXES  
21 Sec. 6904.257. ADDITIONAL SECURITY  
22 Sec. 6904.258. TRUST INDENTURE  
23 Sec. 6904.259. CHARGES FOR DISTRICT SERVICES  
24 Sec. 6904.260. USE OF BOND PROCEEDS  
25 Sec. 6904.261. APPOINTMENT OF RECEIVER  
26 Sec. 6904.262. REFUNDING BONDS  
27 Sec. 6904.263. LIMITATION ON RIGHTS OF HOLDERS

1 Sec. 6904.264. BONDS EXEMPT FROM TAXATION

2 Sec. 6904.265. DETACHMENT OF DISTRICT TERRITORY AFTER  
3 ISSUANCE OF BONDS

4 CHAPTER 6904. AQUILLA WATER SUPPLY DISTRICT  
5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 6904.001. DEFINITIONS. In this chapter:

7 (1) "Board" means the board of directors of the  
8 district.

9 (2) "Director" means a member of the board.

10 (3) "District" means the Aquilla Water Supply  
11 District. (Acts 65th Leg., R.S., Ch. 713, Secs. 1 (part), 3(a)  
12 (part); New.)

13 Sec. 6904.002. NATURE OF DISTRICT. The district is a  
14 conservation and reclamation district created under Section 59,  
15 Article XVI, Texas Constitution. (Acts 65th Leg., R.S., Ch. 713,  
16 Sec. 1 (part).)

17 Sec. 6904.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
18 All land and taxable property in the city of Hillsboro will benefit  
19 from the works and improvements of the district.

20 (b) The accomplishment of the purposes stated in this  
21 chapter is for the benefit of the people of this state for the  
22 improvement of their property and industries. The district, in  
23 carrying out the purposes of this chapter, will be performing an  
24 essential public function under the constitution. (Acts 65th Leg.,  
25 R.S., Ch. 713, Secs. 2 (part), 22 (part).)

26 [Sections 6904.004-6904.050 reserved for expansion]

1 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT  
2 TERRITORY

3 Sec. 6904.051. DISTRICT TERRITORY. (a) The boundaries of  
4 the district are coextensive with the boundaries of the city of  
5 Hillsboro as those boundaries existed on January 1, 1977, and as the  
6 district territory may have been modified under:

7 (1) Sections 6904.052 and 6904.053 or their  
8 predecessor statute, Section 6, Chapter 713, Acts of the 65th  
9 Legislature, Regular Session, 1977;

10 (2) Subchapter J, Chapter 49, Water Code;

11 (3) Subchapter O, Chapter 51, Water Code, before  
12 September 1, 1995; or

13 (4) other law.

14 (b) An invalidity in the fixing of the boundaries of the  
15 city of Hillsboro as they existed on January 1, 1977, does not  
16 affect the boundaries of the district. (Acts 65th Leg., R.S., Ch.  
17 713, Sec. 2 (part); New.)

18 Sec. 6904.052. ANNEXATION OF TERRITORY. (a) Territory may  
19 be annexed to the district as provided by this section or by Section  
20 6904.053.

21 (b) The board may annex territory or a municipality under  
22 this section only if a petition requesting annexation is signed by  
23 50 voters of the territory or municipality to be annexed, or a  
24 majority of the registered voters of that territory or  
25 municipality, whichever is fewer, and is filed with the board. The  
26 petition must describe the territory to be annexed by metes and  
27 bounds, or otherwise, except that if the territory is the same as

1 that contained in the boundaries of a municipality, the petition is  
2 sufficient if it states that the territory to be annexed is the  
3 territory contained in the municipal boundaries.

4 (c) If the board determines that the petition complies with  
5 Subsection (b), that the annexation would be in the best interest of  
6 the territory or municipality and the district, and that the  
7 district will be able to supply water or other services to the  
8 territory or municipality, the board shall:

9 (1) adopt a resolution stating the conditions, if any,  
10 under which the territory or municipality may be annexed to the  
11 district; and

12 (2) set a time and place to hold a hearing on the  
13 question of whether the territory or municipality to be annexed  
14 will benefit from:

15 (A) the improvements, works, or facilities owned  
16 or operated or contemplated to be owned or operated by the district;  
17 or

18 (B) the other functions of the district.

19 (d) At least 10 days before the date of the hearing, notice  
20 of the adoption of the resolution stating the time and place of the  
21 hearing shall be published one time in a newspaper of general  
22 circulation in the territory or municipality to be annexed. The  
23 notice must describe the territory in the same manner in which  
24 Subsection (b) requires the petition to describe the territory.

25 (e) Any interested person may appear at the hearing and  
26 offer evidence for or against the annexation.

27 (f) The hearing may proceed in the order and under the rules

1 prescribed by the board and may be recessed from time to time.

2 (g) If, at the conclusion of the hearing, the board finds  
3 that the property in the territory or municipality will benefit  
4 from the present or contemplated improvements, works, or facilities  
5 of the district, the board shall adopt a resolution making a finding  
6 of the benefit and calling an election in the territory or  
7 municipality to be annexed.

8 (h) In calling an election on the proposition for annexation  
9 of the territory or municipality, the board may include, as part of  
10 the same proposition or as a separate proposition, a proposition  
11 for:

12 (1) the territory to assume its part of the  
13 tax-supported bonds of the district then outstanding and those  
14 bonds previously voted but not yet sold; and

15 (2) an ad valorem tax to be imposed on taxable property  
16 on the territory along with the tax in the rest of the district for  
17 the payment of the bonds.

18 (i) If a majority of the votes cast at the election are in  
19 favor of annexation, the board by resolution shall annex the  
20 territory to the district.

21 (j) An annexation under this section is incontestable  
22 except in the manner and within the time for contesting elections  
23 under the Election Code. (Acts 65th Leg., R.S., Ch. 713, Secs. 6(f),  
24 (g), (h), (i).)

25 Sec. 6904.053. ANNEXATION OF TERRITORY ANNEXED TO  
26 MUNICIPALITY IN DISTRICT. (a) At any time after final passage of  
27 an ordinance or resolution annexing territory to a municipality in

1 the district, the board may give notice of a hearing on the question  
2 of annexing that territory to the district. The notice is  
3 sufficient if it:

- 4 (1) states the date and place of the hearing; and  
5 (2) describes the area proposed to be annexed or  
6 refers to the annexation ordinance or resolution of the  
7 municipality.

8 (b) The notice must be published one time in a newspaper of  
9 general circulation in the municipality not later than the 10th day  
10 before the date set for the hearing.

11 (c) If, as a result of the hearing, the board finds that the  
12 territory will benefit from the present or contemplated  
13 improvements, works, or facilities of the district, the board shall  
14 adopt a resolution annexing the territory to the district.

15 (d) After the territory is annexed to the district, the  
16 board may call an election in the entire district to determine  
17 whether:

18 (1) the entire district will assume any tax-supported  
19 bonds then outstanding and those bonds previously voted but not yet  
20 sold; and

21 (2) an ad valorem tax for the payment of the bonds will  
22 be imposed on all taxable property in the district. (Acts 65th Leg.,  
23 R.S., Ch. 713, Secs. 6(a), (b), (c), (d), (e).)

24 [Sections 6904.054-6904.100 reserved for expansion]

25 SUBCHAPTER C. BOARD OF DIRECTORS

26 Sec. 6904.101. COMPOSITION OF BOARD. (a) The district is  
27 governed by a board of at least five directors. The directors

1 occupy numbered places on the board.

2 (b) For each municipality annexed to the district under  
3 Section 6904.052, two places are added to the board, except that the  
4 number of directors may not exceed 11.

5 (c) Not more than five directors may reside in the corporate  
6 limits of the city of Hillsboro. (Acts 65th Leg., R.S., Ch. 713,  
7 Sec. 3(a) (part).)

8 Sec. 6904.102. QUALIFICATIONS FOR OFFICE. (a) To be  
9 eligible to serve as a director, a person must be:

10 (1) a qualified district voter; and

11 (2) a district resident.

12 (b) A director is eligible for reelection. (Acts 65th Leg.,  
13 R.S., Ch. 713, Secs. 3(a) (part), (b).)

14 Sec. 6904.103. DIRECTORS' ELECTION. Directors shall be  
15 elected at an election called for that purpose by the board. (Acts  
16 65th Leg., R.S., Ch. 713, Sec. 3(a) (part).)

17 Sec. 6904.104. REMOVAL FROM OFFICE. After reasonable  
18 notice and a public hearing, the board may remove a director from  
19 office for misfeasance, malfeasance, or wilful neglect of duty.  
20 Reasonable notice and a public hearing are not required if the  
21 director to be removed expressly waives the notice and hearing in  
22 writing. (Acts 65th Leg., R.S., Ch. 713, Sec. 3(c).)

23 Sec. 6904.105. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)  
24 The district shall act through resolutions adopted by the board.

25 (b) All directors are entitled to vote.

26 (c) The affirmative vote of a majority of the quorum present  
27 is necessary to adopt a resolution. (Acts 65th Leg., R.S., Ch. 713,



1 Sec. 4(c).)

2 Sec. 6904.106. OFFICERS AND ASSISTANTS. (a) The board  
3 shall elect a president, vice president, secretary, and treasurer  
4 at the first meeting of the newly constituted board after each  
5 directors' election or at any time necessary to fill a vacancy.

6 (b) The board shall elect the president and vice president  
7 from among the directors.

8 (c) The offices of secretary and treasurer:

9 (1) may be held by one person; and

10 (2) are not required to be held by a director.

11 (d) The board may appoint as assistant board secretary one  
12 or more persons who are not directors. (Acts 65th Leg., R.S., Ch.  
13 713, Secs. 4(b) (part), (d) (part).)

14 Sec. 6904.107. OFFICER DUTIES. (a) The board president  
15 shall preside at board meetings and perform other duties prescribed  
16 by the board.

17 (b) The board secretary is the official custodian of the  
18 minutes, books, records, and seal of the board and shall perform  
19 other duties and functions prescribed by the board. An assistant  
20 board secretary may perform any duty or function of the board  
21 secretary.

22 (c) The board treasurer shall perform duties and functions  
23 prescribed by the board. (Acts 65th Leg., R.S., Ch. 713, Sec. 4(b)  
24 (part).)

25 Sec. 6904.108. MEETINGS. The board shall have regular  
26 meetings at times specified by board resolution and shall have  
27 special meetings when called by the board president or by any two

1 directors. (Acts 65th Leg., R.S., Ch. 713, Sec. 4(e).)

2 Sec. 6904.109. PERSONAL LIABILITY OF DIRECTORS. A director  
3 is not personally liable for any bond issued or contract executed by  
4 the district. (Acts 65th Leg., R.S., Ch. 713, Sec. 4(f).)

5 [Sections 6904.110-6904.150 reserved for expansion]

6 SUBCHAPTER D. POWERS AND DUTIES

7 Sec. 6904.151. DISTRICT POWERS. The district may exercise  
8 any power necessary or appropriate to achieve the purposes of this  
9 chapter, including the power to:

10 (1) sue and be sued, and plead and be impleaded, in its  
11 own name;

12 (2) adopt an official seal;

13 (3) adopt and enforce bylaws and rules for the conduct  
14 of its affairs;

15 (4) acquire, hold, use, and dispose of its receipts  
16 and money from any source;

17 (5) acquire, own, rent, lease, accept, hold, or  
18 dispose of property, or an interest in property, including a right  
19 or easement, by purchase, exchange, gift, assignment,  
20 condemnation, sale, lease, or otherwise, in performing district  
21 duties or exercising district powers under this chapter;

22 (6) hold, manage, operate, or improve property;

23 (7) lease or rent any land, building, structure, or  
24 facility from or to any person;

25 (8) sell, assign, lease, encumber, mortgage, or  
26 otherwise dispose of property, or an interest in property, and  
27 release or relinquish a right, title, claim, lien, interest,

1 easement, or demand, regardless of the manner in which acquired,  
2 and conduct a transaction authorized by this subdivision by public  
3 or private sale, with or without public bidding, notwithstanding  
4 any other law;

5 (9) issue bonds, provide for and secure the payment of  
6 the bonds, and provide for the rights of the holders of the bonds in  
7 the manner and to the extent authorized by this chapter;

8 (10) request and accept an appropriation, grant,  
9 allocation, subsidy, guarantee, aid, service, material, or gift  
10 from any source, including the federal government, the state, a  
11 public agency, or a political subdivision;

12 (11) operate and maintain an office;

13 (12) appoint and determine the duties, tenure,  
14 qualifications, and compensation of district officers and  
15 employees, as well as any agent, professional advisor, or  
16 counselor, including any financial consultant, accountant,  
17 attorney, architect, engineer, appraiser, or financing expert,  
18 considered necessary or advisable by the board; and

19 (13) exercise any power granted by Chapter 30, Water  
20 Code, to water districts created under Section 59, Article XVI,  
21 Texas Constitution. (Acts 65th Leg., R.S., Ch. 713, Sec. 5 (part).)

22 Sec. 6904.152. PERMITS. (a) The district may obtain  
23 through appropriate proceedings permits from the Texas Commission  
24 on Environmental Quality.

25 (b) The district may acquire water appropriation permits  
26 from owners of permits by contract or otherwise. (Acts 65th Leg.,  
27 R.S., Ch. 713, Sec. 7 (part).)

1           Sec. 6904.153. GENERAL AUTHORITY OF PUBLIC AGENCIES AND  
2 POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency  
3 or political subdivision of this state may enter into a contract or  
4 agreement with the district, on terms agreed to by the parties, for  
5 any purpose relating to the district's powers or functions.  
6 Approval, notice, consent, or an election is not required in  
7 connection with a contract or agreement. (Acts 65th Leg., R.S., Ch.  
8 713, Sec. 8(b) (part).)

9           Sec. 6904.154. CONTRACTS TO SUPPLY WATER. (a) The district  
10 may contract with public agencies, political subdivisions, and  
11 others to supply water. The district may sell water inside and  
12 outside the boundaries of the district.

13           (b) The district may contract with a public agency or  
14 political subdivision for the rental or leasing of or for the  
15 operation of the water production, water supply, water filtration  
16 or purification, and water supply facilities of the entity on the  
17 consideration agreed to by the district and the entity.

18           (c) A contract may be on terms and for the time agreed to by  
19 the parties.

20           (d) A contract may provide that it will continue in effect  
21 until bonds specified in it and refunding bonds issued in lieu of  
22 the bonds are paid.

23           (e) The district may contract with the City of Hillsboro for  
24 the operation of the district's water facilities by the city. An  
25 election is not required in connection with this contract. (Acts  
26 65th Leg., R.S., Ch. 713, Secs. 8(a) (part), (b) (part), 18 (part).)

27           Sec. 6904.155. SOURCES FOR WATER; ACQUISITION OF LAND;

1 STORAGE CAPACITY. (a) The district may acquire, construct, or  
2 develop inside or outside the district sources for water, including  
3 reservoirs or wells, and any work, plant, transmission line, or  
4 other facility necessary or useful to develop, divert, impound,  
5 store, drill for, pump, treat, or transport water, including  
6 underground water, to the City of Hillsboro and others for  
7 municipal, domestic, industrial, mining, oil flooding, or any other  
8 useful purpose.

9 (b) The district may acquire land, or an interest in land,  
10 inside or outside the district for any work, plant, or other  
11 facility necessary or useful to divert, impound, store, drill for,  
12 pump, treat, or transport water for municipal, domestic,  
13 industrial, mining, oil flooding, or any other useful purpose.

14 (c) The district may lease, purchase, or otherwise acquire  
15 rights in and to storage and storage capacity in any reservoir  
16 constructed or to be constructed by any person or from the United  
17 States. (Acts 65th Leg., R.S., Ch. 713, Secs. 7 (part), 8(a)  
18 (part), 9 (part).)

19 Sec. 6904.156. CONSTRUCTION CONTRACTS. (a) The district  
20 may award a construction contract that requires an expenditure of  
21 more than \$5,000 only after publication of notice to bidders once  
22 each week for two weeks in a newspaper of general circulation in the  
23 district.

24 (b) The notice is sufficient if it states:

- 25 (1) the time and place for opening the bids;  
26 (2) the general nature of the work to be done;  
27 (3) the material, equipment, or supplies to be

1 purchased; and

2 (4) where the terms of bidding and copies of the plans  
3 and specifications may be obtained. (Acts 65th Leg., R.S., Ch. 713,  
4 Sec. 11.)

5 Sec. 6904.157. CONVEYANCE OF LAND TO DISTRICT. A public  
6 agency or political subdivision of this state may lease, sell, or  
7 otherwise convey its land or an interest in its land to the district  
8 for any consideration that the parties agree is adequate.  
9 Approval, notice, consent, or an election is not required in  
10 connection with a conveyance, contract, or agreement. (Acts 65th  
11 Leg., R.S., Ch. 713, Sec. 8(b) (part).)

12 Sec. 6904.158. DISPOSAL OF PROPERTY. Subject to the terms  
13 of a resolution or deed of trust authorizing or securing bonds  
14 issued by the district, the district may sell, lease, rent, trade,  
15 or otherwise dispose of property under terms considered by the  
16 board to be consistent with district purposes. (Acts 65th Leg.,  
17 R.S., Ch. 713, Sec. 9 (part).)

18 Sec. 6904.159. EMINENT DOMAIN. (a) To carry out a power  
19 provided by this chapter, the district may exercise the power of  
20 eminent domain to acquire the fee simple title to land, or any other  
21 interest in land, and other property and easements, inside or  
22 outside the district, including land or an interest in land needed  
23 for:

24 (1) a well; or

25 (2) a reservoir, dam, or flood easement above the  
26 probable high-water line around a reservoir.

27 (b) The district must exercise the power of eminent domain

1 in the manner provided by Chapter 21, Property Code.

2 (c) The district is a municipal corporation for the purposes  
3 of Chapter 21, Property Code.

4 (d) The board shall determine the amount and the type of  
5 interest in land, other property, or easements to be acquired under  
6 this section. (Acts 65th Leg., R.S., Ch. 713, Sec. 10(a) (part).)

7 Sec. 6904.160. COST OF RELOCATING OR ALTERING PROPERTY.

8 (a) In this section, "sole expense" means the actual cost of the  
9 lowering, rerouting, or change in grade or alteration of  
10 construction required under Subsection (b) to provide a comparable  
11 replacement without enhancing the facility, after deducting the net  
12 salvage value derived from the old facility.

13 (b) If the district's exercise of its eminent domain,  
14 police, or other power requires relocating, raising, lowering,  
15 rerouting, changing the grade of, or altering the construction of  
16 any railroad, electric, transmission, telegraph, or telephone  
17 line, conduit, pole, property, facility, or pipeline, the action  
18 shall be accomplished at the sole expense of the district. (Acts  
19 65th Leg., R.S., Ch. 713, Sec. 10(c).)

20 Sec. 6904.161. RIGHTS-OF-WAY; EASEMENTS. The district has  
21 all necessary or useful rights-of-way and easements along, over,  
22 under, and across all public, state, municipal, and county roads,  
23 highways, and places for any of its purposes. The district shall  
24 restore a facility used to its previous condition as nearly as  
25 possible at the sole expense of the district. (Acts 65th Leg., R.S.,  
26 Ch. 713, Sec. 10(b).)

27 Sec. 6904.162. ELECTIONS. (a) The board shall call an

1 election required to be held under this chapter by adopting a  
2 resolution stating:

- 3 (1) the date of the election;
- 4 (2) each place where the election will be held; and
- 5 (3) the proposition or propositions to be voted on.

6 (b) The board shall give notice of an election by publishing  
7 a substantial copy of the resolution calling the election one time  
8 not less than 10 days before the date set for the election in:

- 9 (1) a newspaper of general circulation in the  
10 district; and
- 11 (2) a newspaper of general circulation in the  
12 territory, if the election is on the question of annexation of  
13 territory.

14 (c) The board shall adopt a resolution declaring the results  
15 of the election.

16 (d) The board may combine one or more elections required to  
17 be held by this chapter, including a maintenance tax and bond  
18 election. (Acts 65th Leg., R.S., Ch. 713, Secs. 12(c), 21 (part).)

19 [Sections 6904.163-6904.200 reserved for expansion]

20 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

21 Sec. 6904.201. IMPOSITION OF TAX. (a) The district may  
22 impose a tax, not to exceed 25 cents on each \$100 valuation of  
23 taxable property in the district, for:

- 24 (1) maintenance purposes, including money for  
25 planning, maintaining, repairing, and operating all necessary  
26 plants, works, facilities, improvements, appliances, and equipment  
27 of the district;



1           (2) paying costs of proper services, engineering, and  
2 legal fees; and

3           (3) organization and administrative expenses.

4           (b) The district may not impose a maintenance tax unless the  
5 tax is approved by a majority of the voters voting at an election  
6 held for that purpose. (Acts 65th Leg., R.S., Ch. 713, Secs. 12(a),  
7 (b).)

8           Sec. 6904.202. DEPOSITORY. (a) The board shall designate  
9 one or more banks inside or outside the district to serve as the  
10 depository for the district's money.

11           (b) District money shall be deposited in the depository  
12 designated by the board, except that:

13           (1) bond proceeds and money pledged to pay bonds, to  
14 the extent provided in a resolution or trust indenture authorizing  
15 or securing district bonds, may be deposited with another bank or  
16 trustee named in the bond resolution or trust indenture; and

17           (2) money shall be remitted to each paying agent for  
18 the payment of principal of and interest on the bonds.

19           (c) To the extent that money in a depository bank or the  
20 trustee bank is not insured by the Federal Deposit Insurance  
21 Corporation, the money must be secured in the manner provided by law  
22 for the security of municipal money. (Acts 65th Leg., R.S., Ch.  
23 713, Sec. 19 (part).)

24           Sec. 6904.203. INVESTMENT OF DISTRICT MONEY. The board may  
25 invest district money in obligations and make time deposits of  
26 district money in a manner determined by the board or in the manner  
27 permitted or required in a resolution or trust indenture

1 authorizing or securing district bonds. (Acts 65th Leg., R.S., Ch.  
2 713, Sec. 19 (part).)

3 Sec. 6904.204. DISTRICT FACILITIES EXEMPT FROM TAXATION AND  
4 ASSESSMENT. The district is not required to pay a tax or assessment  
5 on its facilities or any part of its facilities. (Acts 65th Leg.,  
6 R.S., Ch. 713, Sec. 22 (part).)

7 [Sections 6904.205-6904.250 reserved for expansion]

8 SUBCHAPTER F. BONDS

9 Sec. 6904.251. AUTHORITY TO ISSUE BONDS. (a) The district  
10 may issue bonds to carry out any power conferred by this chapter.  
11 The bonds must be authorized by a board resolution.

12 (b) The bonds may be payable from and secured by revenue or  
13 ad valorem taxes, or both revenue and ad valorem taxes, of the  
14 district, in the manner and under the terms of the resolution  
15 authorizing the issuance of the bonds. (Acts 65th Leg., R.S., Ch.  
16 713, Secs. 13(a), (b) (part), (c), (e) (part).)

17 Sec. 6904.252. FORM OF BONDS. District bonds must be:

- 18 (1) issued in the district's name;  
19 (2) signed by the president or vice president; and  
20 (3) attested by the secretary. (Acts 65th Leg., R.S.,  
21 Ch. 713, Sec. 13(b) (part).)

22 Sec. 6904.253. MATURITY. District bonds must mature not  
23 later than 40 years after the date of their issuance. (Acts 65th  
24 Leg., R.S., Ch. 713, Sec. 13(b) (part).)

25 Sec. 6904.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM  
26 TAXES. (a) Bonds, other than refunding bonds, payable wholly or  
27 partly from ad valorem taxes may not be issued unless authorized by

1 a majority of the district voters voting at an election.

2 (b) The board may issue bonds not payable wholly or partly  
3 from ad valorem taxes without an election. (Acts 65th Leg., R.S.,  
4 Ch. 713, Sec. 16(a) (part).)

5 Sec. 6904.255. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

6 (a) Bonds issued under this subchapter may be secured by a pledge  
7 of all or part of the district's revenue, or by all or part of the  
8 revenue of one or more contracts or other revenue or income  
9 specified by board resolution or a trust indenture securing the  
10 bonds. The pledge may reserve the right, under conditions  
11 specified by the pledge, to issue additional bonds that will be on a  
12 parity with or subordinate to the bonds then being issued.

13 (b) The district may issue bonds secured by both taxes and  
14 revenue of the district described by Subsection (a). (Acts 65th  
15 Leg., R.S., Ch. 713, Secs. 13(d), (e) (part).)

16 Sec. 6904.256. BONDS PAYABLE FROM AD VALOREM TAXES. (a) If  
17 bonds are issued payable wholly or partly from ad valorem taxes, the  
18 board shall annually impose a tax on the taxable property in the  
19 district in an amount sufficient to pay the principal of and  
20 interest on the bonds when due.

21 (b) The district may adopt the rate of a tax imposed under  
22 Subsection (a) after giving consideration to the money received  
23 from the pledged revenue that may be available for payment of  
24 principal and interest, to the extent and in the manner permitted by  
25 the resolution authorizing the issuance of the bonds. (Acts 65th  
26 Leg., R.S., Ch. 713, Secs. 13(e) (part), 23(b) (part).)

27 Sec. 6904.257. ADDITIONAL SECURITY. (a) Bonds, including

1 refunding bonds, authorized by this subchapter that are not payable  
2 wholly from ad valorem taxes may be additionally secured, at the  
3 discretion of the board, by a deed of trust or mortgage lien on  
4 physical property of the district, franchises, easements, water  
5 rights and appropriation permits, leases, contracts, and all rights  
6 appurtenant to the property, vesting in the trustee power to:

- 7 (1) sell the property for the payment of the debt;
- 8 (2) operate the property; and
- 9 (3) take other action to further secure the bonds.

10 (b) A purchaser under a sale under the deed of trust lien, if  
11 one is given:

- 12 (1) is the absolute owner of property, facilities, and  
13 rights purchased; and
- 14 (2) is entitled to maintain and operate the property,  
15 facilities, and rights. (Acts 65th Leg., R.S., Ch. 713, Sec. 15  
16 (part).)

17 Sec. 6904.258. TRUST INDENTURE. (a) A bond issued under  
18 this subchapter, including a refunding bond, that is not payable  
19 wholly from ad valorem taxes may be additionally secured by a trust  
20 indenture. The trustee may be a bank with trust powers located  
21 inside or outside the state.

22 (b) A trust indenture, regardless of the existence of the  
23 deed of trust or mortgage lien on the property, may:

- 24 (1) provide for the security of the bonds and the  
25 preservation of the trust estate in the manner prescribed by the  
26 board;
- 27 (2) provide for amendment or modification of the trust

1 indenture;

2 (3) provide for the issuance of bonds to replace lost  
3 or mutilated bonds;

4 (4) condition the right to spend district money or  
5 sell district property on the approval of a licensed engineer  
6 selected as provided by the trust indenture; and

7 (5) provide for the investment of district money.  
8 (Acts 65th Leg., R.S., Ch. 713, Sec. 15 (part).)

9 Sec. 6904.259. CHARGES FOR DISTRICT SERVICES. (a) If  
10 district bonds payable wholly from revenue are issued, the board  
11 shall set and revise the rates of compensation for water sold and  
12 services provided by the district. The rates must be sufficient to:

13 (1) pay the expense of operating and maintaining  
14 district facilities;

15 (2) pay the principal of and interest on the bonds when  
16 due; and

17 (3) maintain the reserve fund and other funds as  
18 provided in the resolution authorizing the bonds.

19 (b) If bonds payable partly from revenue are issued, the  
20 board shall set the rate of compensation for water sold and any  
21 other services provided by the district. The rate must be  
22 sufficient to ensure compliance with the resolution authorizing the  
23 bonds or the trust indenture securing the bonds. (Acts 65th Leg.,  
24 R.S., Ch. 713, Sec. 13(f).)

25 Sec. 6904.260. USE OF BOND PROCEEDS. (a) The district may  
26 set aside an amount of proceeds from the sale of bonds issued under  
27 this subchapter for:

1           (1) the payment of interest expected to accrue during  
2 construction not to exceed three years;

3           (2) a debt service reserve fund; and

4           (3) other funds as may be provided in the resolution  
5 authorizing the bonds or in the trust indenture.

6           (b) The district may use proceeds from the sale of the bonds  
7 to pay any expense necessarily incurred in accomplishing the  
8 purpose of the district, including any expense of issuing and  
9 selling the bonds. (Acts 65th Leg., R.S., Ch. 713, Sec. 13(g).)

10          Sec. 6904.261. APPOINTMENT OF RECEIVER. (a) On default or  
11 a threatened default in the payment of principal of or interest on  
12 bonds issued under this subchapter that are payable wholly or  
13 partly from revenue, a court may, on petition of the holders of  
14 outstanding bonds, appoint a receiver for the district.

15           (b) The receiver may collect and receive all district  
16 income, except taxes, employ and discharge district agents and  
17 employees, take charge of money on hand, except money received from  
18 taxes, unless commingled, and manage the proprietary affairs of the  
19 district without consent or hindrance by the board.

20           (c) The receiver may be authorized to sell or contract for  
21 the sale of water or to renew those contracts with the approval of  
22 the court that appointed the receiver.

23           (d) The court may vest the receiver with any other power or  
24 duty the court finds necessary to protect the bondholders. (Acts  
25 65th Leg., R.S., Ch. 713, Sec. 13(h) (part).)

26          Sec. 6904.262. REFUNDING BONDS. (a) The district may issue  
27 refunding bonds to refund outstanding bonds issued under this

1 subchapter and interest on those bonds.

2 (b) Refunding bonds may:

3 (1) be issued to refund bonds of more than one series;

4 (2) combine the pledges for the outstanding bonds for  
5 the security of the refunding bonds; or

6 (3) be secured by a pledge of other or additional  
7 revenue or mortgage liens.

8 (c) The provisions of this subchapter regarding the  
9 issuance of other bonds, their security, and the remedies of the  
10 holders apply to refunding bonds.

11 (d) The comptroller shall register the refunding bonds on  
12 surrender and cancellation of the bonds to be refunded.

13 (e) Instead of issuing bonds to be registered on the  
14 surrender and cancellation of the bonds to be refunded, the  
15 district, in the resolution authorizing the issuance of the  
16 refunding bonds, may provide for the sale of the refunding bonds and  
17 the deposit of the proceeds in a bank at which the bonds to be  
18 refunded are payable. In that case, the refunding bonds may be  
19 issued in an amount sufficient to pay the principal of and interest  
20 and any required redemption premium on the bonds to be refunded to  
21 any redemption date or to their maturity date, and the comptroller  
22 shall register the refunding bonds without the surrender and  
23 cancellation of the bonds to be refunded.

24 (f) An election is not required for refunding bonds.

25 (g) The district may also issue refunding bonds under any  
26 other applicable law. (Acts 65th Leg., R.S., Ch. 713, Sec. 14.)

27 Sec. 6904.263. LIMITATION ON RIGHTS OF HOLDERS. The

1 resolution authorizing the bonds or the trust indenture securing  
2 the bonds may limit or qualify the rights of the holders of less  
3 than all of the outstanding bonds payable from the same source to  
4 institute or prosecute litigation affecting the district's  
5 property or income. (Acts 65th Leg., R.S., Ch. 713, Sec. 13(h)  
6 (part).)

7       Sec. 6904.264. BONDS EXEMPT FROM TAXATION. A bond issued  
8 under this subchapter, the transfer of the bond, and income from the  
9 bond, including profits made on the sale of the bond, are exempt  
10 from taxation in this state. (Acts 65th Leg., R.S., Ch. 713, Sec.  
11 22 (part).)

12       Sec. 6904.265. DETACHMENT OF DISTRICT TERRITORY AFTER  
13 ISSUANCE OF BONDS. Territory may not be detached from the district  
14 after the issuance of bonds payable from revenue or taxes. (Acts  
15 65th Leg., R.S., Ch. 713, Sec. 16(a) (part).)

16                   CHAPTER 6905. BEEVILLE WATER SUPPLY DISTRICT

17                               SUBCHAPTER A. GENERAL PROVISIONS

18       Sec. 6905.001. DEFINITIONS

19       Sec. 6905.002. NATURE OF DISTRICT

20       Sec. 6905.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

21                   [Sections 6905.004-6905.050 reserved for expansion]

22                               SUBCHAPTER B. DISTRICT TERRITORY; ANNEXATION

23       Sec. 6905.051. DISTRICT TERRITORY

24       Sec. 6905.052. CITY OF BEEVILLE ANNEXATIONS

25       Sec. 6905.053. ANNEXATION BY PETITION

26                   [Sections 6905.054-6905.100 reserved for expansion]



1 SUBCHAPTER C. BOARD OF DIRECTORS

2 Sec. 6905.101. COMPOSITION OF BOARD; TERMS

3 Sec. 6905.102. REMOVAL FROM OFFICE

4 Sec. 6905.103. BOARD RESOLUTIONS; VOTING REQUIREMENTS

5 Sec. 6905.104. OFFICERS AND ASSISTANTS

6 Sec. 6905.105. MEETINGS

7 Sec. 6905.106. PERSONAL LIABILITY OF DIRECTORS

8 [Sections 6905.107-6905.150 reserved for expansion]

9 SUBCHAPTER D. POWERS AND DUTIES

10 Sec. 6905.151. GENERAL POWERS

11 Sec. 6905.152. BYLAWS AND RULES

12 Sec. 6905.153. REGIONAL WASTE DISPOSAL

13 Sec. 6905.154. PERMITS

14 Sec. 6905.155. PROPERTY ACQUISITION, USE, AND

15 DISPOSITION

16 Sec. 6905.156. REQUESTS FOR AND ACCEPTANCE OF AID

17 Sec. 6905.157. DISTRICT OFFICE

18 Sec. 6905.158. PERSONNEL

19 Sec. 6905.159. GENERAL MANAGER

20 Sec. 6905.160. GENERAL AUTHORITY OF PUBLIC AGENCIES

21 AND POLITICAL SUBDIVISIONS TO

22 CONTRACT WITH DISTRICT

23 Sec. 6905.161. CONTRACTS TO SUPPLY WATER

24 Sec. 6905.162. SOURCES FOR WATER; ACQUISITION OF LAND;

25 STORAGE CAPACITY

26 Sec. 6905.163. CONSTRUCTION CONTRACTS

27 Sec. 6905.164. CONVEYANCE OF LAND TO DISTRICT

- 1 Sec. 6905.165. SURPLUS PROPERTY
- 2 Sec. 6905.166. EMINENT DOMAIN
- 3 Sec. 6905.167. COST OF RELOCATING OR ALTERING PROPERTY
- 4 Sec. 6905.168. RIGHTS-OF-WAY; EASEMENTS
- 5 Sec. 6905.169. DISTRICT SEAL
- 6 [Sections 6905.170-6905.200 reserved for expansion]
- 7 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
- 8 Sec. 6905.201. DISTRICT MONEY
- 9 Sec. 6905.202. DEPOSITORY
- 10 Sec. 6905.203. INVESTMENT OF DISTRICT MONEY
- 11 Sec. 6905.204. DISTRICT FACILITIES EXEMPT FROM
- 12 TAXATION AND ASSESSMENT
- 13 [Sections 6905.205-6905.250 reserved for expansion]
- 14 SUBCHAPTER F. BONDS
- 15 Sec. 6905.251. AUTHORITY TO ISSUE BONDS
- 16 Sec. 6905.252. FORM OF BONDS
- 17 Sec. 6905.253. MATURITY
- 18 Sec. 6905.254. ELECTION FOR BONDS PAYABLE FROM AD
- 19 VALOREM TAXES
- 20 Sec. 6905.255. BONDS SECURED BY REVENUE; ADDITIONAL
- 21 BONDS
- 22 Sec. 6905.256. BONDS PAYABLE FROM AD VALOREM TAXES
- 23 Sec. 6905.257. ADDITIONAL SECURITY
- 24 Sec. 6905.258. TRUST INDENTURE
- 25 Sec. 6905.259. DEANNEXATION OF DISTRICT TERRITORY
- 26 AFTER ISSUANCE OF BONDS
- 27 Sec. 6905.260. CHARGES FOR DISTRICT SERVICES

1 Sec. 6905.261. USE OF BOND PROCEEDS

2 Sec. 6905.262. APPOINTMENT OF RECEIVER

3 Sec. 6905.263. REFUNDING BONDS

4 Sec. 6905.264. LIMITATION ON RIGHTS OF HOLDERS

5 Sec. 6905.265. BONDS EXEMPT FROM TAXATION

6 CHAPTER 6905. BEEVILLE WATER SUPPLY DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 6905.001. DEFINITIONS. In this chapter:

9 (1) "Board" means the district's board of directors.

10 (2) "Director" means a member of the board.

11 (3) "District" means the Beeville Water Supply  
12 District. (Acts 66th Leg., R.S., Ch. 432, Secs. 1 (part), 4(a)  
13 (part).)

14 Sec. 6905.002. NATURE OF DISTRICT. The district is a  
15 conservation and reclamation district created under Section 59,  
16 Article XVI, Texas Constitution. (Acts 66th Leg., R.S., Ch. 432,  
17 Sec. 1 (part).)

18 Sec. 6905.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
19 The district is created to serve a public use and benefit.

20 (b) All land and other property in the district will benefit  
21 from the works and projects to be accomplished by the district under  
22 powers conferred by Section 59, Article XVI, Texas Constitution.

23 (c) The accomplishment of the purposes stated in this  
24 chapter will benefit the people of this state and improve their  
25 property and industries.

26 (d) The district, in carrying out the purposes of this  
27 chapter, will be performing an essential public function under the

1 constitution of this state. (Acts 66th Leg., R.S., Ch. 432, Secs.  
2 3, 22 (part).)

3 [Sections 6905.004-6905.050 reserved for expansion]

4 SUBCHAPTER B. DISTRICT TERRITORY; ANNEXATION

5 Sec. 6905.051. DISTRICT TERRITORY. The district boundaries  
6 are coterminous with the boundaries of the City of Beeville as those  
7 boundaries existed on June 6, 1979, and as the district territory  
8 may have been modified under:

9 (1) this subchapter or its predecessor statutes,  
10 Sections 2 and 8, Chapter 432, Acts of the 66th Legislature, Regular  
11 Session, 1979;

12 (2) Subchapter J, Chapter 49, Water Code; or

13 (3) other law. (Acts 66th Leg., R.S., Ch. 432, Sec.  
14 2(a) (part); New.)

15 Sec. 6905.052. CITY OF BEEVILLE ANNEXATIONS. If the City of  
16 Beeville annexes territory, the board may consider whether the new  
17 territory should also be added to the district and may:

18 (1) add the territory by a majority vote of the board  
19 without following the annexation procedures under Section  
20 6905.053; or

21 (2) reject the addition of the new territory. (Acts  
22 66th Leg., R.S., Ch. 432, Sec. 2(b).)

23 Sec. 6905.053. ANNEXATION BY PETITION. (a) The district  
24 may annex territory in the manner provided by this section.

25 (b) The board may annex territory or a municipality under  
26 this section only if a petition requesting annexation is signed by  
27 50 voters of the territory or municipality to be annexed, or a

1 majority of the registered voters of that territory or  
2 municipality, whichever is fewer, and is filed with the board. The  
3 petition must describe the territory to be annexed by metes and  
4 bounds, or otherwise, except that if the territory is the same as  
5 that contained in the boundaries of a municipality, the petition is  
6 sufficient if it states that the territory to be annexed is the  
7 territory contained in the municipal boundaries.

8 (c) If the board determines that the petition complies with  
9 Subsection (b), that the annexation would be in the best interest of  
10 the territory or municipality and the district, and that the  
11 district will be able to supply water to the territory or  
12 municipality, the board shall:

13 (1) adopt a resolution stating the conditions, if any,  
14 under which the territory or municipality may be annexed to the  
15 district; and

16 (2) set a time and place to hold a hearing on the  
17 question of whether the territory or municipality to be annexed  
18 will benefit from:

19 (A) the improvements, works, or facilities owned  
20 or operated or contemplated to be owned or operated by the district;  
21 or

22 (B) the other functions of the district.

23 (d) At least 10 days before the date of the hearing, notice  
24 of the adoption of the resolution stating the time and place of the  
25 hearing shall be published one time in a newspaper of general  
26 circulation in the territory or municipality to be annexed. The  
27 notice must describe the territory in the same manner in which

1 Subsection (b) requires the petition to describe the territory.

2 (e) Any interested person may appear at the hearing and  
3 offer evidence for or against the annexation.

4 (f) The hearing may proceed in the order and under the rules  
5 prescribed by the board and may be recessed from time to time.

6 (g) If, at the conclusion of the hearing, the board finds  
7 that the property in the territory or municipality will benefit  
8 from the present or contemplated improvements, works, or facilities  
9 of the district, the board shall adopt a resolution making a finding  
10 of the benefit and calling an election in the territory or  
11 municipality proposed to be annexed.

12 (h) The resolution must state:

13 (1) the date of the election;

14 (2) each place where the election will be held; and

15 (3) the proposition to be voted on.

16 (i) At least 10 days before the date set for the election,  
17 notice of the election shall be given by publishing a substantial  
18 copy of the resolution calling the election one time in a newspaper  
19 of general circulation in the territory proposed to be annexed.

20 (j) In calling an election on the proposition for annexation  
21 of the territory or municipality, the board may include, as part of  
22 the same proposition or as a separate proposition, a proposition  
23 for:

24 (1) the territory or municipality to assume its part  
25 of the tax-supported bonds of the district then outstanding and  
26 those bonds previously voted but not yet sold; and

27 (2) an ad valorem tax to be imposed on taxable property

1 on the territory or municipality along with the tax in the rest of  
2 the district for the payment of the bonds.

3 (k) If a majority of the votes cast at the election are in  
4 favor of annexation, the board by resolution shall annex the  
5 territory or municipality to the district.

6 (1) The board is not required to call an election if:

7 (1) a petition requesting annexation is signed by all  
8 residents and landowners of the territory to be annexed, the same as  
9 provided by law for conveyance of real property; and

10 (2) the petition:

11 (A) states that the petitioners approve their  
12 share of the outstanding bonds or other obligations, and the  
13 unissued bonds, if any, of the district, and authorizes the board to  
14 set tax rates sufficient to pay their share of the debt; and

15 (B) is filed in the office of the county clerk of  
16 the county in which the district is located.

17 (m) An annexation under this section is incontestable  
18 except in the manner and within the time for contesting elections  
19 under the Election Code. (Acts 66th Leg., R.S., Ch. 432, Secs. 2(a)  
20 (part), 8(a), (b), (c) (part), (d) (part), (e) (part), (f).)

21 [Sections 6905.054-6905.100 reserved for expansion]

22 SUBCHAPTER C. BOARD OF DIRECTORS

23 Sec. 6905.101. COMPOSITION OF BOARD; TERMS. (a) The  
24 district is governed by a board of five elected directors.  
25 Directors occupy numbered places on the board.

26 (b) A director is eligible for reelection to the board.

27 (c) Directors serve staggered terms. (Acts 66th Leg., R.S.,

1 Ch. 432, Sec. 4(a) (part).)

2           Sec. 6905.102. REMOVAL FROM OFFICE. After reasonable  
3 notice and a public hearing, the board may remove a director from  
4 office for misfeasance, malfeasance, or wilful neglect of duty.  
5 Reasonable notice and a public hearing are not required if the  
6 director to be removed expressly waives the notice and hearing in  
7 writing. (Acts 66th Leg., R.S., Ch. 432, Sec. 4(b).)

8           Sec. 6905.103. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)  
9 The district shall act through resolutions adopted by the board.

10           (b) Each director has a vote.

11           (c) The affirmative vote of at least three directors is  
12 necessary to adopt any resolution. (Acts 66th Leg., R.S., Ch. 432,  
13 Sec. 5(c) (part).)

14           Sec. 6905.104. OFFICERS AND ASSISTANTS. (a) The board  
15 president shall:

16                   (1) serve a one-year term; and

17                   (2) perform duties prescribed by the board.

18           (b) The board secretary shall:

19                   (1) be the official custodian of the board seal; and

20                   (2) perform other duties and functions prescribed by  
21 the board.

22           (c) The board shall elect a treasurer who shall perform  
23 duties and functions prescribed by the board.

24           (d) One person may hold the offices of secretary and  
25 treasurer. The secretary and treasurer are not required to be  
26 directors.

27           (e) The board may appoint one or more persons who are not



1 directors to be an assistant board secretary. An assistant  
2 secretary may perform any duty or function of the board secretary.

3 (f) The board shall elect officers annually or at any time  
4 necessary to fill a vacancy. (Acts 66th Leg., R.S., Ch. 432, Secs.  
5 5(b) (part), (d) (part).)

6 Sec. 6905.105. MEETINGS. The board shall have regular  
7 meetings at times specified by board resolution and shall have  
8 special meetings when called by the board president or by any three  
9 directors. (Acts 66th Leg., R.S., Ch. 432, Sec. 5(e).)

10 Sec. 6905.106. PERSONAL LIABILITY OF DIRECTORS. A director  
11 is not personally liable for any bond issued or contract executed by  
12 the district. (Acts 66th Leg., R.S., Ch. 432, Sec. 5(f).)

13 [Sections 6905.107-6905.150 reserved for expansion]

14 SUBCHAPTER D. POWERS AND DUTIES

15 Sec. 6905.151. GENERAL POWERS. The district may exercise  
16 any power necessary or appropriate to achieve the purposes of this  
17 chapter. (Acts 66th Leg., R.S., Ch. 432, Sec. 6(a).)

18 Sec. 6905.152. BYLAWS AND RULES. The district may adopt and  
19 enforce bylaws and rules for the conduct of its affairs. (Acts 66th  
20 Leg., R.S., Ch. 432, Sec. 6(c) (part).)

21 Sec. 6905.153. REGIONAL WASTE DISPOSAL. (a) The district  
22 may exercise any power granted by Chapter 30, Water Code, to a water  
23 district created under Section 59, Article XVI, Texas Constitution,  
24 including the power to collect, transport, process, treat, dispose  
25 of, and control all municipal, domestic, industrial, or communal  
26 waste, whether in fluid, solid, or composite state, including the  
27 control, abatement, or reduction of any type of pollution.

1           (b) The powers granted to the district by Chapter 30, Water  
2 Code, are for the purposes of conservation and development of the  
3 natural resources of this state within the meaning of Section 59,  
4 Article XVI, Texas Constitution. (Acts 66th Leg., R.S., Ch. 432,  
5 Sec. 6(k).)

6           Sec. 6905.154. PERMITS. (a) The district may obtain  
7 through appropriate proceedings an appropriation permit or a  
8 diversion permit from the Texas Commission on Environmental  
9 Quality.

10           (b) The district may acquire water appropriation permits  
11 from owners of permits by contract or otherwise. (Acts 66th Leg.,  
12 R.S., Ch. 432, Sec. 9 (part).)

13           Sec. 6905.155. PROPERTY ACQUISITION, USE, AND DISPOSITION.

14 (a) The district may acquire, own, rent, lease, accept, hold, or  
15 dispose of any property, or any interest in property, including a  
16 right or easement, by purchase, exchange, gift, assignment,  
17 condemnation, sale, lease, or otherwise, in performing district  
18 duties or exercising district powers under this chapter.

19           (b) The district may hold, manage, operate, or improve  
20 property.

21           (c) The district may lease or rent any land, building,  
22 structure, or facility from or to any person to achieve the purposes  
23 of this chapter.

24           (d) The district may sell, assign, lease, encumber,  
25 mortgage, or otherwise dispose of property, or an interest in  
26 property, and release or relinquish a right, title, claim, lien,  
27 interest, easement, or demand, regardless of the manner in which

1 acquired, and conduct a transaction authorized by this subsection  
2 by public or private sale, with or without public bidding,  
3 notwithstanding any other law. (Acts 66th Leg., R.S., Ch. 432,  
4 Secs. 6(e), (f).)

5 Sec. 6905.156. REQUESTS FOR AND ACCEPTANCE OF AID. The  
6 district may request and accept an appropriation, grant,  
7 allocation, subsidy, guarantee, aid, service, material, or gift  
8 from any source, including the federal government, the state, a  
9 public agency, or a political subdivision. (Acts 66th Leg., R.S.,  
10 Ch. 432, Sec. 6(g).)

11 Sec. 6905.157. DISTRICT OFFICE. The district may operate  
12 and maintain an office. (Acts 66th Leg., R.S., Ch. 432, Sec. 6(h)  
13 (part).)

14 Sec. 6905.158. PERSONNEL. The district may appoint and  
15 determine the duties, tenure, qualifications, and compensation of  
16 district officers and employees, as well as any agent, professional  
17 advisor, or counselor, including any financial consultant,  
18 accountant, attorney, architect, engineer, appraiser, or financing  
19 expert, considered necessary or advisable by the board. (Acts 66th  
20 Leg., R.S., Ch. 432, Sec. 6(h) (part).)

21 Sec. 6905.159. GENERAL MANAGER. (a) The district may  
22 employ a general manager who may be the city manager of the City of  
23 Beeville.

24 (b) The general manager may:

25 (1) employ and discharge employees; and

26 (2) exercise other powers conferred on the general  
27 manager by the board. (Acts 66th Leg., R.S., Ch. 432, Sec. 6(h))

1 (part).)

2           Sec. 6905.160. GENERAL AUTHORITY OF PUBLIC AGENCIES AND  
3 POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency  
4 or political subdivision of this state, including the City of  
5 Beeville, may enter into a contract or agreement with the district,  
6 on terms agreed to by the parties, for any purpose relating to the  
7 district's powers or functions. Approval, notice, consent, or an  
8 election is not required in connection with a contract or  
9 agreement. (Acts 66th Leg., R.S., Ch. 432, Sec. 10(b) (part).)

10           Sec. 6905.161. CONTRACTS TO SUPPLY WATER. (a) The district  
11 may contract with municipalities and others, including the City of  
12 Beeville, to supply water. The district may sell water inside or  
13 outside the boundaries of the district.

14           (b) The district may contract with a public agency or  
15 political subdivision for the rental or leasing of or for the  
16 operation of the water production, water supply, water filtration  
17 or purification, and water supply facilities of the entity on the  
18 consideration agreed to by the district and the entity.

19           (c) A contract may be on terms and for the time agreed to by  
20 the parties.

21           (d) A contract may provide that it will continue in effect  
22 until bonds specified in it and refunding bonds issued in lieu of  
23 the bonds are paid.

24           (e) The district may contract with the City of Beeville for  
25 the operation of the district's water facilities by the city. An  
26 election is not required in connection with the contract.

27           (f) A public agency or political subdivision, including the

1 City of Beeville, may enter into a contract or agreement with the  
2 authority for a water supply as provided by Section 6905.160. (Acts  
3 66th Leg., R.S., Ch. 432, Secs. 10(a) (part), (b) (part), 19.)

4 Sec. 6905.162. SOURCES FOR WATER; ACQUISITION OF LAND;  
5 STORAGE CAPACITY. (a) The district may acquire or construct,  
6 inside or outside the district, a reservoir, well, or any work,  
7 plant, transmission line, or other facility necessary or useful to  
8 drill for, divert, impound, store, treat, or transport water to the  
9 City of Beeville and others for municipal, domestic, agricultural,  
10 industrial, mining, oil flooding, or any other useful purpose.

11 (b) The district may develop or otherwise acquire  
12 underground sources of water.

13 (c) The district may acquire land, or an interest in land,  
14 inside or outside the district, for a reservoir, well, or any work,  
15 plant, transmission line, or other facility necessary or useful to  
16 drill for, divert, impound, store, treat, or transport water to the  
17 City of Beeville and others for municipal, domestic, agricultural,  
18 industrial, mining, oil flooding, or any other useful purpose.

19 (d) The district may lease, purchase, or otherwise acquire  
20 rights in and to storage and storage capacity in any reservoir  
21 constructed or to be constructed by any person or from the United  
22 States. (Acts 66th Leg., R.S., Ch. 432, Secs. 9 (part), 10(a)  
23 (part), 11 (part).)

24 Sec. 6905.163. CONSTRUCTION CONTRACTS. (a) The district  
25 may award a construction contract that requires an expenditure of  
26 more than \$5,000 only after publication of notice to bidders once  
27 each week for two weeks in a newspaper of general circulation in the

1 district.

2 (b) The notice is sufficient if it states:

3 (1) the time and place for opening the bids;

4 (2) the general nature of the work to be done or the  
5 material, equipment, or supplies to be purchased; and

6 (3) where the terms of bidding and copies of the plans  
7 and specifications may be obtained. (Acts 66th Leg., R.S., Ch. 432,  
8 Sec. 13.)

9 Sec. 6905.164. CONVEYANCE OF LAND TO DISTRICT. A public  
10 agency or a political subdivision of this state, including the City  
11 of Beeville, may lease, sell, or otherwise convey its land or an  
12 interest in its land to the district for consideration that the  
13 parties agree is adequate. Approval, notice, consent, or an  
14 election is not required in connection with the conveyance. (Acts  
15 66th Leg., R.S., Ch. 432, Sec. 10(b) (part).)

16 Sec. 6905.165. SURPLUS PROPERTY. Subject to the terms of a  
17 resolution or deed of trust authorizing or securing bonds issued by  
18 the district, the district may sell, lease, rent, trade, or  
19 otherwise dispose of property that the board considers is not  
20 needed for a district purpose. (Acts 66th Leg., R.S., Ch. 432, Sec.  
21 11 (part).)

22 Sec. 6905.166. EMINENT DOMAIN. (a) To carry out an  
23 authority provided by this chapter, the district may exercise the  
24 power of eminent domain to acquire the fee simple title, or any  
25 other interest in land, and other property and easements, inside or  
26 outside the district, including land or an interest in land needed  
27 for a reservoir, dam, or flood easement above the probable high

1 water line around any reservoir.

2 (b) The district must exercise the power of eminent domain  
3 in the manner provided by Chapter 21, Property Code.

4 (c) The district is a municipal corporation for the purposes  
5 of Chapter 21, Property Code.

6 (d) The board shall determine the amount and type of  
7 interest in land, other property, or easements to be acquired.  
8 (Acts 66th Leg., R.S., Ch. 432, Sec. 12(a) (part).)

9 Sec. 6905.167. COST OF RELOCATING OR ALTERING PROPERTY.

10 (a) In this section, "sole expense" means the actual cost of the  
11 lowering, rerouting, or change in grade or alteration of  
12 construction required under Subsection (b) to provide a comparable  
13 replacement without enhancing the facility, after deducting the net  
14 salvage value derived from the old facility.

15 (b) If the district's exercise of its eminent domain,  
16 police, or other power requires relocating, raising, lowering,  
17 rerouting, or changing the grade of, or altering the construction  
18 of any railroad, electric transmission, telegraph, or telephone  
19 line, conduit, pole, property, facility, or pipeline, the action  
20 shall be accomplished at the sole expense of the district. (Acts  
21 66th Leg., R.S., Ch. 432, Sec. 12(c).)

22 Sec. 6905.168. RIGHTS-OF-WAY; EASEMENTS. The district has  
23 all necessary or useful rights-of-way and easements along, over,  
24 under, and across all public, state, municipal, and county roads,  
25 highways, and places for any of its purposes. The district shall  
26 restore a facility used to its previous condition as nearly as  
27 possible at the sole expense of the district. (Acts 66th Leg.,

1 R.S., Ch. 432, Sec. 12(b).)

2 Sec. 6905.169. DISTRICT SEAL. The district may adopt an  
3 official seal. (Acts 66th Leg., R.S., Ch. 432, Sec. 6(c) (part).)

4 [Sections 6905.170-6905.200 reserved for expansion]

5 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

6 Sec. 6905.201. DISTRICT MONEY. The district may acquire,  
7 hold, use, and dispose of its receipts and money from every source.  
8 (Acts 66th Leg., R.S., Ch. 432, Sec. 6(d) (part).)

9 Sec. 6905.202. DEPOSITORY. (a) The board shall designate  
10 one or more banks inside or outside the district to serve as the  
11 depository for the district's money.

12 (b) District money shall be deposited in the depository  
13 designated by the board, except that:

14 (1) bond proceeds and money pledged to pay bonds, to  
15 the extent provided in a resolution or trust indenture authorizing  
16 or securing district bonds, may be deposited with another bank or  
17 trustee named in the bond resolution or trust indenture; and

18 (2) money shall be remitted to each paying agent for  
19 the payment of principal of and interest on the bonds.

20 (c) To the extent that money in a depository bank or the  
21 trustee bank is not insured by the Federal Deposit Insurance  
22 Corporation, the money must be secured in the manner provided by law  
23 for the security of municipal money. (Acts 66th Leg., R.S., Ch.  
24 432, Secs. 6(d) (part), 20 (part).)

25 Sec. 6905.203. INVESTMENT OF DISTRICT MONEY. The board may  
26 invest district money in obligations and make time deposits of  
27 district money in a manner determined by the board or in the manner



1 permitted or required in a resolution or trust indenture  
2 authorizing or securing district bonds. (Acts 66th Leg., R.S., Ch.  
3 432, Sec. 20 (part).)

4 Sec. 6905.204. DISTRICT FACILITIES EXEMPT FROM TAXATION AND  
5 ASSESSMENT. The district is not required to pay a tax or assessment  
6 on its facilities or any part of its facilities. (Acts 66th Leg.,  
7 R.S., Ch. 432, Sec. 22 (part).)

8 [Sections 6905.205-6905.250 reserved for expansion]

9 SUBCHAPTER F. BONDS

10 Sec. 6905.251. AUTHORITY TO ISSUE BONDS. (a) The district  
11 may issue bonds, provide for and secure the payment of the bonds,  
12 and provide for the rights of the holders of the bonds, in the  
13 manner and to the extent permitted by this chapter.

14 (b) The district may issue bonds to carry out any authority  
15 conferred by this chapter. The bonds must be authorized by a board  
16 resolution.

17 (c) The bonds may be payable from and secured by revenue or  
18 ad valorem taxes, or both revenue and ad valorem taxes, of the  
19 district, in the manner and under the terms of the resolution  
20 authorizing the issuance of the bonds. (Acts 66th Leg., R.S., Ch.  
21 432, Secs. 6(i), 14(a), (b) (part), (d) (part).)

22 Sec. 6905.252. FORM OF BONDS. A district bond must be:

- 23 (1) issued in the district's name;  
24 (2) signed by the president or vice president; and  
25 (3) attested by the secretary. (Acts 66th Leg., R.S.,  
26 Ch. 432, Sec. 14(b) (part).)

27 Sec. 6905.253. MATURITY. District bonds must mature not

1 later than 50 years after the date of their issuance. (Acts 66th  
2 Leg., R.S., Ch. 432, Sec. 14(b) (part).)

3 Sec. 6905.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM  
4 TAXES. (a) Bonds, other than refunding bonds, payable wholly or  
5 partly from ad valorem taxes may not be issued unless authorized by  
6 a majority of the district voters voting at an election.

7 (b) The board may call an election under this section  
8 without a petition. The resolution calling the election must  
9 specify:

10 (1) the time and places at which the election will be  
11 held;

12 (2) the purpose for which the bonds will be issued;

13 (3) the amount of the bonds;

14 (4) the form of the ballot; and

15 (5) other matters the board considers necessary or  
16 advisable.

17 (c) Notice of the election must be given by publishing a  
18 substantial copy of the resolution calling the election in a  
19 newspaper of general circulation in the district. The notice must  
20 be published once each week for two consecutive weeks. The first  
21 publication must be not later than the 14th day before the date of  
22 the election.

23 (d) The board may issue bonds not payable wholly or partly  
24 from ad valorem taxes without an election. (Acts 66th Leg., R.S.,  
25 Ch. 432, Secs. 17(a) (part), (b).)

26 Sec. 6905.255. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

27 (a) Bonds issued under this subchapter may be secured by a pledge

1 of all or part of the district's revenue, or by all or part of the  
2 revenue of one or more contracts previously or subsequently made or  
3 other revenue or income specified by board resolution or a trust  
4 indenture securing the bonds. The pledge may reserve the right,  
5 under conditions specified by the pledge, to issue additional bonds  
6 that will be on a parity with or subordinate to the bonds then being  
7 issued.

8 (b) The district may issue bonds secured by both taxes and  
9 revenue of the district described by Subsection (a). (Acts 66th  
10 Leg., R.S., Ch. 432, Secs. 14(c), (d) (part).)

11 Sec. 6905.256. BONDS PAYABLE FROM AD VALOREM TAXES. (a) If  
12 bonds are issued payable wholly or partly from ad valorem taxes, the  
13 board shall annually impose a tax on the taxable property in the  
14 district in an amount sufficient to pay the principal of and  
15 interest on the bonds when due.

16 (b) The district may adopt the rate of a tax imposed under  
17 Subsection (a) after giving consideration to the money received  
18 from the pledged revenue that may be available for payment of  
19 principal and interest, to the extent and in the manner permitted by  
20 the resolution authorizing the issuance of the bonds. (Acts 66th  
21 Leg., R.S., Ch. 432, Secs. 14(d) (part), 23(b) (part).)

22 Sec. 6905.257. ADDITIONAL SECURITY. (a) Bonds, including  
23 refunding bonds, authorized by this subchapter that are not payable  
24 wholly from ad valorem taxes may be additionally secured, at the  
25 discretion of the board, by a deed of trust or mortgage lien on  
26 physical property of the district, franchises, easements, water  
27 rights and appropriation permits, leases, contracts, and all rights

1 appurtenant to the property, vesting in the trustee power to:

2 (1) sell the property for the payment of the debt;

3 (2) operate the property; and

4 (3) take other action to further secure the bonds.

5 (b) A purchaser under a sale under the deed of trust lien, if  
6 one is given:

7 (1) is the absolute owner of property, facilities, and  
8 rights purchased; and

9 (2) is entitled to maintain and operate the property,  
10 facilities, and rights. (Acts 66th Leg., R.S., Ch. 432, Sec. 16  
11 (part).)

12 Sec. 6905.258. TRUST INDENTURE. (a) A bond issued under  
13 this subchapter, including a refunding bond, that is not payable  
14 wholly from ad valorem taxes may be additionally secured by a trust  
15 indenture. The trustee may be a bank with trust powers located  
16 inside or outside the state.

17 (b) A trust indenture, regardless of the existence of the  
18 deed of trust or mortgage lien on the property, may:

19 (1) provide for the security of the bonds and the  
20 preservation of the trust estate in the manner prescribed by the  
21 board;

22 (2) provide for amendment or modification of the trust  
23 indenture;

24 (3) provide for the issuance of bonds to replace lost  
25 or mutilated bonds;

26 (4) condition the right to spend district money or  
27 sell district property on the approval of a licensed engineer

1 selected as provided by the trust indenture; and

2 (5) provide for the investment of district money.

3 (Acts 66th Leg., R.S., Ch. 432, Sec. 16 (part).)

4 Sec. 6905.259. DEANNEXATION OF DISTRICT TERRITORY AFTER  
5 ISSUANCE OF BONDS. Territory may not be deannexed from the district  
6 after the issuance of bonds payable from revenue or taxes. (Acts  
7 66th Leg., R.S., Ch. 432, Sec. 17(a) (part).)

8 Sec. 6905.260. CHARGES FOR DISTRICT SERVICES. (a) If bonds  
9 payable wholly from revenue are issued, the board shall set and  
10 revise the rates of compensation for water sold and services  
11 provided by the district. The rates must be sufficient to:

12 (1) pay the expense of operating and maintaining  
13 district facilities;

14 (2) pay the principal of and interest on the bonds when  
15 due; and

16 (3) maintain the reserve fund and other funds as  
17 provided in the resolution authorizing the bonds.

18 (b) If bonds payable partly from revenue are issued, the  
19 board shall set and revise the rate of compensation for water sold  
20 and any other services provided by the district. The rate must be  
21 in an amount sufficient to ensure compliance with the resolution  
22 authorizing the bonds or the trust indenture securing the bonds.  
23 (Acts 66th Leg., R.S., Ch. 432, Sec. 14(e).)

24 Sec. 6905.261. USE OF BOND PROCEEDS. (a) The district may  
25 set aside an amount of proceeds from the sale of bonds issued under  
26 this subchapter for:

27 (1) the payment of interest expected to accrue during

1 construction not to exceed three years;

2 (2) a reserve interest and sinking fund; and

3 (3) other funds as may be provided in the resolution  
4 authorizing the bonds or in the trust indenture.

5 (b) The district may use proceeds from the sale of the bonds  
6 to pay any expense necessarily incurred in accomplishing the  
7 purpose of the district, including:

8 (1) any expense of issuing and selling the bonds; and

9 (2) the amount needed to operate the district during  
10 construction of the improvements. (Acts 66th Leg., R.S., Ch. 432,  
11 Sec. 14(f).)

12 Sec. 6905.262. APPOINTMENT OF RECEIVER. (a) On default or  
13 a threatened default in the payment of principal of or interest on  
14 bonds issued under this subchapter that are payable wholly or  
15 partly from revenue, a court may, on petition of the holders of  
16 outstanding bonds, appoint a receiver for the district.

17 (b) The receiver may collect and receive all district  
18 income, except taxes, employ and discharge district agents and  
19 employees, take charge of money on hand, except money received from  
20 taxes, unless commingled, and manage the proprietary affairs of the  
21 district without consent or hindrance by the board.

22 (c) The receiver may be authorized to sell or contract for  
23 the sale of water or to renew those contracts with the approval of  
24 the court that appointed the receiver.

25 (d) The court may vest the receiver with any other power or  
26 duty the court finds necessary to protect the bondholders. (Acts  
27 66th Leg., R.S., Ch. 432, Sec. 14(g) (part).)

1           Sec. 6905.263. REFUNDING BONDS. (a) The district may issue  
2 refunding bonds to refund outstanding bonds issued under this  
3 subchapter and interest on those bonds.

4           (b) Refunding bonds may:

5                 (1) be issued to refund bonds of more than one series;

6                 (2) combine the pledges for the outstanding bonds for  
7 the security of the refunding bonds; or

8                 (3) be secured by a pledge of other or additional  
9 revenue or mortgage liens.

10           (c) The provisions of this subchapter regarding the  
11 issuance of other bonds, their security, and the remedies of the  
12 holders apply to refunding bonds.

13           (d) The comptroller shall register the refunding bonds on  
14 surrender and cancellation of the bonds to be refunded.

15           (e) Instead of issuing bonds to be registered on the  
16 surrender and cancellation of the bonds to be refunded, the  
17 district, in the resolution authorizing the issuance of the  
18 refunding bonds, may provide for the sale of the refunding bonds and  
19 the deposit of the proceeds in a bank at which the bonds to be  
20 refunded are payable. In that case, the refunding bonds may be  
21 issued in an amount sufficient to pay the principal of and interest  
22 and any required redemption premium on the bonds to be refunded to  
23 any redemption date or to their maturity date, and the comptroller  
24 shall register the refunding bonds without the surrender and  
25 cancellation of the bonds to be refunded.

26           (f) An election is not required for refunding bonds.

27           (g) The district may also issue refunding bonds under any

1 other applicable law. (Acts 66th Leg., R.S., Ch. 432, Sec. 15.)

2           Sec. 6905.264. LIMITATION ON RIGHTS OF HOLDERS. The  
3 resolution authorizing the bonds or the trust indenture securing  
4 the bonds may limit or qualify the rights of the holders of less  
5 than all of the outstanding bonds payable from the source to  
6 institute or prosecute litigation affecting the district's  
7 property or income. (Acts 66th Leg., R.S., Ch. 432, Sec. 14(g)  
8 (part).)

9           Sec. 6905.265. BONDS EXEMPT FROM TAXATION. A bond issued  
10 under this subchapter, the transfer of the bond, and income from the  
11 bond, including profits made on the sale of the bond, are exempt  
12 from taxation in this state. (Acts 66th Leg., R.S., Ch. 432, Sec.  
13 22 (part).)

14           CHAPTER 6906. CORYELL CITY WATER SUPPLY DISTRICT

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12 Sec. 6906.201. AUTHORITY TO ISSUE BONDS

13 Sec. 6906.202. FORM OF BONDS

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18 Sec. 6906.206. TRUST INDENTURE

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21 REMEDIES OF BONDHOLDERS

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1           CHAPTER 6906. CORYELL CITY WATER SUPPLY DISTRICT

2                   SUBCHAPTER A. GENERAL PROVISIONS

3           Sec. 6906.001. DEFINITIONS. In this chapter:

4                 (1) "Board" means the district's board of directors.

5                 (2) "Bond" means a bond or note.

6                 (3) "Director" means a member of the board.

7                 (4) "District" means the Coryell City Water Supply  
8 District. (Acts 66th Leg., R.S., Ch. 435, Secs. 1 (part), 5(a)  
9 (part), 16(a) (part).)

10           Sec. 6906.002. NATURE OF DISTRICT. The district is a  
11 conservation and reclamation district in Coryell County created  
12 under Section 59, Article XVI, Texas Constitution. (Acts 66th  
13 Leg., R.S., Ch. 435, Sec. 1 (part).)

14           Sec. 6906.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
15 The district is created to serve a public use and benefit.

16                 (b) All land and other property included in the boundaries  
17 of the district and other areas to be served by the district's works  
18 and projects will benefit from the works and projects accomplished  
19 by the district under the powers conferred by Section 59, Article  
20 XVI, Texas Constitution.

21                 (c) The accomplishment of the purposes stated in this  
22 chapter is for the benefit of the people of this state for the  
23 improvement of their property and industries. The district, in  
24 carrying out the purposes of this chapter, will be performing an  
25 essential public function under the constitution. (Acts 66th Leg.,  
26 R.S., Ch. 435, Secs. 4, 23 (part).)

27           Sec. 6906.004. DISTRICT TERRITORY. (a) The district is

1 composed of the territory described by Section 2, Chapter 435, Acts  
2 of the 66th Legislature, Regular Session, 1979, as that territory  
3 may have been modified under:

- 4 (1) Subchapter J, Chapter 49, Water Code; or  
5 (2) other law.

6 (b) The boundaries and field notes of the district form a  
7 closure. A mistake in the field notes or in copying the field notes  
8 in the legislative process does not affect:

- 9 (1) the district's organization, existence, and  
10 validity;  
11 (2) the district's right to issue any type of bond for  
12 a purpose for which the district is created or to pay the principal  
13 of and interest on the bond;  
14 (3) the district's right to impose a tax; or  
15 (4) the legality or operation of the district or its  
16 governing body. (Acts 66th Leg., R.S., Ch. 435, Sec. 3; New.)

17 [Sections 6906.005-6906.050 reserved for expansion]

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Sec. 6906.051. COMPOSITION OF BOARD; TERMS. (a) The  
20 district is governed by a board of 11 directors, each of whom  
21 occupies a numbered place on the board.

22 (b) Directors serve staggered two-year terms, with the  
23 terms of the directors occupying Places 1, 2, 3, 4, and 5 expiring  
24 on April 1 of each even-numbered year and the terms of the directors  
25 occupying Places 6, 7, 8, 9, 10, and 11 expiring April 1 of each  
26 odd-numbered year.

27 (c) In March of each year, the Commissioners Court of

1 Coryell County shall appoint directors to succeed directors whose  
2 term of office will expire on April 1. The appointed directors'  
3 terms begin on April 1 of that year. (Acts 66th Leg., R.S., Ch. 435,  
4 Secs. 5(a) (part), (b) (part).)

5 Sec. 6906.052. QUALIFICATIONS FOR OFFICE. (a) Directors  
6 must be appointed from areas in Coryell County as follows:

7 (1) one each from the Oglesby-Mound area and Levita  
8 area;

9 (2) two each from the Pancake area, Jonesboro area,  
10 and Turnersville area; and

11 (3) three from the Coryell City area.

12 (b) To be eligible to succeed a director whose term of  
13 office is about to expire, a person must be appointed from the same  
14 geographical area as the geographical area that the director  
15 represents.

16 (c) Each director is eligible for reappointment.

17 (d) To be eligible to be appointed or to serve as a director,  
18 a person must be a resident, qualified voter of the geographical  
19 area from which the person is appointed.

20 (e) A director may not hold any other public office. (Acts  
21 66th Leg., R.S., Ch. 435, Secs. 5(b) (part), (c).)

22 Sec. 6906.053. VACANCIES. Any vacancy occurring on the  
23 board shall be filled for the unexpired term by appointment in the  
24 manner in which the vacating director was appointed. (Acts 66th  
25 Leg., R.S., Ch. 435, Sec. 5(b) (part).)

26 Sec. 6906.054. REMOVAL FROM OFFICE. After reasonable  
27 notice and a public hearing, the board may remove a director from

1 office for misfeasance, malfeasance, or wilful neglect of duty.  
2 Reasonable notice and a public hearing are not required if the  
3 notice and hearing are expressly waived in writing. (Acts 66th  
4 Leg., R.S., Ch. 435, Sec. 5(d).)

5 Sec. 6906.055. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)  
6 The district shall act by resolutions adopted by the board.

7 (b) All directors are entitled to vote.

8 (c) The affirmative vote of a majority of the directors  
9 present is necessary to adopt a resolution. (Acts 66th Leg., R.S.,  
10 Ch. 435, Sec. 6(c).)

11 Sec. 6906.056. OFFICERS AND ASSISTANTS. (a) The board  
12 shall elect a president, vice president, secretary, and treasurer  
13 at the first meeting of the newly constituted board each year and at  
14 any time necessary to fill a vacancy.

15 (b) The board shall elect the president and vice president  
16 from among the directors.

17 (c) The offices of secretary and treasurer:

18 (1) may be held by one person; and

19 (2) are not required to be held by a director.

20 (d) The board may appoint as assistant board secretary one  
21 or more persons who are not directors. (Acts 66th Leg., R.S., Ch.  
22 435, Secs. 6(b) (part), (d) (part).)

23 Sec. 6906.057. DUTIES OF OFFICERS AND ASSISTANTS. (a) The  
24 board president shall preside at board meetings and perform other  
25 duties prescribed by the board.

26 (b) The board treasurer shall perform duties and functions  
27 prescribed by the board.

1 (c) The board secretary is the official custodian of the  
2 minutes, books, records, and seal of the board and shall perform  
3 other duties and functions prescribed by the board. An assistant  
4 board secretary may perform any duty or function of the board  
5 secretary. (Acts 66th Leg., R.S., Ch. 435, Sec. 6(b) (part).)

6 Sec. 6906.058. MEETINGS. The board shall have regular  
7 meetings at times specified by board resolution and shall have  
8 special meetings when called by the board president or by any two  
9 directors. (Acts 66th Leg., R.S., Ch. 435, Sec. 6(e).)

10 Sec. 6906.059. PERSONAL LIABILITY OF DIRECTORS. A director  
11 is not personally liable for any bond issued or contract executed by  
12 the district. (Acts 66th Leg., R.S., Ch. 435, Sec. 6(f).)

13 [Sections 6906.060-6906.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 6906.101. GENERAL POWERS. The district has all powers  
16 necessary or appropriate to achieve the purposes of this chapter.  
17 (Acts 66th Leg., R.S., Ch. 435, Sec. 9(a).)

18 Sec. 6906.102. GENERAL POWERS REGARDING WATER. The  
19 district has all rights, powers, and privileges necessary or useful  
20 to enable it to acquire, provide, supply, deliver, and sell potable  
21 water for any beneficial purpose in its boundaries and vicinity and  
22 in Coryell and McLennan Counties. (Acts 66th Leg., R.S., Ch. 435,  
23 Sec. 7.)

24 Sec. 6906.103. GENERAL POWERS REGARDING WASTE. (a) The  
25 district has all rights, powers, and privileges necessary or useful  
26 to enable it to collect, transport, dispose of, and control  
27 domestic, industrial, or communal wastes, whether in fluid, solid,

1 or composite state, inside and outside its boundaries.

2 (b) The district may exercise any power granted by Chapter  
3 30, Water Code, to a district created under Section 59, Article XVI,  
4 Texas Constitution. (Acts 66th Leg., R.S., Ch. 435, Secs. 8, 9(1).)

5 Sec. 6906.104. DISTRICT BYLAWS AND RULES. The district may  
6 adopt and enforce:

7 (1) bylaws and rules for the conduct of its affairs;  
8 and

9 (2) rules that a municipal utility district may adopt  
10 and enforce under Sections 54.205 et seq., Water Code. (Acts 66th  
11 Leg., R.S., Ch. 435, Secs. 9(c) (part), (k).)

12 Sec. 6906.105. PROPERTY ACQUISITION, USE, AND DISPOSITION.

13 (a) The district may acquire, own, rent, lease, accept, hold, or  
14 dispose of property, or an interest in property, including a right  
15 or easement, by purchase, exchange, gift, assignment,  
16 condemnation, sale, lease, or otherwise, in performing district  
17 duties or exercising district powers under this chapter.

18 (b) The district may hold, manage, operate, or improve  
19 property.

20 (c) The district may lease or rent any land, building,  
21 structure, or facility from or to any person to achieve the purposes  
22 of this chapter.

23 (d) The district may sell, assign, lease, encumber,  
24 mortgage, or otherwise dispose of property, or an interest in  
25 property, and release or relinquish a right, title, claim, lien,  
26 interest, easement, or demand, regardless of the manner in which  
27 acquired, and conduct a transaction authorized by this subsection



1 by public or private sale, with or without public bidding,  
2 notwithstanding any other law. (Acts 66th Leg., R.S., Ch. 435,  
3 Secs. 9(e), (f).)

4 Sec. 6906.106. REQUESTS FOR AND ACCEPTANCE OF AID. The  
5 district may request and accept an appropriation, grant,  
6 allocation, subsidy, guarantee, aid, service, material, or gift  
7 from any public or private source, including the federal  
8 government, the state, a public agency, or a political subdivision.  
9 (Acts 66th Leg., R.S., Ch. 435, Sec. 9(g).)

10 Sec. 6906.107. DISTRICT OFFICE. The district may operate  
11 and maintain an office. (Acts 66th Leg., R.S., Ch. 435, Sec. 9(h)  
12 (part).)

13 Sec. 6906.108. PERSONNEL. The district may appoint and  
14 determine the duties, tenure, qualifications, and compensation of  
15 district officers and employees, as well as any agent, professional  
16 advisor, or counselor, including any financial consultant,  
17 accountant, attorney, architect, engineer, appraiser, or financing  
18 expert, considered necessary or advisable by the board. (Acts 66th  
19 Leg., R.S., Ch. 435, Sec. 9(h) (part).)

20 Sec. 6906.109. PERMITS. (a) The district may obtain  
21 through appropriate proceedings permits from the Texas Commission  
22 on Environmental Quality.

23 (b) The district may acquire water appropriation permits  
24 from owners of permits by contract or otherwise. (Acts 66th Leg.,  
25 R.S., Ch. 435, Sec. 10 (part).)

26 Sec. 6906.110. GENERAL CONTRACT POWERS. (a) The district  
27 may enter into and enforce a contract or agreement necessary or

1 convenient to the exercise of the powers, rights, privileges, and  
2 functions conferred on the district by this chapter or the general  
3 law, including a contract or agreement with any person as the board  
4 considers necessary or proper for, or in connection with, any power  
5 or function of the district for:

6 (1) the purchase or other acquisition, storage,  
7 transportation, distribution, delivery, or sale of water;

8 (2) the collection, transportation, processing, or  
9 disposal of waste; or

10 (3) the construction, acquisition, ownership,  
11 financing, operation, maintenance, sale, leasing to or from, or  
12 other use or disposition of any facilities authorized to be  
13 developed, acquired, or constructed under this chapter or the  
14 general law.

15 (b) The authority to enter into or enforce the contract or  
16 agreement includes the authority to enter into or enforce a  
17 contract or agreement regarding:

18 (1) any improvements, structures, facilities,  
19 equipment, and other property of any kind in connection with the  
20 subject of the contract or agreement;

21 (2) any related land, leaseholds, and easements; and

22 (3) any interests in the property.

23 (c) The contract or agreement:

24 (1) may not have a term of more than 40 years; and

25 (2) may contain provisions the board determines to be  
26 in the best interest of the district.

27 (d) The district may pledge all or part of its revenue to the

1 payment of its obligations under the contract or agreement to the  
2 same extent and on the same conditions as it may pledge revenue to  
3 secure district bonds. (Acts 66th Leg., R.S., Ch. 435, Sec. 11(a).)

4 Sec. 6906.111. AUTHORITY OF PUBLIC AGENCIES AND POLITICAL  
5 SUBDIVISIONS TO CONTRACT WITH DISTRICT. (a) A public agency or  
6 political subdivision of this state may enter into a contract or  
7 agreement with the district, on terms agreed to by the parties, for:

8 (1) the purchase or sale of water;

9 (2) waste collection, processing, or disposal; or

10 (3) any purpose relating to the district's powers or  
11 functions.

12 (b) Approval, notice, consent, or an election is not  
13 required in connection with a contract or agreement. (Acts 66th  
14 Leg., R.S., Ch. 435, Sec. 11(b) (part).)

15 Sec. 6906.112. ACQUISITION OF LAND; STORAGE CAPACITY. (a)  
16 The district may acquire land, or an interest in land, inside or  
17 outside the district for any work, plant, or other facility  
18 necessary or useful to divert, impound, store, drill for, pump,  
19 treat, or transport water for municipal, domestic, industrial,  
20 mining, oil flooding, or any other useful purpose.

21 (b) The district may lease, purchase, or otherwise acquire  
22 rights in and to storage and storage capacity in any reservoir  
23 constructed or to be constructed by the United States or any other  
24 person. (Acts 66th Leg., R.S., Ch. 435, Secs. 10 (part), 13  
25 (part).)

26 Sec. 6906.113. CONSTRUCTION CONTRACTS. (a) The district  
27 may award a construction contract that requires an expenditure of

1 more than \$5,000 only after publication of notice to bidders once  
2 each week for two consecutive weeks in a newspaper of general  
3 circulation in the district.

4 (b) The notice is sufficient if it states:

5 (1) the time and place for opening the bids;

6 (2) the general nature of the work to be done;

7 (3) the material, equipment, or supplies to be  
8 purchased; and

9 (4) where the terms of bidding and copies of the plans  
10 and specifications may be obtained. (Acts 66th Leg., R.S., Ch. 435,  
11 Sec. 15.)

12 Sec. 6906.114. CONVEYANCE OF LAND TO DISTRICT. A public  
13 agency or political subdivision of this state may lease, sell, or  
14 otherwise convey to the district any of its land, improvements,  
15 property, plants, lines, or other facilities related to the supply  
16 of water or the collection, processing, or disposal of waste for any  
17 consideration that the parties agree is adequate. Approval,  
18 notice, consent, or an election is not required in connection with a  
19 conveyance, contract, or agreement. (Acts 66th Leg., R.S., Ch.  
20 435, Sec. 11(b) (part).)

21 Sec. 6906.115. DISPOSAL OF PROPERTY. Subject to the terms  
22 of a resolution or deed of trust authorizing or securing bonds  
23 issued by the district, the district may sell, lease, rent, trade,  
24 or otherwise dispose of property under terms considered by the  
25 board to be consistent with district purposes. (Acts 66th Leg.,  
26 R.S., Ch. 435, Sec. 13 (part).)

27 Sec. 6906.116. EMINENT DOMAIN. (a) To carry out a power

1 provided by this chapter, the district may exercise the power of  
2 eminent domain to acquire the fee simple title to land, or any other  
3 interest in land, and other property and easements, inside or  
4 outside the district.

5 (b) The district must exercise the power of eminent domain  
6 in the manner provided by Chapter 21, Property Code, except that the  
7 district is not required to:

8 (1) give bond for appeal or bond for costs in a  
9 condemnation or other suit to which it is a party; or

10 (2) deposit double the amount of an award in a suit.

11 (c) The district is a municipal corporation for the purposes  
12 of Chapter 21, Property Code.

13 (d) The board shall determine the amount and the type of  
14 interest in land, other property, or easements to be acquired.  
15 (Acts 66th Leg., R.S., Ch. 435, Sec. 14(a) (part).)

16 Sec. 6906.117. COST OF RELOCATING OR ALTERING PROPERTY.

17 (a) In this section, the term "sole expense" means the actual cost  
18 of the relocation, raising, lowering, rerouting, or change in grade  
19 or alteration of construction required under Subsection (b) to  
20 provide a comparable replacement without enhancing the facility,  
21 after deducting the net salvage value derived from the old  
22 facility.

23 (b) If the district's exercise of its eminent domain,  
24 police, or other power requires relocating, raising, lowering,  
25 rerouting, changing the grade of, or altering the construction of  
26 any railroad, electric, transmission, telegraph, or telephone  
27 line, conduit, pole, property or facility, or pipeline, the action

1 shall be accomplished at the sole expense of the district. (Acts  
2 66th Leg., R.S., Ch. 435, Sec. 14(c).)

3 Sec. 6906.118. RIGHTS-OF-WAY; EASEMENTS. The district has  
4 all necessary or useful right-of-way and easements along, over,  
5 under, and across all public, state, municipal, and county roads,  
6 highways, and places for any of its purposes. The district shall  
7 restore a facility used to its previous condition as nearly as  
8 possible at the sole expense of the district. (Acts 66th Leg.,  
9 R.S., Ch. 435, Sec. 14(b).)

10 Sec. 6906.119. SEAL. The district may adopt an official  
11 seal. (Acts 66th Leg., R.S., Ch. 435, Sec. 9(c) (part).)

12 [Sections 6906.120-6906.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 6906.151. DISTRICT MONEY. The district may acquire,  
15 hold, use, and dispose of its receipts and money from any source.  
16 (Acts 66th Leg., R.S., Ch. 435, Sec. 9(d) (part).)

17 Sec. 6906.152. AUTHORITY TO BORROW MONEY AND ISSUE BONDS.  
18 The district, in the manner and to the extent permitted by this  
19 chapter, may:

- 20 (1) borrow money for any of its corporate purposes;
- 21 (2) enter into agreements in connection with the  
22 borrowing;
- 23 (3) issue its bonds for money borrowed;
- 24 (4) provide for and secure the payment of its bonds;
- 25 and
- 26 (5) provide for the rights of the holders of its bonds.

27 (Acts 66th Leg., R.S., Ch. 435, Sec. 9(i).)

1           Sec. 6906.153. DEPOSITORY. (a) The board shall designate  
2 one or more banks or savings and loan associations inside or outside  
3 the district to serve as the depository for the district's money.

4           (b) All of the district's money shall be deposited in the  
5 depository designated by the board, except that:

6           (1) bond proceeds and money pledged to pay bonds, to  
7 the extent provided in a resolution or trust indenture authorizing  
8 or securing district bonds, may be deposited with another bank or  
9 trustee named in the bond resolution or trust indenture; and

10           (2) money shall be remitted to each paying agent for  
11 the payment of principal of and interest on the bonds.

12           (c) To the extent that money in a depository bank or trustee  
13 bank is not insured by the Federal Deposit Insurance Corporation,  
14 the money must be secured in the manner provided by law for the  
15 security of county funds in this state. (Acts 66th Leg., R.S., Ch.  
16 435, Secs. 9(d) (part), 21 (part).)

17           Sec. 6906.154. INVESTMENT OF DISTRICT MONEY. The board may  
18 invest district money in obligations and make time deposits of  
19 district money in a manner determined by the board or in the manner  
20 permitted or required in a resolution or trust indenture  
21 authorizing or securing district bonds. (Acts 66th Leg., R.S., Ch.  
22 435, Sec. 21 (part).)

23           Sec. 6906.155. DISTRICT FACILITIES EXEMPT FROM TAXATION AND  
24 ASSESSMENT. The district is not required to pay a tax or assessment  
25 on its facilities or any part of its facilities. (Acts 66th Leg.,  
26 R.S., Ch. 435, Sec. 23 (part).)

27           [Sections 6906.156-6906.200 reserved for expansion]

SUBCHAPTER E. BONDS

1  
2           Sec. 6906.201. AUTHORITY TO ISSUE BONDS. (a) The district  
3 may issue bonds payable from and secured by district revenue to  
4 carry out any purpose or power conferred on the district by this  
5 chapter. The bonds must be authorized by a board resolution.

6           (b) The bonds must be issued in the manner and under the  
7 terms of the resolution authorizing the issuance of the bonds.  
8 (Acts 66th Leg., R.S., Ch. 435, Secs. 16(a) (part), (b) (part),  
9 (c).)

10          Sec. 6906.202. FORM OF BONDS. District bonds must be:

- 11           (1) issued in the district's name;  
12           (2) signed by the president or vice president; and  
13           (3) attested by the secretary. (Acts 66th Leg., R.S.,  
14 Ch. 435, Sec. 16(b) (part).)

15          Sec. 6906.203. MATURITY. District bonds must mature not  
16 later than 40 years after the date of their issuance. (Acts 66th  
17 Leg., R.S., Ch. 435, Sec. 16(b) (part).)

18          Sec. 6906.204. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

19 (a) District bonds may be secured by a pledge of all or part of the  
20 district's revenue, or by all or part of the payments or rentals  
21 under one or more contracts or leases specified by board resolution  
22 or a trust indenture securing the bonds.

23           (b) A resolution authorizing the issuance of bonds secured  
24 by a pledge of revenue of all or part of the district's facilities  
25 may provide that the district shall first pay the expenses of  
26 operating and maintaining all or part of the facilities as the board  
27 considers appropriate before paying the principal of and interest



1 on the bonds.

2 (c) A resolution authorizing the issuance of bonds secured  
3 by revenue, contract payments, or lease rentals may reserve to the  
4 district the right, under conditions specified by the resolution,  
5 to issue additional bonds that will be on a parity with, superior  
6 to, or subordinate to the bonds then being issued. (Acts 66th Leg.,  
7 R.S., Ch. 435, Sec. 16(d).)

8 Sec. 6906.205. ADDITIONAL SECURITY. (a) District bonds  
9 may be additionally secured, at the discretion of the board, by a  
10 deed of trust or mortgage lien on all or part of the district's  
11 physical property, facilities, easements, franchises, water rights  
12 and appropriation permits, leases, contracts, and all rights  
13 appurtenant to the property, vesting in the trustee power to:

- 14 (1) sell the property for the payment of the debt;  
15 (2) operate the property; and  
16 (3) take other action to further secure the bonds.

17 (b) A purchaser under a sale under the deed of trust lien, if  
18 one is given:

19 (1) is the absolute owner of the property, facilities,  
20 and rights purchased; and

21 (2) is entitled to maintain and operate the property,  
22 facilities, and rights. (Acts 66th Leg., R.S., Ch. 435, Sec. 18  
23 (part).)

24 Sec. 6906.206. TRUST INDENTURE. (a) District bonds,  
25 including refunding bonds, may be additionally secured by a trust  
26 indenture. The trustee may be a bank with trust powers located  
27 inside or outside the state.

1 (b) A trust indenture, regardless of the existence of a deed  
2 of trust or mortgage lien on the property, may:

3 (1) provide for the security of the bonds and the  
4 preservation of the trust estate in the manner prescribed by the  
5 board;

6 (2) provide for amendment or modification of the trust  
7 indenture;

8 (3) provide for the issuance of bonds to replace lost  
9 or mutilated bonds;

10 (4) condition the right to spend district money or  
11 sell district property on the approval of a licensed engineer  
12 selected as provided by the trust indenture; and

13 (5) provide for the investment of district money.  
14 (Acts 66th Leg., R.S., Ch. 435, Sec. 18 (part).)

15 Sec. 6906.207. CHARGES FOR DISTRICT SERVICES. If district  
16 bonds payable wholly from revenue are issued, the board shall set  
17 and revise the rates, fees, and charges assessed for water sold and  
18 waste collection and treatment services provided by the district.  
19 The rates, fees, and charges must be sufficient to:

20 (1) pay the expense of operating and maintaining the  
21 district facilities that generate the revenue from which the bonds  
22 will be paid;

23 (2) pay the principal of and interest on the bonds when due;  
24 and

25 (3) maintain the reserve fund and other funds as provided in  
26 the resolution authorizing the bonds. (Acts 66th Leg., R.S., Ch.  
27 435, Sec. 16(e) (part).)

1           Sec. 6906.208. STATE PLEDGE REGARDING RIGHTS AND REMEDIES  
2 OF BONDHOLDERS. Without depriving this state of its power to  
3 regulate and control the rates, fees, and charges assessed for  
4 water sold and waste collection and treatment services provided by  
5 the district, the state pledges to and agrees with the holders of  
6 district bonds that the state will not exercise its power to  
7 regulate and control the rates, fees, and charges in any way that  
8 would impair the rights or remedies of the holders of the bonds.  
9 (Acts 66th Leg., R.S., Ch. 435, Sec. 16(e) (part).)

10           Sec. 6906.209. USE OF BOND PROCEEDS. (a) The district may  
11 set aside an amount of proceeds from the sale of district bonds for:

12                   (1) the payment of interest expected to accrue during  
13 construction not to exceed three years;

14                   (2) a debt service reserve fund; and

15                   (3) other funds as may be provided in the resolution  
16 authorizing the bonds or in the trust indenture.

17           (b) The district may use proceeds from the sale of the bonds  
18 to pay any expense necessarily incurred in accomplishing the  
19 purpose of the district, including any expense of issuing and  
20 selling the bonds. (Acts 66th Leg., R.S., Ch. 435, Sec. 16(f).)

21           Sec. 6906.210. APPOINTMENT OF RECEIVER. (a) On default or  
22 threatened default in the payment of the principal of or interest on  
23 district bonds that are payable wholly or partly from revenue, a  
24 court may, on petition of the holders of outstanding bonds, appoint  
25 a receiver for the district.

26           (b) The receiver may collect and receive all district  
27 income, employ and discharge district agents and employees, take

1 charge of money on hand, and manage the proprietary affairs of the  
2 district without consent or hindrance by the board.

3 (c) The receiver may be authorized to sell or contract for  
4 the sale of water or the collection, processing, or disposal of  
5 waste or to renew contracts with the approval of the court that  
6 appointed the receiver.

7 (d) The court may vest the receiver with any other power or  
8 duty the court finds necessary to protect the bondholders. (Acts  
9 66th Leg., R.S., Ch. 435, Sec. 16(g) (part).)

10 Sec. 6906.211. REFUNDING BONDS. (a) The district may issue  
11 refunding bonds to refund outstanding district bonds and interest  
12 on those bonds.

13 (b) Refunding bonds may:

14 (1) be issued to refund bonds of more than one series;

15 (2) combine the pledges for the outstanding bonds for  
16 the security of the refunding bonds; or

17 (3) be secured by a pledge of other or additional  
18 revenue or mortgage liens.

19 (c) The provisions of this subchapter regarding the  
20 issuance of other bonds, their security, and the remedies of the  
21 holders apply to refunding bonds.

22 (d) The comptroller shall register the refunding bonds on  
23 the surrender and cancellation of the bonds to be refunded.

24 (e) Instead of issuing bonds to be registered on the  
25 surrender and cancellation of the bonds to be refunded, the  
26 district, in the resolution authorizing the issuance of the  
27 refunding bonds, may provide for the sale of the refunding bonds and

1 the deposit of the proceeds in a bank at which the bonds to be  
2 refunded are payable. In that case, the refunding bonds may be  
3 issued in an amount sufficient to pay the principal of and interest  
4 and any required redemption premium on the bonds to be refunded to  
5 any redemption date or to their maturity date, and the comptroller  
6 shall register the refunding bonds without the surrender and  
7 cancellation of the bonds to be refunded.

8 (f) The district may also issue refunding bonds under any  
9 other applicable law. (Acts 66th Leg., R.S., Ch. 435, Sec. 17.)

10 Sec. 6906.212. OTHER REMEDIES AND COVENANTS. The  
11 resolution authorizing the issuance of any district bonds,  
12 including refunding bonds, or the trust indenture securing the  
13 bonds, may provide other remedies and covenants the board considers  
14 necessary to issue the bonds on the most favorable terms. (Acts  
15 66th Leg., R.S., Ch. 435, Sec. 16(h).)

16 Sec. 6906.213. LIMITATION ON RIGHTS OF BONDHOLDERS. The  
17 resolution authorizing the bonds or the trust indenture securing  
18 the bonds may limit or qualify the rights of the holders of less  
19 than all of the outstanding bonds payable from the same source to  
20 institute or prosecute litigation affecting the district's  
21 property or income. (Acts 66th Leg., R.S., Ch. 435, Sec. 16(g)  
22 (part).)

23 Sec. 6906.214. BONDS EXEMPT FROM TAXATION. A district  
24 bond, the transfer of the bond, and the income from the bond,  
25 including profits made on the sale of the bond, are exempt from  
26 taxation in this state. (Acts 66th Leg., R.S., Ch. 435, Sec. 23  
27 (part).)

1 SECTION 1.07. Subtitle C, Title 6, Special District Local  
2 Laws Code, is amended by adding Chapters 7207 and 7208 to read as  
3 follows:

4 CHAPTER 7207. TARKINGTON SPECIAL UTILITY DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 7207.001. DEFINITIONS

7 Sec. 7207.002. NATURE OF DISTRICT

8 Sec. 7207.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

9 Sec. 7207.004. DISTRICT TERRITORY

10 [Sections 7207.005-7207.050 reserved for expansion]

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 7207.051. COMPOSITION OF BOARD; TERMS

13 Sec. 7207.052. DIRECTORS' ELECTION

14 [Sections 7207.053-7207.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 7207.101. SPECIAL UTILITY DISTRICT POWERS

17 Sec. 7207.102. GENERAL CONTRACT POWERS

18 Sec. 7207.103. WATER RIGHTS

19 Sec. 7207.104. WATER OR SEWER SYSTEM ACQUISITION OR

20 CONSTRUCTION

21 Sec. 7207.105. STANDARD SPECIFICATIONS FOR FACILITIES

22 Sec. 7207.106. REVENUE BONDS

23 CHAPTER 7207. TARKINGTON SPECIAL UTILITY DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 7207.001. DEFINITIONS. In this chapter:

26 (1) "Board" means the board of directors of the  
27 district.

1           (2) "Director" means a member of the board.

2           (3) "District" means the Tarkington Special Utility  
3 District. (Acts 76th Leg., R.S., Ch. 1321, Sec. 2; New.)

4           Sec. 7207.002. NATURE OF DISTRICT. The district is a  
5 conservation and reclamation district in Liberty County created  
6 under Section 59, Article XVI, Texas Constitution, as a special  
7 utility district. (Acts 76th Leg., R.S., Ch. 1321, Secs. 1(a)  
8 (part), (b) (part), 11(a) (part).)

9           Sec. 7207.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
10 The district is created to serve a public use and benefit.

11           (b) All land and other property in the district will benefit  
12 from the works and projects to be accomplished by the district under  
13 the powers conferred by Section 59, Article XVI, Texas  
14 Constitution.

15           (c) The creation of the district is essential to accomplish  
16 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
17 76th Leg., R.S., Ch. 1321, Secs. 1(b) (part), 5.)

18           Sec. 7207.004. DISTRICT TERRITORY. (a) The district is  
19 composed of the territory described by Section 3, Chapter 1321,  
20 Acts of the 76th Legislature, Regular Session, 1999, as that  
21 territory may have been modified under:

- 22           (1) Subchapter J, Chapter 49, Water Code;  
23           (2) Subchapter H, Chapter 65, Water Code; or  
24           (3) other law.

25           (b) The boundaries and field notes of the district form a  
26 closure. A mistake in the field notes or in copying the field notes  
27 in the legislative process does not affect:

1           (1) the district's organization, existence, or  
2 validity;

3           (2) the district's right to issue any type of bond for  
4 a purpose for which the district is created or to pay the principal  
5 of and interest on the bond; or

6           (3) the legality or operation of the district or its  
7 board. (New; Acts 76th Leg., R.S., Ch. 1321, Sec. 4.)

8           [Sections 7207.005-7207.050 reserved for expansion]

9                           SUBCHAPTER B. BOARD OF DIRECTORS

10          Sec. 7207.051. COMPOSITION OF BOARD; TERMS. (a) The  
11 district is governed by a board of seven directors.

12          (b) Directors serve staggered terms of four years. (Acts  
13 76th Leg., R.S., Ch. 1321, Secs. 7(a), (d).)

14          Sec. 7207.052. DIRECTORS' ELECTION. (a) An election shall  
15 be held in the district to elect the appropriate number of directors  
16 to the board on the uniform election date in May of each  
17 even-numbered year.

18          (b) The board may assign a position to each director's  
19 office. If positions are assigned, directors shall subsequently be  
20 elected by position and not at large. (Acts 76th Leg., R.S., Ch.  
21 1321, Sec. 10.)

22          [Sections 7207.053-7207.100 reserved for expansion]

23                           SUBCHAPTER C. POWERS AND DUTIES

24          Sec. 7207.101. SPECIAL UTILITY DISTRICT POWERS. The  
25 district has the rights, powers, privileges, functions, and duties  
26 provided by general law applicable to a special utility district  
27 created under Section 59, Article XVI, Texas Constitution,



1 including those provided by Chapters 49 and 65, Water Code. (Acts  
2 76th Leg., R.S., Ch. 1321, Sec. 6(a) (part).)

3 Sec. 7207.102. GENERAL CONTRACT POWERS. The district may  
4 contract for:

5 (1) purchasing or selling raw or treated water;

6 (2) transporting, treating, or disposing of the  
7 district's domestic, industrial, or communal waste;

8 (3) transporting, treating, or disposing of domestic,  
9 industrial, or communal waste of others as provided by Chapter 30,  
10 Water Code;

11 (4) purchasing, leasing, using, managing,  
12 controlling, or operating a water treatment or distribution  
13 facility or a sewer collection and treatment facility, including  
14 all or part of a facility or system owned by another political  
15 subdivision; or

16 (5) planning, surveying, investigating, or preparing  
17 a report of any kind. (Acts 76th Leg., R.S., Ch. 1321, Sec. 11(b).)

18 Sec. 7207.103. WATER RIGHTS. The district may acquire,  
19 develop, and use rights to groundwater or surface water. (Acts 76th  
20 Leg., R.S., Ch. 1321, Sec. 11(c).)

21 Sec. 7207.104. WATER OR SEWER SYSTEM ACQUISITION OR  
22 CONSTRUCTION. (a) In this section, "system" means a water system,  
23 sewer system, or water and sewer system.

24 (b) The district may:

25 (1) acquire a system that serves all or part of the  
26 territory located inside or outside the district;

27 (2) construct a system; or

1           (3) improve or extend a system the district acquires.

2           (c) A construction contract is governed by the competitive  
3 bidding requirements of the Water Code.

4           (d) An existing contract for the acquisition of a water or  
5 sewer facility may be made on terms agreed to by the parties. (Acts  
6 76th Leg., R.S., Ch. 1321, Sec. 13.)

7           Sec. 7207.105. STANDARD SPECIFICATIONS FOR FACILITIES. (a)  
8 The district by rule may establish standard specifications for  
9 facilities designed or constructed to:

10           (1) store, treat, or transport water for domestic,  
11 municipal, or industrial purposes;

12           (2) collect, treat, and dispose of sewage; or

13           (3) dispose of solid waste.

14           (b) The board shall hold a public hearing on the adoption of  
15 standards for district facilities. The board shall give notice of  
16 the hearing to the Texas Commission on Environmental Quality and  
17 shall publish notice of the hearing in a newspaper with general  
18 circulation in the district not later than the 10th day before the  
19 date set for the hearing.

20           (c) An appeal of an order adopting standard specifications  
21 may be made to a district court of Liberty County. The substantial  
22 evidence rule applies to the appeal.

23           (d) The district may seek an injunction against the  
24 construction of, addition to, or operation of a facility in the  
25 district's jurisdiction if the construction, addition, or  
26 operation does not comply with the district's standard  
27 specifications.

1 (e) A specification adopted under this section does not  
2 apply inside the boundaries or extraterritorial jurisdiction of a  
3 municipality unless the governing body of the municipality by  
4 resolution gives its approval.

5 (f) The district shall file the standard specifications  
6 with the Texas Commission on Environmental Quality. (Acts 76th  
7 Leg., R.S., Ch. 1321, Sec. 12.)

8 Sec. 7207.106. REVENUE BONDS. (a) The district may issue  
9 bonds to provide for improvements and the maintenance of those  
10 improvements necessary to achieve the purposes of Section 59,  
11 Article XVI, Texas Constitution.

12 (b) The district shall provide for the payment of the bonds  
13 solely through revenue collected to pay the bonds as authorized by  
14 Chapter 65, Water Code. (Acts 76th Leg., R.S., Ch. 1321, Sec. 11(a)  
15 (part).)

16 CHAPTER 7208. PARKER COUNTY UTILITY DISTRICT NO. 1

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 7208.001. DEFINITIONS

19 Sec. 7208.002. NATURE OF DISTRICT

20 Sec. 7208.003. PURPOSE

21 Sec. 7208.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

22 Sec. 7208.005. DISTRICT TERRITORY

23 Sec. 7208.006. EXISTING OBLIGATIONS AND RIGHTS OF

24 OTHER ENTITIES PRESERVED

25 [Sections 7208.007-7208.050 reserved for expansion]

26 SUBCHAPTER B. ADDING TERRITORY OR NEW MEMBER ENTITIES

27 Sec. 7208.051. ADDING TERRITORY OF MEMBER ENTITIES

- 1 Sec. 7208.052. ADDING NEW MEMBER ENTITIES  
2 Sec. 7208.053. APPOINTMENT OF DIRECTORS BY NEW MEMBER  
3 ENTITY  
4 [Sections 7208.054-7208.100 reserved for expansion]  
5 SUBCHAPTER C. BOARD OF DIRECTORS  
6 Sec. 7208.101. GOVERNING BODY  
7 Sec. 7208.102. TERMS  
8 Sec. 7208.103. APPOINTMENT OF DIRECTORS  
9 Sec. 7208.104. QUALIFICATIONS FOR OFFICE  
10 Sec. 7208.105. EX OFFICIO DIRECTORS  
11 Sec. 7208.106. VACANCY  
12 Sec. 7208.107. REMOVAL FROM OFFICE  
13 Sec. 7208.108. COMPENSATION; EXPENSES  
14 Sec. 7208.109. OFFICERS  
15 Sec. 7208.110. MEETINGS  
16 Sec. 7208.111. QUORUM  
17 Sec. 7208.112. VOTING REQUIREMENTS  
18 Sec. 7208.113. CONFLICT OF INTEREST  
19 Sec. 7208.114. DISTRICT EMPLOYEES  
20 Sec. 7208.115. BYLAWS  
21 Sec. 7208.116. CUSTOMER ADVISORY COUNCIL  
22 [Sections 7208.117-7208.150 reserved for expansion]  
23 SUBCHAPTER D. POWERS AND DUTIES  
24 Sec. 7208.151. GENERAL POWERS AND DUTIES OF DISTRICT  
25 Sec. 7208.152. RULES  
26 Sec. 7208.153. RULES RELATING TO WATER QUALITY  
27 Sec. 7208.154. GENERAL WASTE AND WATER POWERS

- 1 Sec. 7208.155. PERMITS
- 2 Sec. 7208.156. GENERAL CONTRACTING AUTHORITY
- 3 Sec. 7208.157. CONTRACTS WITH DISTRICT FOR WASTEWATER
- 4 AND OTHER UTILITY SERVICES
- 5 Sec. 7208.158. AUTHORITY OF OTHER ENTITIES TO CONTRACT
- 6 WITH DISTRICT
- 7 Sec. 7208.159. JOINT AGREEMENTS
- 8 Sec. 7208.160. WASTEWATER AND OTHER NECESSARY
- 9 UTILITIES AND SERVICES
- 10 Sec. 7208.161. CONSTRUCTION OR ACQUISITION OF WORKS
- 11 AND FACILITIES
- 12 Sec. 7208.162. WASTE DISPOSAL SYSTEMS
- 13 Sec. 7208.163. SERVICES PROVIDED OUTSIDE SERVICE AREA
- 14 Sec. 7208.164. RIGHT OF EMINENT DOMAIN
- 15 Sec. 7208.165. COSTS OF RELOCATING OR ALTERING
- 16 PROPERTY
- 17 Sec. 7208.166. REGULATORY POWER OF MUNICIPALITIES
- 18 Sec. 7208.167. STATE SUPERVISION
- 19 Sec. 7208.168. RIGHTS AND DUTIES ASSUMED ON CREATION
- 20 OF DISTRICT
- 21 [Sections 7208.169-7208.200 reserved for expansion]
- 22 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
- 23 Sec. 7208.201. AUDITS
- 24 Sec. 7208.202. DEPOSITORY
- 25 Sec. 7208.203. INVESTMENT OF DISTRICT MONEY
- 26 Sec. 7208.204. RATES, FEES, CHARGES, AND RENTALS
- 27 Sec. 7208.205. ADMINISTRATION AND PLANNING COSTS FEE

1 Sec. 7208.206. IMPOSITION OF AD VALOREM TAXES

2 PROHIBITED

3 Sec. 7208.207. DISTRICT PROPERTY AND PROJECTS EXEMPT

4 FROM TAXATION AND ASSESSMENT

5 [Sections 7208.208-7208.250 reserved for expansion]

6 SUBCHAPTER F. BONDS

7 Sec. 7208.251. AUTHORITY TO ISSUE BONDS

8 Sec. 7208.252. ELECTION NOT REQUIRED

9 Sec. 7208.253. BONDS EXEMPT FROM TAXATION

10 Sec. 7208.254. PAYMENT AND SECURITY

11 Sec. 7208.255. MATURITY

12 Sec. 7208.256. INTEREST RATE

13 Sec. 7208.257. ADDITIONAL BONDS

14 Sec. 7208.258. USE OF BOND PROCEEDS

15 Sec. 7208.259. NEGOTIABLE INSTRUMENTS

16 CHAPTER 7208. PARKER COUNTY UTILITY DISTRICT NO. 1

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 7208.001. DEFINITIONS. In this chapter:

19 (1) "Board" means the board of directors of the  
20 district.

21 (2) "Bond" means any interest-bearing obligation,  
22 including a bond, note, debenture, certificate, warrant, security,  
23 interim certificate or receipt, or other evidence of debt issued by  
24 the district, whether general or special, negotiable or  
25 nonnegotiable in form, in bearer or registered form, temporary or  
26 permanent in form, or with or without interest coupons.

27 (3) "Customer" means a wholesale user of wastewater or

1 other services provided by the district.

2 (4) "Director" means a member of the board.

3 (5) "District" means the Parker County Utility  
4 District No. 1.

5 (6) "Local government" means a municipality, a county,  
6 or an entity created under Section 52, Article III, or Section 59,  
7 Article XVI, Texas Constitution.

8 (7) "Member entity" means a public entity or private  
9 utility entity that:

10 (A) provides retail utility service or regulates  
11 water, wastewater, sewage, or solid waste in the district; and

12 (B) enters into a contract with the district for  
13 service.

14 (8) "Participant entity" means a public entity or  
15 private utility entity that:

16 (A) provides utility service inside the  
17 boundaries of the entity; and

18 (B) contracts with the district for the  
19 construction of and payment for wastewater or other utility service  
20 projects to be financed or provided by the district.

21 (9) "Service area" means the territory inside the  
22 district and inside the corporate limits or defined boundaries of  
23 all member entities, participant entities, and customers of the  
24 district, including the areas served by the member entities,  
25 participant entities, and customers. (Acts 75th Leg., R.S., Ch.  
26 1273, Secs. 1.02(1), (2), (3), (4), (5), (6), (7), (8), (10).)

27 Sec. 7208.002. NATURE OF DISTRICT. The district is a

1 regional wastewater district created under Section 59, Article XVI,  
2 Texas Constitution, and is essential to accomplish the purposes of  
3 that provision. (Acts 75th Leg., R.S., Ch. 1273, Sec. 1.01.)

4 Sec. 7208.003. PURPOSE. The district is created to:

5 (1) purchase, own, hold, lease, or otherwise acquire  
6 wastewater collection facilities;

7 (2) build, operate, and maintain facilities to treat  
8 and transport wastewater;

9 (3) protect, preserve, and restore the purity and  
10 sanitary condition of water in the district; and

11 (4) provide other utilities in the district if the  
12 utilities are not otherwise provided. (Acts 75th Leg., R.S., Ch.  
13 1273, Sec. 1.03.)

14 Sec. 7208.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
15 All land and other property included in the district will benefit  
16 from the improvements, works, and projects that are to be  
17 accomplished by the district under the powers conferred by this  
18 chapter and Section 59, Article XVI, Texas Constitution.

19 (b) The district benefits the state by:

20 (1) contributing to economic development and  
21 diversification;

22 (2) decreasing the rates of unemployment and  
23 underemployment;

24 (3) stimulating agricultural innovation;

25 (4) fostering enterprise growth based on agriculture;  
26 and

27 (5) contributing to the development or expansion of



1 transportation and commerce.

2 (c) The accomplishment of the purposes of the district  
3 benefits the people, property, and industry of the state. The  
4 district is performing an essential public function under the Texas  
5 Constitution by accomplishing the purposes of the district. (Acts  
6 75th Leg., R.S., Ch. 1273, Secs. 1.06, 1.07, 4.03 (part).)

7 Sec. 7208.005. DISTRICT TERRITORY. (a) The district is  
8 composed of the territory described by Section 1.04, Chapter 1273,  
9 Acts of the 75th Legislature, Regular Session, 1997, as that  
10 territory may have been modified under:

11 (1) Subchapter B or its predecessor statutes, Sections  
12 2.17 and 6.01, Chapter 1273, Acts of the 75th Legislature, Regular  
13 Session, 1997;

14 (2) Subchapter J, Chapter 49, Water Code;

15 (3) Subchapter H, Chapter 54, Water Code;

16 (4) Subchapter H, Chapter 65, Water Code; or

17 (5) other law.

18 (b) The boundaries and field notes of the district form a  
19 closure. A mistake in the field notes or in copying the field notes  
20 in the legislative process does not affect:

21 (1) the district's organization, existence, or  
22 validity; or

23 (2) the legality or operation of the district or its  
24 board. (Acts 75th Leg., R.S., Ch. 1273, Sec. 1.05; New.)

25 Sec. 7208.006. EXISTING OBLIGATIONS AND RIGHTS OF OTHER  
26 ENTITIES PRESERVED. This chapter does not alter any existing  
27 permit, contract, or other obligation or impair the right of any

1 entity to own, operate, maintain, or otherwise use, provide, or  
2 control water, wastewater, solid waste, or liquid waste under the  
3 entity's governing law. (Acts 75th Leg., R.S., Ch. 1273, Sec.  
4 3.02(e).)

5 [Sections 7208.007-7208.050 reserved for expansion]

6 SUBCHAPTER B. ADDING TERRITORY OR NEW MEMBER ENTITIES

7 Sec. 7208.051. ADDING TERRITORY OF MEMBER ENTITIES. On  
8 request by a member entity, the district boundaries may be expanded  
9 to include additional or the remaining territory of the member  
10 entity if:

11 (1) the boundaries of the member entity are contiguous  
12 to the district boundaries; and

13 (2) the requested expansion is approved by a  
14 three-fourths majority vote of the board. (Acts 75th Leg., R.S.,  
15 Ch. 1273, Sec. 2.17.)

16 Sec. 7208.052. ADDING NEW MEMBER ENTITIES. (a) On receipt  
17 of a petition submitted by the governing body of a local government,  
18 another political subdivision, or a private entity, including a  
19 water supply corporation, the board may add a member entity to the  
20 district as provided by this section.

21 (b) A petition must be submitted in the manner and form  
22 required by the district bylaws.

23 (c) On receipt of a petition, the board shall give notice  
24 and hold a hearing on the petition to determine if adding the member  
25 entity to the district:

26 (1) will benefit the territory or service area in the  
27 member entity; and

1 (2) is in the best interests of the district.

2 (d) If the board determines that the proposed member entity  
3 should be added to the district, the board shall issue an order:

4 (1) adding the proposed member entity and its  
5 territory or service area to the district;

6 (2) making the member entity and its territory or  
7 service area subject to the privileges, duties, assets, and  
8 financial obligations of the district in the same manner as other  
9 member entities; and

10 (3) requiring the member entity to reimburse the  
11 existing member entities or directly reimburse the district an  
12 amount that is an equitable pro rata share of the costs paid by the  
13 existing member entities or the district in creating and operating  
14 the district. (Acts 75th Leg., R.S., Ch. 1273, Sec. 6.01.)

15 Sec. 7208.053. APPOINTMENT OF DIRECTORS BY NEW MEMBER  
16 ENTITY. If the board issues an order under Section 7208.052(d)  
17 adding a member entity to the district, the governing body of the  
18 member entity shall appoint the appropriate number of directors to  
19 the board as provided by Section 7208.103. (Acts 75th Leg., R.S.,  
20 Ch. 1273, Sec. 6.02.)

21 [Sections 7208.054-7208.100 reserved for expansion]

22 SUBCHAPTER C. BOARD OF DIRECTORS

23 Sec. 7208.101. GOVERNING BODY. The district is governed by  
24 a board of directors. The board has exclusive authority to manage  
25 the district. (Acts 75th Leg., R.S., Ch. 1273, Secs. 2.01(a),  
26 2.07.)

27 Sec. 7208.102. TERMS. Directors serve staggered four-year

1 terms beginning May 1 of the year in which the director is  
2 appointed. (Acts 75th Leg., R.S., Ch. 1273, Secs. 2.01(h) (part),  
3 (i) (part).)

4 Sec. 7208.103. APPOINTMENT OF DIRECTORS. (a) Not earlier  
5 than April 1 or later than April 30 of each year, the appropriate  
6 number of directors, if any, shall be appointed to the board as  
7 provided by Subsection (b).

8 (b) Each member entity shall appoint:

9 (1) one director if the number of member entities is at  
10 least six;

11 (2) two directors if the number of member entities is  
12 at least three but less than six;

13 (3) three directors if there are two member entities;  
14 or

15 (4) six directors if there is one member entity.

16 (c) A participant entity or customer may not appoint a  
17 director.

18 (d) The appointment of a director is not valid unless the  
19 appointment is made as provided by this subchapter. (Acts 75th  
20 Leg., R.S., Ch. 1273, Secs. 2.01(f), (g), (l), (m).)

21 Sec. 7208.104. QUALIFICATIONS FOR OFFICE. A person is  
22 qualified to serve as a director if the person:

23 (1) is at least 18 years of age;

24 (2) is a qualified voter who resides in the district;

25 (3) qualifies to serve as a director by taking the oath  
26 of office;

27 (4) is eligible to serve as a director under

1 Subchapter C, Chapter 49, Water Code, except as otherwise provided  
2 by this section; and

3 (5) verifies compliance with the requirements of this  
4 section. (Acts 75th Leg., R.S., Ch. 1273, Sec. 2.03.)

5 Sec. 7208.105. EX OFFICIO DIRECTORS. (a) The county judge  
6 of Parker County, or a person designated by that judge, serves as an  
7 ex officio director. An ex officio director may vote on any matter  
8 considered by the board.

9 (b) The board may appoint or elect other ex officio  
10 directors and provide for the powers and duties of ex officio  
11 directors in the bylaws or rules of the district. (Acts 75th Leg.,  
12 R.S., Ch. 1273, Secs. 2.01(d), 2.06.)

13 Sec. 7208.106. VACANCY. (a) Any time after a board vacancy  
14 occurs, the governing body of the appropriate member entity shall  
15 fill the vacancy by appointment.

16 (b) The member entity shall provide notice of the  
17 appointment to the board not later than six hours before the first  
18 board meeting following the appointment.

19 (c) The appointment is effective on the date notice is  
20 received by the board. If the notice is not provided, the  
21 appointment is not effective until after the first board meeting  
22 following the appointment. (Acts 75th Leg., R.S., Ch. 1273, Sec.  
23 2.01(k).)

24 Sec. 7208.107. REMOVAL FROM OFFICE. A director may be  
25 removed for any reason:

26 (1) by the governing body of the member entity that  
27 appointed the director; or

1           (2) if three-fourths of the directors vote to remove  
2 the director. (Acts 75th Leg., R.S., Ch. 1273, Sec. 2.02.)

3           Sec. 7208.108. COMPENSATION; EXPENSES. (a) Except as  
4 provided by Subsection (b), a director may not receive compensation  
5 for serving on the board.

6           (b) A director may receive reimbursement for travel or other  
7 expenses reasonably incurred by the director while acting on behalf  
8 of the district. The board may adopt reasonable policies governing  
9 the reimbursement of director expenses, including a requirement  
10 that the director provide written verification of expenses. (Acts  
11 75th Leg., R.S., Ch. 1273, Sec. 2.05.)

12           Sec. 7208.109. OFFICERS. (a) Each year at the first board  
13 meeting following the appointment of directors under Section  
14 7208.103, the board shall elect from its members a president, a vice  
15 president, a secretary, a treasurer, and any other officer the  
16 board determines is necessary.

17           (b) The president is the chief executive officer of the  
18 district.

19           (c) The vice president may perform the duties and exercise  
20 the powers of the president if the president is absent or fails,  
21 refuses, or is unable to act.

22           (d) The board secretary or an assistant secretary:

23               (1) shall keep a record of the minutes of board  
24 meetings;

25               (2) shall maintain the official district records; and

26               (3) may certify the accuracy and authenticity of any  
27 actions, proceedings, minutes, or records of the board or the

1 district.

2 (e) The board may provide for additional powers and duties  
3 of elected officers in the district bylaws.

4 (f) Officers serve until the election of new officers.  
5 (Acts 75th Leg., R.S., Ch. 1273, Secs. 2.09(a) (part), (c), (d),  
6 2.10.)

7 Sec. 7208.110. MEETINGS. The board shall hold regular and,  
8 if necessary, special and emergency board meetings. The board shall  
9 hold board meetings at a time and place specified in the district  
10 bylaws. (Acts 75th Leg., R.S., Ch. 1273, Secs. 2.08(a) (part),  
11 (c).)

12 Sec. 7208.111. QUORUM. (a) A quorum of the directors is  
13 required to be present at a board meeting for the board to conduct  
14 district business.

15 (b) The board shall specify in the district bylaws the  
16 number of directors that constitute a quorum. A quorum may not be  
17 less than a majority of the directors serving on the board. (Acts  
18 75th Leg., R.S., Ch. 1273, Sec. 2.14(a).)

19 Sec. 7208.112. VOTING REQUIREMENTS. (a) The board shall  
20 specify in the district bylaws the number of votes necessary to  
21 approve a matter considered by the board. The number of votes  
22 specified may not be less than a majority of the directors present  
23 at the meeting at which the matter is being considered.

24 (b) A director, including the president, may vote on any  
25 matter considered by the board, including a matter authorizing a  
26 financial commitment to a capital project. This subsection applies  
27 even if the director was appointed by a member entity that is not

1 participating in the project being considered by the board. (Acts  
2 75th Leg., R.S., Ch. 1273, Secs. 2.04, 2.14(b).)

3 Sec. 7208.113. CONFLICT OF INTEREST. District directors  
4 and officers are subject to Chapter 572, Government Code. (Acts  
5 75th Leg., R.S., Ch. 1273, Sec. 2.12.)

6 Sec. 7208.114. DISTRICT EMPLOYEES. The board may appoint  
7 and employ any person that the board determines is necessary to  
8 conduct the affairs of the district, including a general manager,  
9 engineer, attorney, financial advisor, accountant, or other  
10 consultant. (Acts 75th Leg., R.S., Ch. 1273, Sec. 2.11.)

11 Sec. 7208.115. BYLAWS. The board shall adopt bylaws to  
12 govern matters of the district. (Acts 75th Leg., R.S., Ch. 1273,  
13 Sec. 2.08(a) (part).)

14 Sec. 7208.116. CUSTOMER ADVISORY COUNCIL. (a) The board  
15 may establish a customer advisory council that consists of one  
16 representative of each customer of the district.

17 (b) A representative serving on the customer advisory  
18 council:

19 (1) has the powers and duties provided in the bylaws  
20 and rules of the district; and

21 (2) may not vote on any matter considered by the board.

22 (c) The board may abolish the customer advisory council.  
23 (Acts 75th Leg., R.S., Ch. 1273, Sec. 2.15.)

24 [Sections 7208.117-7208.150 reserved for expansion]

25 SUBCHAPTER D. POWERS AND DUTIES

26 Sec. 7208.151. GENERAL POWERS AND DUTIES OF DISTRICT.

27 Except as provided by Sections 7208.167 and 7208.206, the district



1 has all the rights, powers, privileges, functions, and duties:

2 (1) provided by general law, including Chapters 49,  
3 54, and 65, Water Code; and

4 (2) conferred by Section 59, Article XVI, Texas  
5 Constitution. (Acts 75th Leg., R.S., Ch. 1273, Sec. 1.08(a)  
6 (part).)

7 Sec. 7208.152. RULES. The board may adopt and enforce  
8 reasonable rules to exercise the powers and perform the duties of  
9 the district as provided by this chapter. (Acts 75th Leg., R.S.,  
10 Ch. 1273, Sec. 2.18.)

11 Sec. 7208.153. RULES RELATING TO WATER QUALITY. (a) The  
12 district may adopt and enforce rules relating to protection of the  
13 quality of water flowing to or from the areas in or surrounding a  
14 lake, reservoir, or other source of water supply owned, operated,  
15 or controlled by the district.

16 (b) A rule adopted by the district under this section must:

17 (1) relate to:

18 (A) preventing waste or unauthorized use of water  
19 controlled by the district; or

20 (B) regulating privileges on land, a reservoir,  
21 or an easement owned or controlled by the district; and

22 (2) be consistent with rules of the state. (Acts 75th  
23 Leg., R.S., Ch. 1273, Sec. 3.09.)

24 Sec. 7208.154. GENERAL WASTE AND WATER POWERS. The  
25 district may:

26 (1) provide for:

27 (A) the collection, construction, improvement,

1 maintenance, and operation of wholesale wastewater and water  
2 systems and treatment works necessary to provide wholesale service  
3 to customers; and

4 (B) the acquisition, construction, improvement,  
5 and maintenance of a water supply or reservoir, or an interest in a  
6 water supply or reservoir, necessary to exercise and fulfill the  
7 powers and duties of the district;

8 (2) supply water for municipal, domestic, and  
9 industrial or other beneficial uses or controls;

10 (3) collect, treat, process, dispose of, and control  
11 all domestic or industrial wastes, whether in fluid, solid, or  
12 composite state;

13 (4) gather, conduct, divert, control, and treat local  
14 storm water or local harmful excesses of water in the district; and

15 (5) irrigate and alter land elevations in the district  
16 as needed. (Acts 75th Leg., R.S., Ch. 1273, Sec. 3.05.)

17 Sec. 7208.155. PERMITS. The district may acquire a water  
18 appropriation or other necessary permit from the state or a permit  
19 owner. (Acts 75th Leg., R.S., Ch. 1273, Sec. 3.12(c).)

20 Sec. 7208.156. GENERAL CONTRACTING AUTHORITY. (a) If  
21 necessary to exercise the powers and accomplish the purposes of the  
22 district, the district may contract with the United States, a  
23 municipality, a county, a water supply corporation, an entity  
24 created under Section 52, Article III, or Section 59, Article XVI,  
25 Texas Constitution, or another public or private entity.

26 (b) The district may contract for the acquisition, rental,  
27 lease, or operation of wastewater or water facilities owned or

1 operated by the party contracting with the district.

2 (c) A contract that requires payment of money by the  
3 district may be satisfied from any general or specific source of  
4 district money as determined by the board. (Acts 75th Leg., R.S.,  
5 Ch. 1273, Secs. 3.12(a), (b), (d).)

6 Sec. 7208.157. CONTRACTS WITH DISTRICT FOR WASTEWATER AND  
7 OTHER UTILITY SERVICES. (a) Except as provided by Subsection (b),  
8 this chapter does not require a customer or prospective customer of  
9 the district to secure wastewater or other utility service from the  
10 district unless the customer or prospective customer contracts with  
11 the district for that purpose.

12 (b) A customer or prospective customer is required to secure  
13 wastewater or other utility service from the district if:

14 (1) the customer or prospective customer is not  
15 receiving the service from another source; and

16 (2) the district provides the service or determines  
17 that the district will make the service available to the customer or  
18 prospective customer.

19 (c) If a customer contracts with the district to secure  
20 wastewater or other utility service from the district, a user of the  
21 service under the contract must connect to the district's service  
22 system if:

23 (1) the user is located inside the boundaries of the  
24 customer; and

25 (2) the district's system is available for connection  
26 at or near the property line of the user.

27 (d) A contract under this section may authorize the district

1 to:

2 (1) require the customer to terminate service provided  
3 to a user who fails or refuses to pay for that service after  
4 providing notice as required by law;

5 (2) terminate service provided to a customer or user  
6 who fails or refuses to pay for that service after providing notice  
7 as required by law; and

8 (3) terminate other utility services provided to a  
9 customer or user if the customer or user fails or refuses to pay for  
10 any service provided by the district after providing notice as  
11 required by law. (Acts 75th Leg., R.S., Ch. 1273, Secs. 3.02(a),  
12 (b), (c), (d).)

13 Sec. 7208.158. AUTHORITY OF OTHER ENTITIES TO CONTRACT WITH  
14 DISTRICT. (a) A municipality, county, public agency, or political  
15 subdivision of the state, an entity created under Section 52,  
16 Article III, or Section 59, Article XVI, Texas Constitution, or a  
17 water supply corporation may contract with the district if the  
18 entity is conducting business wholly or partly inside the district.

19 (b) The governing body of an entity that contracts with the  
20 district under this section may pledge to the payment of the  
21 contract any source of revenue available to the governing body,  
22 including revenue from ad valorem taxes.

23 (c) If an entity under this section pledges to the payment  
24 of a contract money from the entity's water system, wastewater  
25 system, or combined water and wastewater system, the payments are  
26 an operating expense of that system. (Acts 75th Leg., R.S., Ch.  
27 1273, Sec. 3.13.)

1           Sec. 7208.159. JOINT AGREEMENTS. To accomplish the  
2 objectives and exercise the powers of the district, the district  
3 may enter into a joint agreement or contract with a water supply  
4 corporation, a municipality, an entity created under Section 52,  
5 Article III, or Section 59, Article XVI, Texas Constitution, a  
6 county, a political subdivision of the state, the state, or another  
7 private or public entity. (Acts 75th Leg., R.S., Ch. 1273, Sec.  
8 3.15 (part).)

9           Sec. 7208.160. WASTEWATER AND OTHER NECESSARY UTILITIES AND  
10 SERVICES. (a) The district may provide wastewater collection,  
11 treatment, or service in the district.

12           (b) The district may own, operate, and provide other  
13 necessary utilities and services in the district, including raw  
14 water, potable water, water distribution and treatment, solid waste  
15 collection and disposal, fire, police, and ambulance services, if:

16                 (1) the right to own, operate, or provide the utility  
17 or service has not been conveyed to another entity; or

18                 (2) the entity to which the right has been conveyed  
19 agrees to sell, cede, or otherwise convey to the district the right  
20 to own, operate, or provide the utility or service.

21           (c) Subsection (b) does not require the district to own,  
22 operate, or provide other necessary utilities or services in the  
23 district unless the district is required to own, operate, or  
24 provide the utility or service under a permit, certificate, or  
25 license issued by the state. (Acts 75th Leg., R.S., Ch. 1273, Sec.  
26 3.01.)

27           Sec. 7208.161. CONSTRUCTION OR ACQUISITION OF WORKS AND

1 FACILITIES. The district may plan, lay out, construct, acquire,  
2 own, operate, maintain, repair, improve, or contract for, inside or  
3 outside the district, any works, improvements, facilities, plants,  
4 equipment, and appliances, including any administrative property  
5 and facilities, any permits, franchises, licenses, or contract or  
6 property rights, and any levees, drains, waterways, lakes,  
7 reservoirs, channels, conduits, sewers, dams, storm water  
8 detention facilities, treatment plants, or other similar  
9 facilities and improvements, whether for municipal, industrial,  
10 agricultural, flood control, or related purposes, that are  
11 necessary, helpful, or incidental to the exercise of any right,  
12 power, privilege, or function provided by this chapter. (Acts 75th  
13 Leg., R.S., Ch. 1273, Sec. 3.03.)

14 Sec. 7208.162. WASTE DISPOSAL SYSTEMS. (a) The district  
15 may establish, acquire, operate, or maintain a regional solid waste  
16 disposal system or a nonhazardous liquid waste disposal system.

17 (b) If the district establishes a disposal system under  
18 this section, the district shall provide services from the system  
19 to:

20 (1) users as determined by the board if the services  
21 are provided inside the district's service area; and

22 (2) customers if the services are provided outside the  
23 district's service area. (Acts 75th Leg., R.S., Ch. 1273, Sec.  
24 3.08.)

25 Sec. 7208.163. SERVICES PROVIDED OUTSIDE SERVICE AREA. The  
26 district may provide services outside the district's service area  
27 as provided by state law. (Acts 75th Leg., R.S., Ch. 1273, Sec.

1 3.07.)

2           Sec. 7208.164. RIGHT OF EMINENT DOMAIN. (a) The district  
3 may acquire by eminent domain land, an easement, a right-of-way, or  
4 other property or improvement inside or outside the district if  
5 necessary or appropriate in exercising the powers and performing  
6 the functions of the district.

7           (b) The district may exercise the power of eminent domain as  
8 provided by state law, including Chapter 21, Property Code, except  
9 that the district is not required to comply with Section 21.021(a),  
10 Property Code, during the pendency of the subject litigation.

11           (c) In a condemnation proceeding brought by the district,  
12 the district is not required to:

13                   (1) pay in advance or give bond or other security for  
14 costs;

15                   (2) give bond for the issuance of a temporary  
16 restraining order or a temporary injunction; or

17                   (3) give bond for costs or supersedeas on an appeal or  
18 writ of error.

19           (d) The district may not exercise the power of eminent  
20 domain to acquire:

21                   (1) property located in the existing corporate limits  
22 of a municipality that is located wholly or partly inside the  
23 district unless the governing body of the municipality in which the  
24 property is located consents by resolution to the acquisition of  
25 the property;

26                   (2) property located outside the district to be used  
27 as a water supply reservoir unless the county in which the reservoir

1 is to be located consents;

2 (3) property owned by a county, a municipality, an  
3 entity created by special act of the legislature under Section 52,  
4 Article III, or Section 59, Article XVI, Texas Constitution, a  
5 political subdivision of the state, or an agency or instrumentality  
6 of a county or municipality; or

7 (4) a waterworks system or a wastewater system owned  
8 by a municipality, an entity created by special act of the  
9 legislature under Section 52, Article III, or Section 59, Article  
10 XVI, Texas Constitution, a political subdivision of the state, a  
11 private party, or a nonprofit corporation. (Acts 75th Leg., R.S.,  
12 Ch. 1273, Secs. 3.06(a), (b), (c), (d).)

13 Sec. 7208.165. COSTS OF RELOCATING OR ALTERING PROPERTY.  
14 If the district exercises the power of eminent domain and requires  
15 relocating, raising, lowering, rerouting, changing the grade of, or  
16 altering the construction of any railroad, highway, pipeline, or  
17 electric transmission and electric distribution, telegraph, or  
18 telephone lines, conduits, poles, or facilities, the district shall  
19 pay the cost of relocating, raising, lowering, rerouting, changing  
20 the grade, or altering the construction that equals the comparable  
21 replacement cost without enhancement of facilities minus the net  
22 salvage value derived from the old facility. (Acts 75th Leg., R.S.,  
23 Ch. 1273, Sec. 3.06(e).)

24 Sec. 7208.166. REGULATORY POWER OF MUNICIPALITIES. The  
25 district and the land in the district are subject to any ordinance,  
26 code, resolution, or rule, including any platting or zoning  
27 requirement, of a municipality that has jurisdiction over territory



1 in the district. (Acts 75th Leg., R.S., Ch. 1273, Sec. 3.11.)

2       Sec. 7208.167. STATE SUPERVISION. (a) The rights, powers,  
3 privileges, functions, and duties of the district are subject to  
4 the continuing right of supervision by this state exercised by the  
5 Texas Commission on Environmental Quality.

6       (b) Except as otherwise provided by this chapter or other  
7 law, the district may exercise the rights, powers, privileges,  
8 functions, and duties conferred by this chapter without obtaining  
9 approval from the Texas Commission on Environmental Quality. (Acts  
10 75th Leg., R.S., Ch. 1273, Sec. 1.08(c).)

11       Sec. 7208.168. RIGHTS AND DUTIES ASSUMED ON CREATION OF  
12 DISTRICT. The district may succeed to and assume the rights,  
13 privileges, and duties, including contractual obligations, of the  
14 Walnut Creek Special Utility District and the City of Springtown  
15 relating to the creation of the district. (Acts 75th Leg., R.S.,  
16 Ch. 1273, Sec. 4.02(b).)

17       [Sections 7208.169-7208.200 reserved for expansion]

18                   SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

19       Sec. 7208.201. AUDITS. All funds and accounts of the  
20 district shall be audited by an independent auditor. The district  
21 shall maintain a copy of the audit in the district's official  
22 records. (Acts 75th Leg., R.S., Ch. 1273, Sec. 4.01.)

23       Sec. 7208.202. DEPOSITORY. The board, by order or  
24 resolution, shall designate one or more banks inside or outside the  
25 district to serve as depository for district money. Except as  
26 provided by this chapter, district money shall be deposited in a  
27 depository bank designated under this section. (Acts 75th Leg.,

1 R.S., Ch. 1273, Secs. 3.14(a), (b).)

2 Sec. 7208.203. INVESTMENT OF DISTRICT MONEY. The board may  
3 invest district money:

4 (1) in the same manner as provided for the investment  
5 of county money; and

6 (2) as provided by Chapter 2256, Government Code.  
7 (Acts 75th Leg., R.S., Ch. 1273, Sec. 3.14(c).)

8 Sec. 7208.204. RATES, FEES, CHARGES, AND RENTALS. (a)  
9 District rates, fees, and charges assessed to provide services and  
10 facilities to customers and users of the district may vary  
11 according to customer class, project, or service area to reflect  
12 different costs of providing service.

13 (b) The district may require a customer to obtain a deposit  
14 from a user for services or facilities provided by the district. A  
15 deposit under this subsection may bear interest.

16 (c) If the district issues bonds payable wholly from  
17 revenue, the board shall establish and revise rates of compensation  
18 for water sold and wastewater or other services rendered by the  
19 district that are sufficient:

20 (1) to pay operating and maintenance expenses of  
21 district facilities;

22 (2) to pay the issued bonds as the bonds mature and the  
23 interest that accrues on the bonds;

24 (3) to maintain the district's fund reserve; and

25 (4) to maintain other funds of the district provided  
26 by the resolution that authorized the issuance of the bonds.

27 (d) A local government, water supply corporation, or other

1 entity that contracts with the district may:

2 (1) establish, charge, and collect fees, rates,  
3 charges, rentals, or other amounts for services or facilities  
4 provided under the contract; and

5 (2) pledge amounts that are sufficient to make the  
6 required payments under the contract. (Acts 75th Leg., R.S., Ch.  
7 1273, Secs. 3.10(a) (part), (b), (c), (d).)

8 Sec. 7208.205. ADMINISTRATION AND PLANNING COSTS FEE. (a)  
9 The district may charge each member entity an annual pro rata fee to  
10 pay for administration and planning costs incurred by the district  
11 that are unrelated to capital projects financed by the district.

12 (b) The fee may not exceed \$2 per capita population of the  
13 member entity unless the board and at least 75 percent of the member  
14 entities of the district that together have at least 75 percent of  
15 the population of the district agree to a different fee. (Acts 75th  
16 Leg., R.S., Ch. 1273, Sec. 2.16.)

17 Sec. 7208.206. IMPOSITION OF AD VALOREM TAXES  
18 PROHIBITED. The district may not impose an ad valorem tax. (Acts  
19 75th Leg., R.S., Ch. 1273, Sec. 1.08(b).)

20 Sec. 7208.207. DISTRICT PROPERTY AND PROJECTS EXEMPT FROM  
21 TAXATION AND ASSESSMENT. The district is not required to pay a tax  
22 or assessment on any property or project owned, operated, leased,  
23 or controlled by the district. (Acts 75th Leg., R.S., Ch. 1273,  
24 Sec. 4.03 (part).)

25 [Sections 7208.208-7208.250 reserved for expansion]

26 SUBCHAPTER F. BONDS

27 Sec. 7208.251. AUTHORITY TO ISSUE BONDS. The district may

1 issue bonds as provided by Chapters 1201 and 1371, Government Code,  
2 to provide money for the district to exercise its powers and carry  
3 out its purposes. (Acts 75th Leg., R.S., Ch. 1273, Secs. 5.01(a),  
4 5.06(b).)

5 Sec. 7208.252. ELECTION NOT REQUIRED. The district may  
6 issue bonds without holding an election. (Acts 75th Leg., R.S., Ch.  
7 1273, Sec. 5.01(b).)

8 Sec. 7208.253. BONDS EXEMPT FROM TAXATION. Bonds issued by  
9 the district, the transfer of the bonds, and income from those  
10 bonds, including profits made on the sale of the bonds, are exempt  
11 from taxation in this state. (Acts 75th Leg., R.S., Ch. 1273, Sec.  
12 4.03 (part).)

13 Sec. 7208.254. PAYMENT AND SECURITY. (a) District bonds  
14 may be:

15 (1) made payable from all or part of the revenue of the  
16 district derived from any lawful source, including revenue derived  
17 from a contract with a customer or other user of facilities owned or  
18 operated by the district or from the ownership and operation of any  
19 waterworks system, wastewater system, sewer system, solid waste  
20 disposal system, or nonhazardous liquid waste system, or a  
21 combination of those systems; and

22 (2) paid from and secured by liens on the pledges of  
23 all or part of the revenue, income, or receipts derived from the  
24 district's ownership, operation, lease, or sale of the property,  
25 buildings, structures, or facilities, including the proceeds or  
26 revenue from contracts with any person.

27 (b) District bonds may be additionally secured by a mortgage

1 or deed of trust on real property owned or to be acquired by the  
2 district and by a chattel mortgage or lien on any personal property  
3 appurtenant to that real property. The board may authorize the  
4 execution of a trust indenture, mortgage, deed of trust, or other  
5 form of encumbrance. The district may also pledge to the payment of  
6 the bonds all or part of a grant, a donation, or revenue or income  
7 received or to be received from the United States or any public or  
8 private source.

9 (c) The district may pledge all or part of the district's  
10 revenue, income, or receipts from fees, rentals, rates, charges, or  
11 contract proceeds or payments to the payment of district bonds,  
12 including the payment of principal, interest, and any other amount  
13 required or permitted relating to the bonds. The pledged fees,  
14 rentals, rates, charges, proceeds, or payments shall be established  
15 and collected in amounts sufficient, together with any other  
16 pledged resources, to provide for the payment of expenses relating  
17 to the bonds and for operation and maintenance and other expenses  
18 relating to those facilities.

19 (d) For purposes of Subsections (a) and (c), payments and  
20 revenue pledged for the district's benefit under Sections  
21 7208.158(a) and (b) are district revenue. (Acts 75th Leg., R.S.,  
22 Ch. 1273, Sec. 5.02.)

23 Sec. 7208.255. MATURITY. District bonds may not have a term  
24 that exceeds 40 years from the date of issuance. (Acts 75th Leg.,  
25 R.S., Ch. 1273, Sec. 5.03 (part).)

26 Sec. 7208.256. INTEREST RATE. District bonds shall bear an  
27 interest rate as provided by the resolution that authorized the

1 issuance of the bond. (Acts 75th Leg., R.S., Ch. 1273, Sec. 5.03  
2 (part).)

3 Sec. 7208.257. ADDITIONAL BONDS. District bonds may  
4 provide for the subsequent issuance of additional parity bonds or  
5 subordinate lien bonds under terms provided in the resolution that  
6 authorized the issuance of the bond. (Acts 75th Leg., R.S., Ch.  
7 1273, Sec. 5.03 (part).)

8 Sec. 7208.258. USE OF BOND PROCEEDS. (a) If permitted in  
9 the resolution that authorized the issuance of the bond, the  
10 proceeds from the sale of the bond may be used:

11 (1) to pay the interest on the bond during the period  
12 of acquisition or construction of facilities to be provided through  
13 the issuance of the bond;

14 (2) to pay the operating and maintenance expenses of  
15 district facilities;

16 (3) to create a reserve fund for the payment of the  
17 principal of and interest on the bond; and

18 (4) in any other manner that is necessary,  
19 appropriate, or convenient to accomplish a district purpose.

20 (b) The proceeds from the sale of a bond may be placed on  
21 time deposit or invested as provided by the resolution that  
22 authorized the issuance of the bond. (Acts 75th Leg., R.S., Ch.  
23 1273, Sec. 5.05.)

24 Sec. 7208.259. NEGOTIABLE INSTRUMENTS. Obligations under  
25 this chapter are negotiable instruments for purposes of Chapter 8,  
26 Business & Commerce Code. (Acts 75th Leg., R.S., Ch. 1273, Sec.  
27 5.04.)

1 SECTION 1.08. Subtitle D, Title 6, Special District Local  
2 Laws Code, is amended by adding Chapter 7503 to read as follows:

3 CHAPTER 7503. DELTA LAKE IRRIGATION DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 7503.001. DEFINITION

6 Sec. 7503.002. NATURE OF DISTRICT

7 Sec. 7503.003. LEGISLATIVE FINDINGS

8 Sec. 7503.004. DISTRICT TERRITORY

9 [Sections 7503.005-7503.050 reserved for expansion]

10 SUBCHAPTER B. POWERS

11 Sec. 7503.051. GENERAL POWERS

12 CHAPTER 7503. DELTA LAKE IRRIGATION DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 7503.001. DEFINITION. In this chapter, "district"  
15 means the Delta Lake Irrigation District. (New.)

16 Sec. 7503.002. NATURE OF DISTRICT. The district is a  
17 conservation and reclamation district in Willacy and Hidalgo  
18 Counties, Texas, created under Section 59, Article XVI, Texas  
19 Constitution. (Acts 41st Leg., R.S., 1929, Ch. 166, Secs. 1 (part),  
20 2 (part); Acts 54th Leg., R.S., 1955, Ch. 40, Sec. 1.)

21 Sec. 7503.003. LEGISLATIVE FINDINGS. The legislature finds  
22 that the district is essential to accomplish the purposes of  
23 Section 59, Article XVI, Texas Constitution. (Acts 41st Leg.,  
24 R.S., 1929, Ch. 166, Sec. 14 (part).)

25 Sec. 7503.004. DISTRICT TERRITORY. The district is  
26 composed of the territory described by Section 1, Chapter 166, Acts  
27 of the 41st Legislature, Regular Session, 1929, as that territory

1 may have been modified under:

2 (1) Chapter 25, General Laws, Acts of the 39th  
3 Legislature, Regular Session, 1925 (Article 7880-1 et seq.,  
4 Vernon's Texas Civil Statutes), before August 30, 1971;

5 (2) Chapter 3, General Laws, Acts of the 46th  
6 Legislature, Regular Session, 1939 (Article 7775c-1, Vernon's  
7 Texas Civil Statutes), before August 30, 1971;

8 (3) Subchapter O, Chapter 51, Water Code, before June  
9 19, 1980;

10 (4) Subchapter J, Chapter 49, Water Code;

11 (5) Subchapter N, Chapter 58, Water Code; or

12 (6) other law. (New.)

13 [Sections 7503.005-7503.050 reserved for expansion]

14 SUBCHAPTER B. POWERS

15 Sec. 7503.051. GENERAL POWERS. The district has:

16 (1) the powers of a conservation and reclamation  
17 district under Section 59, Article XVI, Texas Constitution, and the  
18 general laws of this state; and

19 (2) the powers of government and the authority to  
20 exercise the rights, privileges, and functions that are conferred  
21 by this chapter and the general laws of this state. (Acts 41st  
22 Leg., R.S., 1929, Ch. 166, Secs. 1 (part), 2 (part), 14 (part).)

23 SECTION 1.09. Subtitle E, Title 6, Special District Local  
24 Laws Code, is amended by adding Chapter 7802 to read as follows:

25 CHAPTER 7802. DALLAS COUNTY LEVEE IMPROVEMENT DISTRICT NO. 14

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 7802.001. DEFINITIONS



1 Sec. 7802.002. NATURE OF DISTRICT

2 Sec. 7802.003. FINDING OF PUBLIC PURPOSE

3 Sec. 7802.004. DISTRICT TERRITORY

4 Sec. 7802.005. APPLICABILITY OF OTHER LAW

5 [Sections 7802.006-7802.050 reserved for expansion]

6 SUBCHAPTER B. BOARD OF DIRECTORS AND OFFICERS

7 Sec. 7802.051. BOARD

8 Sec. 7802.052. TREASURER

9 [Sections 7802.053-7802.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 7802.101. GENERAL POWERS AND DUTIES OF DISTRICT

12 Sec. 7802.102. POWERS AND DUTIES OF BOARD

13 Sec. 7802.103. IMPOSITION OF TAXES

14 CHAPTER 7802. DALLAS COUNTY LEVEE IMPROVEMENT DISTRICT NO. 14

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 7802.001. DEFINITIONS. In this chapter:

17 (1) "Board" means the board of directors of the  
18 district.

19 (2) "Director" means a member of the board.

20 (3) "District" means the Dallas County Levee  
21 Improvement District No. 14. (Acts 72nd Leg., R.S., Ch. 359, Sec.  
22 1.)

23 Sec. 7802.002. NATURE OF DISTRICT. The district is a  
24 conservation and reclamation district and a levee improvement  
25 district created under Section 59, Article XVI, Texas Constitution.  
26 (Acts 45th Leg., R.S., Ch. 306, Secs. 1 (part), 8 (part).)

27 Sec. 7802.003. FINDING OF PUBLIC PURPOSE. The district is

1 essential to accomplish the purposes of Section 59, Article XVI,  
2 Texas Constitution. (Acts 45th Leg., R.S., Ch. 306, Sec. 8 (part).)

3       Sec. 7802.004. DISTRICT TERRITORY.       The district is  
4 composed of the territory in Dallas County described by Section 1,  
5 Chapter 306, Acts of the 45th Legislature, Regular Session, 1937,  
6 as that territory may have been modified under:

- 7               (1) Subchapter J, Chapter 49, Water Code; or  
8               (2) other law. (Acts 45th Leg., R.S., Ch. 306, Sec. 1  
9 (part); New.)

10       Sec. 7802.005. APPLICABILITY OF OTHER LAW.       Except as  
11 otherwise provided by this chapter, Chapter 57, Water Code, applies  
12 to the district. (Acts 72nd Leg., R.S., Ch. 359, Sec. 5(a) (part).)

13               [Sections 7802.006-7802.050 reserved for expansion]

14               SUBCHAPTER B. BOARD OF DIRECTORS AND OFFICERS

15       Sec. 7802.051. BOARD. (a) The district is governed by a  
16 board of five elected directors.

17               (b) An election shall be held on the uniform election date  
18 in May of each even-numbered year to elect the appropriate number of  
19 directors. Except as provided by Subsection (c), directors serve  
20 four-year terms.

21               (c) The board shall revise each precinct used to elect a  
22 director after each federal decennial census to reflect population  
23 changes. At the first election after the precincts are revised, a  
24 new director shall be elected from each precinct. The directors  
25 shall draw lots to determine which two directors serve two-year  
26 terms and which three directors serve four-year terms. (Acts 72nd  
27 Leg., R.S., Ch. 359, Secs. 2(a) (part), (d); 7(c).)

1           Sec. 7802.052. TREASURER. (a) The board may provide for  
2 the appointment of a treasurer for the district.

3           (b) In addition to the powers and duties provided by other  
4 law, the treasurer has the powers and duties of the county treasurer  
5 under Chapter 57, Water Code. (Acts 72nd Leg., R.S., Ch. 359, Sec.  
6 3.)

7           [Sections 7802.053-7802.100 reserved for expansion]

8                           SUBCHAPTER C. POWERS AND DUTIES

9           Sec. 7802.101. GENERAL POWERS AND DUTIES OF DISTRICT. The  
10 district has:

11                   (1) the powers of government; and

12                   (2) the rights, privileges, and functions conferred by  
13 this chapter, by Section 59, Article XVI, Texas Constitution, and  
14 by the general laws of this state relating to levee improvement  
15 districts, including Chapters 49 and 57, Water Code. (Acts 45th  
16 Leg., R.S., Ch. 306, Secs. 1 (part), 8 (part); New.)

17           Sec. 7802.102. POWERS AND DUTIES OF BOARD. The board has  
18 the powers and duties delegated to the commissioners court and  
19 county judge under Chapter 57, Water Code. (Acts 72nd Leg., R.S.,  
20 Ch. 359, Sec. 5(a) (part).)

21           Sec. 7802.103. IMPOSITION OF TAXES. (a) The Tax Code  
22 governs the imposition of district taxes.

23           (b) The board may provide for the appointment of a tax  
24 assessor-collector or may contract for the imposition of taxes with  
25 Dallas County or with another person as provided by the Tax Code.  
26 (Acts 72nd Leg., R.S., Ch. 359, Sec. 4.)

27           SECTION 1.10. Subtitle F, Title 6, Special District Local

1 Laws Code, is amended by adding Chapters 8103, 8121, 8127, 8154,  
2 8155, 8156, 8159, 8160, 8161, 8163, 8164, 8165, 8166, 8167, 8168,  
3 8169, 8170, 8171, 8172, 8173, 8174, 8177, 8178, 8179, 8180, 8181,  
4 8182, 8183, 8184, 8186, 8187, 8188, 8191, and 8192 to read as  
5 follows:

6 CHAPTER 8103. EL DORADO UTILITY DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 8103.001. DEFINITION

9 Sec. 8103.002. NATURE OF DISTRICT

10 Sec. 8103.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

11 Sec. 8103.004. DISTRICT TERRITORY

12 [Sections 8103.005-8103.050 reserved for expansion]

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Sec. 8103.051. COMPOSITION OF BOARD

15 [Sections 8103.052-8103.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 8103.101. MUNICIPAL UTILITY DISTRICT POWERS

18 CHAPTER 8103. EL DORADO UTILITY DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8103.001. DEFINITION. In this chapter, "district"  
21 means the El Dorado Utility District. (V.A.C.S. Art. 8280-538,  
22 Sec. 1 (part).)

23 Sec. 8103.002. NATURE OF DISTRICT. The district is a  
24 conservation and reclamation district in Harris County created  
25 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
26 8280-538, Sec. 1 (part).)

27 Sec. 8103.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

1 The district is created to serve a public use and benefit.

2 (b) All land and other property included in the boundaries  
3 of the district will benefit from the works and projects  
4 accomplished by the district under the powers conferred by Section  
5 59, Article XVI, Texas Constitution.

6 (c) The creation of the district is essential to accomplish  
7 the purposes of Section 59, Article XVI, Texas Constitution.  
8 (V.A.C.S. Art. 8280-538, Secs. 1 (part), 3.)

9 Sec. 8103.004. DISTRICT TERRITORY. (a) The district is  
10 composed of the territory described by Section 4, Chapter 648, Acts  
11 of the 62nd Legislature, Regular Session, 1971 (Article 8280-538,  
12 Vernon's Texas Civil Statutes), as that territory may have been  
13 modified under:

- 14 (1) Subchapter H, Chapter 54, Water Code;  
15 (2) Subchapter J, Chapter 49, Water Code; or  
16 (3) other law.

17 (b) The boundaries and field notes of the district form a  
18 closure. A mistake in the field notes or in copying the field notes  
19 in the legislative process does not affect:

20 (1) the district's organization, existence, and  
21 validity;

22 (2) the district's right to issue any type of bond for  
23 a purpose for which the district is created or to pay the principal  
24 of and interest on the bond;

25 (3) the district's right to impose a tax; or

26 (4) the legality or operation of the district or its  
27 governing body. (V.A.C.S. Art. 8280-538, Sec. 2; New.)

1 [Sections 8103.005-8103.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 8103.051. COMPOSITION OF BOARD. The board of  
4 directors is composed of five elected directors. (V.A.C.S. Art.  
5 8280-538, Sec. 6 (part).)

6 [Sections 8103.052-8103.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 8103.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
9 district has the rights, powers, privileges, and functions provided  
10 by general law applicable to a municipal utility district,  
11 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-538,  
12 Sec. 5 (part); New.)

13 CHAPTER 8121. BEVIL OAKS MUNICIPAL UTILITY DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8121.001. DEFINITION

16 Sec. 8121.002. NATURE OF DISTRICT

17 Sec. 8121.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

18 Sec. 8121.004. DISTRICT TERRITORY

19 [Sections 8121.005-8121.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 8121.051. COMPOSITION OF BOARD

22 [Sections 8121.052-8121.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 8121.101. MUNICIPAL UTILITY DISTRICT POWERS

25 Sec. 8121.102. HEARING NOT REQUIRED FOR EXCLUSION OF

26 TERRITORY

27 CHAPTER 8121. BEVIL OAKS MUNICIPAL UTILITY DISTRICT

1                   SUBCHAPTER A. GENERAL PROVISIONS

2           Sec. 8121.001. DEFINITION. In this chapter, "district"  
3 means the Bevil Oaks Municipal Utility District. (Acts 63rd Leg.,  
4 R.S., Ch. 621, Sec. 1 (part).)

5           Sec. 8121.002. NATURE OF DISTRICT. The district is a  
6 conservation and reclamation district in Jefferson County, created  
7 under Section 59, Article XVI, Texas Constitution. (Acts 63rd  
8 Leg., R.S., Ch. 621, Sec. 1 (part).)

9           Sec. 8121.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
10 The district is created to serve a public use and benefit.

11           (b) All land and other property included in the boundaries  
12 of the district will benefit from the works and projects  
13 accomplished by the district under the powers conferred by Section  
14 59, Article XVI, Texas Constitution.

15           (c) The creation of the district is essential to accomplish  
16 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
17 63rd Leg., R.S., Ch. 621, Secs. 1 (part), 3.)

18           Sec. 8121.004. DISTRICT TERRITORY. (a) The district is  
19 composed of the territory described by Section 6, Chapter 621, Acts  
20 of the 63rd Legislature, Regular Session, 1973, as that territory  
21 may have been modified under:

- 22                   (1) Subchapter H, Chapter 54, Water Code;  
23                   (2) Subchapter J, Chapter 49, Water Code; or  
24                   (3) other law.

25           (b) The boundaries and field notes of the district form a  
26 closure. A mistake in the field notes or in copying the field notes  
27 in the legislative process does not affect:

1           (1) the district's organization, existence, and  
2 validity;

3           (2) the district's right to issue any type of bond for  
4 a purpose for which the district is created or to pay the principal  
5 of and interest on the bond;

6           (3) the district's right to impose a tax; or

7           (4) the legality or operation of the district or its  
8 governing body. (Acts 63rd Leg., R.S., Ch. 621, Sec. 2; New.)

9           [Sections 8121.005-8121.050 reserved for expansion]

10                           SUBCHAPTER B. BOARD OF DIRECTORS

11           Sec. 8121.051. COMPOSITION OF BOARD. The board of  
12 directors is composed of five elected directors. (Acts 63rd Leg.,  
13 R.S., Ch. 621, Sec. 8(b) (part).)

14           [Sections 8121.052-8121.100 reserved for expansion]

15                           SUBCHAPTER C. POWERS AND DUTIES

16           Sec. 8121.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
17 district has the rights, powers, privileges, and functions provided  
18 by general law applicable to a municipal utility district,  
19 including Chapters 49 and 54, Water Code. (Acts 63rd Leg., R.S.,  
20 Ch. 621, Sec. 7 (part).)

21           Sec. 8121.102. HEARING NOT REQUIRED FOR EXCLUSION OF  
22 TERRITORY. The board is not required to call or hold a hearing on  
23 the exclusion of land or other property from the district,  
24 including a hearing on the petition of a landowner or other property  
25 owner in the district. (Acts 63rd Leg., R.S., Ch. 621, Sec. 5  
26 (part).)



1                   CHAPTER 8127. BILMA PUBLIC UTILITY DISTRICT

2                               SUBCHAPTER A. GENERAL PROVISIONS

3   Sec. 8127.001.   DEFINITION

4   Sec. 8127.002.   NATURE OF DISTRICT

5   Sec. 8127.003.   FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6   Sec. 8127.004.   DISTRICT TERRITORY

7                   [Sections 8127.005-8127.050 reserved for expansion]

8                               SUBCHAPTER B. BOARD OF DIRECTORS

9   Sec. 8127.051.   COMPOSITION OF BOARD

10                  [Sections 8127.052-8127.100 reserved for expansion]

11                              SUBCHAPTER C. POWERS AND DUTIES

12   Sec. 8127.101.   MUNICIPAL UTILITY DISTRICT POWERS

13                   CHAPTER 8127. BILMA PUBLIC UTILITY DISTRICT

14                              SUBCHAPTER A. GENERAL PROVISIONS

15           Sec. 8127.001.   DEFINITION.   In this chapter, "district"  
16 means the Bilma Public Utility District. (V.A.C.S. Art. 8280-512,  
17 Sec. 1 (part).)

18           Sec. 8127.002.   NATURE    OF   DISTRICT.       Notwithstanding  
19 provisions of the general laws relating to consent by political  
20 subdivisions for the creation of conservation and reclamation  
21 districts, the district is a conservation and reclamation district  
22 in Harris County created under Section 59, Article XVI, Texas  
23 Constitution. (V.A.C.S. Art. 8280-512, Sec. 1 (part).)

24           Sec. 8127.003.   FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
25 The district is created to serve a public use and benefit.

26           (b) All land and other property included in the boundaries  
27 of the district will benefit from the works and projects

1 accomplished by the district under the powers conferred by Section  
2 59, Article XVI, Texas Constitution.

3 (c) The creation of the district is essential to accomplish  
4 the purposes of Section 59, Article XVI, Texas Constitution.  
5 (V.A.C.S. Art. 8280-512, Secs. 1 (part), 3.)

6 Sec. 8127.004. DISTRICT TERRITORY. (a) The district is  
7 composed of the territory described by Section 4, Chapter 559, Acts  
8 of the 62nd Legislature, Regular Session, 1971 (Article 8280-512,  
9 Vernon's Texas Civil Statutes), as that territory may have been  
10 modified under:

- 11 (1) Subchapter H, Chapter 54, Water Code;  
12 (2) Subchapter J, Chapter 49, Water Code; or  
13 (3) other law.

14 (b) The boundaries and field notes of the district form a  
15 closure. A mistake in the field notes or in copying the field notes  
16 in the legislative process does not affect:

- 17 (1) the district's organization, existence, and  
18 validity;  
19 (2) the district's right to issue any type of bond for  
20 a purpose for which the district is created or to pay the principal  
21 of and interest on the bond;  
22 (3) the district's right to impose a tax; or  
23 (4) the legality or operation of the district or its  
24 governing body. (V.A.C.S. Art. 8280-512, Sec. 2; New.)

25 [Sections 8127.005-8127.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 8127.051. COMPOSITION OF BOARD. The board of

1 directors is composed of five elected directors. (V.A.C.S. Art.  
2 8280-512, Sec. 6 (part).)

3 [Sections 8127.052-8127.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8127.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
6 district has the rights, powers, privileges, and functions provided  
7 by general law applicable to a municipal utility district,  
8 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-512,  
9 Sec. 5 (part); New.)

10 CHAPTER 8154. BLUE RIDGE WEST MUNICIPAL UTILITY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8154.001. DEFINITIONS

13 Sec. 8154.002. NATURE OF DISTRICT

14 Sec. 8154.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

15 Sec. 8154.004. DISTRICT TERRITORY

16 [Sections 8154.005-8154.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 8154.051. COMPOSITION OF BOARD

19 Sec. 8154.052. QUALIFICATIONS FOR OFFICE

20 Sec. 8154.053. DIRECTOR'S BOND

21 Sec. 8154.054. ABSENCE OF PRESIDENT OR SECRETARY FROM

22 BOARD MEETING; DUTY OF SECRETARY

23 [Sections 8154.055-8154.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 8154.101. MUNICIPALITY UTILITY DISTRICT POWERS

26 AND DUTIES

27 Sec. 8154.102. ADDITIONAL POWERS

1 Sec. 8154.103. HEARINGS FOR EXCLUSION OF TERRITORY

2 Sec. 8154.104. EMINENT DOMAIN

3 Sec. 8154.105. COST OF RELOCATING OR ALTERING PROPERTY

4 Sec. 8154.106. NOTICE OF ELECTION

5 [Sections 8154.107-8154.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7 Sec. 8154.151. TAX METHOD

8 Sec. 8154.152. DEPOSITORY

9 Sec. 8154.153. PROCEDURE FOR PAYMENT

10 Sec. 8154.154. PROJECTS AND PURCHASES EXEMPT FROM

11 ASSESSMENT OR TAXATION

12 [Sections 8154.155-8154.200 reserved for expansion]

13 SUBCHAPTER E. BONDS

14 Sec. 8154.201. AUTHORITY TO ISSUE BONDS

15 Sec. 8154.202. EXCHANGING BONDS FOR PROPERTY OR WORK

16 Sec. 8154.203. BOND ELECTION

17 Sec. 8154.204. BONDS EXEMPT FROM TAXATION

18 CHAPTER 8154. BLUE RIDGE WEST MUNICIPAL UTILITY DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8154.001. DEFINITIONS. In this chapter:

21 (1) "Board" means the board of directors of the  
22 district.

23 (2) "District" means the Blue Ridge West Municipal  
24 Utility District. (V.A.C.S. Art. 8280-379, Sec. 1 (part); New.)

25 Sec. 8154.002. NATURE OF DISTRICT. The district is a  
26 municipal utility district and a conservation and reclamation  
27 district in Fort Bend County created under Section 59, Article XVI,

1 Texas Constitution. (V.A.C.S. Art. 8280-379, Sec. 1 (part); New.)

2 Sec. 8154.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

3 The district is created to serve a public use and benefit.

4 (b) All land and other property included in the boundaries  
5 of the district will benefit from the works and projects  
6 accomplished by the district under the powers conferred by Section  
7 59, Article XVI, Texas Constitution.

8 (c) The creation of the district is essential to accomplish  
9 the purposes of Section 59, Article XVI, Texas Constitution.

10 (d) The accomplishment of the purposes stated in this  
11 chapter is for the benefit of the people of this state and for the  
12 improvement of their property and industries. The district, in  
13 carrying out the purposes of this chapter, will be performing an  
14 essential public function under the constitution. (V.A.C.S. Art.  
15 8280-379, Secs. 1 (part), 4, 21 (part).)

16 Sec. 8154.004. DISTRICT TERRITORY. (a) The district is  
17 composed of the territory described by Section 2, Chapter 633, Acts  
18 of the 60th Legislature, Regular Session, 1967 (Article 8280-379,  
19 Vernon's Texas Civil Statutes), as that territory may have been  
20 modified under:

21 (1) Subchapter H, Chapter 54, Water Code;

22 (2) Subchapter J, Chapter 49, Water Code; or

23 (3) other law.

24 (b) The boundaries and field notes of the district form a  
25 closure. A mistake in the field notes or in copying the field notes  
26 in the legislative process does not affect:

27 (1) the district's organization, existence, and

1 validity;

2 (2) the district's right to issue any type of bond for  
3 a purpose for which the district is created or to pay the principal  
4 of and interest on the bond;

5 (3) the district's right to impose a tax; or

6 (4) the legality or operation of the district or its  
7 governing body. (V.A.C.S. Art. 8280-379, Sec. 3; New.)

8 [Sections 8154.005-8154.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 8154.051. COMPOSITION OF BOARD. The board consists of  
11 five directors. (V.A.C.S. Art. 8280-379, Sec. 9 (part).)

12 Sec. 8154.052. QUALIFICATIONS FOR OFFICE. (a) A person  
13 must reside in this state to be elected or appointed as a director  
14 of the board.

15 (b) A director is not required to reside in the district.  
16 (V.A.C.S. Art. 8280-379, Sec. 9 (part).)

17 Sec. 8154.053. DIRECTOR'S BOND. (a) Each director shall  
18 execute a bond in the amount of \$5,000 for the faithful performance  
19 of the director's duties.

20 (b) The bond must be:

21 (1) approved by:

22 (A) the board; and

23 (B) the county judge or the commissioners court  
24 of the county in which the district is located;

25 (2) filed for record in the office of the county clerk  
26 of the county in which the district is located;

27 (3) filed for safekeeping in the district's

1 depository; and

2 (4) recorded in a record kept for that purpose in the  
3 district office. (V.A.C.S. Art. 8280-379, Sec. 9 (part).)

4 Sec. 8154.054. ABSENCE OF PRESIDENT OR SECRETARY FROM BOARD  
5 MEETING; DUTY OF SECRETARY. (a) If the board president is absent  
6 from a board meeting at which an order is adopted or other action is  
7 taken:

8 (1) the board vice president may sign the order or  
9 action; or

10 (2) the board may authorize the president to sign the  
11 order or action.

12 (b) The board secretary shall sign the minutes of each board  
13 meeting.

14 (c) If the board secretary is absent from a board meeting,  
15 the board:

16 (1) shall name a secretary pro tem for the meeting who:

17 (A) may exercise all powers and duties of the  
18 secretary for the meeting;

19 (B) shall sign the minutes of the meeting; and

20 (C) may attest all orders passed or other action  
21 taken at the meeting; or

22 (2) may authorize the secretary to attest all orders  
23 passed or other action taken at the meeting. (V.A.C.S. Art.  
24 8280-379, Sec. 9 (part).)

25 [Sections 8154.055-8154.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 8154.101. MUNICIPALITY UTILITY DISTRICT POWERS AND

1 DUTIES. The district has all of the rights, powers, privileges, and  
2 duties provided by general law applicable to a municipal utility  
3 district created under Section 59, Article XVI, Texas Constitution,  
4 including those conferred by Chapters 49 and 54, Water Code.  
5 (V.A.C.S. Art. 8280-379, Sec. 5 (part); New.)

6 Sec. 8154.102. ADDITIONAL POWERS. (a) The district may:

7 (1) purchase, construct, or otherwise acquire a  
8 waterworks system, sanitary sewer system, or storm sewer system and  
9 drainage facility, or any part of those systems or facilities;

10 (2) make any necessary purchase, construction,  
11 improvement, extension, or addition to a system or facility  
12 described by Subdivision (1);

13 (3) purchase or acquire, operate, and maintain any  
14 land, right-of-way, easement, site, equipment, building, plant,  
15 structure, or facility necessary to a system or facility described  
16 by Subdivision (1); and

17 (4) sell water and other services.

18 (b) The district may exercise any of the rights or powers  
19 granted by this chapter inside or outside the district's  
20 boundaries.

21 (c) The district may exercise any of its rights or powers to  
22 provide water or sewerage services to an area inside or outside the  
23 district's boundaries. (V.A.C.S. Art. 8280-379, Sec. 16 (part).)

24 Sec. 8154.103. HEARINGS FOR EXCLUSION OF TERRITORY. (a)  
25 The board is not required to call or hold a hearing on the exclusion  
26 of land or other property from the district.

27 (b) The board on its own motion may call and hold one or more



1 hearings on the exclusion of land or other property from the  
2 district in the manner provided by general law. (V.A.C.S. Art.  
3 8280-379, Sec. 7 (part).)

4       Sec. 8154.104. EMINENT DOMAIN. The district may exercise  
5 the power of eminent domain only in a county in which the district  
6 is located. (V.A.C.S. Art. 8280-379, Sec. 12 (part).)

7       Sec. 8154.105. COST OF RELOCATING OR ALTERING PROPERTY.

8 (a) In this section, "sole expense" means the actual cost of  
9 relocating, raising, lowering, rerouting, or changing the grade of,  
10 or altering the construction of a facility described by Subsection  
11 (b) in providing a comparable replacement without enhancing the  
12 facility, after deducting from that cost the net salvage value  
13 derived from the old facility.

14 (b) If the district, in the exercise of the power of eminent  
15 domain, the power of relocation, or any other power granted under  
16 this chapter, makes necessary the relocation, raising, rerouting,  
17 changing the grade of, or altering the construction of a highway, a  
18 railroad, an electric transmission line, a pipeline, or a telegraph  
19 or telephone property or facility, the necessary relocation,  
20 raising, rerouting, changing the grade of, or alteration of  
21 construction shall be accomplished at the sole expense of the  
22 district. (V.A.C.S. Art. 8280-379, Sec. 12 (part).)

23       Sec. 8154.106. NOTICE OF ELECTION. The board president or  
24 secretary may give notice of an election. (V.A.C.S. Art. 8280-379,  
25 Sec. 19.)

1 [Sections 8154.107-8154.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Sec. 8154.151. TAX METHOD. (a) The district shall use the  
4 ad valorem plan of taxation.

5 (b) The board is not required to hold a hearing on the  
6 adoption of a plan of taxation. (V.A.C.S. Art. 8280-379, Sec. 8.)

7 Sec. 8154.152. DEPOSITORY. (a) The board shall select one  
8 or more banks or trust companies in this state to act as a  
9 depository of bond proceeds or of revenue derived from the  
10 operation of district facilities.

11 (b) The depository shall, as determined by the board:

12 (1) furnish indemnity bonds;

13 (2) pledge securities; or

14 (3) meet any other requirement. (V.A.C.S. Art.  
15 8280-379, Sec. 15.)

16 Sec. 8154.153. PROCEDURE FOR PAYMENT. An officer or  
17 employee of the district, as designated by a standing order entered  
18 in the board's minutes, may draw and sign a warrant to pay a current  
19 expense, salary, or account of the district if the account has been  
20 contracted and ordered paid by the board. (V.A.C.S. Art. 8280-379,  
21 Sec. 9 (part).)

22 Sec. 8154.154. PROJECTS AND PURCHASES EXEMPT FROM  
23 ASSESSMENT OR TAXATION. The district is not required to pay a tax  
24 or assessment on:

25 (1) a district project or any part of the project; or

26 (2) a district purchase. (V.A.C.S. Art. 8280-379,  
27 Sec. 21 (part).)

1 [Sections 8154.155-8154.200 reserved for expansion]

2 SUBCHAPTER E. BONDS

3 Sec. 8154.201. AUTHORITY TO ISSUE BONDS. The district may  
4 vote and issue bonds of any kind, including refunding bonds, for  
5 contiguous or noncontiguous areas for any district purpose.  
6 (V.A.C.S. Art. 8280-379, Sec. 16 (part).)

7 Sec. 8154.202. EXCHANGING BONDS FOR PROPERTY OR WORK. The  
8 district may exchange bonds, including refunding bonds:

9 (1) for property acquired by purchase; or

10 (2) in payment of the contract price of work done or  
11 materials or services furnished for the use and benefit of the  
12 district. (V.A.C.S. Art. 8280-379, Sec. 17 (part).)

13 Sec. 8154.203. BOND ELECTION. (a) On the failure of a bond  
14 election:

15 (1) a general law that provides for calling a hearing  
16 on the dissolution of the district after a district bond election  
17 fails does not apply to the district; and

18 (2) the board may call a subsequent bond election  
19 after the expiration of six months after the date of the election.

20 (b) The outcome of a bond election does not affect the  
21 district's existence, function, or operation. (V.A.C.S. Art.  
22 8280-379, Sec. 18.)

23 Sec. 8154.204. BONDS EXEMPT FROM TAXATION. A bond issued  
24 under this subchapter, the transfer of the bond, and income from the  
25 bond, including profits made on the sale of the bond, are exempt  
26 from taxation in this state. (V.A.C.S. Art. 8280-379, Sec. 21  
27 (part).)

1 CHAPTER 8155. BOIS D'ARC MUNICIPAL UTILITY DISTRICT

2 OF FANNIN COUNTY, TEXAS

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 8155.001. DEFINITION

5 Sec. 8155.002. NATURE OF DISTRICT

6 Sec. 8155.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

7 Sec. 8155.004. DISTRICT TERRITORY

8 [Sections 8155.005-8155.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 8155.051. COMPOSITION OF BOARD

11 Sec. 8155.052. VACANCIES

12 Sec. 8155.053. DIRECTOR'S BOND

13 [Sections 8155.054-8155.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 8155.101. MUNICIPAL UTILITY DISTRICT POWERS

16 Sec. 8155.102. WATER AND SEWER SYSTEMS

17 Sec. 8155.103. TAXES

18 CHAPTER 8155. BOIS D'ARC MUNICIPAL UTILITY DISTRICT

19 OF FANNIN COUNTY, TEXAS

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 8155.001. DEFINITION. In this chapter, "district"  
22 means the Bois D'Arc Municipal Utility District of Fannin County,  
23 Texas. (Acts 66th Leg., R.S., Ch. 421, Sec. 1 (part).)

24 Sec. 8155.002. NATURE OF DISTRICT. The district is a  
25 conservation and reclamation district created under Section 59,  
26 Article XVI, Texas Constitution. (Acts 66th Leg., R.S., Ch. 421,  
27 Sec. 1 (part).)

1           Sec. 8155.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

2 The district is created to serve a public use and benefit.

3           (b) All land and other property included in the boundaries  
4 of the district will benefit from the works and projects that are to  
5 be accomplished by the district under the powers conferred by  
6 Section 59, Article XVI, Texas Constitution.

7           (c) The creation of the district is essential to accomplish  
8 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
9 66th Leg., R.S., Ch. 421, Secs. 1 (part), 4 (part).)

10          Sec. 8155.004. DISTRICT TERRITORY. (a) The district is  
11 composed of the territory described by Section 2, Chapter 421, Acts  
12 of the 66th Legislature, Regular Session, 1979, as that territory  
13 may have been modified under:

14                   (1) Subchapter H, Chapter 54, Water Code;

15                   (2) Subchapter J, Chapter 49, Water Code; or

16                   (3) other law.

17          (b) The boundaries and field notes of the district form a  
18 closure. A mistake in the field notes or in copying the field notes  
19 in the legislative process does not affect:

20                   (1) the district's organization, existence, and  
21 validity;

22                   (2) the district's right to issue any type of bond for  
23 a purpose for which the district is created or to pay the principal  
24 of and interest on a bond;

25                   (3) the district's right to impose taxes; or

26                   (4) the legality or operation of the district or its  
27 governing body. (Acts 66th Leg., R.S., Ch. 421, Sec. 3 (part);

1 New.)

2 [Sections 8155.005-8155.050 reserved for expansion]

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 8155.051. COMPOSITION OF BOARD. The district is  
5 governed by a board of seven directors. (Acts 66th Leg., R.S., Ch.  
6 421, Sec. 7 (part).)

7 Sec. 8155.052. VACANCIES. The Commissioners Court of  
8 Fannin County shall appoint directors to fill all vacancies on the  
9 board when the number of qualified directors is fewer than four.  
10 (Acts 66th Leg., R.S., Ch. 421, Sec. 7 (part).)

11 Sec. 8155.053. DIRECTOR'S BOND. A director is not required  
12 to post a public official's bond. (Acts 66th Leg., R.S., Ch. 421,  
13 Sec. 7 (part).)

14 [Sections 8155.054-8155.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 8155.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
17 district has the rights, powers, privileges, and functions provided  
18 by general law applicable to a municipal utility district created  
19 under Section 59, Article XVI, Texas Constitution, including  
20 Chapters 49 and 54, Water Code. (Acts 66th Leg., R.S., Ch. 421,  
21 Sec. 5 (part).)

22 Sec. 8155.102. WATER AND SEWER SYSTEMS. (a) To serve the  
23 inhabitants of the county in which the district is situated, the  
24 district may:

25 (1) acquire, and may improve or extend, any existing  
26 water or sewer system that serves all or part of the district  
27 territory; or

1           (2)   construct a water or sewer system.

2           (b)   A contract to acquire an existing water or sewer  
3 facility may be made on terms approved by the contracting parties.  
4 (Acts 66th Leg., R.S., Ch. 421, Sec. 6 (part).)

5           Sec. 8155.103. TAXES. The district may not impose a tax  
6 unless the tax has been approved by the voters at an election called  
7 for that purpose. (Acts 66th Leg., R.S., Ch. 421, Sec. 6 (part).)

8           CHAPTER 8156. EL PASO COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

9                       SUBCHAPTER A. GENERAL PROVISIONS

10          Sec. 8156.001. DEFINITION

11          Sec. 8156.002. NATURE OF DISTRICT

12          Sec. 8156.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

13          Sec. 8156.004. DISTRICT TERRITORY

14          Sec. 8156.005. EFFECT OF CHAPTER ON CITY OF EL PASO

15                       [Sections 8156.006-8156.050 reserved for expansion]

16                       SUBCHAPTER B. BOARD OF DIRECTORS

17          Sec. 8156.051. COMPOSITION OF BOARD

18                       [Sections 8156.052-8156.100 reserved for expansion]

19                       SUBCHAPTER C. POWERS AND DUTIES

20          Sec. 8156.101. MUNICIPAL UTILITY DISTRICT POWERS

21          Sec. 8156.102. ANNEXATION OF DISTRICT TERRITORY BY

22                               POLITICAL SUBDIVISION

23          Sec. 8156.103. AUTHORITY OF EL PASO WATER UTILITIES

24                               PUBLIC SERVICE BOARD OVER DISTRICT

25                               FACILITIES

1 CHAPTER 8156. EL PASO COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8156.001. DEFINITION. In this chapter, "district"  
4 means El Paso County Municipal Utility District No. 2. (Acts 74th  
5 Leg., R.S., Ch. 700, Sec. 2.)

6 Sec. 8156.002. NATURE OF DISTRICT. The district is a  
7 conservation and reclamation district in El Paso County created  
8 under Section 59, Article XVI, Texas Constitution. (Acts 74th  
9 Leg., R.S., Ch. 700, Secs. 1(a) (part), (b).)

10 Sec. 8156.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
11 The district is created to serve a public use and benefit.

12 (b) All land and other property included in the district  
13 will benefit from the works and projects accomplished by the  
14 district under the powers conferred by Section 59, Article XVI,  
15 Texas Constitution.

16 (c) The creation of the district is essential to accomplish  
17 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
18 74th Leg., R.S., Ch. 700, Secs. 1(b) (part), 5.)

19 Sec. 8156.004. DISTRICT TERRITORY. (a) The district is  
20 composed of the territory described by Section 3, Chapter 700, Acts  
21 of the 74th Legislature, Regular Session, 1995, as that territory  
22 may have been modified under:

- 23 (1) Subchapter H, Chapter 54, Water Code;  
24 (2) Subchapter J, Chapter 49, Water Code; or  
25 (3) other law.

26 (b) The boundaries and field notes of the district form a  
27 closure. A mistake in the field notes or in copying the field notes



1 in the legislative process does not affect:

2 (1) the district's organization, existence, or  
3 validity;

4 (2) the district's right to impose a tax; or

5 (3) the legality or operation of the district or its  
6 governing body. (Acts 74th Leg., R.S., Ch. 700, Sec. 4; New.)

7 Sec. 8156.005. EFFECT OF CHAPTER ON CITY OF EL PASO. This  
8 chapter does not diminish or affect the City of El Paso's  
9 extraterritorial jurisdiction or its rights under the Local  
10 Government Code. (Acts 74th Leg., R.S., Ch. 700, Sec. 6(e).)

11 [Sections 8156.006-8156.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 8156.051. COMPOSITION OF BOARD. The district is  
14 governed by a board of five directors. (Acts 74th Leg., R.S., Ch.  
15 700, Sec. 7(a).)

16 [Sections 8156.052-8156.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 8156.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
19 district has the rights, powers, privileges, functions, and duties  
20 provided by general law applicable to a municipal utility district  
21 created under Section 59, Article XVI, Texas Constitution,  
22 including Chapters 49, 50, and 54, Water Code. (Acts 74th Leg.,  
23 R.S., Ch. 700, Sec. 6(a) (part).)

24 Sec. 8156.102. ANNEXATION OF DISTRICT TERRITORY BY  
25 POLITICAL SUBDIVISION. A political subdivision that annexes the  
26 district territory included in Section 3, Chapter 700, Acts of the  
27 74th Legislature, Regular Session, 1995, as provided by Chapter 43,

1 Local Government Code, assumes the district's powers, functions,  
2 and duties and any outstanding bonded indebtedness of the district.  
3 (Acts 74th Leg., R.S., Ch. 700, Sec. 6(c).)

4 Sec. 8156.103. AUTHORITY OF EL PASO WATER UTILITIES PUBLIC  
5 SERVICE BOARD OVER DISTRICT FACILITIES. (a) In this section,  
6 "Public Service Board" means the El Paso Water Utilities Public  
7 Service Board.

8 (b) The plans and specifications for any facilities to be  
9 constructed or acquired by the district must be approved by the  
10 Public Service Board. The Public Service Board may not  
11 unreasonably withhold or delay the approval.

12 (c) The Public Service Board is entitled to inspect or act  
13 as the construction manager for district facilities to ensure that  
14 the facilities meet the applicable standards of the Public Service  
15 Board. The district shall pay the Public Service Board a reasonable  
16 fee for those services consistent with fees charged for similar  
17 services the Public Service Board provides on similar utility  
18 construction contracts. (Acts 74th Leg., R.S., Ch. 700, Sec. 6(d);  
19 New.)

20 CHAPTER 8159. EMERALD BAY MUNICIPAL UTILITY DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8159.001. DEFINITION

23 Sec. 8159.002. NATURE OF DISTRICT

24 Sec. 8159.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 8159.004. DISTRICT TERRITORY

26 [Sections 8159.005-8159.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 8159.051. COMPOSITION OF BOARD

3 [Sections 8159.052-8159.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8159.101. MUNICIPAL UTILITY DISTRICT POWERS

6 Sec. 8159.102. GENERAL CONTRACT POWERS

7 Sec. 8159.103. CONTRACTS TO ACQUIRE EXISTING WATER OR

8 SEWER SYSTEMS

9 Sec. 8159.104. VOTER APPROVAL OF CERTAIN CONTRACTS

10 CHAPTER 8159. EMERALD BAY MUNICIPAL UTILITY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8159.001. DEFINITION. In this chapter, "district"  
13 means Emerald Bay Municipal Utility District. (Acts 68th Leg.,  
14 R.S., Ch. 722, Sec. 1 (part); New.)

15 Sec. 8159.002. NATURE OF DISTRICT. (a) The district is a  
16 conservation and reclamation district in Smith County created under  
17 Section 59, Article XVI, Texas Constitution.

18 (b) The district is a political subdivision of the state.  
19 (Acts 68th Leg., R.S., Ch. 722, Sec. 1 (part).)

20 Sec. 8159.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
21 The district is created to serve a public use and benefit.

22 (b) All land and other property included in the district  
23 will benefit from the works and projects accomplished by the  
24 district under Section 59, Article XVI, Texas Constitution.

25 (c) The creation of the district is essential to accomplish  
26 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
27 68th Leg., R.S., Ch. 722, Secs. 1 (part), 3.)

1           Sec. 8159.004. DISTRICT TERRITORY. (a) The district is  
2 composed of the territory described by Section 2(a), Chapter 722,  
3 Acts of the 68th Legislature, Regular Session, 1983, as that  
4 territory may have been modified under:

- 5                   (1) Subchapter H, Chapter 54, Water Code;  
6                   (2) Subchapter J, Chapter 49, Water Code; or  
7                   (3) other law.

8           (b) The boundaries of the district form a closure. A  
9 mistake in the description of the boundaries under Section 2(a),  
10 Chapter 722, Acts of the 68th Legislature, Regular Session, 1983,  
11 does not affect:

- 12                   (1) the district's organization, existence, and  
13 validity;  
14                   (2) the district's right to issue bonds for a purpose  
15 for which the district is created or to pay the principal of and  
16 interest on the bonds; or  
17                   (3) the legality or operation of the district or its  
18 governing body. (Acts 68th Leg., R.S., Ch. 722, Secs. 2(b), (c);  
19 New.)

20                   [Sections 8159.005-8159.050 reserved for expansion]

21                   SUBCHAPTER B. BOARD OF DIRECTORS

22           Sec. 8159.051. COMPOSITION OF BOARD. The district is  
23 governed by a board of five directors who serve staggered terms.  
24 (Acts 68th Leg., R.S., Ch. 722, Secs. 8(a) (part), (e) (part).)

25                   [Sections 8159.052-8159.100 reserved for expansion]

26                   SUBCHAPTER C. POWERS AND DUTIES

27           Sec. 8159.101. MUNICIPAL UTILITY DISTRICT POWERS. The

1 district may exercise the rights, powers, privileges, and functions  
2 provided by general law applicable to a municipal utility district  
3 created under Section 59, Article XVI, Texas Constitution,  
4 including Chapters 49 and 54, Water Code. (Acts 68th Leg., R.S.,  
5 Ch. 722, Sec. 5(a).)

6 Sec. 8159.102. GENERAL CONTRACT POWERS. The district may  
7 enter into a water supply, sewage treatment, solid waste, or  
8 drainage contract, or any combination of those contracts, with a  
9 municipal corporation, political subdivision, or private entity.  
10 (Acts 68th Leg., R.S., Ch. 722, Sec. 7(a).)

11 Sec. 8159.103. CONTRACTS TO ACQUIRE EXISTING WATER OR SEWER  
12 SYSTEMS. A contract for the acquisition of an existing water or  
13 sewer facility may be made on terms approved by the contracting  
14 parties. (Acts 68th Leg., R.S., Ch. 722, Sec. 6(c) (part).)

15 Sec. 8159.104. VOTER APPROVAL OF CERTAIN CONTRACTS. (a) A  
16 contract that provides for the district to make payment from taxes  
17 other than maintenance taxes must be approved by a majority of the  
18 district voters voting on the question at an election held for that  
19 purpose.

20 (b) The election shall be held in the same manner as an  
21 election for the issuance of bonds payable from taxes by a municipal  
22 utility district. (Acts 68th Leg., R.S., Ch. 722, Sec. 7(b)  
23 (part).)

24 CHAPTER 8160. EMERALD FOREST UTILITY DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 8160.001. DEFINITIONS

27 Sec. 8160.002. NATURE OF DISTRICT

1 Sec. 8160.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

2 Sec. 8160.004. DISTRICT TERRITORY

3 [Sections 8160.005-8160.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8160.051. COMPOSITION OF BOARD

6 [Sections 8160.052-8160.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 8160.101. MUNICIPAL UTILITY DISTRICT POWERS

9 CHAPTER 8160. EMERALD FOREST UTILITY DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8160.001. DEFINITIONS. In this chapter, "district"  
12 means Emerald Forest Utility District. (V.A.C.S. Art. 8280-519,  
13 Sec. 1 (part).)

14 Sec. 8160.002. NATURE OF DISTRICT. The district is a  
15 conservation and reclamation district in Harris County created  
16 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
17 8280-519, Sec. 1 (part).)

18 Sec. 8160.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
19 The district is created to serve a public use and benefit.

20 (b) All land and other property included in the boundaries  
21 of the district will benefit from the works and projects  
22 accomplished by the district under the powers conferred by Section  
23 59, Article XVI, Texas Constitution.

24 (c) The creation of the district is essential to accomplish  
25 the purposes of Section 59, Article XVI, Texas Constitution.  
26 (V.A.C.S. Art. 8280-519, Secs. 1 (part), 3.)

27 Sec. 8160.004. DISTRICT TERRITORY. (a) The district is

1 composed of the territory described by Section 4, Chapter 584, Acts  
2 of the 62nd Legislature, Regular Session, 1971 (Article 8280-519,  
3 Vernon's Texas Civil Statutes), as that territory may have been  
4 modified under:

- 5 (1) Subchapter H, Chapter 54, Water Code;
- 6 (2) Subchapter J, Chapter 49, Water Code; or
- 7 (3) other law.

8 (b) The boundaries and field notes of the district form a  
9 closure. A mistake in the field notes or in copying the field notes  
10 in the legislative process does not affect:

- 11 (1) the district's organization, existence, and  
12 validity;
- 13 (2) the district's right to issue any type of bond for  
14 a purpose for which the district is created or to pay the principal  
15 of and interest on the bond;
- 16 (3) the district's right to impose a tax; or
- 17 (4) the legality or operation of the district or its  
18 governing body. (V.A.C.S. Art. 8280-519, Sec. 2; New.)

19 [Sections 8160.005-8160.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 8160.051. COMPOSITION OF BOARD. The board of  
22 directors is composed of five elected directors. (V.A.C.S. Art.  
23 8280-519, Sec. 6 (part).)

24 [Sections 8160.052-8160.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 8160.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
27 district has the rights, powers, privileges, and functions provided

1 by general law applicable to a municipal utility district,  
2 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-519,  
3 Sec. 5 (part); New.)

4 CHAPTER 8161. ENCANTO REAL UTILITY DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 8161.001. DEFINITION

7 Sec. 8161.002. NATURE OF DISTRICT

8 Sec. 8161.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

9 Sec. 8161.004. DISTRICT TERRITORY

10 [Sections 8161.005-8161.050 reserved for expansion]

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 8161.051. COMPOSITION OF BOARD

13 [Sections 8161.052-8161.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 8161.101. MUNICIPAL UTILITY DISTRICT POWERS

16 CHAPTER 8161. ENCANTO REAL UTILITY DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 8161.001. DEFINITION. In this chapter, "district"  
19 means the Encanto Real Utility District. (V.A.C.S. Art. 8280-584,  
20 Sec. 1 (part).)

21 Sec. 8161.002. NATURE OF DISTRICT. The district is a  
22 conservation and reclamation district in Harris County created  
23 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
24 8280-584, Sec. 1 (part).)

25 Sec. 8161.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
26 The district is created to serve a public use and benefit.

27 (b) All land and other property included in the boundaries



1 of the district will benefit from the works and projects  
2 accomplished by the district under the powers conferred by Section  
3 59, Article XVI, Texas Constitution.

4 (c) The creation of the district is essential to accomplish  
5 the purposes of Section 59, Article XVI, Texas Constitution.  
6 (V.A.C.S. Art. 8280-584, Secs. 1 (part), 3.)

7 Sec. 8161.004. DISTRICT TERRITORY. (a) The district is  
8 composed of the territory described by Section 4, Chapter 700, Acts  
9 of the 62nd Legislature, Regular Session, 1971 (Article 8280-584,  
10 Vernon's Texas Civil Statutes), as that territory may have been  
11 modified under:

- 12 (1) Subchapter H, Chapter 54, Water Code;  
13 (2) Subchapter J, Chapter 49, Water Code; or  
14 (3) other law.

15 (b) The boundaries and field notes of the district form a  
16 closure. A mistake in the field notes or in copying the field notes  
17 in the legislative process does not affect:

- 18 (1) the district's organization, existence, and  
19 validity;  
20 (2) the district's right to issue any type of bond for  
21 a purpose for which the district is created or to pay the principal  
22 of and interest on the bond;  
23 (3) the district's right to impose a tax; or  
24 (4) the legality or operation of the district or its  
25 governing body. (V.A.C.S. Art. 8280-584, Sec. 2; New.)

26 [Sections 8161.005-8161.050 reserved for expansion]

27 SUBCHAPTER B. BOARD OF DIRECTORS

1           Sec. 8161.051. COMPOSITION OF BOARD.       The board of  
2 directors is composed of five elected directors. (V.A.C.S. Art.  
3 8280-584, Sec. 6 (part).)

4           [Sections 8161.052-8161.100 reserved for expansion]

5                           SUBCHAPTER C. POWERS AND DUTIES

6           Sec. 8161.101. MUNICIPAL UTILITY DISTRICT POWERS.   The  
7 district has the rights, powers, privileges, and functions provided  
8 by general law applicable to a municipal utility district,  
9 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-584,  
10 Sec. 5 (part); New.)

11                   CHAPTER 8163. BURLESON COUNTY MUNICIPAL UTILITY

12   DISTRICT NO. 1

13                           SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 8163.001. DEFINITION

15 Sec. 8163.002. NATURE OF DISTRICT

16 Sec. 8163.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

17 Sec. 8163.004. DISTRICT TERRITORY

18           [Sections 8163.005-8163.050 reserved for expansion]

19                           SUBCHAPTER B. BOARD OF DIRECTORS

20 Sec. 8163.051. COMPOSITION OF BOARD

21           [Sections 8163.052-8163.100 reserved for expansion]

22                           SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 8163.101. MUNICIPAL UTILITY DISTRICT POWERS

24                   CHAPTER 8163. BURLESON COUNTY MUNICIPAL UTILITY

25   DISTRICT NO. 1

26                           SUBCHAPTER A. GENERAL PROVISIONS

27           Sec. 8163.001. DEFINITION.   In this chapter, "district"

1 means the Burleson County Municipal Utility District No. 1.  
2 (V.A.C.S. Art. 8280-587, Sec. 1 (part).)

3 Sec. 8163.002. NATURE OF DISTRICT. The district is a  
4 conservation and reclamation district in Burleson County created  
5 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
6 8280-587, Sec. 1 (part).)

7 Sec. 8163.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
8 The district is created to serve a public use and benefit.

9 (b) All land and other property included in the boundaries  
10 of the district will benefit from the works and projects  
11 accomplished by the district under the powers conferred by Section  
12 59, Article XVI, Texas Constitution.

13 (c) The creation of the district is essential to accomplish  
14 the purposes of Section 59, Article XVI, Texas Constitution.  
15 (V.A.C.S. Art. 8280-587, Secs. 1 (part), 3.)

16 Sec. 8163.004. DISTRICT TERRITORY. (a) The district is  
17 composed of the territory described by Section 4, Chapter 703, Acts  
18 of the 62nd Legislature, Regular Session, 1971 (Article 8280-587,  
19 Vernon's Texas Civil Statutes), as that territory may have been  
20 modified under:

- 21 (1) Subchapter H, Chapter 54, Water Code;  
22 (2) Subchapter J, Chapter 49, Water Code; or  
23 (3) other law.

24 (b) The boundaries and field notes of the district form a  
25 closure. A mistake in the field notes or in copying the field notes  
26 in the legislative process does not affect:

- 27 (1) the district's organization, existence, and

1 validity;

2 (2) the district's right to issue any type of bond for  
3 a purpose for which the district is created or to pay the principal  
4 of and interest on the bond;

5 (3) the district's right to impose a tax; or

6 (4) the legality or operation of the district or its  
7 governing body. (V.A.C.S. Art. 8280-587, Sec. 2; New.)

8 [Sections 8163.005-8163.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 8163.051. COMPOSITION OF BOARD. The board of  
11 directors is composed of five elected directors. (V.A.C.S. Art.  
12 8280-587, Sec. 6 (part).)

13 [Sections 8163.052-8163.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 8163.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
16 district has the rights, powers, privileges, and functions provided  
17 by general law applicable to a municipal utility district,  
18 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-587,  
19 Sec. 5 (part).)

20 CHAPTER 8164. CAPE ROYALE UTILITY DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8164.001. DEFINITIONS

23 Sec. 8164.002. NATURE OF DISTRICT

24 Sec. 8164.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 8164.004. DISTRICT TERRITORY

26 [Sections 8164.005-8164.050 reserved for expansion]

1                   SUBCHAPTER B. DISTRICT ADMINISTRATION

2   Sec. 8164.051.   COMPOSITION OF BOARD

3   Sec. 8164.052.   DIRECTOR'S BOND

4   Sec. 8164.053.   BOARD VACANCY

5   Sec. 8164.054.   DISTRICT OFFICE

6   Sec. 8164.055.   ABSENCE OF PRESIDENT FROM BOARD MEETING

7           [Sections 8164.056-8164.100 reserved for expansion]

8                   SUBCHAPTER C. POWERS AND DUTIES

9   Sec. 8164.101.   MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES

10   Sec. 8164.102.   ADDITIONAL POWERS AND DUTIES

11   Sec. 8164.103.   EMINENT DOMAIN

12   Sec. 8164.104.   COST OF RELOCATING OR ALTERING PROPERTY

13   Sec. 8164.105.   CONTRACT FOR PURCHASE OF WATER, SEWER,

14                   OR DRAINAGE SERVICES; ELECTION NOT

15                   REQUIRED

16   Sec. 8164.106.   NOTICE OF ELECTION

17   Sec. 8164.107.   DISTRICT RULES

18           [Sections 8164.108-8164.150 reserved for expansion]

19                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20   Sec. 8164.151.   TAX METHOD

21   Sec. 8164.152.   DISTRICT ACCOUNTS

22   Sec. 8164.153.   COPY OF AUDIT REPORT

23   Sec. 8164.154.   PAYMENT OF TAX OR ASSESSMENT NOT

24                   REQUIRED

25   Sec. 8164.155.   DIRECTOR AS SHAREHOLDER IN DEPOSITORY

26           [Sections 8164.156-8164.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8164.201. USE OF BOND PROCEEDS DURING  
CONSTRUCTION

CHAPTER 8164. CAPE ROYALE UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8164.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Cape Royale Utility District.  
(V.A.C.S. Art. 8280-424, Sec. 1 (part); New.)

Sec. 8164.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in San Jacinto County, created under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-424, Sec. 1 (part); New.)

Sec. 8164.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their property and industries. The district in

1 carrying out the purposes of this chapter will be performing an  
2 essential public function under the Texas Constitution. (V.A.C.S.  
3 Art. 8280-424, Secs. 1 (part), 4, 24 (part).)

4 Sec. 8164.004. DISTRICT TERRITORY. (a) The district is  
5 composed of the territory described by Section 2, Chapter 270, Acts  
6 of the 61st Legislature, Regular Session, 1969 (Article 8280-424,  
7 Vernon's Texas Civil Statutes), as that territory may have been  
8 modified under:

- 9 (1) Subchapter H, Chapter 54, Water Code;
- 10 (2) Subchapter J, Chapter 49, Water Code;
- 11 (3) former Section 9, Chapter 270, Acts of the 61st  
12 Legislature, Regular Session, 1969 (Article 8280-424, Vernon's  
13 Texas Civil Statutes); or
- 14 (4) other law.

15 (b) The boundaries and field notes of the district form a  
16 closure. If a mistake is made in the field notes or in copying the  
17 field notes in the legislative process, the mistake does not  
18 affect:

- 19 (1) the district's organization, existence, and  
20 validity;
- 21 (2) the district's right to issue any type of bond for  
22 a purpose for which the district is created or to pay the principal  
23 of and interest on the bond;
- 24 (3) the district's right to impose a tax; or
- 25 (4) the legality or operation of the district or the  
26 board. (V.A.C.S. Art. 8280-424, Sec. 3; New.)

27 [Sections 8164.005-8164.050 reserved for expansion]

1                   SUBCHAPTER B. DISTRICT ADMINISTRATION

2           Sec. 8164.051. COMPOSITION OF BOARD. The board consists of  
3 five directors. (V.A.C.S. Art. 8280-424, Sec. 10 (part).)

4           Sec. 8164.052. DIRECTOR'S BOND. (a) Each director shall  
5 give a bond in the amount of \$5,000 for the faithful performance of  
6 the director's duties.

7           (b) The bond must be:

8                   (1) approved by the county judge and the board;

9                   (2) filed in the office of the county clerk of the  
10 county or counties in which the district is located; and

11                   (3) recorded in a record book kept for that purpose in  
12 the district office. (V.A.C.S. Art. 8280-424, Sec. 10 (part).)

13           Sec. 8164.053. BOARD VACANCY. (a) Except as provided by  
14 Subsection (b), a vacancy in the office of director shall be filled  
15 in the manner provided by Section 49.105, Water Code.

16           (b) The county judge of the county in which the district is  
17 located shall appoint directors to fill all vacancies on the board  
18 whenever the number of qualified directors is fewer than three.  
19 (V.A.C.S. Art. 8280-424, Sec. 10 (part).)

20           Sec. 8164.054. DISTRICT OFFICE. (a) Except as provided by  
21 this section, the board shall designate, establish, and maintain a  
22 district office as provided by Section 49.062, Water Code.

23           (b) The board may establish a second district office outside  
24 the district. If the board establishes a second district office,  
25 the board shall give notice of the location of that office by:

26                   (1) filing a copy of the board resolution that  
27 establishes the location of the office:



1 (A) with the Texas Commission on Environmental  
2 Quality; and

3 (B) in the municipal utility district records of  
4 each county in which the district is located; and

5 (2) publishing notice of the location of the office in  
6 a newspaper of general circulation in each county in which the  
7 district is located.

8 (c) A district office that is a private residence, office,  
9 or dwelling is a public place for matters relating to district  
10 business.

11 (d) The board shall provide notice of any change in the  
12 location of the district office outside the district in the manner  
13 required by Subsection (b). (V.A.C.S. Art. 8280-424, Sec. 15.)

14 Sec. 8164.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If  
15 the board president is absent from a board meeting:

16 (1) the board vice president may:

17 (A) sign an order adopted at the meeting; or

18 (B) implement any other action taken at the  
19 meeting; or

20 (2) the board may authorize the president to sign the  
21 order or implement the action. (V.A.C.S. Art. 8280-424, Sec. 10  
22 (part).)

23 [Sections 8164.056-8164.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 8164.101. MUNICIPAL UTILITY DISTRICT POWERS AND  
26 DUTIES. The district has all of the rights, powers, privileges,  
27 authority, and functions conferred by the general laws of this

1 state relating to municipal utility districts created under Section  
2 59, Article XVI, Texas Constitution, including those conferred by  
3 Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-424, Sec. 5  
4 (part).)

5 Sec. 8164.102. ADDITIONAL POWERS AND DUTIES. (a) The  
6 district may:

7 (1) make, purchase, construct, lease, or otherwise  
8 acquire property, works, facilities, existing improvements, or  
9 improvements to be made, constructed, or acquired that are:

10 (A) inside or outside the district's boundaries;  
11 and

12 (B) necessary to carry out the powers granted by  
13 this chapter or general law; or

14 (2) enter into a contract with a person on terms the  
15 board considers desirable, fair, and advantageous for:

16 (A) the purchase or sale of water;

17 (B) the transportation, treatment, and disposal  
18 of the domestic, industrial, or communal wastes of the district or  
19 others;

20 (C) the continuing and orderly development of  
21 land and property in the district through the purchase,  
22 construction, or installation of facilities, works, or  
23 improvements that the district is otherwise authorized to do or  
24 perform so that, to the greatest extent reasonably possible,  
25 considering sound engineering and economic practices, all of the  
26 land and property may ultimately receive the services of the  
27 facilities, works, or improvements; and

1 (D) the performance of any of the powers granted  
2 by this chapter or general law.

3 (b) A contract under Subsection (a)(2) may not have a  
4 duration of more than 40 years. (V.A.C.S. Art. 8280-424, Sec. 5  
5 (part).)

6 Sec. 8164.103. EMINENT DOMAIN. The district may exercise  
7 the power of eminent domain only:

8 (1) in a county in which the district is located; and

9 (2) when necessary to carry out the purposes for which  
10 the district was created. (V.A.C.S. Art. 8280-424, Sec. 13  
11 (part).)

12 Sec. 8164.104. COST OF RELOCATING OR ALTERING PROPERTY.

13 (a) In this section, "sole expense" means the actual cost of  
14 relocating, raising, lowering, rerouting, changing the grade of, or  
15 altering the construction of a facility described by Subsection (b)  
16 in providing comparable replacement without enhancement of the  
17 facility, after deducting from that cost the net salvage value of  
18 the old facility.

19 (b) If the district's exercise of the power of eminent  
20 domain, the power of relocation, or any other power granted by this  
21 chapter makes necessary the relocating, raising, rerouting or  
22 changing the grade of, or alteration of the construction of a  
23 highway, a railroad, an electric transmission line, a telegraph or  
24 telephone property or facility, or a pipeline, the necessary action  
25 shall be accomplished at the sole expense of the district.  
26 (V.A.C.S. Art. 8280-424, Sec. 13 (part).)

27 Sec. 8164.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR

1 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may  
2 enter into a contract with a political subdivision for water,  
3 sewer, or drainage services or any combination of those services  
4 without the necessity of an election by any contracting party.

5 (b) The district may pay for an obligation incurred by such  
6 a contract by issuing bonds that, if otherwise necessary, have been  
7 approved by the voters in the manner provided by this chapter.

8 (c) The district may deliver the district's bonds to any of  
9 the following parties that enters into such a contract with the  
10 district:

- 11 (1) the United States;
- 12 (2) an agency or instrumentality of the United States;
- 13 (3) this state; or
- 14 (4) an agency or instrumentality of this state.

15 (V.A.C.S. Art. 8280-424, Sec. 5 (part).)

16 Sec. 8164.106. NOTICE OF ELECTION. The board president or  
17 secretary may give notice of an election. (V.A.C.S. Art. 8280-424,  
18 Sec. 19.)

19 Sec. 8164.107. DISTRICT RULES. The district shall adopt  
20 and enforce reasonable and effective rules to secure and maintain  
21 safe, sanitary, and adequate plumbing installations, connections,  
22 and appurtenances as subsidiary parts of the district's sewerage  
23 system to preserve the quality of water within or controlled by the  
24 district. (V.A.C.S. Art. 8280-424, Sec. 16.)

25 [Sections 8164.108-8164.150 reserved for expansion]

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 8164.151. TAX METHOD. (a) The district shall use the

1 ad valorem plan of taxation.

2 (b) The board is not required to hold a hearing on the  
3 adoption of a plan of taxation. (V.A.C.S. Art. 8280-424, Sec. 8.)

4 Sec. 8164.152. DISTRICT ACCOUNTS. The district shall keep  
5 a complete system of the district's accounts. (V.A.C.S. Art.  
6 8280-424, Sec. 14 (part).)

7 Sec. 8164.153. COPY OF AUDIT REPORT. A copy of the audit  
8 report prepared under Subchapter G, Chapter 49, Water Code, shall  
9 be delivered:

10 (1) to each director; and

11 (2) on request to a holder of at least 25 percent of  
12 the outstanding bonds of the district. (V.A.C.S. Art. 8280-424,  
13 Sec. 14 (part).)

14 Sec. 8164.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.  
15 The district is not required to pay a tax or assessment on:

16 (1) district property; or

17 (2) a purchase made by the district. (V.A.C.S. Art.  
18 8280-424, Sec. 24 (part).)

19 Sec. 8164.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A  
20 director may be a shareholder in a depository of district funds.  
21 (V.A.C.S. Art. 8280-424, Sec. 14 (part).)

22 [Sections 8164.156-8164.200 reserved for expansion]

23 SUBCHAPTER E. BONDS

24 Sec. 8164.201. USE OF BOND PROCEEDS DURING CONSTRUCTION.

25 (a) The district may appropriate or set aside out of the proceeds  
26 from the sale of any bonds issued under this chapter an amount for  
27 the payment of interest, administrative, and operating expenses

1 expected to accrue during a period of construction, as may be  
2 provided in the bond orders or resolutions.

3 (b) For purposes of this section, the period of construction  
4 may not exceed three years. (V.A.C.S. Art. 8280-424, Sec. 12  
5 (part).)

6 CHAPTER 8165. CHATEAU WOODS MUNICIPAL UTILITY DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 8165.001. DEFINITIONS

9 Sec. 8165.002. NATURE OF DISTRICT

10 Sec. 8165.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

11 Sec. 8165.004. DISTRICT TERRITORY

12 [Sections 8165.005-8165.050 reserved for expansion]

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Sec. 8165.051. COMPOSITION OF BOARD; TERMS

15 Sec. 8165.052. QUALIFICATIONS FOR OFFICE

16 Sec. 8165.053. VACANCIES

17 [Sections 8165.054-8165.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Sec. 8165.101. MUNICIPAL UTILITY DISTRICT POWERS

20 CHAPTER 8165. CHATEAU WOODS MUNICIPAL UTILITY DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8165.001. DEFINITIONS. In this chapter:

23 (1) "Board" means the board of directors of the  
24 district.

25 (2) "City" means the city of Chateau Woods.

26 (3) "District" means the Chateau Woods Municipal  
27 Utility District. (Acts 73rd Leg., R.S., Ch. 744, Sec. 2; New.)

1           Sec. 8165.002. NATURE OF DISTRICT. The district is a  
2 conservation and reclamation district in Montgomery County created  
3 under Section 59, Article XVI, Texas Constitution. (Acts 73rd  
4 Leg., R.S., Ch. 744, Secs. 1(a), (b) (part).)

5           Sec. 8165.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
6 The district is created to serve a public use and benefit.

7           (b) All land and other property included in the district  
8 will benefit from the works and projects accomplished by the  
9 district under the powers conferred by Section 59, Article XVI,  
10 Texas Constitution.

11           (c) The district is essential to accomplish the purposes of  
12 Section 59, Article XVI, Texas Constitution. (Acts 73rd Leg.,  
13 R.S., Ch. 744, Secs. 1(b) (part), 4.)

14           Sec. 8165.004. DISTRICT TERRITORY. The district is  
15 composed of the territory described by Section 3, Chapter 744, Acts  
16 of the 73rd Legislature, Regular Session, 1993, as that territory  
17 may have been modified under:

- 18                   (1) Subchapter H, Chapter 54, Water Code;  
19                   (2) Subchapter J, Chapter 49, Water Code; or  
20                   (3) other law. (New.)

21           [Sections 8165.005-8165.050 reserved for expansion]

22                                   SUBCHAPTER B. BOARD OF DIRECTORS

23           Sec. 8165.051. COMPOSITION OF BOARD; TERMS. (a) The  
24 district is governed by a board of five directors.

25           (b) Directors serve staggered four-year terms. (Acts 73rd  
26 Leg., R.S., Ch. 744, Secs. 6(a), 7(c).)

27           Sec. 8165.052. QUALIFICATIONS FOR OFFICE. To be eligible

1 to serve as director, a person must:

2 (1) be a registered voter; and

3 (2) reside in the district. (Acts 73rd Leg., R.S., Ch.  
4 744, Sec. 6(c).)

5 Sec. 8165.053. VACANCIES. A vacancy in the office of  
6 director shall be filled by appointment of the board until the next  
7 election for directors. If the position is not scheduled to be  
8 filled at the election, the person elected to fill the position  
9 shall serve only for the remainder of the unexpired term. (Acts  
10 73rd Leg., R.S., Ch. 744, Sec. 6(b).)

11 [Sections 8165.054-8165.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 8165.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
14 district has the rights, powers, privileges, functions, and duties  
15 provided by general law applicable to a municipal utility district  
16 created under Section 59, Article XVI, Texas Constitution,  
17 including those conferred by Chapters 49, 50, and 54, Water Code.  
18 (Acts 73rd Leg., R.S., Ch. 744, Sec. 5(a) (part); New.)

19 CHAPTER 8166. CIBOLO CREEK MUNICIPAL AUTHORITY

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 8166.001. DEFINITION

22 Sec. 8166.002. NATURE OF DISTRICT

23 Sec. 8166.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

24 Sec. 8166.004. DISTRICT TERRITORY

25 [Sections 8166.005-8166.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 8166.051. COMPOSITION OF BOARD



1 [Sections 8166.052-8166.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8166.101. MUNICIPAL UTILITY DISTRICT AND WASTE

4 DISPOSAL POWERS

5 Sec. 8166.102. WATER SUPPLY IN AND TO MUNICIPALITY

6 [Sections 8166.103-8166.150 reserved for expansion]

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 8166.151. LIMITATION ON USE OF SEWAGE SYSTEM

9 REVENUE

10 CHAPTER 8166. CIBOLO CREEK MUNICIPAL AUTHORITY

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8166.001. DEFINITION. In this chapter, "district"  
13 means the Cibolo Creek Municipal Authority. (V.A.C.S. Art.  
14 8280-487, Sec. 1 (part).)

15 Sec. 8166.002. NATURE OF DISTRICT. The district is a  
16 conservation and reclamation district in Bexar, Comal, and  
17 Guadalupe Counties created under Section 59, Article XVI, Texas  
18 Constitution. (V.A.C.S. Art. 8280-487, Sec. 1 (part).)

19 Sec. 8166.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
20 The district is created to serve a public use and benefit.

21 (b) All land and other property included in the boundaries  
22 of the district will benefit from the works and projects  
23 accomplished by the district under the powers conferred by Section  
24 59, Article XVI, Texas Constitution.

25 (c) The creation of the district is essential to accomplish  
26 the purposes of Section 59, Article XVI, Texas Constitution.  
27 (V.A.C.S. Art. 8280-487, Secs. 1 (part), 3 (part).)

1           Sec. 8166.004. DISTRICT TERRITORY. (a) The district is  
2 composed of the territory described by Section 4, Chapter 347, Acts  
3 of the 62nd Legislature, Regular Session, 1971 (Article 8280-487,  
4 Vernon's Texas Civil Statutes), as that territory may have been  
5 modified under:

- 6                   (1) Subchapter H, Chapter 54, Water Code;  
7                   (2) Subchapter J, Chapter 49, Water Code; or  
8                   (3) other law.

9           (b) The boundaries and field notes of the district form a  
10 closure. A mistake in the field notes or in copying the field notes  
11 in the legislative process does not affect:

- 12                   (1) the district's organization, existence, and  
13 validity;  
14                   (2) the district's right to issue any type of bond for  
15 a purpose for which the district is created or to pay the principal  
16 of and interest on the bond;  
17                   (3) the district's right to impose a tax; or  
18                   (4) the legality or operation of the district or its  
19 governing body. (V.A.C.S. Art. 8280-487, Sec. 2; New.)

20           [Sections 8166.005-8166.050 reserved for expansion]

21                                   SUBCHAPTER B. BOARD OF DIRECTORS

22           Sec. 8166.051. COMPOSITION OF BOARD. The board of  
23 directors is composed of five elected directors. (V.A.C.S. Art.  
24 8280-487, Sec. 6(a) (part).)

25           [Sections 8166.052-8166.100 reserved for expansion]

26                                   SUBCHAPTER C. POWERS AND DUTIES

27           Sec. 8166.101. MUNICIPAL UTILITY DISTRICT AND WASTE

1 DISPOSAL POWERS. The district has the rights, powers, privileges,  
2 and functions provided by general law applicable to a municipal  
3 utility district, including Chapters 49 and 54, Water Code, and  
4 applicable to a river authority under Chapter 30, Water Code.  
5 (V.A.C.S. Art. 8280-487, Sec. 5 (part); New.)

6 Sec. 8166.102. WATER SUPPLY IN AND TO MUNICIPALITY. (a)  
7 The powers granted by Section 8166.101 do not include the power to  
8 supply water for municipal uses, domestic uses, or commercial  
9 purposes, on a retail basis in the municipal limits or  
10 extraterritorial jurisdiction of a municipality that lies wholly or  
11 partly in the district.

12 (b) A municipality described by Subsection (a) may contract  
13 with the district to supply surface water to the municipality for  
14 resale. The municipality shall bear the full cost of the  
15 development, transportation, distribution, and treatment of the  
16 water. (V.A.C.S. Art. 8280-487, Sec. 5 (part).)

17 [Sections 8166.103-8166.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 8166.151. LIMITATION ON USE OF SEWAGE SYSTEM REVENUE.  
20 The district may not use revenue received from the district sewage  
21 system, including from the collection, transportation, treatment,  
22 or disposal of sewage, and from other purposes pertaining to the  
23 system, to pay for surface water development, transportation,  
24 distribution, or treatment. (V.A.C.S. Art. 8280-487, Sec. 5  
25 (part).)

1 CHAPTER 8167. CINCO MUNICIPAL UTILITY DISTRICT NO. 1

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8167.001. DEFINITION

4 Sec. 8167.002. NATURE OF DISTRICT

5 Sec. 8167.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8167.004. DISTRICT TERRITORY

7 [Sections 8167.005-8167.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8167.051. COMPOSITION OF BOARD

10 [Sections 8167.052-8167.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8167.101. MUNICIPAL UTILITY DISTRICT POWERS

13 Sec. 8167.102. WATER CONSERVATION PROGRAM

14 CHAPTER 8167. CINCO MUNICIPAL UTILITY DISTRICT NO. 1

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 8167.001. DEFINITION. In this chapter, "district"  
17 means Cinco Municipal Utility District No. 1. (Acts 69th Leg.,  
18 R.S., Ch. 184, Secs. 1(a) (part), 2.)

19 Sec. 8167.002. NATURE OF DISTRICT. The district is a  
20 conservation and reclamation district in Fort Bend County created  
21 under Section 59, Article XVI, Texas Constitution. (Acts 69th  
22 Leg., R.S., Ch. 184, Sec. 1(a) (part).)

23 Sec. 8167.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
24 The district is created to serve a public use and benefit.

25 (b) All land and other property included in the boundaries  
26 of the district will benefit from the works and projects  
27 accomplished by the district under the powers conferred by Section

1 59, Article XVI, Texas Constitution.

2 (c) The creation of the district is essential to accomplish  
3 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
4 69th Leg., R.S., Ch. 184, Secs. 1(b), 5.)

5 Sec. 8167.004. DISTRICT TERRITORY. (a) The district is  
6 composed of the territory described by Section 3, Chapter 184, Acts  
7 of the 69th Legislature, Regular Session, 1985, as that territory  
8 may have been modified under:

- 9 (1) Subchapter H, Chapter 54, Water Code;  
10 (2) Subchapter J, Chapter 49, Water Code; or  
11 (3) other law.

12 (b) The boundaries and field notes of the district form a  
13 closure. A mistake in the field notes or in copying the field notes  
14 in the legislative process does not affect:

- 15 (1) the district's organization, existence, and  
16 validity;  
17 (2) the district's right to issue any type of bond for  
18 a purpose for which the district is created or to pay the principal  
19 of and interest on the bond;  
20 (3) the district's right to impose a tax; or  
21 (4) the legality or operation of the district or its  
22 governing body. (Acts 69th Leg., R.S., Ch. 184, Sec. 4; New.)

23 [Sections 8167.005-8167.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8167.051. COMPOSITION OF BOARD. The district is  
26 governed by a board of five elected directors. (Acts 69th Leg.,  
27 R.S., Ch. 184, Secs. 8(a), (b) (part).)

1 [Sections 8167.052-8167.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8167.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
4 district has the rights, powers, privileges, and functions provided  
5 by general law applicable to a municipal utility district created  
6 under Section 59, Article XVI, Texas Constitution, including  
7 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 184,  
8 Sec. 6(a) (part).)

9 Sec. 8167.102. WATER CONSERVATION PROGRAM. (a) In this  
10 section, "program of water conservation" means the practices,  
11 techniques, and technologies that will reduce water consumption,  
12 reduce water loss or waste, improve efficiency in water use, or  
13 increase water recycling and reuse so that a water supply is  
14 available for future or alternative uses.

15 (b) The district shall adopt and implement a program of  
16 water conservation consistent with rules and criteria adopted and  
17 enforceable by the Texas Commission on Environmental Quality for  
18 similarly situated districts in the region. (Acts 69th Leg., R.S.,  
19 Ch. 184, Sec. 7.)

20 CHAPTER 8168. CINCO MUNICIPAL UTILITY DISTRICT NO. 2

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8168.001. DEFINITION

23 Sec. 8168.002. NATURE OF DISTRICT

24 Sec. 8168.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 8168.004. DISTRICT TERRITORY

26 [Sections 8168.005-8168.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 8168.051. COMPOSITION OF BOARD

3 [Sections 8168.052-8168.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8168.101. MUNICIPAL UTILITY DISTRICT POWERS

6 Sec. 8168.102. WATER CONSERVATION PROGRAM

7 CHAPTER 8168. CINCO MUNICIPAL UTILITY DISTRICT NO. 2

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 8168.001. DEFINITION. In this chapter, "district"  
10 means Cinco Municipal Utility District No. 2. (Acts 69th Leg.,  
11 R.S., Ch. 185, Secs. 1(a) (part), 2.)

12 Sec. 8168.002. NATURE OF DISTRICT. The district is a  
13 conservation and reclamation district in Fort Bend and Harris  
14 Counties created under Section 59, Article XVI, Texas Constitution.  
15 (Acts 69th Leg., R.S., Ch. 185, Sec. 1(a) (part).)

16 Sec. 8168.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
17 The district is created to serve a public use and benefit.

18 (b) All land and other property included in the boundaries  
19 of the district will benefit from the works and projects  
20 accomplished by the district under the powers conferred by Section  
21 59, Article XVI, Texas Constitution.

22 (c) The creation of the district is essential to accomplish  
23 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
24 69th Leg., R.S., Ch. 185, Secs. 1(b), 5.)

25 Sec. 8168.004. DISTRICT TERRITORY. (a) The district is  
26 composed of the territory described by Section 3, Chapter 185, Acts  
27 of the 69th Legislature, Regular Session, 1985, as that territory

1 may have been modified under:

- 2 (1) Subchapter H, Chapter 54, Water Code;
- 3 (2) Subchapter J, Chapter 49, Water Code; or
- 4 (3) other law.

5 (b) The boundaries and field notes of the district form a  
6 closure. A mistake in the field notes or in copying the field notes  
7 in the legislative process does not affect:

- 8 (1) the district's organization, existence, and  
9 validity;
- 10 (2) the district's right to issue any type of bond for  
11 a purpose for which the district is created or to pay the principal  
12 of and interest on the bond;
- 13 (3) the district's right to impose a tax; or
- 14 (4) the legality or operation of the district or its  
15 governing body. (Acts 69th Leg., R.S., Ch. 185, Sec. 4; New.)

16 [Sections 8168.005-8168.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 8168.051. COMPOSITION OF BOARD. The district is  
19 governed by a board of five elected directors. (Acts 69th Leg.,  
20 R.S., Ch. 185, Secs. 8(a), (b) (part).)

21 [Sections 8168.052-8168.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 8168.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
24 district has the rights, powers, privileges, and functions provided  
25 by general law applicable to a municipal utility district created  
26 under Section 59, Article XVI, Texas Constitution, including  
27 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 185,



1 Sec. 6(a) (part).)

2           Sec. 8168.102. WATER CONSERVATION PROGRAM. (a) In this  
3 section, "program of water conservation" means the practices,  
4 techniques, and technologies that will reduce water consumption,  
5 reduce water loss or waste, improve efficiency in water use, or  
6 increase water recycling and reuse so that a water supply is  
7 available for future or alternative uses.

8           (b) The district shall adopt and implement a program of  
9 water conservation consistent with rules and criteria adopted and  
10 enforceable by the Texas Commission on Environmental Quality for  
11 similarly situated districts in the region. (Acts 69th Leg., R.S.,  
12 Ch. 185, Sec. 7.)

13           CHAPTER 8169. CINCO MUNICIPAL UTILITY DISTRICT NO. 3

14                           SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8169.001. DEFINITION

16 Sec. 8169.002. NATURE OF DISTRICT

17 Sec. 8169.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

18 Sec. 8169.004. DISTRICT TERRITORY

19           [Sections 8169.005-8169.050 reserved for expansion]

20                           SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 8169.051. COMPOSITION OF BOARD

22           [Sections 8169.052-8169.100 reserved for expansion]

23                           SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 8169.101. MUNICIPAL UTILITY DISTRICT POWERS

25 Sec. 8169.102. WATER CONSERVATION PROGRAM

26           CHAPTER 8169. CINCO MUNICIPAL UTILITY DISTRICT NO. 3

27                           SUBCHAPTER A. GENERAL PROVISIONS

1           Sec. 8169.001. DEFINITION. In this chapter, "district"  
2 means Cinco Municipal Utility District No. 3. (Acts 69th Leg.,  
3 R.S., Ch. 186, Secs. 1(a) (part), 2.)

4           Sec. 8169.002. NATURE OF DISTRICT. The district is a  
5 conservation and reclamation district in Fort Bend and Harris  
6 Counties created under Section 59, Article XVI, Texas Constitution.  
7 (Acts 69th Leg., R.S., Ch. 186, Sec. 1(a) (part).)

8           Sec. 8169.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
9 The district is created to serve a public use and benefit.

10           (b) All land and other property included in the boundaries  
11 of the district will benefit from the works and projects  
12 accomplished by the district under the powers conferred by Section  
13 59, Article XVI, Texas Constitution.

14           (c) The creation of the district is essential to accomplish  
15 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
16 69th Leg., R.S., Ch. 186, Secs. 1(b), 5.)

17           Sec. 8169.004. DISTRICT TERRITORY. (a) The district is  
18 composed of the territory described by Section 3, Chapter 186, Acts  
19 of the 69th Legislature, Regular Session, 1985, as that territory  
20 may have been modified under:

- 21                   (1) Subchapter H, Chapter 54, Water Code;  
22                   (2) Subchapter J, Chapter 49, Water Code; or  
23                   (3) other law.

24           (b) The boundaries and field notes of the district form a  
25 closure. A mistake in the field notes or in copying the field notes  
26 in the legislative process does not affect:

- 27                   (1) the district's organization, existence, and

1 validity;

2 (2) the district's right to issue any type of bond for  
3 a purpose for which the district is created or to pay the principal  
4 of and interest on the bond;

5 (3) the district's right to impose a tax; or

6 (4) the legality or operation of the district or its  
7 governing body. (Acts 69th Leg., R.S., Ch. 186, Sec. 4; New.)

8 [Sections 8169.005-8169.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 8169.051. COMPOSITION OF BOARD. The district is  
11 governed by a board of five elected directors. (Acts 69th Leg.,  
12 R.S., Ch. 186, Secs. 8(a), (b) (part).)

13 [Sections 8169.052-8169.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 8169.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
16 district has the rights, powers, privileges, and functions provided  
17 by general law applicable to a municipal utility district created  
18 under Section 59, Article XVI, Texas Constitution, including  
19 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 186,  
20 Sec. 6(a) (part).)

21 Sec. 8169.102. WATER CONSERVATION PROGRAM. (a) In this  
22 section, "program of water conservation" means the practices,  
23 techniques, and technologies that will reduce water consumption,  
24 reduce water loss or waste, improve efficiency in water use, or  
25 increase water recycling and reuse so that a water supply is  
26 available for future or alternative uses.

27 (b) The district shall adopt and implement a program of

1 water conservation consistent with rules and criteria adopted and  
2 enforceable by the Texas Commission on Environmental Quality for  
3 similarly situated districts in the region. (Acts 69th Leg., R.S.,  
4 Ch. 186, Sec. 7.)

5 CHAPTER 8170. CINCO MUNICIPAL UTILITY DISTRICT NO. 5

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 8170.001. DEFINITION

8 Sec. 8170.002. NATURE OF DISTRICT

9 Sec. 8170.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

10 Sec. 8170.004. DISTRICT TERRITORY

11 [Sections 8170.005-8170.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 8170.051. COMPOSITION OF BOARD

14 [Sections 8170.052-8170.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 8170.101. MUNICIPAL UTILITY DISTRICT POWERS

17 Sec. 8170.102. WATER CONSERVATION PROGRAM

18 CHAPTER 8170. CINCO MUNICIPAL UTILITY DISTRICT NO. 5

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8170.001. DEFINITION. In this chapter, "district"  
21 means Cinco Municipal Utility District No. 5. (Acts 69th Leg.,  
22 R.S., Ch. 188, Secs. 1(a) (part), 2.)

23 Sec. 8170.002. NATURE OF DISTRICT. The district is a  
24 conservation and reclamation district in Fort Bend and Harris  
25 Counties created under Section 59, Article XVI, Texas Constitution.  
26 (Acts 69th Leg., R.S., Ch. 188, Sec. 1(a) (part).)

27 Sec. 8170.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

1 The district is created to serve a public use and benefit.

2 (b) All land and other property included in the boundaries  
3 of the district will benefit from the works and projects  
4 accomplished by the district under the powers conferred by Section  
5 59, Article XVI, Texas Constitution.

6 (c) The creation of the district is essential to accomplish  
7 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
8 69th Leg., R.S., Ch. 188, Secs. 1(b), 5.)

9 Sec. 8170.004. DISTRICT TERRITORY. (a) The district is  
10 composed of the territory described by Section 3, Chapter 188, Acts  
11 of the 69th Legislature, Regular Session, 1985, as that territory  
12 may have been modified under:

- 13 (1) Subchapter H, Chapter 54, Water Code;  
14 (2) Subchapter J, Chapter 49, Water Code; or  
15 (3) other law.

16 (b) The boundaries and field notes of the district form a  
17 closure. A mistake in the field notes or in copying the field notes  
18 in the legislative process does not affect:

19 (1) the district's organization, existence, and  
20 validity;

21 (2) the district's right to issue any type of bond for  
22 a purpose for which the district is created or to pay the principal  
23 of and interest on the bond;

24 (3) the district's right to impose a tax; or

25 (4) the legality or operation of the district or its  
26 governing body. (Acts 69th Leg., R.S., Ch. 188, Sec. 4; New.)

27 [Sections 8170.005-8170.050 reserved for expansion]

1                   SUBCHAPTER B. BOARD OF DIRECTORS

2           Sec. 8170.051. COMPOSITION OF BOARD. The district is  
3 governed by a board of five elected directors. (Acts 69th Leg.,  
4 R.S., Ch. 188, Secs. 8(a), (b) (part).)

5           [Sections 8170.052-8170.100 reserved for expansion]

6                   SUBCHAPTER C. POWERS AND DUTIES

7           Sec. 8170.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
8 district has the rights, powers, privileges, and functions provided  
9 by general law applicable to a municipal utility district created  
10 under Section 59, Article XVI, Texas Constitution, including  
11 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 188,  
12 Sec. 6(a) (part).)

13          Sec. 8170.102. WATER CONSERVATION PROGRAM. (a) In this  
14 section, "program of water conservation" means the practices,  
15 techniques, and technologies that will reduce water consumption,  
16 reduce water loss or waste, improve efficiency in water use, or  
17 increase water recycling and reuse so that a water supply is  
18 available for future or alternative uses.

19          (b) The district shall adopt and implement a program of  
20 water conservation consistent with rules and criteria adopted and  
21 enforceable by the Texas Commission on Environmental Quality for  
22 similarly situated districts in the region. (Acts 69th Leg., R.S.,  
23 Ch. 188, Sec. 7.)

24                   CHAPTER 8171. CINCO MUNICIPAL UTILITY DISTRICT NO. 6

25                   SUBCHAPTER A. GENERAL PROVISIONS

26   Sec. 8171.001. DEFINITION

27   Sec. 8171.002. NATURE OF DISTRICT

1 Sec. 8171.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

2 Sec. 8171.004. DISTRICT TERRITORY

3 [Sections 8171.005-8171.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8171.051. COMPOSITION OF BOARD

6 [Sections 8171.052-8171.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 8171.101. MUNICIPAL UTILITY DISTRICT POWERS

9 Sec. 8171.102. WATER CONSERVATION PROGRAM

10 CHAPTER 8171. CINCO MUNICIPAL UTILITY DISTRICT NO. 6

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8171.001. DEFINITION. In this chapter, "district"  
13 means Cinco Municipal Utility District No. 6. (Acts 69th Leg.,  
14 R.S., Ch. 189, Secs. 1(a) (part), 2.)

15 Sec. 8171.002. NATURE OF DISTRICT. The district is a  
16 conservation and reclamation district in Fort Bend County created  
17 under Section 59, Article XVI, Texas Constitution. (Acts 69th  
18 Leg., R.S., Ch. 189, Sec. 1(a) (part).)

19 Sec. 8171.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
20 The district is created to serve a public use and benefit.

21 (b) All land and other property included in the boundaries  
22 of the district will benefit from the works and projects  
23 accomplished by the district under the powers conferred by Section  
24 59, Article XVI, Texas Constitution.

25 (c) The creation of the district is essential to accomplish  
26 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
27 69th Leg., R.S., Ch. 189, Secs. 1(b), 5.)

1           Sec. 8171.004. DISTRICT TERRITORY. (a) The district is  
2 composed of the territory described by Section 3, Chapter 189, Acts  
3 of the 69th Legislature, Regular Session, 1985, as that territory  
4 may have been modified under:

- 5                   (1) Subchapter H, Chapter 54, Water Code;  
6                   (2) Subchapter J, Chapter 49, Water Code; or  
7                   (3) other law.

8           (b) The boundaries and field notes of the district form a  
9 closure. A mistake in the field notes or in copying the field notes  
10 in the legislative process does not affect:

- 11                   (1) the district's organization, existence, and  
12 validity;  
13                   (2) the district's right to issue any type of bond for  
14 a purpose for which the district is created or to pay the principal  
15 of and interest on the bond;  
16                   (3) the district's right to impose a tax; or  
17                   (4) the legality or operation of the district or its  
18 governing body. (Acts 69th Leg., R.S., Ch. 189, Sec. 4; New.)

19                   [Sections 8171.005-8171.050 reserved for expansion]

20                   SUBCHAPTER B. BOARD OF DIRECTORS

21           Sec. 8171.051. COMPOSITION OF BOARD. The district is  
22 governed by a board of five elected directors. (Acts 69th Leg.,  
23 R.S., Ch. 189, Secs. 8(a), (b) (part).)

24                   [Sections 8171.052-8171.100 reserved for expansion]

25                   SUBCHAPTER C. POWERS AND DUTIES

26           Sec. 8171.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
27 district has the rights, powers, privileges, and functions provided



1 by general law applicable to a municipal utility district created  
2 under Section 59, Article XVI, Texas Constitution, including  
3 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 189,  
4 Sec. 6(a) (part).)

5 Sec. 8171.102. WATER CONSERVATION PROGRAM. (a) In this  
6 section, "program of water conservation" means the practices,  
7 techniques, and technologies that will reduce water consumption,  
8 reduce water loss or waste, improve efficiency in water use, or  
9 increase water recycling and reuse so that a water supply is  
10 available for future or alternative uses.

11 (b) The district shall adopt and implement a program of  
12 water conservation consistent with rules and criteria adopted and  
13 enforceable by the Texas Commission on Environmental Quality for  
14 similarly situated districts in the region. (Acts 69th Leg., R.S.,  
15 Ch. 189, Sec. 7.)

16 CHAPTER 8172. CINCO MUNICIPAL UTILITY DISTRICT NO. 7

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 8172.001. DEFINITION

19 Sec. 8172.002. NATURE OF DISTRICT

20 Sec. 8172.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

21 Sec. 8172.004. DISTRICT TERRITORY

22 [Sections 8172.005-8172.050 reserved for expansion]

23 SUBCHAPTER B. BOARD OF DIRECTORS

24 Sec. 8172.051. COMPOSITION OF BOARD

25 [Sections 8172.052-8172.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 8172.101. MUNICIPAL UTILITY DISTRICT POWERS

1 Sec. 8172.102. WATER CONSERVATION PROGRAM

2 CHAPTER 8172. CINCO MUNICIPAL UTILITY DISTRICT NO. 7

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 8172.001. DEFINITION. In this chapter, "district"  
5 means Cinco Municipal Utility District No. 7. (Acts 69th Leg.,  
6 R.S., Ch. 190, Secs. 1(a) (part), 2.)

7 Sec. 8172.002. NATURE OF DISTRICT. The district is a  
8 conservation and reclamation district in Fort Bend County created  
9 under Section 59, Article XVI, Texas Constitution. (Acts 69th  
10 Leg., R.S., Ch. 190, Sec. 1(a) (part).)

11 Sec. 8172.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
12 The district is created to serve a public use and benefit.

13 (b) All land and other property included in the boundaries  
14 of the district will benefit from the works and projects  
15 accomplished by the district under the powers conferred by Section  
16 59, Article XVI, Texas Constitution.

17 (c) The creation of the district is essential to accomplish  
18 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
19 69th Leg., R.S., Ch. 190, Secs. 1(b), 5.)

20 Sec. 8172.004. DISTRICT TERRITORY. (a) The district is  
21 composed of the territory described by Section 3, Chapter 190, Acts  
22 of the 69th Legislature, Regular Session, 1985, as that territory  
23 may have been modified under:

- 24 (1) Subchapter H, Chapter 54, Water Code;  
25 (2) Subchapter J, Chapter 49, Water Code; or  
26 (3) other law.

27 (b) The boundaries and field notes of the district form a

1 closure. A mistake in the field notes or in copying the field notes  
2 in the legislative process does not affect:

3 (1) the district's organization, existence, and  
4 validity;

5 (2) the district's right to issue any type of bond for  
6 a purpose for which the district is created or to pay the principal  
7 of and interest on the bond;

8 (3) the district's right to impose a tax; or

9 (4) the legality or operation of the district or its  
10 governing body. (Acts 69th Leg., R.S., Ch. 190, Sec. 4; New.)

11 [Sections 8172.005-8172.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 8172.051. COMPOSITION OF BOARD. The district is  
14 governed by a board of five elected directors. (Acts 69th Leg.,  
15 R.S., Ch. 190, Secs. 8(a), (b) (part).)

16 [Sections 8172.052-8172.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 8172.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
19 district has the rights, powers, privileges, and functions provided  
20 by general law applicable to a municipal utility district created  
21 under Section 59, Article XVI, Texas Constitution, including  
22 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 190,  
23 Sec. 6(a) (part).)

24 Sec. 8172.102. WATER CONSERVATION PROGRAM. (a) In this  
25 section, "program of water conservation" means the practices,  
26 techniques, and technologies that will reduce water consumption,  
27 reduce water loss or waste, improve efficiency in water use, or

1 increase water recycling and reuse so that a water supply is  
2 available for future or alternative uses.

3 (b) The district shall adopt and implement a program of  
4 water conservation consistent with rules and criteria adopted and  
5 enforceable by the Texas Commission on Environmental Quality for  
6 similarly situated districts in the region. (Acts 69th Leg., R.S.,  
7 Ch. 190, Sec. 7.)

8 CHAPTER 8173. CINCO MUNICIPAL UTILITY DISTRICT NO. 8

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8173.001. DEFINITION

11 Sec. 8173.002. NATURE OF DISTRICT

12 Sec. 8173.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

13 Sec. 8173.004. DISTRICT TERRITORY

14 [Sections 8173.005-8173.050 reserved for expansion]

15 SUBCHAPTER B. BOARD OF DIRECTORS

16 Sec. 8173.051. COMPOSITION OF BOARD

17 [Sections 8173.052-8173.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Sec. 8173.101. MUNICIPAL UTILITY DISTRICT POWERS

20 Sec. 8173.102. WATER CONSERVATION PROGRAM

21 CHAPTER 8173. CINCO MUNICIPAL UTILITY DISTRICT NO. 8

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Sec. 8173.001. DEFINITION. In this chapter, "district"  
24 means Cinco Municipal Utility District No. 8. (Acts 69th Leg.,  
25 R.S., Ch. 191, Secs. 1(a) (part), 2.)

26 Sec. 8173.002. NATURE OF DISTRICT. The district is a  
27 conservation and reclamation district in Fort Bend County created

1 under Section 59, Article XVI, Texas Constitution. (Acts 69th  
2 Leg., R.S., Ch. 191, Sec. 1(a) (part).)

3 Sec. 8173.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
4 The district is created to serve a public use and benefit.

5 (b) All land and other property included in the boundaries  
6 of the district will benefit from the works and projects  
7 accomplished by the district under the powers conferred by Section  
8 59, Article XVI, Texas Constitution.

9 (c) The creation of the district is essential to accomplish  
10 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
11 69th Leg., R.S., Ch. 191, Secs. 1(b), 5.)

12 Sec. 8173.004. DISTRICT TERRITORY. (a) The district is  
13 composed of the territory described by Section 3, Chapter 191, Acts  
14 of the 69th Legislature, Regular Session, 1985, as that territory  
15 may have been modified under:

- 16 (1) Subchapter H, Chapter 54, Water Code;  
17 (2) Subchapter J, Chapter 49, Water Code; or  
18 (3) other law.

19 (b) The boundaries and field notes of the district form a  
20 closure. A mistake in the field notes or in copying the field notes  
21 in the legislative process does not affect:

22 (1) the district's organization, existence, and  
23 validity;

24 (2) the district's right to issue any type of bond for  
25 a purpose for which the district is created or to pay the principal  
26 of and interest on the bond;

27 (3) the district's right to impose a tax; or

1           (4) the legality or operation of the district or its  
2 governing body. (Acts 69th Leg., R.S., Ch. 191, Sec. 4; New.)

3           [Sections 8173.005-8173.050 reserved for expansion]

4                           SUBCHAPTER B. BOARD OF DIRECTORS

5           Sec. 8173.051. COMPOSITION OF BOARD. The district is  
6 governed by a board of five elected directors. (Acts 69th Leg.,  
7 R.S., Ch. 191, Secs. 8(a), (b) (part).)

8           [Sections 8173.052-8173.100 reserved for expansion]

9                           SUBCHAPTER C. POWERS AND DUTIES

10          Sec. 8173.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
11 district has the rights, powers, privileges, and functions provided  
12 by general law applicable to a municipal utility district created  
13 under Section 59, Article XVI, Texas Constitution, including  
14 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 191,  
15 Sec. 6(a) (part).)

16          Sec. 8173.102. WATER CONSERVATION PROGRAM. (a) In this  
17 section, "program of water conservation" means the practices,  
18 techniques, and technologies that will reduce water consumption,  
19 reduce water loss or waste, improve efficiency in water use, or  
20 increase water recycling and reuse so that a water supply is  
21 available for future or alternative uses.

22          (b) The district shall adopt and implement a program of  
23 water conservation consistent with rules and criteria adopted and  
24 enforceable by the Texas Commission on Environmental Quality for  
25 similarly situated districts in the region. (Acts 69th Leg., R.S.,  
26 Ch. 191, Sec. 7.)

1 CHAPTER 8174. CINCO MUNICIPAL UTILITY DISTRICT NO. 9

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8174.001. DEFINITION

4 Sec. 8174.002. NATURE OF DISTRICT

5 Sec. 8174.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8174.004. DISTRICT TERRITORY

7 [Sections 8174.005-8174.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8174.051. COMPOSITION OF BOARD

10 [Sections 8174.052-8174.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8174.101. MUNICIPAL UTILITY DISTRICT POWERS

13 Sec. 8174.102. WATER CONSERVATION PROGRAM

14 CHAPTER 8174. CINCO MUNICIPAL UTILITY DISTRICT NO. 9

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 8174.001. DEFINITION. In this chapter, "district"  
17 means Cinco Municipal Utility District No. 9. (Acts 69th Leg.,  
18 R.S., Ch. 192, Secs. 1(a) (part), 2.)

19 Sec. 8174.002. NATURE OF DISTRICT. The district is a  
20 conservation and reclamation district in Fort Bend and Harris  
21 Counties created under Section 59, Article XVI, Texas Constitution.  
22 (Acts 69th Leg., R.S., Ch. 192, Sec. 1(a) (part).)

23 Sec. 8174.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
24 The district is created to serve a public use and benefit.

25 (b) All land and other property included in the boundaries  
26 of the district will benefit from the works and projects  
27 accomplished by the district under the powers conferred by Section

1 59, Article XVI, Texas Constitution.

2 (c) The creation of the district is essential to accomplish  
3 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
4 69th Leg., R.S., Ch. 192, Secs. 1(b), 5.)

5 Sec. 8174.004. DISTRICT TERRITORY. (a) The district is  
6 composed of the territory described by Section 3, Chapter 192, Acts  
7 of the 69th Legislature, Regular Session, 1985, as that territory  
8 may have been modified under:

- 9 (1) Subchapter H, Chapter 54, Water Code;  
10 (2) Subchapter J, Chapter 49, Water Code; or  
11 (3) other law.

12 (b) The boundaries and field notes of the district form a  
13 closure. A mistake in the field notes or in copying the field notes  
14 in the legislative process does not affect:

- 15 (1) the district's organization, existence, and  
16 validity;  
17 (2) the district's right to issue any type of bond for  
18 a purpose for which the district is created or to pay the principal  
19 of and interest on the bond;  
20 (3) the district's right to impose a tax; or  
21 (4) the legality or operation of the district or its  
22 governing body. (Acts 69th Leg., R.S., Ch. 192, Sec. 4; New.)

23 [Sections 8174.005-8174.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8174.051. COMPOSITION OF BOARD. The district is  
26 governed by a board of five elected directors. (Acts 69th Leg.,  
27 R.S., Ch. 192, Secs. 8(a), (b) (part).)



1 [Sections 8174.052-8174.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8174.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
4 district has the rights, powers, privileges, and functions provided  
5 by general law applicable to a municipal utility district created  
6 under Section 59, Article XVI, Texas Constitution, including  
7 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 192,  
8 Sec. 6(a) (part).)

9 Sec. 8174.102. WATER CONSERVATION PROGRAM. (a) In this  
10 section, "program of water conservation" means the practices,  
11 techniques, and technologies that will reduce water consumption,  
12 reduce water loss or waste, improve efficiency in water use, or  
13 increase water recycling and reuse so that a water supply is  
14 available for future or alternative uses.

15 (b) The district shall adopt and implement a program of  
16 water conservation consistent with rules and criteria adopted and  
17 enforceable by the Texas Commission on Environmental Quality for  
18 similarly situated districts in the region. (Acts 69th Leg., R.S.,  
19 Ch. 192, Sec. 7.)

20 CHAPTER 8177. FLYING "L" PUBLIC UTILITY DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8177.001. DEFINITION

23 Sec. 8177.002. NATURE OF DISTRICT

24 Sec. 8177.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 8177.004. DISTRICT TERRITORY

26 [Sections 8177.005-8177.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 8177.051. COMPOSITION OF BOARD

3 [Sections 8177.052-8177.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8177.101. MUNICIPAL UTILITY DISTRICT POWERS

6 CHAPTER 8177. FLYING "L" PUBLIC UTILITY DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 8177.001. DEFINITION. In this chapter, "district"  
9 means the Flying "L" Public Utility District. (V.A.C.S. Art.  
10 8280-508, Sec. 1 (part).)

11 Sec. 8177.002. NATURE OF DISTRICT. The district is a  
12 conservation and reclamation district in Bandera County, created  
13 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
14 8280-508, Sec. 1 (part).)

15 Sec. 8177.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
16 The district is created to serve a public use and benefit.

17 (b) All land and other property included in the boundaries  
18 of the district will benefit from the works and projects  
19 accomplished by the district under the powers conferred by Section  
20 59, Article XVI, Texas Constitution.

21 (c) The creation of the district is essential to accomplish  
22 the purposes of Section 59, Article XVI, Texas Constitution.  
23 (V.A.C.S. Art. 8280-508, Secs. 1 (part), 3.)

24 Sec. 8177.004. DISTRICT TERRITORY. (a) The district is  
25 composed of the territory described by Section 4, Chapter 505, Acts  
26 of the 62nd Legislature, Regular Session, 1971 (Article 8280-508,  
27 Vernon's Texas Civil Statutes), as that territory may have been

1 modified under:

- 2 (1) Subchapter H, Chapter 54, Water Code;
- 3 (2) Subchapter J, Chapter 49, Water Code; or
- 4 (3) other law.

5 (b) The boundaries and field notes of the district form a  
6 closure. A mistake in the field notes or in copying the field notes  
7 in the legislative process does not affect:

- 8 (1) the district's organization, existence, and  
9 validity;
- 10 (2) the district's right to issue any type of bond for  
11 a purpose for which the district is created or to pay the principal  
12 of and interest on the bond;
- 13 (3) the district's right to impose a tax; or
- 14 (4) the legality or operation of the district or its  
15 governing body. (V.A.C.S. Art. 8280-508, Sec. 2; New.)

16 [Sections 8177.005-8177.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 8177.051. COMPOSITION OF BOARD. The board of  
19 directors is composed of five elected directors. (V.A.C.S. Art.  
20 8280-508, Sec. 6 (part).)

21 [Sections 8177.052-8177.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 8177.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
24 district has the rights, powers, privileges, and functions provided  
25 by general law applicable to a municipal utility district,  
26 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-508,  
27 Sec. 5 (part).)

1 CHAPTER 8178. CY-CHAMP PUBLIC UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8178.001. DEFINITIONS

4 Sec. 8178.002. NATURE OF DISTRICT

5 Sec. 8178.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8178.004. DISTRICT TERRITORY

7 [Sections 8178.005-8178.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8178.051. COMPOSITION OF BOARD

10 [Sections 8178.052-8178.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8178.101. MUNICIPAL UTILITY DISTRICT POWERS

13 CHAPTER 8178. CY-CHAMP PUBLIC UTILITY DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8178.001. DEFINITIONS. In this chapter, "district"  
16 means the Cy-Champ Public Utility District. (V.A.C.S. Art.  
17 8280-573, Sec. 1 (part).)

18 Sec. 8178.002. NATURE OF DISTRICT. The district is a  
19 conservation and reclamation district in Harris County created  
20 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
21 8280-573, Sec. 1 (part).)

22 Sec. 8178.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
23 The district is created to serve a public use and benefit.

24 (b) All land and other property included in the boundaries  
25 of the district will benefit from the works and projects  
26 accomplished by the district under the powers conferred by Section  
27 59, Article XVI, Texas Constitution.

1 (c) The creation of the district is essential to accomplish  
2 the purposes of Section 59, Article XVI, Texas Constitution.  
3 (V.A.C.S. Art. 8280-573, Secs. 1 (part), 3.)

4 Sec. 8178.004. DISTRICT TERRITORY. (a) The district is  
5 composed of the territory described by Section 4, Chapter 686, Acts  
6 of the 62nd Legislature, Regular Session, 1971 (Article 8280-573,  
7 Vernon's Texas Civil Statutes), as that territory may have been  
8 modified under:

9 (1) Subchapter H, Chapter 54, Water Code;

10 (2) Subchapter J, Chapter 49, Water Code; or

11 (3) other law.

12 (b) The boundaries and field notes of the district form a  
13 closure. A mistake in the field notes or in copying the field notes  
14 in the legislative process does not affect:

15 (1) the district's organization, existence, and  
16 validity;

17 (2) the district's right to issue any type of bond for  
18 a purpose for which the district is created or to pay the principal  
19 of and interest on the bond;

20 (3) the district's right to impose a tax; or

21 (4) the legality or operation of the district or its  
22 governing body. (V.A.C.S. Art. 8280-573, Sec. 2; New.)

23 [Sections 8178.005-8178.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8178.051. COMPOSITION OF BOARD. The board of  
26 directors is composed of five elected directors. (V.A.C.S. Art.  
27 8280-573, Sec. 6 (part).)

1 [Sections 8178.052-8178.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8178.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
4 district has the rights, powers, privileges, and functions provided  
5 by general law applicable to a municipal utility district,  
6 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-573,  
7 Sec. 5 (part); New.)

8 CHAPTER 8179. CYPRESS CREEK UTILITY DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8179.001. DEFINITIONS

11 Sec. 8179.002. NATURE OF DISTRICT

12 Sec. 8179.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

13 Sec. 8179.004. DISTRICT TERRITORY

14 [Sections 8179.005-8179.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 8179.051. COMPOSITION OF BOARD

17 Sec. 8179.052. DIRECTOR'S BOND

18 Sec. 8179.053. BOARD VACANCY

19 Sec. 8179.054. DISTRICT OFFICE

20 Sec. 8179.055. ABSENCE OF PRESIDENT FROM BOARD MEETING

21 [Sections 8179.056-8179.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 8179.101. GENERAL POWERS AND DUTIES

24 Sec. 8179.102. ADDITIONAL POWERS AND DUTIES

25 Sec. 8179.103. EMINENT DOMAIN

26 Sec. 8179.104. COST OF RELOCATING OR ALTERING PROPERTY

1 Sec. 8179.105. CONTRACT FOR PURCHASE OF WATER, SEWER,  
2 OR DRAINAGE SERVICES; ELECTION NOT  
3 REQUIRED

4 Sec. 8179.106. NOTICE OF ELECTION

5 Sec. 8179.107. DISTRICT RULES

6 [Sections 8179.108-8179.150 reserved for expansion]

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 8179.151. TAX METHOD

9 Sec. 8179.152. DISTRICT ACCOUNTS

10 Sec. 8179.153. COPY OF AUDIT REPORT

11 Sec. 8179.154. PAYMENT OF TAX OR ASSESSMENT NOT  
12 REQUIRED

13 Sec. 8179.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY

14 [Sections 8179.156-8179.200 reserved for expansion]

15 SUBCHAPTER E. BONDS

16 Sec. 8179.201. USE OF BOND PROCEEDS DURING  
17 CONSTRUCTION

18 CHAPTER 8179. CYPRESS CREEK UTILITY DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8179.001. DEFINITIONS. In this chapter:

21 (1) "Board" means the board of directors of the  
22 district.

23 (2) "Director" means a member of the board.

24 (3) "District" means the Cypress Creek Utility  
25 District. (V.A.C.S. Art. 8280-403, Sec. 1 (part); New.)

26 Sec. 8179.002. NATURE OF DISTRICT. The district is a  
27 municipal utility district and a conservation and reclamation

1 district in Harris County, created under Section 59, Article XVI,  
2 Texas Constitution. (V.A.C.S. Art. 8280-403, Sec. 1 (part); New.)

3 Sec. 8179.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
4 The district is created to serve a public use and benefit.

5 (b) All land and other property included in the boundaries  
6 of the district will benefit from the works and projects  
7 accomplished by the district under the powers conferred by Section  
8 59, Article XVI, Texas Constitution.

9 (c) The creation of the district is essential to accomplish  
10 the purposes of Section 59, Article XVI, Texas Constitution.

11 (d) The accomplishment of the purposes stated in this  
12 chapter is for the benefit of the people of this state and for the  
13 improvement of their property and industries. The district in  
14 carrying out the purposes of this chapter will be performing an  
15 essential public function under the Texas Constitution. (V.A.C.S.  
16 Art. 8280-403, Secs. 1 (part), 4, 24 (part).)

17 Sec. 8179.004. DISTRICT TERRITORY. (a) The district is  
18 composed of the territory described by Section 2, Chapter 146, Acts  
19 of the 61st Legislature, Regular Session, 1969 (Article 8280-403,  
20 Vernon's Texas Civil Statutes), as that territory may have been  
21 modified under:

22 (1) Subchapter H, Chapter 54, Water Code;

23 (2) Subchapter J, Chapter 49, Water Code;

24 (3) former Section 9, Chapter 146, Acts of the 61st  
25 Legislature, Regular Session, 1969 (Article 8280-403, Vernon's  
26 Texas Civil Statutes); or

27 (4) other law.



1 (b) The boundaries and field notes of the district form a  
2 closure. If a mistake is made in the field notes or in copying the  
3 field notes in the legislative process, the mistake does not  
4 affect:

5 (1) the district's organization, existence, and  
6 validity;

7 (2) the district's right to issue any type of bond for  
8 a purpose for which the district is created or to pay the principal  
9 of and interest on the bond;

10 (3) the district's right to impose a tax; or

11 (4) the legality or operation of the district or the  
12 board. (V.A.C.S. Art. 8280-403, Sec. 3; New.)

13 [Sections 8179.005-8179.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT ADMINISTRATION

15 Sec. 8179.051. COMPOSITION OF BOARD. The board consists of  
16 five directors. (V.A.C.S. Art. 8280-403, Sec. 10 (part).)

17 Sec. 8179.052. DIRECTOR'S BOND. (a) Each director shall  
18 execute a bond in the amount of \$5,000 for the faithful performance  
19 of the director's duties.

20 (b) The bond must be:

21 (1) approved by the county judge and the board;

22 (2) filed in the office of the county clerk of the  
23 county or counties in which the district is located; and

24 (3) recorded in a record book kept for that purpose in  
25 the district office. (V.A.C.S. Art. 8280-403, Sec. 10 (part).)

26 Sec. 8179.053. BOARD VACANCY. (a) Except as provided by  
27 Subsection (b), a vacancy in the office of director shall be filled

1 in the manner provided by Section 49.105, Water Code.

2 (b) The county judge of the county in which the district is  
3 located shall appoint directors to fill all vacancies on the board  
4 whenever the number of qualified directors is fewer than three.  
5 (V.A.C.S. Art. 8280-403, Sec. 10 (part).)

6 Sec. 8179.054. DISTRICT OFFICE. (a) Except as provided by  
7 this section, the board shall designate, establish, and maintain a  
8 district office as provided by Section 49.062, Water Code.

9 (b) The board may establish a second district office outside  
10 the district. If the board establishes a second district office,  
11 the board shall give notice of the location of that office by:

12 (1) filing a copy of the board resolution that  
13 establishes the location of the office:

14 (A) with the Texas Commission on Environmental  
15 Quality; and

16 (B) in the municipal utility district records of  
17 each county in which the district is located; and

18 (2) publishing notice of the location of the office in  
19 a newspaper of general circulation in each county in which the  
20 district is located.

21 (c) A district office that is a private residence, office,  
22 or dwelling is a public place for matters relating to district  
23 business.

24 (d) The board shall provide notice of any change in the  
25 location of the district office outside the district in the manner  
26 required by Subsection (b). (V.A.C.S. Art. 8280-403, Sec. 15.)

27 Sec. 8179.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If

1 the board president is absent from a board meeting:

2 (1) the board vice president may:

3 (A) sign an order adopted at the meeting; or

4 (B) implement any other action taken at the  
5 meeting; or

6 (2) the board may authorize the president to sign the  
7 order or implement the action. (V.A.C.S. Art. 8280-403, Sec. 10  
8 (part).)

9 [Sections 8179.056-8179.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 8179.101. GENERAL POWERS AND DUTIES. The district has  
12 all of the rights, powers, privileges, authority, and functions  
13 conferred by the general laws of this state relating to municipal  
14 utility districts created under Section 59, Article XVI, Texas  
15 Constitution, including those conferred by Chapters 49 and 54,  
16 Water Code. (V.A.C.S. Art. 8280-403, Sec. 5 (part).)

17 Sec. 8179.102. ADDITIONAL POWERS AND DUTIES. (a) The  
18 district may:

19 (1) make, purchase, construct, lease, or otherwise  
20 acquire property, works, facilities, existing improvements, or  
21 improvements to be made, constructed, or acquired that are:

22 (A) inside or outside the district's boundaries;  
23 and

24 (B) necessary to carry out the powers granted by  
25 this chapter or general law; or

26 (2) enter into a contract with a person on terms the  
27 board considers desirable, fair, and advantageous for:

1 (A) the purchase or sale of water;

2 (B) the transportation, treatment, and disposal  
3 of the domestic, industrial, or communal wastes of the district or  
4 others;

5 (C) the continuing and orderly development of  
6 land and property in the district through the purchase,  
7 construction, or installation of facilities, works, or  
8 improvements that the district is otherwise authorized to do or  
9 perform so that, to the greatest extent reasonably possible,  
10 considering sound engineering and economic practices, all of the  
11 land and property may ultimately receive the services of the  
12 facilities, works, or improvements; and

13 (D) the performance of any of the powers granted  
14 by this chapter or general law.

15 (b) A contract under Subsection (a)(2) may not have a  
16 duration of more than 40 years. (V.A.C.S. Art. 8280-403, Sec. 5  
17 (part).)

18 Sec. 8179.103. EMINENT DOMAIN. The district may exercise  
19 the power of eminent domain only:

20 (1) in a county in which the district is located; and

21 (2) when necessary to carry out the purposes for which  
22 the district was created. (V.A.C.S. Art. 8280-403, Sec. 13  
23 (part).)

24 Sec. 8179.104. COST OF RELOCATING OR ALTERING PROPERTY.

25 (a) In this section, "sole expense" means the actual cost of  
26 relocating, raising, lowering, rerouting, or changing the grade of  
27 or altering the construction of a facility described by Subsection

1 (b) in providing comparable replacement without enhancement of the  
2 facility, after deducting from that cost the net salvage value of  
3 the old facility.

4 (b) If the district's exercise of the power of eminent  
5 domain, the power of relocation, or any other power conferred by  
6 this chapter makes necessary the relocation, raising, rerouting,  
7 changing the grade, or alteration of the construction of a highway,  
8 a railroad, an electric transmission line, a telegraph or telephone  
9 property or facility, or a pipeline, the necessary action shall be  
10 accomplished at the sole expense of the district. (V.A.C.S. Art.  
11 8280-403, Sec. 13 (part).)

12 Sec. 8179.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR  
13 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may  
14 enter into a contract with a political subdivision for water,  
15 sewer, or drainage services or any combination of those services  
16 without the necessity of an election by any contracting party.

17 (b) The district may pay for an obligation incurred by such  
18 a contract by issuing bonds that, if otherwise necessary, have been  
19 approved by the voters in the manner provided by this chapter.

20 (c) The district may deliver the district's bonds to any of  
21 the following parties that enters into such a contract with the  
22 district:

- 23 (1) the United States;
- 24 (2) an agency or instrumentality of the United States;
- 25 (3) this state; or
- 26 (4) an agency or instrumentality of this state.

27 (V.A.C.S. Art. 8280-403, Sec. 5 (part).)

1           Sec. 8179.106. NOTICE OF ELECTION. The board president or  
2 secretary may give notice of an election. (V.A.C.S. Art. 8280-403,  
3 Sec. 19.)

4           Sec. 8179.107. DISTRICT RULES. The district shall adopt  
5 and enforce reasonable and effective rules to secure and maintain  
6 safe, sanitary, and adequate plumbing installations, connections,  
7 and appurtenances as subsidiary parts of the district's sewerage  
8 system to preserve the quality of water within or controlled by the  
9 district. (V.A.C.S. Art. 8280-403, Sec. 16.)

10           [Sections 8179.108-8179.150 reserved for expansion]

11           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12           Sec. 8179.151. TAX METHOD. (a) The district shall use the  
13 ad valorem plan of taxation.

14           (b) The board is not required to hold a hearing on the  
15 adoption of a plan of taxation. (V.A.C.S. Art. 8280-403, Sec. 8.)

16           Sec. 8179.152. DISTRICT ACCOUNTS. The district shall keep  
17 a complete system of the district's accounts. (V.A.C.S. Art.  
18 8280-403, Sec. 14 (part).)

19           Sec. 8179.153. COPY OF AUDIT REPORT. A copy of the audit  
20 report prepared under Subchapter G, Chapter 49, Water Code, shall  
21 be delivered:

22           (1) to each director; and

23           (2) on request to a holder of at least 25 percent of  
24 the outstanding bonds of the district. (V.A.C.S. Art. 8280-403,  
25 Sec. 14 (part).)

26           Sec. 8179.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.

27 The district is not required to pay a tax or assessment on:



1                   SUBCHAPTER C. POWERS AND DUTIES

2   Sec. 8180.101.   MUNICIPAL UTILITY DISTRICT POWERS

3                   CHAPTER 8180. CYPRESS FOREST PUBLIC UTILITY DISTRICT

4                   SUBCHAPTER A. GENERAL PROVISIONS

5           Sec. 8180.001.   DEFINITION.   In this chapter, "district"  
6 means Cypress Forest Public Utility District.   (V.A.C.S. Art.  
7 8280-479, Sec. 1 (part).)

8           Sec. 8180.002.   NATURE OF DISTRICT.   The district is a  
9 conservation and reclamation district in Harris County created  
10 under Section 59, Article XVI, Texas Constitution.   (V.A.C.S. Art.  
11 8280-479, Sec. 1 (part).)

12          Sec. 8180.003.   FINDINGS OF BENEFIT AND PUBLIC PURPOSE.   (a)  
13 The district is created to serve a public use and benefit.

14          (b) All land and other property included in the boundaries  
15 of the district will benefit from the works and projects  
16 accomplished by the district under the powers conferred by Section  
17 59, Article XVI, Texas Constitution.

18          (c) The creation of the district is essential to accomplish  
19 the purposes of Section 59, Article XVI, Texas Constitution.  
20 (V.A.C.S. Art. 8280-479, Secs. 1 (part), 3.)

21          Sec. 8180.004.   DISTRICT TERRITORY.   (a) The district is  
22 composed of the territory described by Section 4, Chapter 195, Acts  
23 of the 62nd Legislature, Regular Session, 1971 (Article 8280-479,  
24 Vernon's Texas Civil Statutes), as that territory may have been  
25 modified under:

26                   (1) Subchapter H, Chapter 54, Water Code;

27                   (2) Subchapter J, Chapter 49, Water Code; or



1 (3) other law.

2 (b) The boundaries and field notes of the district form a  
3 closure. A mistake in the field notes or in copying the field notes  
4 in the legislative process does not affect:

5 (1) the district's organization, existence, and  
6 validity;

7 (2) the district's right to issue any type of bond for  
8 a purpose for which the district is created or to pay the principal  
9 of and interest on the bond;

10 (3) the district's right to impose a tax; or

11 (4) the legality or operation of the district or its  
12 governing body. (V.A.C.S. Art. 8280-479, Sec. 2; New.)

13 [Sections 8180.005-8180.050 reserved for expansion]

14 SUBCHAPTER B. BOARD OF DIRECTORS

15 Sec. 8180.051. COMPOSITION OF BOARD. The board of  
16 directors is composed of five elected directors. (V.A.C.S. Art.  
17 8280-479, Sec. 6 (part).)

18 [Sections 8180.052-8180.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8180.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
21 district has the rights, powers, privileges, and functions provided  
22 by general law applicable to a municipal utility district,  
23 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-479,  
24 Sec. 5 (part); New.)

25 CHAPTER 8181. CYPRESS-KLEIN UTILITY DISTRICT

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 8181.001. DEFINITION

1 Sec. 8181.002. NATURE OF DISTRICT

2 Sec. 8181.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

3 Sec. 8181.004. DISTRICT TERRITORY

4 [Sections 8181.005-8181.050 reserved for expansion]

5 SUBCHAPTER B. BOARD OF DIRECTORS

6 Sec. 8181.051. COMPOSITION OF BOARD

7 [Sections 8181.052-8181.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 8181.101. MUNICIPAL UTILITY DISTRICT POWERS

10 CHAPTER 8181. CYPRESS-KLEIN UTILITY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8181.001. DEFINITION. In this chapter, "district"  
13 means the Cypress-Klein Utility District. (V.A.C.S. Art. 8280-542,  
14 Sec. 1 (part).)

15 Sec. 8181.002. NATURE OF DISTRICT. The district is a  
16 conservation and reclamation district in Harris County created  
17 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
18 8280-542, Sec. 1 (part).)

19 Sec. 8181.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
20 The district is created to serve a public use and benefit.

21 (b) All land and other property included in the boundaries  
22 of the district will benefit from the works and projects  
23 accomplished by the district under the powers conferred by Section  
24 59, Article XVI, Texas Constitution.

25 (c) The creation of the district is essential to accomplish  
26 the purposes of Section 59, Article XVI, Texas Constitution.  
27 (V.A.C.S. Art. 8280-542, Secs. 1 (part), 3.)

1           Sec. 8181.004. DISTRICT TERRITORY. (a) The district is  
2 composed of the territory described by Section 4, Chapter 654, Acts  
3 of the 62nd Legislature, Regular Session, 1971 (Article 8280-542,  
4 Vernon's Texas Civil Statutes), as that territory may have been  
5 modified under:

- 6                   (1) Subchapter H, Chapter 54, Water Code;  
7                   (2) Subchapter J, Chapter 49, Water Code; or  
8                   (3) other law.

9           (b) The boundaries and field notes of the district form a  
10 closure. A mistake in the field notes or in copying the field notes  
11 in the legislative process does not affect:

- 12                   (1) the district's organization, existence, and  
13 validity;  
14                   (2) the district's right to issue any type of bond for  
15 a purpose for which the district is created or to pay the principal  
16 of and interest on the bond;  
17                   (3) the district's right to impose a tax; or  
18                   (4) the legality or operation of the district or its  
19 governing body. (V.A.C.S. Art. 8280-542, Sec. 2; New.)

20                   [Sections 8181.005-8181.050 reserved for expansion]

21                   SUBCHAPTER B. BOARD OF DIRECTORS

22           Sec. 8181.051. COMPOSITION OF BOARD. The board of  
23 directors is composed of five elected directors. (V.A.C.S. Art.  
24 8280-542, Sec. 6 (part).)

25                   [Sections 8181.052-8181.100 reserved for expansion]

26                   SUBCHAPTER C. POWERS AND DUTIES

27           Sec. 8181.101. MUNICIPAL UTILITY DISTRICT POWERS. The

1 district has the rights, powers, privileges, and functions provided  
2 by general law applicable to a municipal utility district,  
3 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-542,  
4 Sec. 5 (part); New.)

5 CHAPTER 8182. CYPRESSWOOD UTILITY DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 8182.001. DEFINITION

8 Sec. 8182.002. NATURE OF DISTRICT

9 Sec. 8182.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

10 Sec. 8182.004. DISTRICT TERRITORY

11 [Sections 8182.005-8182.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 8182.051. COMPOSITION OF BOARD

14 [Sections 8182.052-8182.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 8182.101. MUNICIPAL UTILITY DISTRICT POWERS

17 CHAPTER 8182. CYPRESSWOOD UTILITY DISTRICT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 8182.001. DEFINITION. In this chapter, "district"  
20 means the Cypresswood Utility District. (V.A.C.S. Art. 8280-515,  
21 Sec. 1 (part).)

22 Sec. 8182.002. NATURE OF DISTRICT. The district is a  
23 conservation and reclamation district in Harris County created  
24 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
25 8280-515, Sec. 1 (part).)

26 Sec. 8182.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
27 The district is created to serve a public use and benefit.

1 (b) All land and other property included in the boundaries  
2 of the district will benefit from the works and projects  
3 accomplished by the district under the powers conferred by Section  
4 59, Article XVI, Texas Constitution.

5 (c) The creation of the district is essential to accomplish  
6 the purposes of Section 59, Article XVI, Texas Constitution.  
7 (V.A.C.S. Art. 8280-515, Secs. 1 (part), 3.)

8 Sec. 8182.004. DISTRICT TERRITORY. (a) The district is  
9 composed of the territory described by Section 4, Chapter 576, Acts  
10 of the 62nd Legislature, Regular Session, 1971 (Article 8280-515,  
11 Vernon's Texas Civil Statutes), as that territory may have been  
12 modified under:

- 13 (1) Subchapter H, Chapter 54, Water Code;  
14 (2) Subchapter J, Chapter 49, Water Code; or  
15 (3) other law.

16 (b) The boundaries and field notes of the district form a  
17 closure. A mistake in the field notes or in copying the field notes  
18 in the legislative process does not affect:

19 (1) the district's organization, existence, and  
20 validity;

21 (2) the district's right to issue any type of bond for  
22 a purpose for which the district is created or to pay the principal  
23 of and interest on the bond;

24 (3) the district's right to impose a tax; or

25 (4) the legality or operation of the district or its  
26 governing body. (V.A.C.S. Art. 8280-515, Sec. 2; New.)

27 [Sections 8182.005-8182.050 reserved for expansion]

1                   SUBCHAPTER B. BOARD OF DIRECTORS

2           Sec. 8182.051. COMPOSITION OF BOARD.       The board of  
3 directors is composed of five elected directors. (V.A.C.S. Art.  
4 8280-515, Sec. 6 (part).)

5           [Sections 8182.052-8182.100 reserved for expansion]

6                   SUBCHAPTER C. POWERS AND DUTIES

7           Sec. 8182.101. MUNICIPAL UTILITY DISTRICT POWERS.   The  
8 district has the rights, powers, privileges, and functions provided  
9 by general law applicable to a municipal utility district,  
10 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-515,  
11 Sec. 5 (part); New.)

12           CHAPTER 8183. DELTA COUNTY MUNICIPAL UTILITY DISTRICT

13                   SUBCHAPTER A. GENERAL PROVISIONS

14   Sec. 8183.001. DEFINITIONS

15   Sec. 8183.002. NATURE OF DISTRICT

16   Sec. 8183.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

17           [Sections 8183.004-8183.050 reserved for expansion]

18                   SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS

19                               TO DISTRICT TERRITORY

20   Sec. 8183.051. DISTRICT TERRITORY

21   Sec. 8183.052. ANNEXATION OF TERRITORY

22   Sec. 8183.053. RESTRICTION ON ANNEXATION OF RAILROAD

23                               RIGHT-OF-WAY

24           [Sections 8183.054-8183.100 reserved for expansion]

25                   SUBCHAPTER C. BOARD OF DIRECTORS

26   Sec. 8183.101. QUALIFICATIONS FOR OFFICE

27   Sec. 8183.102. APPOINTMENT OF SECRETARY AND TREASURER

- 1 Sec. 8183.103. VOTE BY BOARD PRESIDENT
- 2 Sec. 8183.104. DIRECTOR'S AND TREASURER'S BOND
- 3 Sec. 8183.105. COMPENSATION
- 4 [Sections 8183.106-8183.150 reserved for expansion]
- 5 SUBCHAPTER D. GENERAL POWERS AND DUTIES
- 6 Sec. 8183.151. CONTRACTS TO SUPPLY WATER OR SEWAGE
- 7 SERVICES
- 8 Sec. 8183.152. ACQUISITION OF LAND AND OTHER PROPERTY
- 9 Sec. 8183.153. CONSTRUCTION CONTRACTS
- 10 Sec. 8183.154. SURPLUS PROPERTY
- 11 Sec. 8183.155. EMINENT DOMAIN
- 12 Sec. 8183.156. COST OF RELOCATING PROPERTY
- 13 [Sections 8183.157-8183.200 reserved for expansion]
- 14 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
- 15 Sec. 8183.201. DEPOSITORY
- 16 Sec. 8183.202. TAX ASSESSOR AND COLLECTOR
- 17 Sec. 8183.203. PROJECTS EXEMPT FROM ASSESSMENT OR
- 18 TAXATION
- 19 [Sections 8183.204-8183.250 reserved for expansion]
- 20 SUBCHAPTER F. BONDS
- 21 Sec. 8183.251. AUTHORITY TO ISSUE BONDS
- 22 Sec. 8183.252. FORM OF BONDS
- 23 Sec. 8183.253. MATURITY
- 24 Sec. 8183.254. ELECTION FOR BONDS PAYABLE FROM AD
- 25 VALOREM TAX
- 26 Sec. 8183.255. BONDS PAYABLE FROM REVENUE
- 27 Sec. 8183.256. BONDS PAYABLE FROM AD VALOREM TAXES

- 1 Sec. 8183.257. TAX AND RATE REQUIREMENTS
- 2 Sec. 8183.258. ADDITIONAL SECURITY
- 3 Sec. 8183.259. TRUST INDENTURE
- 4 Sec. 8183.260. USE OF BOND PROCEEDS
- 5 Sec. 8183.261. APPOINTMENT OF RECEIVER
- 6 Sec. 8183.262. REFUNDING BONDS
- 7 Sec. 8183.263. LIMITATION ON RIGHTS OF HOLDERS
- 8 Sec. 8183.264. BONDS EXEMPT FROM TAXATION
- 9 Sec. 8183.265. DETACHMENT OF TERRITORY AFTER ISSUANCE
- 10 OF BONDS

11 CHAPTER 8183. DELTA COUNTY MUNICIPAL UTILITY DISTRICT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 8183.001. DEFINITIONS. In this chapter:

14 (1) "Board" means the board of directors of the  
15 district.

16 (2) "Commissioners court" means the Commissioners  
17 Court of Delta County.

18 (3) "Director" means a member of the board.

19 (4) "District" means the Delta County Municipal  
20 Utility District. (V.A.C.S. Art. 8280-589, Sec. 1 (part); New.)

21 Sec. 8183.002. NATURE OF DISTRICT. The district is a  
22 municipal utility district and a conservation and reclamation  
23 district created under Section 59, Article XVI, Texas Constitution.  
24 (V.A.C.S. Art. 8280-589, Sec. 1 (part); New.)

25 Sec. 8183.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
26 All territory in the district will benefit from the works and  
27 improvements of the district.





1 question of whether the territory to be annexed will benefit from  
2 the improvements, works, or facilities owned or operated or  
3 contemplated to be owned or operated by the district.

4 (c) At least 10 days before the date of the hearing, notice  
5 of the adoption of the resolution stating the time and place of the  
6 hearing and addressed to the citizens and owners of property in the  
7 territory to be annexed shall be published one time in a newspaper  
8 designated by the board that is of general circulation in the  
9 territory to be annexed. The notice must describe the territory in  
10 the same manner in which Subsection (a) requires the petition to  
11 describe the territory.

12 (d) Any interested person may appear at the hearing and  
13 offer evidence for or against the annexation.

14 (e) The hearing may proceed in the order and under the rules  
15 prescribed by the board and may be recessed from time to time.

16 (f) If, at the conclusion of the hearing, the board finds  
17 that the land in the territory will benefit from the present or  
18 contemplated improvements, works, or facilities of the district,  
19 the board may adopt a resolution annexing the territory to the  
20 district. (V.A.C.S. Art. 8280-589, Secs. 5(a), (b) (part), (c),  
21 (d).)

22 Sec. 8183.053. RESTRICTION ON ANNEXATION OF RAILROAD  
23 RIGHT-OF-WAY. (a) A railroad right-of-way may not be annexed to  
24 the district unless the right-of-way is contained in the limits of a  
25 municipality annexed at the same time or previously annexed to the  
26 district.

27 (b) A railroad right-of-way that is not in the limits of a

1 municipality will not benefit from improvements, works, and  
2 facilities the district is authorized to construct. (V.A.C.S. Art.  
3 8280-589, Sec. 5(b) (part).)

4 [Sections 8183.054-8183.100 reserved for expansion]

5 SUBCHAPTER C. BOARD OF DIRECTORS

6 Sec. 8183.101. QUALIFICATIONS FOR OFFICE. (a) A person may  
7 not be appointed a director unless the person resides in Delta  
8 County or in a county all or a portion of which is contained in the  
9 district.

10 (b) A person may not be appointed a director unless the  
11 person resides in and owns taxable property in the district.  
12 (V.A.C.S. Art. 8280-589, Secs. 3(c) (part), 4 (part).)

13 Sec. 8183.102. APPOINTMENT OF SECRETARY AND TREASURER. The  
14 board shall appoint a secretary and a treasurer, who are not  
15 required to be directors. The board may combine the offices of  
16 secretary and treasurer. (V.A.C.S. Art. 8280-589, Sec. 4 (part).)

17 Sec. 8183.103. VOTE BY BOARD PRESIDENT. The president has  
18 the same right to vote as any other director. The vice president  
19 may not exercise the president's right to vote. (V.A.C.S. Art.  
20 8280-589, Sec. 4 (part).)

21 Sec. 8183.104. DIRECTOR'S AND TREASURER'S BOND. (a) Each  
22 director shall give bond in the amount of \$5,000 conditioned on the  
23 faithful performance of the director's duties.

24 (b) The treasurer shall give bond in the amount required by  
25 the board. The treasurer's bond shall be conditioned on the  
26 treasurer's faithful accounting for all money that comes into the  
27 treasurer's custody as treasurer of the district. (V.A.C.S. Art.

1 8280-589, Secs. 3(c) (part), 4 (part).)

2           Sec. 8183.105. COMPENSATION.           Unless the board by  
3 resolution increases the fee to an amount authorized by Section  
4 49.060, Water Code, each director:

5           (1) shall receive a fee for attending each meeting of  
6 the board not to exceed \$20 for a meeting or \$40 in one calendar  
7 month; and

8           (2) is entitled to an additional amount not to exceed  
9 \$20 for each day that the director devotes to serving the business  
10 of the district if the service is expressly approved by the board.  
11 (V.A.C.S. Art. 8280-589, Sec. 3(d) (part).)

12           [Sections 8183.106-8183.150 reserved for expansion]

13           SUBCHAPTER D. GENERAL POWERS AND DUTIES

14           Sec. 8183.151. CONTRACTS TO SUPPLY WATER OR SEWAGE  
15 SERVICES. (a) The district may contract with a municipality or  
16 other entity to supply to the entity water or sewage  
17 transportation, treatment, or disposal services.

18           (b) The district may contract with a municipality for the  
19 rental or leasing of or for the operation of the municipality's  
20 water production, water supply, water filtration or purification,  
21 or water supply facilities or the municipality's sewage collection,  
22 treatment, and disposal system on the consideration agreed to by  
23 the district and the municipality.

24           (c) The contract may be on terms and for the time agreed to  
25 by the parties.

26           (d) The contract may provide that it will continue in effect  
27 until bonds specified in it and refunding bonds issued in lieu of

1 the bonds are paid.

2 (e) The district may contract with a municipality for the  
3 operation of the district's water and sewer system by the  
4 municipality. (V.A.C.S. Art. 8280-589, Sec. 14.)

5 Sec. 8183.152. ACQUISITION OF LAND AND OTHER PROPERTY. The  
6 district may acquire the fee simple title to land and other property  
7 or easements inside or outside the district and may construct,  
8 lease, or otherwise acquire all works, plants, and other facilities  
9 necessary or useful to:

10 (1) divert, impound, store, or treat water for, or  
11 transport water to, municipalities and others inside or outside the  
12 district for municipal, domestic, industrial, or mining purposes;  
13 or

14 (2) provide sewage collection, transportation,  
15 treatment, or disposal services to municipalities and others inside  
16 or outside the district. (V.A.C.S. Art. 8280-589, Sec. 6 (part).)

17 Sec. 8183.153. CONSTRUCTION CONTRACTS. (a) The district  
18 may award a construction contract that requires an expenditure of  
19 more than \$5,000 only after publication of notice to bidders once  
20 each week for two weeks in a newspaper of general circulation in the  
21 district that is designated or approved by the board.

22 (b) The notice is sufficient if it states:

23 (1) the time and place for opening the bids;

24 (2) the general nature of the work to be done or the  
25 material, equipment, or supplies to be purchased; and

26 (3) the place where and the terms on which copies of  
27 the plans and specifications may be obtained. (V.A.C.S. Art.

1 8280-589, Sec. 8.)

2           Sec. 8183.154. SURPLUS PROPERTY. Subject to the terms of a  
3 deed of trust issued by the district, the district may sell, trade,  
4 or otherwise dispose of property the board considers not needed for  
5 district purposes. (V.A.C.S. Art. 8280-589, Sec. 6 (part).)

6           Sec. 8183.155. EMINENT DOMAIN. (a) To carry out a power  
7 provided by this chapter, the district may exercise the power of  
8 eminent domain to acquire the fee simple title to land and other  
9 property and easements, inside or outside the district, including  
10 land needed for a reservoir, dam, or flood easement above the  
11 probable high-water line around a reservoir.

12           (b) The district must exercise the power of eminent domain  
13 in the manner provided by Chapter 21, Property Code.

14           (c) The district is a municipal corporation for the purposes  
15 of Chapter 21, Property Code.

16           (d) The district may not exercise the power of eminent  
17 domain to acquire property owned by any other political  
18 subdivision.

19           (e) In exercising the power of eminent domain against a  
20 person that has the power of eminent domain or a receiver or trustee  
21 for that person, the district may acquire an easement only and not  
22 the fee title.

23           (f) The board shall determine the amount of and the type of  
24 interest in land, other property, or easements to be acquired under  
25 this section. (V.A.C.S. Art. 8280-589, Sec. 7 (part).)

26           Sec. 8183.156. COST OF RELOCATING PROPERTY. If the  
27 district's exercise of any power granted under this chapter makes

1 necessary relocating, raising, rerouting or changing the grade of,  
2 or altering the construction of any highway, railroad, electric  
3 transmission line, telephone or telegraph property and facility, or  
4 pipeline, the action shall be accomplished at the sole expense of  
5 the district. (V.A.C.S. Art. 8280-589, Sec. 6 (part).)

6 [Sections 8183.157-8183.200 reserved for expansion]

7 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

8 Sec. 8183.201. DEPOSITORY. (a) The board shall designate  
9 one or more banks inside or outside the district to serve as  
10 depository for district money.

11 (b) All district money shall be deposited in a designated  
12 depository, except that:

13 (1) bond proceeds and money pledged to pay bonds, to  
14 the extent provided in the indenture, may be deposited with the  
15 trustee bank named in the trust indenture; and

16 (2) money shall be remitted to the bank of payment for  
17 the payment of principal of and interest on the bonds.

18 (c) To the extent that money in a depository bank or the  
19 trustee bank is not insured by the Federal Deposit Insurance  
20 Corporation, the money must be secured in the manner provided by law  
21 for the security of county funds.

22 (d) The board shall prescribe the terms of service for  
23 depositories.

24 (e) Before designating a depository bank, the board shall:

25 (1) publish notice one time in a newspaper of general  
26 circulation in the district that is specified by the board; or

27 (2) mail a copy of the notice to each bank in the

1 district.

2 (f) The notice must:

3 (1) state the time and place at which the board will  
4 meet to designate a depository bank or banks; and

5 (2) invite each bank in the district to submit an  
6 application to be designated as a depository.

7 (g) At the time stated in the notice, the board shall:

8 (1) consider the applications and the management and  
9 condition of each bank; and

10 (2) designate as a depository the bank or banks:

11 (A) that offer the most favorable terms for the  
12 handling of the money; and

13 (B) that the board finds have proper management  
14 and are in condition to handle the money.

15 (h) Membership on the board of an officer or director of a  
16 bank does not disqualify the bank from being designated as a  
17 depository.

18 (i) If the board does not receive any applications before  
19 the time stated in the notice, the board shall designate one or more  
20 banks inside or outside the district on terms that the board finds  
21 advantageous to the district. (V.A.C.S. Art. 8280-589, Sec. 15.)

22 Sec. 8183.202. TAX ASSESSOR AND COLLECTOR. Before the sale  
23 and delivery of district bonds payable wholly or partly from ad  
24 valorem taxes, the board may appoint a tax assessor and collector.  
25 (V.A.C.S. Art. 8280-589, Sec. 18(b) (part).)

26 Sec. 8183.203. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION.  
27 The district is not required to pay a tax or assessment on a project



1 or any part of a project. (V.A.C.S. Art. 8280-589, Sec. 17 (part).)

2 [Sections 8183.204-8183.250 reserved for expansion]

3 SUBCHAPTER F. BONDS

4 Sec. 8183.251. AUTHORITY TO ISSUE BONDS. The district may  
5 issue bonds to carry out any power conferred by this chapter. The  
6 bonds must be authorized by a board resolution. (V.A.C.S. Art.  
7 8280-589, Secs. 9(a) (part), (b) (part), (c) (part).)

8 Sec. 8183.252. FORM OF BONDS. A district bond must be:

- 9 (1) issued in the district's name;  
10 (2) signed by the president or vice president; and  
11 (3) attested by the secretary. (V.A.C.S. Art.  
12 8280-589, Sec. 9(b) (part).)

13 Sec. 8183.253. MATURITY. District bonds must mature not  
14 later than 40 years after their date of issuance. (V.A.C.S. Art.  
15 8280-589, Sec. 9(b) (part).)

16 Sec. 8183.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM  
17 TAX. (a) Bonds, other than refunding bonds, payable wholly or  
18 partly from ad valorem taxes may not be issued unless authorized by  
19 a majority of the district voters voting at an election.

20 (b) The board may order an election under this section  
21 without a petition. The order must specify:

- 22 (1) the time and places at which the election will be  
23 held;  
24 (2) the purpose for which the bonds will be issued;  
25 (3) the maximum amount of the bonds;  
26 (4) the maximum maturity of the bonds;  
27 (5) the form of the ballot; and

1           (6) the presiding judge for each voting place.

2           (c) Notice of the election must be given by publishing a  
3 substantial copy of the order calling the election in a newspaper of  
4 general circulation in each municipality located in the district.  
5 The notice must be published once a week for two consecutive weeks.  
6 The first publication must be not later than the 21st day before the  
7 date of the election. (V.A.C.S. Art. 8280-589, Secs. 12(a) (part),  
8 (b) (part).)

9           Sec. 8183.255. BONDS PAYABLE FROM REVENUE. (a) Bonds  
10 issued under this subchapter may be secured under board resolution  
11 by a pledge of:

12           (1) all or part of the net revenue of the district;

13           (2) the net revenue of one or more contracts made  
14 before or after the issuance of the bonds; or

15           (3) other revenue or income specified by resolution of  
16 the board or in the trust indenture.

17           (b) The pledge may reserve the right to issue additional  
18 bonds on a parity with, or subordinate to, the bond being issued,  
19 subject to conditions specified in the pledge.

20           (c) Bonds not payable wholly or partly from ad valorem taxes  
21 may be issued without an election. (V.A.C.S. Art. 8280-589, Secs.  
22 9(a) (part), (d), 12(a) (part).)

23           Sec. 8183.256. BONDS PAYABLE FROM AD VALOREM TAXES. The  
24 district may issue bonds payable, as pledged by board resolution,  
25 from:

26           (1) ad valorem taxes imposed on taxable property in  
27 the district; or

1           (2) ad valorem taxes and revenue of the district.  
2 (V.A.C.S. Art. 8280-589, Secs. 9(a) (part), (e) (part).)

3           Sec. 8183.257. TAX AND RATE REQUIREMENTS. (a) If the  
4 district issues bonds payable wholly or partly from ad valorem  
5 taxes, the board shall impose a tax sufficient to pay the bonds and  
6 the interest on the bonds as the bonds and interest become due. The  
7 board may adopt the rate of the tax after considering the money  
8 received from the other pledged revenue available for payment of  
9 principal and interest to the extent and in the manner permitted by  
10 the resolution authorizing the issuance of the bonds.

11           (b) If the district issues bonds payable wholly or partly  
12 from revenue, the board shall set and revise the rates of  
13 compensation for water sold and services rendered by the district.

14           (c) For bonds payable wholly from revenue, the rates of  
15 compensation must be sufficient to:

16           (1) pay the expense of operating and maintaining the  
17 facilities of the district;

18           (2) pay the bonds as they mature and the interest as it  
19 accrues; and

20           (3) maintain the reserve and other funds as provided  
21 in the resolution authorizing the issuance of the bonds.

22           (d) For bonds payable partly from revenue, the rates of  
23 compensation must be sufficient to assure compliance with the  
24 resolution authorizing the issuance of the bonds or the trust  
25 indenture securing the bonds. (V.A.C.S. Art. 8280-589, Secs. 9(e)  
26 (part), (f).)

27           Sec. 8183.258. ADDITIONAL SECURITY. (a) Bonds not payable

1 wholly from ad valorem taxes may be additionally secured, at the  
2 discretion of the board, by a deed of trust or mortgage lien on  
3 physical property of the district, franchises, easements, water  
4 rights and appropriation permits, leases, contracts, and all rights  
5 appurtenant to the property, vesting in the trustee the power to:

- 6 (1) sell the property for the payment of the debt;
- 7 (2) operate the property; and
- 8 (3) take other action to further secure the bonds.

9 (b) A purchaser under a sale under the deed of trust lien, if  
10 one is given:

11 (1) is the absolute owner of property, facilities, and  
12 rights purchased; and

13 (2) is entitled to maintain and operate the property,  
14 facilities, and rights. (V.A.C.S. Art. 8280-589, Sec. 11 (part).)

15 Sec. 8183.259. TRUST INDENTURE. (a) A bond issued under  
16 this subchapter, including a refunding bond, that is not payable  
17 wholly from ad valorem taxes may be additionally secured by a trust  
18 indenture. The trustee may be a bank with trust powers located  
19 inside or outside this state.

20 (b) A trust indenture, regardless of the existence of the  
21 deed of trust or mortgage lien on the property, may:

22 (1) provide for the security of the bonds and the  
23 preservation of the trust estate in the manner prescribed by the  
24 board;

25 (2) provide for amendment or modification of the trust  
26 indenture;

27 (3) provide for the issuance of bonds to replace lost

1 or mutilated bonds;

2 (4) condition the right to spend district money or  
3 sell district property on the approval of a licensed engineer  
4 selected as provided by the trust indenture; and

5 (5) provide for the investment of district money.  
6 (V.A.C.S. Art. 8280-589, Sec. 11 (part).)

7 Sec. 8183.260. USE OF BOND PROCEEDS. (a) The district may  
8 set aside an amount of proceeds from the sale of bonds issued under  
9 this subchapter for:

10 (1) payment of interest expected to accrue during  
11 construction;

12 (2) a reserve interest and sinking fund; and

13 (3) any other fund provided for in the resolution  
14 authorizing the bonds or in the trust indenture.

15 (b) The district may use proceeds from the sale of the bonds  
16 to pay any expense necessarily incurred in accomplishing the  
17 purpose of the district, including any expense of issuing and  
18 selling the bonds.

19 (c) The district may temporarily invest proceeds from the  
20 sale of the bonds and other district funds in securities that are  
21 specified in the bond resolution or the trust indenture. (V.A.C.S.  
22 Art. 8280-589, Sec. 9(g).)

23 Sec. 8183.261. APPOINTMENT OF RECEIVER. (a) On default or  
24 threatened default in the payment of principal of or interest on  
25 bonds issued under this subchapter that are payable wholly or  
26 partly from revenue, a court may, on petition of the holders of  
27 outstanding bonds, appoint a receiver for the district.

1           (b) The receiver may collect and receive all district income  
2 except taxes, employ and discharge district agents and employees,  
3 take charge of money on hand except money received from taxes,  
4 unless commingled, and manage the proprietary affairs of the  
5 district without consent or hindrance by the board.

6           (c) The receiver may be authorized to sell or contract for  
7 the sale of water or to renew those contracts with the approval of  
8 the court that appointed the receiver.

9           (d) The court may vest the receiver with any other power or  
10 duty the court finds necessary to protect the bondholders.  
11 (V.A.C.S. Art. 8280-589, Sec. 9(h) (part).)

12           Sec. 8183.262. REFUNDING BONDS. (a) The district may issue  
13 refunding bonds to refund outstanding bonds issued under this  
14 subchapter and interest on those bonds.

15           (b) Refunding bonds may:

16                 (1) be issued to refund bonds of more than one series;

17                 (2) combine the pledges for the outstanding bonds for  
18 the security of the refunding bonds; or

19                 (3) be secured by a pledge of other or additional  
20 revenue or mortgage liens.

21           (c) The provisions of this subchapter regarding the  
22 issuance of other bonds, their security, and the remedies of the  
23 holders apply to refunding bonds.

24           (d) The comptroller shall register the refunding bonds on  
25 surrender and cancellation of the bonds to be refunded.

26           (e) Instead of issuing bonds to be registered on the  
27 surrender and cancellation of the bonds to be refunded, the

1 district, in the resolution authorizing the issuance of the  
2 refunding bonds, may provide for the sale of the refunding bonds and  
3 the deposit of the proceeds in a bank at which the bonds to be  
4 refunded are payable. In that case, the refunding bonds may be  
5 issued in an amount sufficient to pay the principal of and interest  
6 on the bonds to be refunded to their option date or maturity date,  
7 and the comptroller shall register the refunding bonds without the  
8 concurrent surrender and cancellation of the bonds to be refunded.

9 (f) An election is not required for refunding bonds.  
10 (V.A.C.S. Art. 8280-589, Sec. 10.)

11 Sec. 8183.263. LIMITATION ON RIGHTS OF HOLDERS. The  
12 resolution authorizing the bonds or the trust indenture securing  
13 the bonds may limit or qualify the rights of the holders of less  
14 than all of the outstanding bonds payable from the same source to  
15 institute or prosecute litigation affecting the district's  
16 property or income. (V.A.C.S. Art. 8280-589, Sec. 9(h) (part).)

17 Sec. 8183.264. BONDS EXEMPT FROM TAXATION. A bond issued  
18 under this subchapter, the transfer of the bond, and income from the  
19 bond, including profits made on the sale of the bond, are exempt  
20 from taxation in this state. (V.A.C.S. Art. 8280-589, Sec. 17  
21 (part).)

22 Sec. 8183.265. DETACHMENT OF TERRITORY AFTER ISSUANCE OF  
23 BONDS. Territory may not be detached from the district after the  
24 issuance of bonds payable from revenue or taxes. (V.A.C.S. Art.  
25 8280-589, Sec. 12(a) (part).)

1 CHAPTER 8184. DOWDELL PUBLIC UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8184.001. DEFINITION

4 Sec. 8184.002. NATURE OF DISTRICT

5 Sec. 8184.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8184.004. DISTRICT TERRITORY

7 [Sections 8184.005-8184.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8184.051. COMPOSITION OF BOARD

10 [Sections 8184.052-8184.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8184.101. MUNICIPAL UTILITY DISTRICT POWERS

13 CHAPTER 8184. DOWDELL PUBLIC UTILITY DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8184.001. DEFINITION. In this chapter, "district"  
16 means the Dowdell Public Utility District. (V.A.C.S. Art.  
17 8280-581, Sec. 1 (part).)

18 Sec. 8184.002. NATURE OF DISTRICT. The district is a  
19 conservation and reclamation district in Harris County created  
20 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
21 8280-581, Sec. 1 (part).)

22 Sec. 8184.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
23 The district is created to serve a public use and benefit.

24 (b) All land and other property included in the boundaries  
25 of the district will benefit from the works and projects  
26 accomplished by the district under the powers conferred by Section  
27 59, Article XVI, Texas Constitution.



1 (c) The creation of the district is essential to accomplish  
2 the purposes of Section 59, Article XVI, Texas Constitution.  
3 (V.A.C.S. Art. 8280-581, Secs. 1 (part), 3.)

4 Sec. 8184.004. DISTRICT TERRITORY. (a) The district is  
5 composed of the territory described by Section 4, Chapter 697, Acts  
6 of the 62nd Legislature, Regular Session, 1971 (Article 8280-581,  
7 Vernon's Texas Civil Statutes), as that territory may have been  
8 modified under:

9 (1) Subchapter H, Chapter 54, Water Code;

10 (2) Subchapter J, Chapter 49, Water Code; or

11 (3) other law.

12 (b) The boundaries and field notes of the district form a  
13 closure. A mistake in the field notes or in copying the field notes  
14 in the legislative process does not affect:

15 (1) the district's organization, existence, and  
16 validity;

17 (2) the district's right to issue any type of bond for  
18 a purpose for which the district is created or to pay the principal  
19 of and interest on the bond;

20 (3) the district's right to impose a tax; or

21 (4) the legality or operation of the district or its  
22 governing body. (V.A.C.S. Art. 8280-581, Sec. 2; New.)

23 [Sections 8184.005-8184.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8184.051. COMPOSITION OF BOARD. The board of  
26 directors is composed of five elected directors. (V.A.C.S. Art.  
27 8280-581, Sec. 6 (part).)

1 [Sections 8184.052-8184.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8184.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
4 district has the rights, powers, privileges, and functions provided  
5 by general law applicable to a municipal utility district,  
6 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-581,  
7 Sec. 5 (part); New.)

8 CHAPTER 8186. EAST MONTGOMERY COUNTY MUNICIPAL

9 UTILITY DISTRICT NO. 3

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8186.001. DEFINITION

12 Sec. 8186.002. NATURE OF DISTRICT

13 Sec. 8186.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

14 Sec. 8186.004. DISTRICT TERRITORY

15 [Sections 8186.005-8186.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Sec. 8186.051. COMPOSITION OF BOARD; TERMS

18 [Sections 8186.052-8186.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8186.101. MUNICIPAL UTILITY DISTRICT POWERS

21 Sec. 8186.102. COMPLIANCE WITH MUNICIPAL CONSENT

22 ORDINANCES OR RESOLUTIONS

23 CHAPTER 8186. EAST MONTGOMERY COUNTY MUNICIPAL

24 UTILITY DISTRICT NO. 3

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 8186.001. DEFINITION. In this chapter, "district"  
27 means the East Montgomery County Municipal Utility District No. 3.

1 (Acts 77th Leg., R.S., Ch. 1385, Sec. 2.)

2 Sec. 8186.002. NATURE OF DISTRICT. The district is a  
3 conservation and reclamation district in Montgomery County,  
4 created under Section 59, Article XVI, Texas Constitution. (Acts  
5 77th Leg., R.S., Ch. 1385, Secs. 1(a) (part), (b) (part).)

6 Sec. 8186.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
7 The district is created to serve a public use and benefit.

8 (b) All land and other property included in the district  
9 will benefit from the works and projects accomplished by the  
10 district under the powers conferred by Section 59, Article XVI,  
11 Texas Constitution.

12 (c) The creation of the district is essential to accomplish  
13 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
14 77th Leg., R.S., Ch. 1385, Secs. 1(b) (part), 5.)

15 Sec. 8186.004. DISTRICT TERRITORY. (a) The district is  
16 composed of the territory described by Section 3, Chapter 1385,  
17 Acts of the 77th Legislature, Regular Session, 2001, as that  
18 territory may have been modified under:

- 19 (1) Subchapter H, Chapter 54, Water Code;  
20 (2) Subchapter J, Chapter 49, Water Code; or  
21 (3) other law.

22 (b) The boundaries and field notes of the district form a  
23 closure. A mistake in the field notes or in copying the field notes  
24 in the legislative process does not affect:

- 25 (1) the district's organization, existence, or  
26 validity;  
27 (2) the validity of district bonds, notes, or other

1 indebtedness;

2 (3) the district's right to impose a tax; or

3 (4) the legality or operation of the district or its  
4 governing body. (Acts 77th Leg., R.S., Ch. 1385, Sec. 4; New.)

5 [Sections 8186.005-8186.050 reserved for expansion]

6 SUBCHAPTER B. BOARD OF DIRECTORS

7 Sec. 8186.051. COMPOSITION OF BOARD; TERMS. (a) The  
8 district is governed by a board of five directors.

9 (b) Directors serve staggered four-year terms. (Acts 77th  
10 Leg., R.S., Ch. 1385, Secs. 7(a), (d).)

11 [Sections 8186.052-8186.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 8186.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
14 district has the rights, powers, privileges, functions, and duties  
15 provided by general law applicable to a municipal utility district  
16 created under Section 59, Article XVI, Texas Constitution,  
17 including Chapters 49, 50, and 54, Water Code. (Acts 77th Leg.,  
18 R.S., Ch. 1385, Sec. 6(a) (part).)

19 Sec. 8186.102. COMPLIANCE WITH MUNICIPAL CONSENT  
20 ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section  
21 54.016, Water Code, the district shall comply with all applicable  
22 requirements of any ordinance or resolution adopted by any  
23 municipality in whose corporate limits or extraterritorial  
24 jurisdiction the district is located, including an ordinance or  
25 resolution adopted before September 1, 2001, that consents to the  
26 creation of the district or to the inclusion of lands in the  
27 district. (Acts 77th Leg., R.S., Ch. 1385, Sec. 11.)

1 CHAPTER 8187. GOBER MUNICIPAL UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8187.001. DEFINITIONS

4 Sec. 8187.002. NATURE OF DISTRICT

5 Sec. 8187.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

6 Sec. 8187.004. DISTRICT TERRITORY

7 [Sections 8187.005-8187.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8187.051. COMPOSITION OF BOARD; TERMS

10 [Sections 8187.052-8187.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8187.101. MUNICIPAL UTILITY DISTRICT POWERS

13 CHAPTER 8187. GOBER MUNICIPAL UTILITY DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8187.001. DEFINITIONS. In this chapter:

16 (1) "Director" means a member of the district's board  
17 of directors.

18 (2) "District" means the Gober Municipal Utility  
19 District. (Acts 75th Leg., R.S., Ch. 756, Sec. 2; New.)

20 Sec. 8187.002. NATURE OF DISTRICT. The district is a  
21 conservation and reclamation district in Fannin County created  
22 under Section 59, Article XVI, Texas Constitution. (Acts 75th  
23 Leg., R.S., Ch. 756, Secs. 1(a) (part), (b) (part).)

24 Sec. 8187.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
25 The district is created to serve a public use and benefit.

26 (b) All land and other property in the district will benefit  
27 from the works and projects to be accomplished by the district under

1 powers conferred by Section 59, Article XVI, Texas Constitution.

2 (c) The creation of the district is essential to accomplish  
3 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
4 75th Leg., R.S., Ch. 756, Secs. 1(b) (part), 5.)

5 Sec. 8187.004. DISTRICT TERRITORY. (a) The district is  
6 composed of the territory described by Section 3, Chapter 756, Acts  
7 of the 75th Legislature, Regular Session, 1997, as that territory  
8 may have been modified under:

- 9 (1) Subchapter J, Chapter 49, Water Code;  
10 (2) Subchapter H, Chapter 54, Water Code; or  
11 (3) other law.

12 (b) The boundaries and field notes of the district form a  
13 closure. A mistake in the field notes or in copying the field notes  
14 in the legislative process does not affect:

- 15 (1) the district's organization, existence, or  
16 validity;  
17 (2) the district's right to impose a tax; or  
18 (3) the legality or operation of the district or its  
19 governing body. (New; Acts 75th Leg., R.S., Ch. 756, Sec. 4.)

20 [Sections 8187.005-8187.050 reserved for expansion]

21 SUBCHAPTER B. BOARD OF DIRECTORS

22 Sec. 8187.051. COMPOSITION OF BOARD; TERMS. (a) The  
23 district is governed by a board of five directors.

24 (b) Directors serve staggered terms of four years. (Acts  
25 75th Leg., R.S., Ch. 756, Secs. 7(a), (d).)

26 [Sections 8187.052-8187.100 reserved for expansion]

1                   SUBCHAPTER C. POWERS AND DUTIES

2           Sec. 8187.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
3 district has the rights, powers, privileges, functions, and duties  
4 provided by general law applicable to a municipal utility district  
5 created under Section 59, Article XVI, Texas Constitution,  
6 including Chapters 49 and 54, Water Code. (Acts 75th Leg., R.S.,  
7 Ch. 756, Sec. 6(a) (part).)

8                   CHAPTER 8188. GRANT ROAD PUBLIC UTILITY DISTRICT

9                   SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8188.001. DEFINITION

11 Sec. 8188.002. NATURE OF DISTRICT

12 Sec. 8188.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

13 Sec. 8188.004. DISTRICT TERRITORY

14           [Sections 8188.005-8188.050 reserved for expansion]

15                   SUBCHAPTER B. BOARD OF DIRECTORS

16 Sec. 8188.051. COMPOSITION OF BOARD

17           [Sections 8188.052-8188.100 reserved for expansion]

18                   SUBCHAPTER C. POWERS AND DUTIES

19 Sec. 8188.101. MUNICIPAL UTILITY DISTRICT POWERS

20                   CHAPTER 8188. GRANT ROAD PUBLIC UTILITY DISTRICT

21                   SUBCHAPTER A. GENERAL PROVISIONS

22           Sec. 8188.001. DEFINITION. In this chapter, "district"  
23 means the Grant Road Public Utility District. (V.A.C.S. Art.  
24 8280-504, Sec. 1 (part).)

25           Sec. 8188.002. NATURE OF DISTRICT. The district is a  
26 conservation and reclamation district in Harris County, created  
27 under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.

1 8280-504, Sec. 1 (part).)

2           Sec. 8188.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
3 The district is created to serve a public use and benefit.

4           (b) All land and other property included in the boundaries  
5 of the district will benefit from the works and projects  
6 accomplished by the district under the powers conferred by Section  
7 59, Article XVI, Texas Constitution.

8           (c) The creation of the district is essential to accomplish  
9 the purposes of Section 59, Article XVI, Texas Constitution.  
10 (V.A.C.S. Art. 8280-504, Secs. 1 (part), 3.)

11           Sec. 8188.004. DISTRICT TERRITORY. (a) The district is  
12 composed of the territory described by Section 4, Chapter 474, Acts  
13 of the 62nd Legislature, Regular Session, 1971 (Article 8280-504,  
14 Vernon's Texas Civil Statutes), as that territory may have been  
15 modified under:

- 16                   (1) Subchapter H, Chapter 54, Water Code;  
17                   (2) Subchapter J, Chapter 49, Water Code; or  
18                   (3) other law.

19           (b) The boundaries and field notes of the district form a  
20 closure. A mistake in the field notes or in copying the field notes  
21 in the legislative process does not affect:

22                   (1) the district's organization, existence, and  
23 validity;

24                   (2) the district's right to issue any type of bond for  
25 a purpose for which the district is created or to pay the principal  
26 of and interest on the bond;

27                   (3) the district's right to impose a tax; or



1 (4) the legality or operation of the district or its  
2 governing body. (V.A.C.S. Art. 8280-504, Sec. 2; New.)

3 [Sections 8188.005-8188.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8188.051. COMPOSITION OF BOARD. The board of  
6 directors is composed of five elected directors. (V.A.C.S. Art.  
7 8280-504, Sec. 6 (part).)

8 [Sections 8188.052-8188.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8188.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
11 district has the rights, powers, privileges, and functions provided  
12 by general law applicable to a municipal utility district,  
13 including Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-504,  
14 Sec. 5 (part).)

15 CHAPTER 8191. HACIENDAS DEL NORTE WATER IMPROVEMENT DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 8191.001. DEFINITION

18 Sec. 8191.002. NATURE OF DISTRICT

19 Sec. 8191.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

20 Sec. 8191.004. DISTRICT TERRITORY

21 [Sections 8191.005-8191.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Sec. 8191.051. COMPOSITION OF BOARD

24 [Sections 8191.052-8191.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 8191.101. MUNICIPAL UTILITY DISTRICT POWERS

27 CHAPTER 8191. HACIENDAS DEL NORTE WATER IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8191.001. DEFINITION. In this chapter, "district" means the Haciendas Del Norte Water Improvement District. (Acts 67th Leg., R.S., Ch. 104, Sec. 1 (part).)

Sec. 8191.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in El Paso County, created under Section 59, Article XVI, Texas Constitution. (Acts 67th Leg., R.S., Ch. 104, Sec. 1 (part).)

Sec. 8191.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. (Acts 67th Leg., R.S., Ch. 104, Secs. 1 (part), 3.)

Sec. 8191.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 104, Acts of the 67th Legislature, Regular Session, 1981, as that territory may have been modified under:

- (1) Subchapter H, Chapter 54, Water Code;
- (2) Subchapter J, Chapter 49, Water Code; or
- (3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

1           (1) the district's organization, existence, and  
2 validity;

3           (2) the district's right to issue any type of bond for  
4 a purpose for which the district is created or to pay the principal  
5 of and interest on the bond;

6           (3) the district's right to impose a tax; or

7           (4) the legality or operation of the district or its  
8 governing body. (Acts 67th Leg., R.S., Ch. 104, Sec. 2; New.)

9           [Sections 8191.005-8191.050 reserved for expansion]

10                                   SUBCHAPTER B. BOARD OF DIRECTORS

11           Sec. 8191.051. COMPOSITION OF BOARD.       The board of  
12 directors is composed of five elected directors. (Acts 67th Leg.,  
13 R.S., Ch. 104, Sec. 6 (part).)

14           [Sections 8191.052-8191.100 reserved for expansion]

15                                   SUBCHAPTER C. POWERS AND DUTIES

16           Sec. 8191.101. MUNICIPAL UTILITY DISTRICT POWERS.   The  
17 district has the rights, powers, privileges, and functions provided  
18 by general law applicable to a municipal utility district,  
19 including Chapters 49 and 54, Water Code. (Acts 67th Leg., R.S.,  
20 Ch. 104, Sec. 5 (part).)

21           CHAPTER 8192. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 233

22   OF HARRIS COUNTY, TEXAS

23                                   SUBCHAPTER A. GENERAL PROVISIONS

24           Sec. 8192.001. DEFINITION

25           Sec. 8192.002. NATURE OF DISTRICT

26           Sec. 8192.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

27           Sec. 8192.004. DISTRICT TERRITORY

1 [Sections 8192.005-8192.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 8192.051. COMPOSITION OF BOARD; TERMS

4 Sec. 8192.052. BOARD VACANCY

5 [Sections 8192.053-8192.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Sec. 8192.101. MUNICIPAL UTILITY DISTRICT POWERS

8 Sec. 8192.102. COMPLIANCE WITH MUNICIPAL CONSENT

9 ORDINANCES OR RESOLUTIONS

10 CHAPTER 8192. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 233

11 OF HARRIS COUNTY, TEXAS

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 8192.001. DEFINITION. In this chapter, "district"  
14 means the Harris County Municipal Utility District No. 233 of  
15 Harris County, Texas. (Acts 68th Leg., R.S., Ch. 704, Sec. 1  
16 (part).)

17 Sec. 8192.002. NATURE OF DISTRICT. The district is a  
18 conservation and reclamation district in Harris County, created  
19 under Section 59, Article XVI, Texas Constitution. (Acts 68th  
20 Leg., R.S., Ch. 704, Sec. 1 (part).)

21 Sec. 8192.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
22 The district is created to serve a public use and benefit.

23 (b) All land and other property included in the boundaries  
24 of the district will benefit from the works and projects  
25 accomplished by the district under the powers conferred by Section  
26 59, Article XVI, Texas Constitution.

27 (c) The creation of the district is essential to accomplish

1 the purposes of Section 59, Article XVI, Texas Constitution. (Acts  
2 68th Leg., R.S., Ch. 704, Secs. 1 (part), 4.)

3 Sec. 8192.004. DISTRICT TERRITORY. (a) The district is  
4 composed of the territory described by Section 2, Chapter 704, Acts  
5 of the 68th Legislature, Regular Session, 1983, as that territory  
6 may have been modified under:

7 (1) Subchapter H, Chapter 54, Water Code;

8 (2) Subchapter J, Chapter 49, Water Code; or

9 (3) other law.

10 (b) The boundaries and field notes of the district form a  
11 closure. A mistake in the field notes or in copying the field notes  
12 in the legislative process does not affect:

13 (1) the district's organization, existence, and  
14 validity;

15 (2) the district's right to issue bonds for a purpose  
16 for which the district is created or to pay the principal of and  
17 interest on the bonds;

18 (3) the district's right to impose a tax; or

19 (4) the legality or operation of the district or its  
20 governing body. (Acts 68th Leg., R.S., Ch. 704, Sec. 3; New.)

21 [Sections 8192.005-8192.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Sec. 8192.051. COMPOSITION OF BOARD; TERMS. (a) The board  
24 of directors is composed of five elected directors.

25 (b) Directors serve staggered four-year terms, with two or  
26 three directors elected at each election. (Acts 68th Leg., R.S.,  
27 Ch. 704, Sec. 6 (part).)

1           Sec. 8192.052. BOARD VACANCY. If at any time there are fewer  
2 than three qualified directors for any reason, on petition of a  
3 landowner in the district, the Texas Commission on Environmental  
4 Quality shall appoint the necessary number of directors to fill all  
5 vacancies on the board. (Acts 68th Leg., R.S., Ch. 704, Sec. 6  
6 (part).)

7           [Sections 8192.053-8192.100 reserved for expansion]

8                           SUBCHAPTER C. POWERS AND DUTIES

9           Sec. 8192.101. MUNICIPAL UTILITY DISTRICT POWERS. The  
10 district has the rights, powers, privileges, and functions provided  
11 by general law applicable to a municipal utility district,  
12 including Chapters 49 and 54, Water Code. (Acts 68th Leg., R.S.,  
13 Ch. 704, Sec. 5 (part).)

14           Sec. 8192.102. COMPLIANCE WITH MUNICIPAL CONSENT  
15 ORDINANCES OR RESOLUTIONS. The district shall comply with all  
16 applicable requirements of a Houston City Council ordinance or  
17 resolution that consented to the creation of the district or the  
18 inclusion of land in the district. (Acts 68th Leg., R.S., Ch. 704,  
19 Sec. 7 (part).)

20           SECTION 1.11. Subtitle H, Title 6, Special District Local  
21 Laws Code, is amended by adding Chapter 8806 to read as follows:

22                           CHAPTER 8806. COKE COUNTY UNDERGROUND WATER

23   CONSERVATION DISTRICT

24   SUBCHAPTER A. GENERAL PROVISIONS

25           Sec. 8806.001. DEFINITIONS

26           Sec. 8806.002. NATURE OF DISTRICT

27           Sec. 8806.003. FINDINGS OF PUBLIC USE AND BENEFIT

- 1 Sec. 8806.004. DISTRICT TERRITORY
- 2 Sec. 8806.005. ADMINISTRATIVE PROCEDURES
- 3 Sec. 8806.006. CONFLICT OF LAW
- 4 [Sections 8806.007-8806.050 reserved for expansion]
- 5 SUBCHAPTER B. BOARD OF DIRECTORS
- 6 Sec. 8806.051. COMPOSITION OF BOARD; TERMS
- 7 Sec. 8806.052. METHOD OF ELECTING DIRECTORS
- 8 Sec. 8806.053. ELECTION DATE
- 9 Sec. 8806.054. QUALIFICATIONS FOR ELECTION
- 10 [Sections 8806.055-8806.100 reserved for expansion]
- 11 SUBCHAPTER C. POWERS AND DUTIES
- 12 Sec. 8806.101. GENERAL RIGHTS, POWERS, DUTIES,
- 13 PRIVILEGES, AND FUNCTIONS
- 14 Sec. 8806.102. WELL PERMITS
- 15 Sec. 8806.103. WELL SPACING AND PRODUCTION
- 16 Sec. 8806.104. RECORDS, REPORTS, AND LOGS
- 17 Sec. 8806.105. ACQUISITION OF LAND
- 18 Sec. 8806.106. RECHARGE OF RESERVOIR
- 19 Sec. 8806.107. SURVEYS
- 20 Sec. 8806.108. DISTRICT PLANS
- 21 Sec. 8806.109. RESEARCH PROJECTS
- 22 Sec. 8806.110. COLLECTION AND PRESERVATION OF
- 23 INFORMATION
- 24 Sec. 8806.111. DISSEMINATION OF PLANS AND INFORMATION
- 25 Sec. 8806.112. CONTRACT FOR AND SALE AND DISTRIBUTION
- 26 OF WATER
- 27 Sec. 8806.113. ANNEXATION

1 Sec. 8806.114. DISSOLUTION

2 CHAPTER 8806. COKE COUNTY UNDERGROUND WATER

3 CONSERVATION DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 8806.001. DEFINITIONS. In this chapter:

6 (1) "Board" means the board of directors of the  
7 district.

8 (2) "Director" means a member of the board.

9 (3) "District" means the Coke County Underground Water  
10 Conservation District. (Acts 69th Leg., R.S., Ch. 950, Sec. 2;  
11 New.)

12 Sec. 8806.002. NATURE OF DISTRICT. The district is created  
13 under Section 59, Article XVI, Texas Constitution, to provide for  
14 the conservation, preservation, protection, recharge, and  
15 prevention of waste of the groundwater reservoirs located under  
16 district land, consistent with the objectives of Section 59,  
17 Article XVI, Texas Constitution, and Chapters 36 and 51, Water  
18 Code. (Acts 69th Leg., R.S., Ch. 950, Secs. 1 (part), 4.)

19 Sec. 8806.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The  
20 district is created to serve a public use and benefit.

21 (b) Land included in the boundaries of the district will  
22 benefit. (Acts 69th Leg., R.S., Ch. 950, Sec. 8(a).)

23 Sec. 8806.004. DISTRICT TERRITORY. The boundaries of the  
24 district are coextensive with the boundaries of Coke County, Texas.  
25 (Acts 69th Leg., R.S., Ch. 950, Sec. 3.)

26 Sec. 8806.005. ADMINISTRATIVE PROCEDURES. The  
27 administrative and procedural provisions of Chapters 36 and 51,



1 Water Code, apply to the district. (Acts 69th Leg., R.S., Ch. 950,  
2 Sec. 6 (part).)

3 Sec. 8806.006. CONFLICT OF LAW. If there is a conflict  
4 between Chapters 36 and 51, Water Code, Chapter 36 controls. (Acts  
5 69th Leg., R.S., Ch. 950, Sec. 13 (part).)

6 [Sections 8806.007-8806.050 reserved for expansion]

7 SUBCHAPTER B. BOARD OF DIRECTORS

8 Sec. 8806.051. COMPOSITION OF BOARD; TERMS. (a) The  
9 district is governed by a board of five directors.

10 (b) Directors serve staggered four-year terms. (Acts 69th  
11 Leg., R.S., Ch. 950, Secs. 12(a), (f); Acts 72nd Leg., R.S., Ch.  
12 197, Sec. 3(b) (part).)

13 Sec. 8806.052. METHOD OF ELECTING DIRECTORS. One director  
14 is elected from each county commissioners precinct in Coke County  
15 and one director is elected at large. (Acts 69th Leg., R.S., Ch.  
16 950, Sec. 12(c).)

17 Sec. 8806.053. ELECTION DATE. The district shall hold an  
18 election in the district to elect directors on the uniform election  
19 date in May of each odd-numbered year. (Acts 69th Leg., R.S., Ch.  
20 950, Sec. 12(e).)

21 Sec. 8806.054. QUALIFICATIONS FOR ELECTION. (a) To be  
22 qualified for election as a director, a person must be:

23 (1) a resident of the district; and

24 (2) at least 21 years of age.

25 (b) To be qualified for election as a director from a  
26 precinct, a person must reside in that precinct. (Acts 69th Leg.,  
27 R.S., Ch. 950, Secs. 12(b), (d).)

1 [Sections 8806.055-8806.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 8806.101. GENERAL RIGHTS, POWERS, DUTIES, PRIVILEGES,  
4 AND FUNCTIONS. The district has:

5 (1) the powers essential to accomplish the purposes of  
6 Section 59, Article XVI, Texas Constitution; and

7 (2) the rights, powers, duties, privileges, and  
8 functions provided by this chapter, Chapters 36 and 51, Water Code,  
9 and other laws of this state relating to groundwater conservation  
10 districts. (Acts 69th Leg., R.S., Ch. 950, Secs. 1 (part), 5(a).)

11 Sec. 8806.102. WELL PERMITS. (a) The board may:

12 (1) require a permit for drilling, equipping, or  
13 completing a well in the groundwater reservoir; and

14 (2) issue a permit subject to terms and provisions  
15 relating to drilling, equipping, or completing a well that are  
16 necessary to prevent waste or conserve, preserve, and protect  
17 groundwater.

18 (b) The board may not deny an owner of land, or the owner's  
19 heirs, assigns, and lessees, a permit to drill a well on that land  
20 or the right to produce groundwater from that well subject to rules  
21 adopted under this chapter. (Acts 69th Leg., R.S., Ch. 950, Secs.  
22 5(c), (d) (part).)

23 Sec. 8806.103. WELL SPACING AND PRODUCTION. The board may:

24 (1) provide for the spacing of wells producing from  
25 groundwater reservoirs; and

26 (2) regulate the production from those wells to  
27 minimize as far as practicable the drawdown of the water table or

1 the reduction of the artesian pressure. (Acts 69th Leg., R.S., Ch.  
2 950, Sec. 5(d) (part).)

3 Sec. 8806.104. RECORDS, REPORTS, AND LOGS. (a) The board  
4 may require that records be kept and reports be made of:

5 (1) the drilling, equipping, and completing of a well  
6 into a groundwater reservoir; and

7 (2) the taking and use of groundwater from that  
8 reservoir.

9 (b) The board may require accurate driller's logs to be kept  
10 of a well described by Subsection (a)(1).

11 (c) The board may require that a copy of a driller's log and  
12 of any electric log that may be made of a well be filed with the  
13 district. (Acts 69th Leg., R.S., Ch. 950, Sec. 5(e).)

14 Sec. 8806.105. ACQUISITION OF LAND. The district may  
15 acquire land to erect a dam or drain a lake, depression, or draw.  
16 (Acts 69th Leg., R.S., Ch. 950, Sec. 5(f) (part).)

17 Sec. 8806.106. RECHARGE OF RESERVOIR. The district may  
18 construct dams, drain lakes, depressions, draws, or creeks, and  
19 install pumps and other equipment necessary to recharge a  
20 groundwater reservoir. (Acts 69th Leg., R.S., Ch. 950, Sec. 5(f)  
21 (part).)

22 Sec. 8806.107. SURVEYS. The district may have a licensed  
23 engineer survey the groundwater of a groundwater reservoir and the  
24 facilities for the development, production, and use of that  
25 groundwater and determine the quantity of the groundwater available  
26 for production and use and the improvements, developments, and  
27 recharges needed for the groundwater reservoir. (Acts 69th Leg.,

1 R.S., Ch. 950, Sec. 5(g).)

2           Sec. 8806.108. DISTRICT PLANS. (a) The district may  
3 develop comprehensive plans for the most efficient use of the  
4 groundwater of a groundwater reservoir and for the control and  
5 prevention of waste of that groundwater.

6           (b) The plans must specify in the amount of detail that may  
7 be practicable any act, procedure, performance, or avoidance  
8 necessary to effect those plans. (Acts 69th Leg., R.S., Ch. 950,  
9 Sec. 5(h).)

10           Sec. 8806.109. RESEARCH PROJECTS. The district may carry  
11 out research projects, develop information, and determine  
12 limitations, if any, that should be made on the withdrawal of  
13 groundwater from a groundwater reservoir. (Acts 69th Leg., R.S.,  
14 Ch. 950, Sec. 5(i).)

15           Sec. 8806.110. COLLECTION AND PRESERVATION OF INFORMATION.  
16 The district may collect and preserve information regarding the use  
17 of groundwater and the practicability of recharge of a groundwater  
18 reservoir. (Acts 69th Leg., R.S., Ch. 950, Sec. 5(j).)

19           Sec. 8806.111. DISSEMINATION OF PLANS AND INFORMATION. The  
20 board may:

21                   (1) publish plans and information;

22                   (2) notify the users of groundwater in the district of  
23 the plans and information; and

24                   (3) encourage the adoption and execution of the plans.

25 (Acts 69th Leg., R.S., Ch. 950, Sec. 5(k).)

26           Sec. 8806.112. CONTRACT FOR AND SALE AND DISTRIBUTION OF  
27 WATER. The district may contract for, sell, and distribute water

1 from a water import authority or other agency. (Acts 69th Leg.,  
2 R.S., Ch. 950, Sec. 5(1).)

3 Sec. 8806.113. ANNEXATION. Territory may be added to the  
4 district under Subchapter J, Chapter 49, Water Code. The board  
5 shall determine to which precinct the annexed land is added for the  
6 purpose of electing directors. (Acts 69th Leg., R.S., Ch. 950, Sec.  
7 11.)

8 Sec. 8806.114. DISSOLUTION. Chapter 36, Water Code,  
9 applies to the dissolution of the district. (Acts 69th Leg., R.S.,  
10 Ch. 950, Sec. 10.)

11 SECTION 1.12. Subtitle I, Title 6, Special District Local  
12 Laws Code, is amended by adding Chapters 9009, 9011, 9012, and 9013  
13 to read as follows:

14 CHAPTER 9009. ALICE WATER AUTHORITY

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 9009.001. DEFINITIONS

17 Sec. 9009.002. NATURE OF AUTHORITY

18 Sec. 9009.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

19 Sec. 9009.004. CONSTRUCTION OF CHAPTER

20 [Sections 9009.005-9009.050 reserved for expansion]

21 SUBCHAPTER B. AUTHORITY TERRITORY AND ANNEXATIONS TO AUTHORITY

22 TERRITORY

23 Sec. 9009.051. AUTHORITY TERRITORY

24 Sec. 9009.052. ANNEXATION OF CITY TERRITORY

25 [Sections 9009.053-9009.100 reserved for expansion]

26 SUBCHAPTER C. BOARD OF DIRECTORS

27 Sec. 9009.101. COMPOSITION OF BOARD; TERMS

- 1 Sec. 9009.102. APPOINTMENT OF DIRECTORS  
2 Sec. 9009.103. QUALIFICATIONS FOR OFFICE  
3 Sec. 9009.104. VACANCY  
4 Sec. 9009.105. APPOINTMENT OF SECRETARY AND TREASURER  
5 Sec. 9009.106. VOTE BY BOARD PRESIDENT  
6 Sec. 9009.107. DIRECTOR'S AND TREASURER'S BOND  
7 Sec. 9009.108. COMPENSATION  
8 Sec. 9009.109. MANAGER  
9 [Sections 9009.110-9009.150 reserved for expansion]  
10 SUBCHAPTER D. GENERAL POWERS AND DUTIES  
11 Sec. 9009.151. ACQUISITION AND USE OF WATER FROM  
12 CORPUS CHRISTI  
13 Sec. 9009.152. WATER FACILITIES  
14 Sec. 9009.153. REGIONAL WASTE DISPOSAL  
15 Sec. 9009.154. APPROPRIATION PERMITS  
16 Sec. 9009.155. ACQUISITION OF PROPERTY  
17 Sec. 9009.156. GENERAL CONTRACT POWERS  
18 Sec. 9009.157. AWARD OF CERTAIN CONSTRUCTION CONTRACTS  
19 Sec. 9009.158. ASSIGNMENT OF CONTRACT RIGHTS  
20 [Sections 9009.159-9009.200 reserved for expansion]  
21 SUBCHAPTER E. EMINENT DOMAIN AND RELATED POWERS  
22 Sec. 9009.201. EMINENT DOMAIN IN JIM WELLS COUNTY  
23 Sec. 9009.202. EMINENT DOMAIN IN NUECES COUNTY  
24 Sec. 9009.203. DETERMINATION OF INTEREST TO BE  
25 ACQUIRED  
26 Sec. 9009.204. SURVEYS  
27 Sec. 9009.205. COST OF RELOCATING OR ALTERING PROPERTY

1 [Sections 9009.206-9009.250 reserved for expansion]

2 SUBCHAPTER F. REGULATORY POWERS

3 Sec. 9009.251. ADOPTION OF RULES

4 Sec. 9009.252. ENFORCEMENT OF RULES; PENALTY

5 Sec. 9009.253. NOTICE OF RULE PROVIDING PENALTY

6 Sec. 9009.254. JUDICIAL NOTICE OF RULES

7 Sec. 9009.255. ENFORCEMENT BY PEACE OFFICERS

8 [Sections 9009.256-9009.300 reserved for expansion]

9 SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

10 Sec. 9009.301. DEPOSITORY

11 Sec. 9009.302. TAX ASSESSOR AND COLLECTOR

12 Sec. 9009.303. PROJECTS EXEMPT FROM ASSESSMENT OR

13 TAXATION

14 [Sections 9009.304-9009.350 reserved for expansion]

15 SUBCHAPTER H. BONDS

16 Sec. 9009.351. AUTHORITY TO ISSUE BONDS

17 Sec. 9009.352. FORM OF BONDS

18 Sec. 9009.353. MATURITY

19 Sec. 9009.354. ELECTION FOR BONDS PAYABLE FROM AD

20 VALOREM TAXES

21 Sec. 9009.355. BONDS PAYABLE FROM REVENUE

22 Sec. 9009.356. BONDS PAYABLE FROM AD VALOREM TAXES

23 Sec. 9009.357. TAX AND RATE REQUIREMENTS

24 Sec. 9009.358. ADDITIONAL SECURITY

25 Sec. 9009.359. TRUST INDENTURE

26 Sec. 9009.360. INTERIM BONDS OR NOTES

27 Sec. 9009.361. USE OF BOND PROCEEDS

1 Sec. 9009.362. APPOINTMENT OF RECEIVER

2 Sec. 9009.363. REFUNDING BONDS

3 Sec. 9009.364. LIMITATION ON RIGHTS OF HOLDERS

4 Sec. 9009.365. BONDS EXEMPT FROM TAXATION

5 CHAPTER 9009. ALICE WATER AUTHORITY

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 9009.001. DEFINITIONS. In this chapter:

8 (1) "Authority" means the Alice Water Authority.

9 (2) "Board" means the board of directors of the  
10 authority.

11 (3) "City" means the City of Alice.

12 (4) "Corpus Christi" means the City of Corpus Christi.

13 (5) "Director" means a member of the board.

14 (6) "Nueces district" means the Lower Nueces Water  
15 Supply District. (V.A.C.S. Art. 8280-270, Secs. 1 (part), 3(a)  
16 (part), 6 (part); New.)

17 Sec. 9009.002. NATURE OF AUTHORITY. (a) The authority is a  
18 conservation and reclamation district created under Section 59,  
19 Article XVI, Texas Constitution.

20 (b) The authority is an agency of this state. (V.A.C.S.  
21 Art. 8280-270, Sec. 1 (part).)

22 Sec. 9009.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
23 All territory and taxable property in the authority will benefit  
24 from the works and improvements of the authority.

25 (b) The accomplishment of the purposes stated in this  
26 chapter, including the use, for municipal and industrial purposes,  
27 of stored water that otherwise would be wasted into the Gulf, is for



1 the benefit of the people of this state and for the improvement of  
2 their property and industries.

3 (c) In carrying out the purposes of this chapter, the  
4 authority will be performing an essential public function under the  
5 constitution. (V.A.C.S. Art. 8280-270, Secs. 2 (part), 20 (part).)

6 Sec. 9009.004. CONSTRUCTION OF CHAPTER. This chapter may  
7 not be interpreted as amending or repealing Section 11.024, Water  
8 Code, which provides for priorities for the use of water. (V.A.C.S.  
9 Art. 8280-270, Sec. 23.)

10 [Sections 9009.005-9009.050 reserved for expansion]

11 SUBCHAPTER B. AUTHORITY TERRITORY AND ANNEXATIONS TO AUTHORITY

12 TERRITORY

13 Sec. 9009.051. AUTHORITY TERRITORY. The authority is  
14 composed of the territory that was contained in the city on January  
15 1, 1981, as that territory may have been modified under:

- 16 (1) Subchapter J, Chapter 49, Water Code;  
17 (2) Section 5, Chapter 12, Acts of the 57th  
18 Legislature, 3rd Called Session, 1962 (Article 8280-270, Vernon's  
19 Texas Civil Statutes);  
20 (3) Section 9009.052; or  
21 (4) other law. (V.A.C.S. Art. 8280-270, Sec. 2  
22 (part); New.)

23 Sec. 9009.052. ANNEXATION OF CITY TERRITORY. (a)  
24 Territory annexed to the city may be annexed to the authority as  
25 provided by this section.

26 (b) At any time after final passage of an ordinance annexing  
27 territory to the city, the board may issue a notice of hearing on

1 the question of annexing all or part of the territory annexed to the  
2 city.

3 (c) The notice is sufficient if it:

4 (1) states the date and place of the hearing; and

5 (2) describes the area proposed to be annexed or  
6 refers to the annexation ordinance of the city.

7 (d) The notice must be published one time in a newspaper of  
8 general circulation in the city not later than the 10th day before  
9 the date set for the hearing.

10 (e) The board shall adopt a resolution annexing the  
11 territory to the authority if, after the hearing, the board finds  
12 that the territory proposed to be annexed will benefit from the  
13 water supplied or to be supplied by the authority.

14 (f) After the territory is annexed to the authority, the  
15 board may hold an election in the authority as enlarged to determine  
16 whether the authority as enlarged shall:

17 (1) assume any tax-supported bonds that are  
18 outstanding or voted but not yet sold; and

19 (2) impose an ad valorem tax on all taxable property in  
20 the authority as enlarged for the payment of those bonds.

21 (g) An election held under Subsection (f) shall be held in  
22 the same manner as an election under Section 9009.354 for the  
23 issuance of bonds payable wholly or partly from taxes. (V.A.C.S.  
24 Art. 8280-270, Sec. 5.)

25 [Sections 9009.053-9009.100 reserved for expansion]

26 SUBCHAPTER C. BOARD OF DIRECTORS

27 Sec. 9009.101. COMPOSITION OF BOARD; TERMS. The board

1 consists of five directors who serve staggered two-year terms  
2 expiring January 1. (V.A.C.S. Art. 8280-270, Sec. 3(a) (part);  
3 New.)

4 Sec. 9009.102. APPOINTMENT OF DIRECTORS. Each December the  
5 governing body of the city shall appoint a director to succeed each  
6 director whose term expires on the following January 1. (V.A.C.S.  
7 Art. 8280-270, Secs. 3(a) (part), (b) (part).)

8 Sec. 9009.103. QUALIFICATIONS FOR OFFICE. (a) A director  
9 must reside in and own taxable property in the authority.

10 (b) A member of the city's governing body or an employee of  
11 the city may not be appointed as a director. (V.A.C.S. Art.  
12 8280-270, Sec. 3(c) (part).)

13 Sec. 9009.104. VACANCY. If a director ceases to reside in  
14 the authority or otherwise ceases to serve as a director, the  
15 governing body of the city shall appoint a successor to fill the  
16 vacancy for the unexpired term. (V.A.C.S. Art. 8280-270, Secs.  
17 3(b) (part), (c) (part).)

18 Sec. 9009.105. APPOINTMENT OF SECRETARY AND TREASURER. The  
19 board shall appoint a secretary and a treasurer, who are not  
20 required to be directors. The board may combine the offices of  
21 secretary and treasurer. (V.A.C.S. Art. 8280-270, Sec. 4 (part).)

22 Sec. 9009.106. VOTE BY BOARD PRESIDENT. The president has  
23 the same right to vote as any other director. The vice president  
24 may not exercise the president's right to vote. (V.A.C.S. Art.  
25 8280-270, Sec. 4 (part).)

26 Sec. 9009.107. DIRECTOR'S AND TREASURER'S BOND. (a) Each  
27 director shall give bond in the amount of \$5,000 conditioned on the

1 faithful performance of the director's duties.

2 (b) The treasurer shall give bond in the amount required by  
3 the board. The treasurer's bond shall be conditioned on the  
4 treasurer's faithful accounting for all money that comes into the  
5 treasurer's custody as treasurer of the authority. (V.A.C.S. Art.  
6 8280-270, Secs. 3(c) (part); 4 (part).)

7 Sec. 9009.108. COMPENSATION. Unless the board by  
8 resolution increases the fee to an amount authorized by Section  
9 49.060, Water Code, each director:

10 (1) shall receive a fee for attending each meeting of  
11 the board not to exceed \$20 for a meeting or \$40 in one calendar  
12 month; and

13 (2) is entitled to an additional amount not to exceed  
14 \$20 for each day that the director devotes to serving the business  
15 of the authority if the service is expressly approved by the board.  
16 (V.A.C.S. Art. 8280-270, Sec. 3(d) (part).)

17 Sec. 9009.109. MANAGER. The board shall employ a manager.  
18 (V.A.C.S. Art. 8280-270, Sec. 4 (part).)

19 [Sections 9009.110-9009.150 reserved for expansion]

20 SUBCHAPTER D. GENERAL POWERS AND DUTIES

21 Sec. 9009.151. ACQUISITION AND USE OF WATER FROM CORPUS  
22 CHRISTI. (a) The authority may acquire from Corpus Christi  
23 untreated water supplied from Lake Corpus Christi, subject to a  
24 contract between the authority and Corpus Christi that is approved  
25 by the Nueces district or under a contract assigned to the  
26 authority.

27 (b) The authority may procure water under Subsection (a)

1 only if the water is "surplus" to the requirements of Corpus  
2 Christi as defined in a contract between Corpus Christi and the  
3 Nueces district.

4 (c) The authority may use water procured under Subsection  
5 (a) as a source of water supply for the city if the right of the city  
6 to execute a contract prescribing the obligations of the city and  
7 the authority is approved by the voters of the city in compliance  
8 with Section 402.020, Local Government Code.

9 (d) The authority may contract with Corpus Christi or the  
10 Nueces district, or both, in reference to the authority's duty or  
11 option to participate in the cost of any future enlargement of Lake  
12 Corpus Christi and for a commensurate share of the increased water  
13 yield. (V.A.C.S. Art. 8280-270, Sec. 6 (part).)

14 Sec. 9009.152. WATER FACILITIES. (a) The authority may  
15 acquire or construct, inside or outside the authority:

- 16 (1) a diversion works;
- 17 (2) wells;
- 18 (3) pumps;
- 19 (4) pumping stations;
- 20 (5) pipelines;
- 21 (6) intermediate and terminal storage reservoirs;
- 22 (7) a water treatment plant; and
- 23 (8) any other related facility necessary or useful in  
24 diverting, impounding, drilling, storing, or treating water, or in  
25 transporting treated or untreated water to the city for municipal,  
26 domestic, agricultural, industrial, or any other purpose.

27 (b) A diversion works may be constructed to take water from

1 Lake Corpus Christi through intake or otherwise or from the Nueces  
2 River below Lake Corpus Christi.

3 (c) The specifications in this section of certain elements  
4 of the authority's proposed water supply, treatment, and  
5 transportation system do not preclude the authority from  
6 constructing any facility necessary or convenient in enabling the  
7 authority to deliver treated or untreated water to the city.  
8 (V.A.C.S. Art. 8280-270, Sec. 7.)

9 Sec. 9009.153. REGIONAL WASTE DISPOSAL. The authority may  
10 exercise the powers granted by Chapter 30, Water Code. (V.A.C.S.  
11 Art. 8280-270, Sec. 6B.)

12 Sec. 9009.154. APPROPRIATION PERMITS. The authority may:

13 (1) obtain an appropriation permit from the Texas  
14 Commission on Environmental Quality as provided by Section 12.011,  
15 Water Code; or

16 (2) participate with Corpus Christi or the Nueces  
17 district in obtaining a required appropriation permit. (V.A.C.S.  
18 Art. 8280-270, Sec. 8.)

19 Sec. 9009.155. ACQUISITION OF PROPERTY. (a) To exercise a  
20 right or perform a duty under this chapter, the authority may  
21 acquire:

22 (1) works, machinery, plants, or other facilities; and

23 (2) land, rights-of-way, or easements.

24 (b) Subject to the terms of a deed of trust or indenture  
25 executed by the authority, the authority may sell, trade, lease,  
26 rent, or otherwise dispose of any property the board considers not  
27 needed for authority purposes. (V.A.C.S. Art. 8280-270, Sec. 9.)

1           Sec. 9009.156. GENERAL CONTRACT POWERS. The authority may  
2 contract with the city, a public agency, a political subdivision,  
3 this state, the United States, or another person for the purchase or  
4 sale of water or any other purpose necessary to carry out this  
5 chapter. (V.A.C.S. Art. 8280-270, Sec. 6A.)

6           Sec. 9009.157. AWARD OF CERTAIN CONSTRUCTION CONTRACTS.

7 (a) This section applies only to a construction contract requiring  
8 an expenditure of more than \$2,000.

9           (b) A contract may be awarded only after notice of the  
10 contract to bidders for sealed bids is published once a week for two  
11 weeks in a newspaper of general circulation in the authority that is  
12 designated or approved by the board.

13           (c) The notice is sufficient if it states:

14                   (1) the time and place for opening the bids;

15                   (2) the general nature of the work to be done or the  
16 material, equipment, or supplies to be purchased; and

17                   (3) the place where and the terms on which copies of  
18 the plans and specifications may be obtained.

19           (d) The bids must be opened publicly. (V.A.C.S. Art.  
20 8280-270, Sec. 11.)

21           Sec. 9009.158. ASSIGNMENT OF CONTRACT RIGHTS. (a) The  
22 authority may acquire by assignment any right of the city under a  
23 contract between the city and Corpus Christi in reference to such  
24 water supply.

25           (b) If the assignment is accepted, the authority shall  
26 assume the city's obligations under the contract. (V.A.C.S. Art.  
27 8280-270, Sec. 18.)

1 [Sections 9009.159-9009.200 reserved for expansion]

2 SUBCHAPTER E. EMINENT DOMAIN AND RELATED POWERS

3 Sec. 9009.201. EMINENT DOMAIN IN JIM WELLS COUNTY. (a) The  
4 authority may exercise the power of eminent domain in Jim Wells  
5 County to acquire fee simple title to, an easement or right-of-way  
6 in or on, or other interest in land or other property inside or  
7 outside the authority, necessary to the exercise of the authority's  
8 powers, rights, privileges, and functions under this chapter.

9 (b) The authority may acquire a property interest under  
10 Subsection (a) in the manner provided by Chapter 21, Property Code,  
11 or in the manner provided by a statute relating to condemnation by a  
12 general law district created under Section 59, Article XVI, Texas  
13 Constitution.

14 (c) The authority is a municipal corporation for the  
15 purposes of Section 21.021, Property Code. (V.A.C.S. Art.  
16 8280-270, Sec. 10(a) (part).)

17 Sec. 9009.202. EMINENT DOMAIN IN NUECES COUNTY. (a) Except  
18 as provided by this section, the authority has the same power of  
19 eminent domain in Nueces County as it has in Jim Wells County.

20 (b) The power is strictly limited to an acquisition  
21 necessary to acquire:

22 (1) an easement or right-of-way necessary to build a  
23 pipeline from the city to a point on the Nueces River from which  
24 water will be obtained from Corpus Christi under a contract;

25 (2) fee simple title to any land reasonably necessary  
26 for the erection of a pumping station or stations near the pipeline  
27 to be built under Subdivision (1); or



1           (3) land or an interest in land located inside or  
2 outside the authority on which to place reservoirs, works, wells,  
3 plants, transmission lines, or other facilities necessary or  
4 helpful in impounding, storing, or treating water or in  
5 transporting water to the city or to others for municipal,  
6 domestic, agricultural, commercial, or other purposes. (V.A.C.S.  
7 Art. 8280-270, Sec. 10(b).)

8           Sec. 9009.203. DETERMINATION OF INTEREST TO BE ACQUIRED.  
9 The board shall determine the amount and character of interest in  
10 land, easements, or other property to be acquired under this  
11 subchapter. (V.A.C.S. Art. 8280-270, Sec. 10(a) (part).)

12           Sec. 9009.204. SURVEYS. The authority has the same rights  
13 and powers to make surveys and attend to other business of the  
14 authority in Jim Wells and Nueces Counties as provided by Section  
15 49.221, Water Code. (V.A.C.S. Art. 8280-270, Sec. 10(a) (part).)

16           Sec. 9009.205. COST OF RELOCATING OR ALTERING PROPERTY.  
17 (a) In this section, the term "sole expense" means the actual cost  
18 of the relocation, raising, lowering, rerouting, or change in grade  
19 or alteration of construction under Subsection (b) to provide a  
20 comparable replacement without enhancing the facility, after  
21 deducting the net salvage value derived from the old facility.

22           (b) If the authority's exercise of eminent domain,  
23 relocation, or another power conferred by this chapter makes  
24 necessary relocating, raising, rerouting, changing the grade of, or  
25 altering the construction of any highway, railroad, electric  
26 transmission line, telephone or telegraph property and facility, or  
27 pipeline, the action shall be accomplished at the sole expense of

1 the authority. (V.A.C.S. Art. 8280-270, Sec. 10(c).)

2 [Sections 9009.206-9009.250 reserved for expansion]

3 SUBCHAPTER F. REGULATORY POWERS

4 Sec. 9009.251. ADOPTION OF RULES. The board may adopt  
5 reasonable rules to:

6 (1) secure, maintain, and preserve the sanitary  
7 condition of water in and water that flows into any intermediate or  
8 terminal reservoir owned by the authority;

9 (2) prevent waste of or the unauthorized use of water;  
10 and

11 (3) regulate resident, hunting, fishing, boating,  
12 camping, and any other recreational or business privilege along or  
13 around any reservoir, body of land, or easement owned by the  
14 authority. (V.A.C.S. Art. 8280-270, Sec. 22(a).)

15 Sec. 9009.252. ENFORCEMENT OF RULES; PENALTY. (a) The  
16 authority by rule may prescribe reasonable penalties for the  
17 violation of an authority rule.

18 (b) A penalty may consist of:

19 (1) a fine not to exceed \$200;

20 (2) confinement in jail for a term not to exceed 30  
21 days; or

22 (3) both the fine and confinement.

23 (c) A penalty adopted under this section is in addition to  
24 any other penalty provided by Texas law. (V.A.C.S. Art. 8280-270,  
25 Sec. 22(b) (part).)

26 Sec. 9009.253. NOTICE OF RULE PROVIDING PENALTY. (a) If  
27 the authority adopts a rule that provides a penalty, the authority

1 must publish a substantive statement of the rule and the penalty  
2 once a week for two consecutive weeks in each county in which any  
3 part of the reservoir to which the rule applies is situated.

4 (b) The statement must be as condensed as possible so that  
5 the act prohibited by the rule can be easily understood.

6 (c) The statement may include notice of any number of rules.

7 (d) The notice must state that:

8 (1) a person who violates the rule is subject to a  
9 penalty; and

10 (2) the rule is on file in the principal office of the  
11 authority, where it may be read by any interested person.

12 (e) A rule takes effect five days after the date of second  
13 publication of the statement under this section. (V.A.C.S. Art.  
14 8280-270, Sec. 22(b) (part).)

15 Sec. 9009.254. JUDICIAL NOTICE OF RULES. A court shall take  
16 judicial notice of a rule adopted under this subchapter and  
17 published as required by Section 9009.253, and the court shall  
18 consider the rule to be similar in nature to a penal ordinance of a  
19 municipality. (V.A.C.S. Art. 8280-270, Sec. 22(b) (part).)

20 Sec. 9009.255. ENFORCEMENT BY PEACE OFFICERS. (a) A peace  
21 officer may make an arrest when necessary to prevent or abate the  
22 commission of an offense:

23 (1) in violation of an authority rule or a law of this  
24 state that occurs or threatens to occur on any land, water, or  
25 easement owned or controlled by the authority; or

26 (2) involving damage to any property owned or  
27 controlled by the authority.

1 (b) A peace officer may make an arrest under Subsection  
2 (a)(2) at any location. (V.A.C.S. Art. 8280-270, Sec. 22(c).)

3 [Sections 9009.256-9009.300 reserved for expansion]

4 SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

5 Sec. 9009.301. DEPOSITORY. (a) Except as provided by  
6 Subsection (h), the board shall designate one or more banks in the  
7 authority to serve as depository for authority money.

8 (b) Authority money shall be deposited with a designated  
9 depository bank, except that:

10 (1) money pledged to pay bonds may be deposited with  
11 the trustee bank named in the trust agreement; and

12 (2) money shall be remitted to the bank of payment for  
13 the payment of principal of and interest on bonds.

14 (c) To the extent that money in a depository bank or the  
15 trustee bank is not insured by the Federal Deposit Insurance  
16 Corporation, the money must be secured in the manner provided by law  
17 for the security of county funds.

18 (d) The board shall prescribe the terms of service for  
19 depositories.

20 (e) Before designating a depository bank, the board shall  
21 mail a written notice to each bank in the authority at least 10 days  
22 before the date set for receiving bids that:

23 (1) states the time and place at which the board will  
24 meet to designate a depository bank or banks; and

25 (2) invites each bank in the authority to submit an  
26 application to be designated as a depository.

27 (f) At the time stated in the notice, the board shall:



1 8280-270, Secs. 12(a) (part), (b) (part), (c) (part).)

2 Sec. 9009.352. FORM OF BONDS. An authority bond must be:

- 3 (1) issued in the authority's name;
- 4 (2) signed by the president or vice president; and
- 5 (3) attested by the secretary. (V.A.C.S. Art.
- 6 8280-270, Sec. 12(b) (part).)

7 Sec. 9009.353. MATURITY. Authority bonds must mature not

8 later than 40 years after their date of issuance. (V.A.C.S. Art.

9 8280-270, Sec. 12(b) (part).)

10 Sec. 9009.354. ELECTION FOR BONDS PAYABLE FROM AD VALOREM

11 TAXES. (a) Bonds, other than refunding bonds, payable wholly or

12 partly from ad valorem taxes may not be issued unless authorized by

13 a majority of the authority voters voting at an election.

14 (b) The board may order an election under this section

15 without a petition. The order must specify:

- 16 (1) the time and places at which the election will be
- 17 held;
- 18 (2) the purpose for which the bonds will be issued;
- 19 (3) the maximum amount of the bonds;
- 20 (4) the maximum maturity of the bonds;
- 21 (5) the form of the ballot; and
- 22 (6) the presiding judge for each voting place.

23 (c) Notice of the election must be given by publishing a

24 substantial copy of the order calling the election in a newspaper of

25 general circulation in the authority. The notice must be published

26 on the same day in each of two consecutive weeks. The first

27 publication must be not later than the 14th day before the date of

1 the election. If a newspaper of general circulation is not  
2 published in the authority, notice must be given by posting a copy  
3 of the resolution in three public places in the authority.  
4 (V.A.C.S. Art. 8280-270, Secs. 12(e) (part), 15(a) (part), (b)  
5 (part).)

6 Sec. 9009.355. BONDS PAYABLE FROM REVENUE. (a) In this  
7 section, "net revenue" means the gross revenue and income of the  
8 authority pledged under this section less the amount necessary to  
9 pay the cost of:

10 (1) performing any contract, the revenue of which is  
11 pledged under this section; and

12 (2) maintaining and operating the authority and its  
13 property.

14 (b) Bonds issued under this subchapter may be secured under  
15 board resolution by a pledge of:

16 (1) all or part of the net revenue of the authority  
17 other than revenue from taxation;

18 (2) the net revenue of one or more contracts made  
19 before or after the issuance of the bonds; or

20 (3) other revenue or income specified by resolution of  
21 the board or in the trust indenture or other instrument securing the  
22 bonds.

23 (c) The pledge may reserve the right to issue additional  
24 bonds on a parity with, or subordinate to, the bonds being issued,  
25 subject to the conditions specified in the pledge.

26 (d) Bonds not payable wholly or partly from ad valorem taxes  
27 may be issued without an election. (V.A.C.S. Art. 8280-270, Secs.

1 12(a) (part), (d), 15(a) (part).)

2           Sec. 9009.356. BONDS PAYABLE FROM AD VALOREM TAXES. The  
3 authority may issue bonds payable, as pledged by board resolution,  
4 from:

5           (1) ad valorem taxes imposed on taxable property in  
6 the authority; or

7           (2) ad valorem taxes and revenue of the authority.  
8 (V.A.C.S. Art. 8280-270, Secs. 12(a) (part), (e) (part).)

9           Sec. 9009.357. TAX AND RATE REQUIREMENTS. (a) If the  
10 authority issues bonds payable wholly or partly from ad valorem  
11 taxes, the board shall impose a tax sufficient to pay the bonds and  
12 the interest on the bonds as the bonds and interest become due. The  
13 board may adopt the rate of the tax after considering the money  
14 received from the other pledged revenue available for payment of  
15 principal and interest to the extent and in the manner permitted by  
16 the resolution authorizing the issuance of the bonds.

17           (b) If the authority issues bonds payable wholly or partly  
18 from revenue, the board shall set and revise the rates of  
19 compensation for water sold and services rendered by the authority.

20           (c) For bonds payable wholly from revenue, the rates of  
21 compensation must be sufficient to:

22           (1) pay the expense of operating and maintaining the  
23 facilities of the authority;

24           (2) pay the bonds as they mature and the interest as it  
25 accrues; and

26           (3) maintain the reserve and other funds as required  
27 in the resolution authorizing the issuance of the bonds or in the



1 trust indenture or other instrument securing the bonds.

2 (d) For bonds payable partly from revenue, the rates of  
3 compensation must be sufficient to assure compliance with the  
4 resolution authorizing the issuance of the bonds and any trust  
5 indenture or other instrument securing the bonds. (V.A.C.S. Art.  
6 8280-270, Secs. 12(e) (part), (f).)

7 Sec. 9009.358. ADDITIONAL SECURITY. (a) Bonds, including  
8 refunding bonds, authorized by the law that are not payable wholly  
9 from ad valorem taxes may be additionally secured, at the  
10 discretion of the board, by a deed of trust or mortgage lien on  
11 physical property of the authority, franchises, easements, water  
12 rights and appropriation permits, leases, contracts, and all rights  
13 appurtenant to the property, vesting in the trustee power to:

- 14 (1) sell the property for the payment of the debt;  
15 (2) operate the property; and  
16 (3) take other action to further secure the bonds.

17 (b) A purchaser under a sale under the deed of trust lien, if  
18 one is given:

19 (1) is the absolute owner of property, facilities, and  
20 rights purchased; and

21 (2) is entitled to maintain and operate the property,  
22 facilities, and rights. (V.A.C.S. Art. 8280-270, Sec. 14 (part).)

23 Sec. 9009.359. TRUST INDENTURE. (a) A bond authorized by  
24 the law, including a refunding bond, that is not payable wholly from  
25 ad valorem taxes may be additionally secured by a trust indenture.  
26 The trustee may be a bank with trust powers located inside or  
27 outside this state.

1 (b) A trust indenture, regardless of the existence of the  
2 deed of trust or mortgage lien on the property, may:

3 (1) provide for the security of the bonds and the  
4 preservation of the trust estate in the manner prescribed by the  
5 board;

6 (2) provide for amendment or modification of the trust  
7 indenture;

8 (3) provide for the issuance of bonds to replace lost  
9 or mutilated bonds;

10 (4) condition the right to spend authority money or  
11 sell authority property on the approval of a licensed engineer  
12 selected as provided by the trust indenture; and

13 (5) provide for the investment of authority money.  
14 (V.A.C.S. Art. 8280-270, Sec. 14 (part).)

15 Sec. 9009.360. INTERIM BONDS OR NOTES. Before issuing  
16 definitive bonds, the board may issue interim bonds or notes  
17 exchangeable for definitive bonds. (V.A.C.S. Art. 8280-270, Sec.  
18 12(a) (part).)

19 Sec. 9009.361. USE OF BOND PROCEEDS. (a) The authority may  
20 set aside an amount of proceeds from the sale of bonds issued under  
21 this subchapter for payments into the interest and sinking fund and  
22 the reserve fund. The resolution authorizing the bonds or a trust  
23 indenture or other instrument securing the bonds may provide for  
24 setting aside amounts under this subsection.

25 (b) The authority may use proceeds from the sale of the  
26 bonds to pay any expense necessarily incurred in accomplishing the  
27 purpose of the authority, including any expense of issuing and

1 selling the bonds.

2 (c) The authority may invest proceeds from the sale of the  
3 bonds in direct obligations of or obligations unconditionally  
4 guaranteed by the United States that mature in the manner  
5 authorized by the resolution authorizing the bonds or by the trust  
6 indenture or other instrument securing the bonds. (V.A.C.S. Art.  
7 8280-270, Sec. 12(g).)

8 Sec. 9009.362. APPOINTMENT OF RECEIVER. (a) On default or  
9 threatened default in the payment of principal of or interest on  
10 bonds issued under this subchapter that are payable wholly or  
11 partly from revenue, a court may, on petition of the holders of  
12 outstanding bonds, appoint a receiver for the authority.

13 (b) The receiver may collect and receive all authority  
14 income except taxes, employ and discharge authority agents and  
15 employees, take charge of money on hand, except money received from  
16 taxes, unless commingled, and manage the proprietary affairs of the  
17 authority without consent or hindrance by the board.

18 (c) The receiver may be authorized to sell or contract for  
19 the sale of water or to renew those contracts with the approval of  
20 the court that appointed the receiver.

21 (d) The court may vest the receiver with any other power or  
22 duty the court finds necessary to protect the bondholders.  
23 (V.A.C.S. Art. 8280-270, Sec. 12(h) (part).)

24 Sec. 9009.363. REFUNDING BONDS. (a) The authority may  
25 issue refunding bonds to refund outstanding bonds issued under this  
26 subchapter and interest on those bonds.

27 (b) Refunding bonds may:

- 1           (1) be issued to refund bonds of more than one series;  
2           (2) combine the pledges for the outstanding bonds for  
3 the security of the refunding bonds; or  
4           (3) be secured by a pledge of other or additional  
5 revenue or mortgage liens.

6           (c) The provisions of this subchapter regarding the  
7 issuance of other bonds, their security, and the remedies of the  
8 holders apply to refunding bonds.

9           (d) The comptroller shall register the refunding bonds on  
10 surrender and cancellation of the bonds to be refunded.

11           (e) Instead of issuing bonds to be registered on the  
12 surrender and cancellation of the bonds to be refunded, the  
13 authority, in the resolution authorizing the issuance of the  
14 refunding bonds, may provide for the sale of the refunding bonds and  
15 the deposit of the proceeds in a bank at which the bonds to be  
16 refunded are payable. In that case, the refunding bonds may be  
17 issued in an amount sufficient to pay the principal of and interest  
18 on the bonds to be refunded to their option date or maturity date,  
19 and the comptroller shall register the refunding bonds without the  
20 surrender and cancellation of the bonds to be refunded. (V.A.C.S.  
21 Art. 8280-270, Sec. 13.)

22           Sec. 9009.364. LIMITATION ON RIGHTS OF HOLDERS. The  
23 resolution authorizing the bonds or the trust indenture or other  
24 instrument securing the bonds may limit or qualify the rights of the  
25 holders of less than all of the outstanding bonds payable from the  
26 same source to institute or prosecute litigation affecting the  
27 authority's property or income. (V.A.C.S. Art. 8280-270, Sec.

1 12(h) (part).)

2           Sec. 9009.365. BONDS EXEMPT FROM TAXATION. A bond issued  
3 under this subchapter, the transfer of the bond, and income from the  
4 bond, including profits made on the sale of the bond, are exempt  
5 from taxation in this state. (V.A.C.S. Art. 8280-270, Sec. 20  
6 (part).)

7                   CHAPTER 9011. BELL COUNTY WATER CONTROL AND  
8                                   IMPROVEMENT DISTRICT NO. 3

9                                   SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 9011.001. DEFINITIONS

11 Sec. 9011.002. NATURE OF DISTRICT

12 Sec. 9011.003. FINDING OF BENEFIT AND PUBLIC PURPOSE

13                   [Sections 9011.004-9011.050 reserved for expansion]

14                   SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS  
15                                   TO DISTRICT TERRITORY

16 Sec. 9011.051. DISTRICT TERRITORY

17 Sec. 9011.052. ANNEXATION OF TERRITORY BY LANDOWNER  
18                                   PETITION

19 Sec. 9011.053. PETITION REQUIREMENTS

20 Sec. 9011.054. HEARING ON PETITION

21 Sec. 9011.055. NOTICE OF HEARING

22 Sec. 9011.056. BOARD ANNEXATION OF TERRITORY

23 Sec. 9011.057. RATIFICATION ELECTION; LIMITATION ON  
24                                   ASSUMPTION OF DEBT OR TAXES

25 Sec. 9011.058. ANNEXED TERRITORY'S RESPONSIBILITY FOR  
26                                   DISTRICT DEBT OR TAXES

- 1 Sec. 9011.059. ANNEXATION OF TERRITORY IN A  
2 MUNICIPALITY  
3 [Sections 9011.060-9011.100 reserved for expansion]  
4 SUBCHAPTER C. BOARD OF DIRECTORS  
5 Sec. 9011.101. COMPOSITION OF BOARD  
6 Sec. 9011.102. QUALIFICATIONS FOR OFFICE  
7 Sec. 9011.103. DIRECTORS' ELECTION  
8 Sec. 9011.104. BALLOT PETITION  
9 Sec. 9011.105. APPOINTMENT OF SECRETARY AND TREASURER  
10 Sec. 9011.106. VOTE BY BOARD PRESIDENT  
11 Sec. 9011.107. DIRECTOR'S AND TREASURER'S BOND  
12 Sec. 9011.108. COMPENSATION  
13 [Sections 9011.109-9011.150 reserved for expansion]  
14 SUBCHAPTER D. POWERS AND DUTIES  
15 Sec. 9011.151. WATER CONTROL AND IMPROVEMENT DISTRICT  
16 POWERS  
17 Sec. 9011.152. WATER SUPPLY AND DISTRIBUTION;  
18 ACQUISITION OF LAND RIGHTS  
19 Sec. 9011.153. EMINENT DOMAIN  
20 Sec. 9011.154. COST OF RELOCATING OR ALTERING PROPERTY  
21 Sec. 9011.155. AWARD OF CERTAIN CONSTRUCTION OR  
22 PURCHASE CONTRACTS  
23 Sec. 9011.156. CONTRACTS REGARDING WATER OR SEWER  
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25 Sec. 9011.157. CONTRACTS AND COOPERATION WITH  
26 MUNICIPALITY INSIDE DISTRICT  
27 Sec. 9011.158. PROHIBITED AGREEMENTS

1 [Sections 9011.159-9011.200 reserved for expansion]

2 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

3 Sec. 9011.201. DEPOSITORY

4 Sec. 9011.202. IMPOSITION OF AD VALOREM TAXES

5 Sec. 9011.203. TAX ASSESSOR AND COLLECTOR

6 Sec. 9011.204. PROJECTS EXEMPT FROM ASSESSMENT OR

7 TAXATION

8 [Sections 9011.205-9011.250 reserved for expansion]

9 SUBCHAPTER F. BONDS

10 Sec. 9011.251. AUTHORITY TO ISSUE BONDS

11 Sec. 9011.252. FORM OF BONDS

12 Sec. 9011.253. MATURITY

13 Sec. 9011.254. ELECTION FOR BONDS PAYABLE FROM AD

14 VALOREM TAXES

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17 Sec. 9011.257. ADDITIONAL SECURITY

18 Sec. 9011.258. TRUST INDENTURE OR DEED OF TRUST

19 Sec. 9011.259. USE OF BOND PROCEEDS

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21 Sec. 9011.261. REFUNDING BONDS

22 Sec. 9011.262. BONDS EXEMPT FROM TAXATION

23 CHAPTER 9011. BELL COUNTY WATER CONTROL AND

24 IMPROVEMENT DISTRICT NO. 3

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 9011.001. DEFINITIONS. In this chapter:

27 (1) "Board" means the district's board of directors.

1           (2) "Director" means a member of the board.

2           (3) "District" means the Bell County Water Control and  
3 Improvement District No. 3. (New; V.A.C.S. Art. 8280-182, Sec. 1  
4 (part).)

5           Sec. 9011.002. NATURE OF DISTRICT. The district is a water  
6 control and improvement district created under Section 59, Article  
7 XVI, Texas Constitution. (V.A.C.S. Art. 8280-182, Sec. 1 (part).)

8           Sec. 9011.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a)  
9 The district is created to serve a public use and benefit.

10          (b) All land included in the district will benefit.

11          (c) The accomplishment of the purposes stated in this  
12 chapter is for the benefit of the people of this state and the  
13 improvement of their property and industries. The district, in  
14 carrying out the purposes of this chapter, will be performing an  
15 essential public function under the constitution. (V.A.C.S. Art.  
16 8280-182, Secs. 22 (part), 26 (part).)

17           [Sections 9011.004-9011.050 reserved for expansion]

18           SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS

19                           TO DISTRICT TERRITORY

20           Sec. 9011.051. DISTRICT TERRITORY. The district is  
21 composed of the territory described by Section 2, Chapter 506, Acts  
22 of the 54th Legislature, Regular Session, 1955 (Article 8280-182,  
23 Vernon's Texas Civil Statutes), as that territory may have been  
24 modified under:

25                   (1) this subchapter or its predecessor statutes; or

26                   (2) other law. (New.)

27           Sec. 9011.052. ANNEXATION OF TERRITORY BY LANDOWNER



1 PETITION. As provided by this subchapter, the district may annex  
2 territory by petition of the owners of land or a portion of the land  
3 requested to be annexed. (V.A.C.S. Art. 8280-182, Sec. 5 (part).)

4 Sec. 9011.053. PETITION REQUIREMENTS. (a) A petition to  
5 the board to annex land must:

6 (1) request that the district annex the land;

7 (2) describe by metes and bounds the land proposed to  
8 be annexed;

9 (3) affirmatively state that:

10 (A) the land annexed is subject to its  
11 proportionate part of the outstanding debt;

12 (B) the land will be subject to taxation for  
13 payment of that debt;

14 (C) the assumption of the proportionate debt will  
15 be a covenant running with the land; and

16 (D) the petition will be filed in the deed  
17 records of Bell County; and

18 (4) be signed:

19 (A) by a majority of the owners of the land to be  
20 annexed if the number of owners is 30 or fewer; or

21 (B) by 30 owners of the land to be annexed if the  
22 number of owners is more than 30.

23 (b) The petition must be filed with the board secretary.  
24 (V.A.C.S. Art. 8280-182, Sec. 5 (part).)

25 Sec. 9011.054. HEARING ON PETITION. The board shall order a  
26 hearing on the petition to be held at a time and on a date stated in  
27 the order and not before the 30th day after the date of the order.

1 (V.A.C.S. Art. 8280-182, Sec. 5 (part).)

2 Sec. 9011.055. NOTICE OF HEARING. (a) The board secretary  
3 shall:

4 (1) issue notice of the hearing that includes:

5 (A) the time and place of the hearing; and

6 (B) a description of the territory proposed to be  
7 annexed; and

8 (2) post copies of the notice for 15 days before the  
9 date of the hearing in:

10 (A) three public places in the district; and

11 (B) one public place in the territory proposed to  
12 be annexed.

13 (b) The notice must be published in a newspaper of general  
14 circulation in the county one time at least 15 days before the date  
15 of the hearing. (V.A.C.S. Art. 8280-182, Sec. 5 (part).)

16 Sec. 9011.056. BOARD ANNEXATION OF TERRITORY. (a) The  
17 board by resolution may annex the proposed territory to the  
18 district if the board finds as a result of the hearing that the  
19 annexation:

20 (1) is to the advantage of the district; and

21 (2) will not injure other land of the district.

22 (b) If on hearing the petition a change to the proposed  
23 annexation is found necessary or desirable, the annexation may  
24 include less than all of the territory described in the petition.

25 (c) The resolution authorizing the annexation must be  
26 recorded in the board minutes. (V.A.C.S. Art. 8280-182, Sec. 5  
27 (part).)

1           Sec. 9011.057. RATIFICATION ELECTION; LIMITATION ON  
2 ASSUMPTION OF DEBT OR TAXES. (a) The annexation of territory under  
3 this subchapter is not final until ratified by:

4                 (1) a majority of the voters voting at a separate  
5 election held in the district; and

6                 (2) a majority of the voters voting at a separate  
7 election held in the territory to be annexed.

8           (b) If the district has outstanding debts or taxes, the  
9 proposition for the territory's assumption of its proportion of the  
10 debts or taxes on annexation shall be submitted at the same time and  
11 at the same election.

12           (c) The manner of holding the election, the election notice,  
13 and the manner and time of giving notice of the election under this  
14 section are governed by Chapters 49 and 51, Water Code. (V.A.C.S.  
15 Art. 8280-182, Sec. 5 (part).)

16           Sec. 9011.058. ANNEXED TERRITORY'S RESPONSIBILITY FOR  
17 DISTRICT DEBT OR TAXES. The annexed territory shall bear the  
18 territory's proportionate share of all debt or taxes owed,  
19 contracted, or authorized by the district. (V.A.C.S.  
20 Art. 8280-182, Sec. 5 (part).)

21           Sec. 9011.059. ANNEXATION OF TERRITORY IN A MUNICIPALITY.  
22 The district may annex territory inside a municipality's  
23 boundaries. (V.A.C.S. Art. 8280-182, Sec. 25.)

24           [Sections 9011.060-9011.100 reserved for expansion]

25                           SUBCHAPTER C. BOARD OF DIRECTORS

26           Sec. 9011.101. COMPOSITION OF BOARD. The board consists of  
27 five elected directors. (V.A.C.S. Art. 8280-182, Secs. 3(a)

1 (part), (b) (part).)

2 Sec. 9011.102. QUALIFICATIONS FOR OFFICE. (a) A person may  
3 not be appointed a director unless the person resides in Bell County  
4 and owns taxable property in the district.

5 (b) A person may not serve as a director if the person is:

6 (1) a member of a governing body of a county or  
7 municipality; or

8 (2) an employee of a county or municipality.

9 (V.A.C.S. Art. 8280-182, Sec. 3(a) (part).)

10 Sec. 9011.103. DIRECTORS' ELECTION. (a) Except as  
11 provided by this subchapter, a directors' election is held in  
12 accordance with Chapters 49 and 51, Water Code, and the Election  
13 Code.

14 (b) The election order must state the time, place, and  
15 purpose of the election.

16 (c) Notice of a directors' election must be published in a  
17 newspaper of general circulation in the district's territory one  
18 time at least 30 days before the date of the election. (V.A.C.S.  
19 Art. 8280-182, Sec. 3(c) (part).)

20 Sec. 9011.104. BALLOT PETITION. (a) A person who wants to  
21 have the person's name printed on the ballot as a candidate for  
22 director must present to the board secretary a petition requesting  
23 that action.

24 (b) The petition must be:

25 (1) signed by at least 10 registered voters; and

26 (2) presented to the secretary not later than the 11th  
27 day before the date of the election. (V.A.C.S. Art. 8280-182, Sec.

1 3(d).)

2           Sec. 9011.105. APPOINTMENT OF SECRETARY AND TREASURER. The  
3 board shall appoint a secretary and a treasurer who are not required  
4 to be directors. The board may combine the offices of secretary and  
5 treasurer. (V.A.C.S. Art. 8280-182, Sec. 4 (part).)

6           Sec. 9011.106. VOTE BY BOARD PRESIDENT. The president has  
7 the same right to vote as any other director. (V.A.C.S.  
8 Art. 8280-182, Sec. 4 (part).)

9           Sec. 9011.107. DIRECTOR'S AND TREASURER'S BOND. (a) A  
10 director shall give bond in the amount of \$5,000 for the faithful  
11 performance of the director's duties.

12           (b) The treasurer shall give bond in the amount required by  
13 the board. The treasurer's bond shall be conditioned on the  
14 treasurer's faithfully accounting for all money that comes into the  
15 treasurer's custody as treasurer. (V.A.C.S. Art. 8280-182, Secs.  
16 3(a) (part), 4 (part).)

17           Sec. 9011.108. COMPENSATION. Unless the board by  
18 resolution increases the fee to an amount authorized by Section  
19 49.060, Water Code, each director is entitled to receive a fee of  
20 not more than \$25 a day for each day the director spends performing  
21 duties as a director. The fees for each director for any one month  
22 may not exceed \$100. (V.A.C.S. Art. 8280-182, Sec. 3(f) (part).)

23           [Sections 9011.109-9011.150 reserved for expansion]

24                           SUBCHAPTER D. POWERS AND DUTIES

25           Sec. 9011.151. WATER CONTROL AND IMPROVEMENT DISTRICT  
26 POWERS. The district has all powers conferred by the general laws  
27 of this state relating to water control and improvement districts,

1 including Chapters 49 and 51, Water Code, except powers that:

2 (1) conflict with this chapter; or

3 (2) relate to the annexation and exclusion of  
4 territory. (V.A.C.S. Art. 8280-182, Sec. 21 (part).)

5 Sec. 9011.152. WATER SUPPLY AND DISTRIBUTION; ACQUISITION  
6 OF LAND RIGHTS. (a) The district may acquire or develop water,  
7 including groundwater, and sources of water.

8 (b) The district may acquire or construct all works, plants,  
9 or other facilities or equipment necessary or useful to:

10 (1) store or process the water; and

11 (2) transport and distribute the water for municipal,  
12 domestic, farm, or industrial purposes.

13 (c) The board may make an agreement or contract with any  
14 organized district, municipality, person, public agency, or state  
15 or the federal government for the district to:

16 (1) acquire water, groundwater, or sources of water;

17 (2) store, process, transport, and distribute the  
18 water; and

19 (3) perform any other act necessary to carry out the  
20 powers of the district or accomplish a purpose of this chapter.

21 (d) An existing municipality or district may contract with  
22 the district for the purposes stated in this section.

23 (e) The district may acquire all the land, easements, and  
24 rights-of-way necessary to carry out the powers of the district or  
25 the purposes of this chapter.

26 (f) The district may exercise the powers under this section  
27 inside or outside the district's boundaries but only in Bell

1 County. (V.A.C.S. Art. 8280-182, Sec. 7.)

2           Sec. 9011.153. EMINENT DOMAIN. (a) In Bell County only,  
3 the district may exercise the power of eminent domain to acquire  
4 land, easements, or rights-of-way to carry out any power conferred  
5 by this chapter.

6           (b) The district must exercise the power of eminent domain  
7 in the manner provided by Chapter 21, Property Code.

8           (c) The board shall determine the amount of and character of  
9 interest in land or easements to be acquired.

10           (d) In exercising the power of eminent domain against a  
11 person that has the power of eminent domain or a receiver or trustee  
12 for that person, the district may acquire an easement only but may  
13 not acquire the fee title. (V.A.C.S. Art. 8280-182, Sec. 8 (part).)

14           Sec. 9011.154. COST OF RELOCATING OR ALTERING PROPERTY. If  
15 the district's exercise of the power of eminent domain, the power of  
16 relocation, or any other power granted under this chapter makes  
17 necessary the relocating, raising, rerouting, changing the grade,  
18 or altering the construction of any highway, railroad, electric  
19 transmission line, communication property and facility, or  
20 pipeline, the action shall be accomplished at the sole expense of  
21 the district. (V.A.C.S. Art. 8280-182, Sec. 8 (part).)

22           Sec. 9011.155. AWARD OF CERTAIN CONSTRUCTION OR PURCHASE  
23 CONTRACTS. (a) This section applies only to a construction  
24 contract or contract for the purchase of materials, equipment, or  
25 supplies requiring an expenditure of more than \$2,000.

26           (b) This section does not apply to the purchase of a system  
27 or part of a system in existence at the time of the purchase.

1           (c) The district shall award a contract to the lowest and  
2 best bidder only after notice of the contract to bidders is  
3 published once at least 10 days before the date the contract is  
4 awarded. The notice must be printed in a newspaper of general  
5 circulation in the district that is designated by the board.

6           (d) The notice is sufficient if it states:

7                 (1) the time and place for opening the bids;

8                 (2) the general nature of the work to be done or the  
9 material, equipment, or supplies to be purchased; and

10                (3) the place where and the terms on which copies of  
11 the plans and specifications may be obtained. (V.A.C.S. Art.  
12 8280-182, Sec. 9.)

13           Sec. 9011.156. CONTRACTS REGARDING WATER OR SEWER  
14 FACILITIES. (a) The district may contract with a municipality,  
15 an organized district, or another person to supply water to that  
16 person.

17           (b) The district may contract with a municipality, an  
18 organized district, or another person to rent, lease, or operate  
19 the water production, water supply and water supply facilities, or  
20 sanitary and storm sewer facilities of that person.

21           (c) The parties to the contract may agree on the contract  
22 terms including the consideration and the duration of the contract.

23           (d) The contract may provide that it will continue in effect  
24 until bonds specified in it and refunding bonds issued in lieu of  
25 those bonds are paid.

26           (e) A power granted by this section does not apply outside  
27 Bell County. (V.A.C.S. Art. 8280-182, Sec. 17.)



1           Sec. 9011.157.   CONTRACTS AND COOPERATION WITH MUNICIPALITY  
2   INSIDE DISTRICT.   (a)   The district territory described by the law  
3   codified by this chapter intentionally overlaps the territory of an  
4   existing municipality.   The board may contract or cooperate with  
5   the municipality on matters that come within the purposes for which  
6   the district is organized or in aid of those purposes.

7           (b)   The municipality may contract with the district for the  
8   purposes stated in this section or in aid of those purposes.  
9   (V.A.C.S. Art. 8280-182, Sec. 24.)

10          Sec. 9011.158.   PROHIBITED AGREEMENTS.   (a)   The district  
11   may not enter into a contract or agreement that requires the  
12   district or the people in the district to lose ownership of or  
13   control over the use of any district property, real, personal, or  
14   mixed, after payment of all outstanding legal obligations of the  
15   district, including bonds and refunding bonds.

16          (b)   A contract or agreement prohibited by this section, if  
17   entered into by the board, is void.   (V.A.C.S. Art. 8280-182, Sec.  
18   7-A (part).)

19                 [Sections 9011.159-9011.200 reserved for expansion]

20                         SUBCHAPTER E.   GENERAL FINANCIAL PROVISIONS

21          Sec. 9011.201.   DEPOSITORY.   (a)   The board shall designate  
22   one or more banks to serve as depository for the district's money.

23          (b)   District money shall be deposited with a designated  
24   depository bank, except that:

25                 (1)   money pledged to pay bonds may be deposited with  
26   the trustee bank named in the trust indenture; and

27                 (2)   money shall be remitted to the bank of payment for

1 the payment of principal of and interest on bonds.

2 (c) To the extent that money in a depository bank or the  
3 trustee bank is not insured by the Federal Deposit Insurance  
4 Corporation, the money must be secured in the manner provided by law  
5 for the security of county funds.

6 (d) Membership on the board of an officer or director of a  
7 bank does not disqualify the bank from being designated as a  
8 depository. (V.A.C.S. Art. 8280-182, Sec. 18.)

9 Sec. 9011.202. IMPOSITION OF AD VALOREM TAXES. A tax  
10 imposed by the district must be an ad valorem tax, including a tax  
11 to:

12 (1) pay off bonds for preliminary surveys and  
13 investigation or to provide funds for conducting preliminary  
14 surveys, if no construction bonds are to be issued; and

15 (2) pay the principal and interest and other costs  
16 that may be paid from taxes. (V.A.C.S. Art. 8280-182, Secs. 11, 12  
17 (part).)

18 Sec. 9011.203. TAX ASSESSOR AND COLLECTOR. (a) The board  
19 shall appoint a tax assessor and collector.

20 (b) The board may appoint deputies to assist the tax  
21 assessor and collector by an order stating the manner and period of  
22 assistance. (V.A.C.S. Art. 8280-182, Sec. 12 (part).)

23 Sec. 9011.204. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION.  
24 The district is not required to pay a tax or assessment on a project  
25 or any part of a project. (V.A.C.S. Art. 8280-182, Sec. 22 (part).)

26 [Sections 9011.205-9011.250 reserved for expansion]

SUBCHAPTER F. BONDS

1  
2           Sec. 9011.251. AUTHORITY TO ISSUE BONDS. (a) The  
3 district may issue bonds to carry out any purpose of this chapter  
4 and to:

5           (1) provide a water system, as authorized by this  
6 chapter, for municipal, domestic, and industrial purposes;

7           (2) pay fees of an attorney, engineer, or fiscal  
8 agent;

9           (3) pay the cost of printing and issuing bonds; and

10           (4) exercise any other power conferred by this  
11 chapter.

12           (b) The bonds must be authorized by a board resolution.

13           (c) Bonds issued by the district must be payable by a pledge  
14 of:

15           (1) revenue;

16           (2) ad valorem taxes imposed on all taxable property  
17 in the district; or

18           (3) both revenue and ad valorem taxes.

19           (d) The pledge must be in a resolution or trust indenture  
20 adopted or authorized by the board.

21           (e) A bond issuance payable wholly or partly from ad valorem  
22 taxes is subject to the conditions prescribed by this subchapter.  
23 (V.A.C.S. Art. 8280-182, Secs. 10(a), (b) (part), (c) (part), (f)  
24 (part).)

25           Sec. 9011.252. FORM OF BONDS. A district bond must be:

26           (1) issued in the district's name;

27           (2) signed by the president or vice president; and

1           (3) attested by the secretary. (V.A.C.S. Art.  
2 8280-182, Sec. 10(b) (part).)

3           Sec. 9011.253. MATURITY. District bonds must mature not  
4 later than 40 years after their date of issuance. (V.A.C.S. Art.  
5 8280-182, Sec. 10(b) (part).)

6           Sec. 9011.254. ELECTION FOR BONDS PAYABLE FROM AD VALOREM  
7 TAXES. (a) Bonds, other than refunding bonds, payable wholly or  
8 partly from ad valorem taxes may not be issued unless authorized by  
9 a majority of the district voters voting at an election.

10          (b) The board may order an election under this section  
11 without a petition. The order must specify:

12           (1) the time and place at which the election will be  
13 held;

14           (2) the purpose for which the bonds will be issued;

15           (3) the maximum amount of the bonds;

16           (4) the maximum maturity of the bonds;

17           (5) the form of the ballot; and

18           (6) the presiding judge for each voting place.

19          (c) Notice of the election must be published:

20           (1) at least once in a newspaper published or having  
21 general circulation in the district; and

22           (2) at least 14 days before the date of the election.

23 (V.A.C.S. Art. 8280-182, Sec. 10(g) (part).)

24          Sec. 9011.255. BONDS PAYABLE FROM REVENUE. (a) In this  
25 section, "net revenue" means the gross revenue of the district less  
26 the amount necessary to pay the cost of maintaining and operating  
27 the district and its property.

1           (b) Bonds issued under this subchapter may be secured under  
2 board resolution by a pledge of:

3                 (1) all or part of the net revenue of the district;

4                 (2) the net revenue of one or more contracts made  
5 before or after the issuance of the bonds; or

6                 (3) other revenue specified by resolution of the  
7 board.

8           (c) The pledge may reserve the right to issue additional  
9 bonds on a parity with, or subordinate to, the bond being issued,  
10 subject to the conditions specified in the pledge. (V.A.C.S.  
11 Art. 8280-182, Sec. 10(d).)

12           Sec. 9011.256. TAX AND RATE REQUIREMENTS. (a) If the  
13 district issues bonds payable wholly or partly from ad valorem  
14 taxes, the board shall impose a tax sufficient to pay the bonds and  
15 the interest on the bonds as the bonds and interest become due. The  
16 board may adopt the rate of the tax after considering the money  
17 received from pledged revenue available for payment of principal  
18 and interest to the extent and in the manner permitted by the  
19 resolution authorizing the issuance of the bonds.

20           (b) If the district issues bonds payable wholly or partly  
21 from revenue, the board shall set and revise the rates of  
22 compensation for the use of the systems and services rendered by the  
23 district.

24           (c) For bonds payable wholly from revenue, the rates of  
25 compensation must be sufficient to:

26                 (1) pay the expense of operating and maintaining the  
27 facilities of the district;

1           (2) pay the bonds as they mature and the interest as it  
2 accrues; and

3           (3) maintain the reserve and other funds as provided  
4 by the resolution authorizing the issuance of the bonds or the trust  
5 indenture.

6           (d) For bonds payable partly from revenue, the rates of  
7 compensation must be sufficient to assure compliance with the  
8 resolution authorizing the issuance of the bonds or with the trust  
9 indenture. (V.A.C.S. Art. 8280-182, Secs. 10(e), (f) (part).)

10          Sec. 9011.257. ADDITIONAL SECURITY. (a) Bonds, including  
11 refunding bonds, authorized by this subchapter may be additionally  
12 secured by a deed of trust lien on physical property of the  
13 district, franchises, easements, water rights and appropriation  
14 permits, leases, contracts, and all rights appurtenant to the  
15 property, vesting in the trustee the power to:

16           (1) sell the property; and

17           (2) take other action to further secure the bonds.

18          (b) A purchaser under a sale under the deed of trust:

19           (1) is the owner of the property and facilities  
20 purchased; and

21           (2) is entitled to maintain and operate the property  
22 and facilities. (V.A.C.S. Art. 8280-182, Sec. 14.)

23          Sec. 9011.258. TRUST INDENTURE OR DEED OF TRUST. (a) A  
24 deed of trust lien conferred on the physical property may be  
25 combined with the trust indenture authorized by this chapter.

26          (b) The trust indenture or deed of trust may provide for:

27           (1) the security of the bonds and the operation and

1 preservation of the trust estate in the manner prescribed by the  
2 board;

3 (2) amendment or modification of the trust indenture  
4 or deed of trust; and

5 (3) the issuance of bonds to replace lost or mutilated  
6 bonds. (V.A.C.S. Art. 8280-182, Sec. 15.)

7 Sec. 9011.259. USE OF BOND PROCEEDS. (a) The district may  
8 set aside an amount of proceeds from the sale of bonds issued under  
9 this subchapter for the payment of:

10 (1) interest to accrue during two years after the  
11 purchase of a system or expected to accrue during construction and  
12 two years after construction; and

13 (2) a reserve interest and sinking fund.

14 (b) The resolution authorizing the bonds or a trust  
15 indenture may provide for setting aside amounts under Subsection  
16 (a).

17 (c) The district may use proceeds from the sale of the bonds  
18 to pay an expense incurred in accomplishing the purposes of the  
19 district, including:

20 (1) the fees of attorneys, engineers, or fiscal  
21 agents; and

22 (2) the cost of printing and issuing the bonds.  
23 (V.A.C.S. Art. 8280-182, Sec. 10(h).)

24 Sec. 9011.260. APPOINTMENT OF RECEIVER. (a) On default or  
25 threatened default in the payment of the principal of or interest on  
26 bonds issued under this subchapter and payable wholly or partly  
27 from revenue, a court may, on petition of the holders of 25 percent

1 of the outstanding bonds, appoint a receiver.

2 (b) The receiver may collect and receive all district  
3 income, employ and discharge district agents and employees, take  
4 charge of money on hand, and manage the affairs of the district  
5 without consent or hindrance by the board.

6 (c) The court may vest the receiver with any other power or  
7 duty the court finds necessary to protect the bondholders.  
8 (V.A.C.S. Art. 8280-182, Sec. 10(i).)

9 Sec. 9011.261. REFUNDING BONDS. (a) The district may issue  
10 refunding bonds without an election to refund outstanding bonds  
11 issued under this subchapter and interest on those bonds.

12 (b) Refunding bonds may:

13 (1) be issued to refund bonds of more than one series;

14 (2) combine the pledges for the outstanding bonds for  
15 the security of the refunding bonds; or

16 (3) be secured by a pledge of other or additional  
17 revenue.

18 (c) The provisions of this subchapter regarding the  
19 issuance of other bonds and the remedies of the holders apply to  
20 refunding bonds.

21 (d) The comptroller shall register the refunding bonds on  
22 surrender and cancellation of the bonds to be refunded.

23 (e) Instead of issuing bonds to be registered on the  
24 surrender and cancellation of the bonds to be refunded, the  
25 district, in the resolution authorizing the issuance of the  
26 refunding bonds, may provide for the sale of the refunding bonds and  
27 the deposit of the proceeds in a bank at which the bonds to be





1 SUBCHAPTER D. POWERS AND DUTIES

2 Sec. 9012.151. WATER CONTROL AND IMPROVEMENT DISTRICT

3 POWERS

4 Sec. 9012.152. ACQUISITION OF IMPROVEMENTS

5 Sec. 9012.153. COST OF RELOCATING OR ALTERING PROPERTY

6 Sec. 9012.154. LIMIT ON EMINENT DOMAIN POWER

7 Sec. 9012.155. DURATION OF CONTRACT FOR WATER PURCHASE

8 OR SALE

9 [Sections 9012.156-9012.200 reserved for expansion]

10 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

11 Sec. 9012.201. TAX METHOD

12 CHAPTER 9012. CROSBY MUNICIPAL UTILITY DISTRICT OF HARRIS COUNTY,

13 TEXAS

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 9012.001. DEFINITIONS. In this chapter:

16 (1) "Board" means the board of directors of the  
17 district.

18 (2) "District" means the Crosby Municipal Utility  
19 District of Harris County, Texas. (V.A.C.S. Art. 8280-315, Sec. 1  
20 (part); New.)

21 Sec. 9012.002. NATURE OF DISTRICT. The district is:

22 (1) a conservation and reclamation district under  
23 Section 59, Article XVI, Texas Constitution;

24 (2) a water control and improvement district; and

25 (3) a municipal corporation. (V.A.C.S. Art. 8280-315,  
26 Secs. 1 (part), 7 (part), 8 (part).)

27 Sec. 9012.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

1 The district is created to serve a public use and benefit.

2 (b) All land and other property in the district will benefit  
3 from the creation of the district and the improvements the district  
4 will purchase, construct, or otherwise acquire.

5 (c) The creation of the district is essential to accomplish  
6 the purposes of Section 59, Article XVI, Texas Constitution.  
7 (V.A.C.S. Art. 8280-315, Secs. 7 (part), 8 (part).)

8 [Sections 9012.004-9012.050 reserved for expansion]

9 SUBCHAPTER B. DISTRICT TERRITORY AND EXCLUSIONS FROM DISTRICT  
10 TERRITORY

11 Sec. 9012.051. DISTRICT TERRITORY. (a) The district is  
12 composed of the territory described by Section 1, Chapter 554, Acts  
13 of the 59th Legislature, Regular Session, 1965 (Article 8280-315,  
14 Vernon's Texas Civil Statutes), as that territory may have been  
15 modified under:

- 16 (1) Subchapter O, Chapter 51, Water Code;  
17 (2) Subchapter J, Chapter 49, Water Code;  
18 (3) former Section 5, Chapter 554, Acts of the 59th  
19 Legislature, Regular Session, 1965 (Article 8280-315, Vernon's  
20 Texas Civil Statutes); or  
21 (4) other law.

22 (b) The boundaries and field notes of the district form a  
23 closure. A mistake in the field notes or in copying the field notes  
24 in the legislative process does not affect:

- 25 (1) the district's organization, existence, or  
26 validity;  
27 (2) the district's right to issue bonds or to pay the

1 principal of and interest on the bonds;

2 (3) the district's right to impose a tax; or

3 (4) the legality or operation of the district or its  
4 governing body. (V.A.C.S. Art. 8280-315, Sec. 2; New.)

5 Sec. 9012.052. EXCLUDING TERRITORY FROM THE DISTRICT. (a)  
6 The board may exclude territory from the district before voting any  
7 bonds or taxes in and for the district.

8 (b) The board shall give notice of its intention to hold a  
9 hearing on the question of excluding territory from the district.  
10 The notice must:

11 (1) specify the date and place of the hearing; and

12 (2) describe by metes and bounds the territory  
13 proposed to be excluded.

14 (c) The notice must be published at least once in a  
15 newspaper of general circulation in Harris County. The first  
16 publication of the notice must be at least 10 days before the date  
17 set for the hearing.

18 (d) The board by order may exclude the territory from the  
19 district if at the hearing the board finds that the proposed  
20 exclusion of territory is advantageous to the district and to the  
21 territory to be excluded. In the order, the board shall also  
22 redefine the boundaries of the district to embrace all land not  
23 excluded. The territory is no longer a part of the district.

24 (e) The order authorizing the exclusion must be recorded in  
25 the board minutes. (V.A.C.S. Art. 8280-315, Sec. 5 (part).)

26 Sec. 9012.053. HEARINGS FOR EXCLUSION OF TERRITORY. (a)  
27 The board is not required to call or hold a hearing on the exclusion

1 of land or other property from the district.

2 (b) This section may not be construed to prevent the board  
3 on its own motion from calling and holding an exclusion hearing  
4 under general law. (V.A.C.S. Art. 8280-315, Sec. 7 (part).)

5 [Sections 9012.054-9012.100 reserved for expansion]

6 SUBCHAPTER C. BOARD OF DIRECTORS

7 Sec. 9012.101. COMPOSITION OF BOARD. The board is composed  
8 of five directors. (V.A.C.S. Art. 8280-315, Sec. 4 (part).)

9 [Sections 9012.102-9012.150 reserved for expansion]

10 SUBCHAPTER D. POWERS AND DUTIES

11 Sec. 9012.151. WATER CONTROL AND IMPROVEMENT DISTRICT  
12 POWERS. The district has the rights, powers, privileges, and  
13 duties provided by general law applicable to a water control and  
14 improvement district created under Section 59, Article XVI, Texas  
15 Constitution, including Chapters 49 and 51, Water Code. (V.A.C.S.  
16 Art. 8280-315, Sec. 3 (part).)

17 Sec. 9012.152. ACQUISITION OF IMPROVEMENTS. The district  
18 may make, construct, or otherwise acquire improvements inside or  
19 outside the district that are necessary or convenient to carry out a  
20 power granted to the district under this chapter or a general law  
21 described by Section 9012.151. (V.A.C.S. Art. 8280-315, Sec. 3  
22 (part).)

23 Sec. 9012.153. COST OF RELOCATING OR ALTERING PROPERTY.

24 (a) In this section, "sole expense" means the actual cost of  
25 relocating, raising, lowering, rerouting, or changing the grade of,  
26 or altering the construction of a facility described by Subsection

27 (b) in providing comparable replacement without enhancement of the

1 facility, after deducting from that cost the net salvage value  
2 derived from the old facility.

3 (b) If the district's exercise of the power of eminent  
4 domain, the power of relocation, or any other power conferred by  
5 this chapter makes necessary the relocation, raising, rerouting,  
6 changing the grade, or alteration of the construction of a highway,  
7 a railroad, an electric transmission line, or a telephone or  
8 telegraph property or facility, or a pipeline, the necessary action  
9 shall be accomplished at the sole expense of the district.  
10 (V.A.C.S. Art. 8280-315, Sec. 3 (part).)

11 Sec. 9012.154. LIMIT ON EMINENT DOMAIN POWER. The district  
12 may not exercise the power of eminent domain outside the district.  
13 (V.A.C.S. Art. 8280-315, Sec. 3 (part).)

14 Sec. 9012.155. DURATION OF CONTRACT FOR WATER PURCHASE OR  
15 SALE. A district contract for the purchase or sale of water may not  
16 exceed 40 years. (V.A.C.S. Art. 8280-315, Sec. 3 (part).)

17 [Sections 9012.156-9012.200 reserved for expansion]

18 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

19 Sec. 9012.201. TAX METHOD. (a) The district shall use the  
20 ad valorem basis or plan of taxation.

21 (b) The board is not required to hold a hearing on the  
22 adoption of a plan of taxation. (V.A.C.S. Art. 8280-315, Sec. 7  
23 (part).)

24 CHAPTER 9013. CNP UTILITY DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 9013.001. DEFINITIONS

27 Sec. 9013.002. NATURE OF DISTRICT

1 Sec. 9013.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE  
2 [Sections 9013.004-9013.050 reserved for expansion]  
3 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS  
4 TO DISTRICT TERRITORY  
5 Sec. 9013.051. DISTRICT TERRITORY  
6 Sec. 9013.052. EXPANSION OF DISTRICT  
7 [Sections 9013.053-9013.100 reserved for expansion]  
8 SUBCHAPTER C. DISTRICT ADMINISTRATION  
9 Sec. 9013.101. COMPOSITION OF BOARD  
10 Sec. 9013.102. DIRECTOR'S BOND  
11 Sec. 9013.103. VACANCY  
12 Sec. 9013.104. DISTRICT OFFICE  
13 Sec. 9013.105. ABSENCE OF PRESIDENT FROM BOARD MEETING  
14 [Sections 9013.106-9013.150 reserved for expansion]  
15 SUBCHAPTER D. POWERS AND DUTIES  
16 Sec. 9013.151. WATER CONTROL AND IMPROVEMENT DISTRICT  
17 POWERS AND DUTIES  
18 Sec. 9013.152. ADDITIONAL POWERS AND DUTIES  
19 Sec. 9013.153. EMINENT DOMAIN  
20 Sec. 9013.154. COST OF RELOCATING OR ALTERING PROPERTY  
21 Sec. 9013.155. CONTRACT FOR PURCHASE OF WATER, SEWER,  
22 OR DRAINAGE SERVICES; ELECTION NOT  
23 REQUIRED  
24 Sec. 9013.156. NOTICE OF ELECTION  
25 Sec. 9013.157. DISTRICT RULES  
26 [Sections 9013.158-9013.200 reserved for expansion]

1                   SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

2   Sec. 9013.201. TAX METHOD

3   Sec. 9013.202. DISTRICT ACCOUNTS

4   Sec. 9013.203. COPY OF AUDIT REPORT

5   Sec. 9013.204. PAYMENT OF TAX OR ASSESSMENT NOT

6                                 REQUIRED

7   Sec. 9013.205. DIRECTOR AS SHAREHOLDER IN DEPOSITORY

8             [Sections 9013.206-9013.250 reserved for expansion]

9                                 SUBCHAPTER F. BONDS

10   Sec. 9013.251. ISSUANCE OF BONDS

11   Sec. 9013.252. ADDITIONAL SECURITY

12   Sec. 9013.253. TRUST INDENTURE

13   Sec. 9013.254. ORDER OR RESOLUTION AUTHORIZING

14                                 ISSUANCE OF CERTAIN BONDS

15                                 CHAPTER 9013. CNP UTILITY DISTRICT

16                                 SUBCHAPTER A. GENERAL PROVISIONS

17         Sec. 9013.001. DEFINITIONS. In this chapter:

18                 (1) "Board" means the board of directors of the  
19     district.

20                 (2) "District" means the CNP Utility District.  
21     (V.A.C.S. Art. 8280-466, Sec. 1 (part); New.)

22         Sec. 9013.002. NATURE OF DISTRICT. The district is a  
23     conservation and reclamation district in Harris County created  
24     under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art.  
25     8280-466, Sec. 1 (part).)

26         Sec. 9013.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
27     The district is created to serve a public use and benefit.



1 (b) All land and other property included in the boundaries  
2 of the district will benefit from the works and projects  
3 accomplished by the district under the powers conferred by Section  
4 59, Article XVI, Texas Constitution.

5 (c) The creation of the district is essential to accomplish  
6 the purposes of Section 59, Article XVI, Texas Constitution.

7 (d) The accomplishment of the purposes stated in this  
8 chapter is for the benefit of the people of this state and for the  
9 improvement of their property and industries. The district, in  
10 carrying out the purposes of this chapter, will be performing an  
11 essential public function under the constitution. (V.A.C.S. Art.  
12 8280-466, Secs. 1 (part), 4, 24 (part).)

13 [Sections 9013.004-9013.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS  
15 TO DISTRICT TERRITORY

16 Sec. 9013.051. DISTRICT TERRITORY. (a) The district is  
17 composed of the territory described by Section 2, Chapter 751, Acts  
18 of the 61st Legislature, Regular Session, 1969, as that territory  
19 may have been modified under:

- 20 (1) Subchapter O, Chapter 51, Water Code;  
21 (2) Subchapter J, Chapter 49, Water Code; or  
22 (3) other law.

23 (b) The boundaries and field notes of the district form a  
24 closure. A mistake in the field notes or in copying the field notes  
25 in the legislative process does not affect:

- 26 (1) the district's organization, existence, and  
27 validity;

1           (2) the district's right to issue any type of bond for  
2 a purpose for which the district is created or to pay the principal  
3 of and interest on the bond;

4           (3) the district's right to impose a tax; or

5           (4) the legality or operation of the district or the  
6 board. (V.A.C.S. Art. 8280-466, Sec. 3; New.)

7           Sec. 9013.052. EXPANSION OF DISTRICT. (a) If land is added  
8 to the district under Section 49.301 or 51.714, Water Code, the  
9 board may require the petitioners:

10           (1) to assume the petitioners' pro rata share of the  
11 voted but unissued bonds of the district; and

12           (2) to authorize the board to impose a tax on the  
13 petitioners' property to pay for the bonds after the bonds have been  
14 issued.

15           (b) If land is annexed in the manner provided by Section  
16 49.302, Water Code, the board may also submit a proposition to the  
17 voters of the area to be annexed on the question of the assumption  
18 by the area to be annexed of its part of the voted but not yet issued  
19 or sold tax or tax-revenue bonds of the district and the imposition  
20 of an ad valorem tax on taxable property within the area to be  
21 annexed along with a tax on the rest of the district for the payment  
22 of the bonds.

23           (c) If the petitioners consent or if the election results  
24 favorably, the district may issue its voted but unissued tax or  
25 tax-revenue bonds regardless of changes to district boundaries  
26 since the original voting or authorization of the bonds. (V.A.C.S.  
27 Art. 8280-466, Sec. 9.)

1 [Sections 9013.053-9013.100 reserved for expansion]

2 SUBCHAPTER C. DISTRICT ADMINISTRATION

3 Sec. 9013.101. COMPOSITION OF BOARD. The board consists of  
4 five directors. (V.A.C.S. Art. 8280-466, Sec. 10 (part).)

5 Sec. 9013.102. DIRECTOR'S BOND. (a) Each director shall  
6 give bond in the amount of \$5,000 for the faithful performance of  
7 the director's duties.

8 (b) The bond must be:

9 (1) approved by the county judge and the board;

10 (2) filed in the office of the county clerk of the  
11 county or counties in which the district is located; and

12 (3) recorded in a record book kept for that purpose in  
13 the district office. (V.A.C.S. Art. 8280-466, Sec. 10 (part).)

14 Sec. 9013.103. VACANCY. (a) Except as provided by  
15 Subsection (b), a vacancy in the office of director shall be filled  
16 in the manner provided by Section 49.105, Water Code.

17 (b) The county judge of the county in which the district is  
18 located shall appoint directors to fill all vacancies on the board  
19 whenever the number of qualified directors is fewer than three.  
20 (V.A.C.S. Art. 8280-466, Sec. 10 (part).)

21 Sec. 9013.104. DISTRICT OFFICE. (a) Except as provided by  
22 this section, the board shall designate, establish, and maintain a  
23 district office as provided by Section 49.062, Water Code.

24 (b) The board may establish a second district office outside  
25 the district. If the board establishes a second district office,  
26 the board shall give notice of the location of that office by:

27 (1) filing a copy of the board resolution that

1 establishes the location of the office:

2 (A) with the Texas Commission on Environmental  
3 Quality; and

4 (B) in the water control and improvement district  
5 records of each county in which the district is located; and

6 (2) publishing notice of the location of the office in  
7 a newspaper of general circulation in each county in which the  
8 district is located.

9 (c) A district office that is a private residence, office,  
10 or dwelling is a public place for matters relating to district  
11 business.

12 (d) The board shall provide notice of any change in the  
13 location of the district office outside the district in the manner  
14 required by Subsection (b). (V.A.C.S. Art. 8280-466, Sec. 15.)

15 Sec. 9013.105. ABSENCE OF PRESIDENT FROM BOARD MEETING. If  
16 the board president is absent from a board meeting:

17 (1) the board vice president may:

18 (A) sign an order adopted at the meeting; or

19 (B) implement any other action taken at the  
20 meeting; or

21 (2) the board may authorize the president to sign the  
22 order or implement the action. (V.A.C.S. Art. 8280-466, Sec. 10  
23 (part).)

24 [Sections 9013.106-9013.150 reserved for expansion]

25 SUBCHAPTER D. POWERS AND DUTIES

26 Sec. 9013.151. WATER CONTROL AND IMPROVEMENT DISTRICT  
27 POWERS AND DUTIES. The district has all of the rights, powers,

1 privileges, authority, and functions conferred by the general laws  
2 of the state relating to water control and improvement districts  
3 created under Section 59, Article XVI, Texas Constitution,  
4 including those conferred by Chapters 49 and 51, Water Code.  
5 (V.A.C.S. Art. 8280-466, Sec. 5 (part).)

6 Sec. 9013.152. ADDITIONAL POWERS AND DUTIES. (a) The  
7 district may:

8 (1) make, purchase, construct, lease, or otherwise  
9 acquire property, works, facilities, existing improvements, or  
10 improvements to be made, constructed, or acquired that are:

11 (A) inside or outside the district's boundaries;  
12 and

13 (B) necessary to carry out the powers granted by  
14 this chapter or general law; or

15 (2) enter into a contract with a person on terms the  
16 board considers desirable, fair, and advantageous for:

17 (A) the purchase or sale of water;

18 (B) the transportation, treatment, and disposal  
19 of the domestic, industrial, or communal wastes of the district or  
20 others;

21 (C) the continuing and orderly development of  
22 land and property in the district through the purchase,  
23 construction, or installation of facilities, works, or  
24 improvements that the district is otherwise authorized to do or  
25 perform so that, to the greatest extent reasonably possible,  
26 considering sound engineering and economic practices, all of the  
27 land and property may ultimately receive the services of the

1 facilities, works, or improvements; and

2 (D) the performance of any of the powers granted  
3 by this chapter or general law.

4 (b) A contract under Subsection (a)(2) may not have a  
5 duration of more than 40 years. (V.A.C.S. Art. 8280-466, Sec. 5  
6 (part).)

7 Sec. 9013.153. EMINENT DOMAIN. The district may exercise  
8 the power of eminent domain only:

9 (1) in a county in which the district is located; and

10 (2) when necessary to carry out the purposes for which  
11 the district was created. (V.A.C.S. Art. 8280-466, Sec. 13  
12 (part).)

13 Sec. 9013.154. COST OF RELOCATING OR ALTERING PROPERTY.

14 (a) In this section, "sole expense" means the actual cost of  
15 relocating, raising, lowering, rerouting, or changing the grade of  
16 or altering the construction of a facility described by Subsection  
17 (b) in providing comparable replacement without enhancement of the  
18 facility, after deducting from that cost the net salvage value of  
19 the old facility.

20 (b) If the district's exercise of the power of eminent  
21 domain, the power of relocation, or any other power conferred by  
22 this chapter makes necessary relocating, raising, rerouting,  
23 changing the grade, or altering the construction of a highway, a  
24 railroad, an electric transmission line, a telegraph or telephone  
25 property or facility, or a pipeline, the necessary action shall be  
26 accomplished at the sole expense of the district. (V.A.C.S. Art.  
27 8280-466, Sec. 13 (part).)

1           Sec. 9013.155. CONTRACT FOR PURCHASE OF WATER, SEWER, OR  
2 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may  
3 enter into a contract with a political subdivision for water,  
4 sewer, or drainage services or any combination of those services  
5 without the necessity of an election by any contracting party.

6           (b) The district may pay for an obligation incurred by such  
7 a contract by issuing bonds that, if otherwise necessary, have been  
8 approved by the voters in the manner provided by this chapter.

9           (c) The district may deliver the district's bonds to any of  
10 the following parties that enters into such a contract with the  
11 district:

- 12           (1) the United States;
- 13           (2) an agency or instrumentality of the United States;
- 14           (3) this state; or
- 15           (4) an agency or instrumentality of this state.

16 (V.A.C.S. Art. 8280-466, Sec. 5 (part).)

17           Sec. 9013.156. NOTICE OF ELECTION. The board president or  
18 secretary may give notice of an election. (V.A.C.S. Art. 8280-466,  
19 Sec. 19.)

20           Sec. 9013.157. DISTRICT RULES. The district shall adopt  
21 and enforce reasonable and effective rules to secure and maintain  
22 safe, sanitary, and adequate plumbing installations, connections,  
23 and appurtenances as subsidiary parts of the district's sewerage  
24 system to preserve the quality of water within or controlled by the  
25 district. (V.A.C.S. Art. 8280-466, Sec. 16.)

26           [Sections 9013.158-9013.200 reserved for expansion]

1           SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

2           Sec. 9013.201. TAX METHOD. (a) The board shall use the ad  
3 valorem plan of taxation.

4           (b) The board is not required to hold a hearing on the  
5 adoption of a plan of taxation. (V.A.C.S. Art. 8280-466, Sec. 8.)

6           Sec. 9013.202. DISTRICT ACCOUNTS. The district shall keep  
7 a complete system of the district's accounts. (V.A.C.S. Art.  
8 8280-466, Sec. 14 (part).)

9           Sec. 9013.203. COPY OF AUDIT REPORT. A copy of the audit  
10 report prepared under Subchapter G, Chapter 49, Water Code, shall  
11 be delivered:

12           (1) to each director; and

13           (2) on request to a holder of at least 25 percent of  
14 the outstanding bonds of the district. (V.A.C.S. Art. 8280-466,  
15 Sec. 14 (part).)

16           Sec. 9013.204. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.  
17 The district is not required to pay a tax or assessment on:

18           (1) district property; or

19           (2) a purchase made by the district. (V.A.C.S. Art.  
20 8280-466, Sec. 24 (part).)

21           Sec. 9013.205. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A  
22 director may be a shareholder in a depository of district funds.  
23 (V.A.C.S. Art. 8280-466, Sec. 14 (part).)

24           [Sections 9013.206-9013.250 reserved for expansion]

25           SUBCHAPTER F. BONDS

26           Sec. 9013.251. ISSUANCE OF BONDS. (a) The district may  
27 issue bonds payable from taxes or revenue to provide money for any



1 purpose of this chapter, including the acquisition of land.

2 (b) The district must issue bonds in the manner provided by  
3 Chapters 49 and 51, Water Code, except that the district may issue  
4 bonds payable solely from net revenue by resolution or order of the  
5 board without an election.

6 (c) Bonds issued under this subchapter may be payable from  
7 all or any designated part of the revenue of district property and  
8 facilities or under a specific contract, as provided in the order or  
9 resolution authorizing the issuance of bonds. (V.A.C.S. Art.  
10 8280-466, Sec. 12 (part).)

11 Sec. 9013.252. ADDITIONAL SECURITY. (a) Within the  
12 discretion of the board, bonds issued under this subchapter may be  
13 additionally secured by a deed of trust or mortgage lien on physical  
14 property of the district and franchises, easements, water rights  
15 and appropriation permits, leases, contracts, and all rights  
16 appurtenant to that property, vesting in the trustee the power to:

- 17 (1) sell the property for payment of the debt;  
18 (2) operate the property; and  
19 (3) take any other action to secure the bonds.

20 (b) A purchaser under a sale under the deed of trust or  
21 mortgage lien of the property:

- 22 (1) is the absolute owner of the property, facilities,  
23 and rights purchased; and  
24 (2) may maintain and operate the property and  
25 facilities. (V.A.C.S. Art. 8280-466, Sec. 12 (part).)

26 Sec. 9013.253. TRUST INDENTURE. A trust indenture created  
27 under Section 9013.252, regardless of the existence of a deed of

1 trust or mortgage lien on the property, may:

2 (1) provide for the security of the bonds and the  
3 preservation of the trust estate in the manner prescribed by the  
4 board;

5 (2) provide for amendment or modification of the trust  
6 indenture;

7 (3) provide for the issuance of bonds to replace lost  
8 or mutilated bonds;

9 (4) condition the right to spend district money or  
10 sell district property on the approval of a licensed engineer  
11 selected as provided by the trust indenture; and

12 (5) provide for the investment of district money.  
13 (V.A.C.S. Art. 8280-466, Sec. 12 (part).)

14 Sec. 9013.254. ORDER OR RESOLUTION AUTHORIZING ISSUANCE OF  
15 CERTAIN BONDS. (a) In an order or resolution authorizing the  
16 issuance of revenue, tax-revenue, revenue refunding, or  
17 tax-revenue refunding bonds, the board may:

18 (1) provide for:

19 (A) the flow of funds; and

20 (B) the establishment and maintenance of the  
21 interest and sinking fund, reserve fund, or other fund;

22 (2) make additional covenants with respect to the  
23 bonds and the pledged revenue and the operation and maintenance of  
24 the improvements and facilities the revenue of which is pledged,  
25 which may include provisions for the operation or leasing of all or  
26 part of the improvements and facilities and the use or pledge of  
27 money received from the operation contract or lease as the board

1 considers appropriate;

2 (3) prohibit the further issuance of bonds or other  
3 obligations payable from the pledged revenue or reserve the right  
4 to issue additional bonds to be secured by a pledge of and payable  
5 from the revenue on a parity with, or subordinate to, the lien and  
6 pledge in support of the bonds being issued, subject to any  
7 conditions set forth in the order or resolution; and

8 (4) include any other provision or covenant not  
9 prohibited by the Texas Constitution or this chapter.

10 (b) The board may adopt and execute any other proceeding or  
11 instrument necessary or convenient in the issuance of the bonds.  
12 (V.A.C.S. Art. 8280-466, Sec. 12 (part).)

13 ARTICLE 2. CONFORMING AMENDMENTS

14 SECTION 2.01. Section 1, Chapter 668, Acts of the 64th  
15 Legislature, Regular Session, 1975, is amended to read as follows:

16 Sec. 1. The boundaries [~~Pursuant to the provisions of~~  
17 ~~Article IX, Section 9, of the Texas Constitution, this Act~~  
18 ~~authorizes the creation, establishment, maintenance, operation,~~  
19 ~~and financing]~~ of the Follett Hospital District of Lipscomb County  
20 [~~the boundaries of which~~] are described as follows:

21 "Beginning at the Northeast corner of Lipscomb County at the  
22 Northeast corner of the Texas Panhandle at a corner of the State  
23 Boundary Line between Texas and Oklahoma;

24 Thence South along the East line of Lipscomb County and along  
25 the State Boundary Line, about 15.5 miles, to an extension of the  
26 South line of Section 705, Block 43, H&TC RR Co. Surveys in Lipscomb  
27 County, Texas;

1           Thence West along said extension and along the South line of  
2 Sections 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716,  
3 717, 718, 719, 720, 721, 722, 723, 724 and 725 all in said Block 43,  
4 about 21.5 miles, to the Southwest corner of said Section 725;

5           Thence North along the West line of said Section 725, about  
6 one mile, to the Northwest corner of said Section 725;

7           Thence East along the North line of Sections 725, 724, 723,  
8 722, 721, 720, 719, 718, 717, and 716 all in said Block 43, about 10  
9 miles, to the Northeast corner of said Section 716 which is also the  
10 Southwest corner of Section 782 in said Block 43;

11           Thence North along the West line of Sections 782, 803 and 870  
12 in said Block 43, about 3 miles, to the Northwest corner of said  
13 Section 870 which is also the Southeast corner of Section 892 in  
14 said Block 43;

15           Thence West along the South line of Section 892 and Section  
16 893 in said Block 43, about 2 miles, to the Southwest corner of said  
17 Section 893;

18           Thence North along the West line of said Section 893, about  
19 one mile, to the Northwest corner of said Section 893 which is also  
20 the Southeast corner of Section 955 in said Block 43;

21           Thence West along the South line of said Section 955, about  
22 one mile, to the Southwest corner of said Section 955;

23           Thence North along the West line of Sections 955, 982, 1043,  
24 1070, 1131 and 1158 all in said Block 43, about 6 miles, to a point  
25 in the South line of Section 163, Block 10, H&GN RR Co. Surveys;

26           Thence West along the South line of said Section 163 to the  
27 Southwest corner of said Section 163;

1 Thence North along the West line of said Section 163 and along  
2 the West line of Sections 102, 75 and 14, Block 10, H&TB RR Co.  
3 Surveys and an extension of said line, about 4.5 miles, to its  
4 intersection with the North line of Lipscomb County which is also  
5 the State Boundary Line between Texas and Oklahoma;

6 Thence East along said North line of Lipscomb County and said  
7 State Boundary Line, about 14.5 miles, to PLACE OF BEGINNING."

8 SECTION 2.02. Section 1, Chapter 539, Acts of the 63rd  
9 Legislature, Regular Session, 1973, is amended to read as follows:

10 Sec. 1. The boundaries [~~Pursuant to the provisions of~~  
11 ~~Article IX, Section 9, of the Texas Constitution, this Act shall be~~  
12 ~~operative so as to authorize the creation, establishment,~~  
13 ~~maintenance, and operation~~] of the Darrouzett Hospital District of  
14 Lipscomb County, Texas, [~~the boundaries of which~~] are described as  
15 follows, to-wit:

16 BEGINNING at the intersection of the state boundary line  
17 between Texas and Oklahoma and the eastern boundary line of  
18 Sections 23 and 66 of Block 10, H. T. & B. Survey, Lipscomb County,  
19 Texas;

20 THENCE Southerly along the eastern boundaries of Sections 66,  
21 23, and 111, in Block 10, H. T. & B. Survey and of Section 154, Block  
22 10, S.P. R.R. Survey, to the point of intersection of the eastern  
23 boundary of said Section 154 with the south boundary of Section 155  
24 of Block 10 of the Southern Pacific R. R. Survey;

25 THENCE East along the south boundary of Section 155 of Block  
26 10 of the Southern Pacific R. R. Survey to its point of intersection  
27 with the east boundary of Section 1167, Block 43, H. & T. C. R. R.

1 Co. Survey;

2           THENCE South along the east boundary of said Section 1167 and  
3 continuing south along the east boundaries of Sections 1122, 1079,  
4 1034, 991, 946, 903, 858, 815, 770, and 727 of Block 43, H. & T. C.  
5 R. R. Co. Survey to the southwest corner of Section 726 (which is  
6 the same as the southeast corner of Section 727);

7           THENCE East approximately one mile along the southern  
8 boundary of Section 726 to the southeast corner of the said Section  
9 726;

10           THENCE North approximately one mile along the eastern  
11 boundary of the said Section 726 to the Southwest corner of Section  
12 772 (which is the same as the northeast corner of Section 726);

13           THENCE East along the south boundary line of Sections 772,  
14 773, 774, 775, 776, 777, 778, 779, 780 and 781, all in Block 10, H. &  
15 T. C. R. R. Co. Survey to the southeast corner of the said Section  
16 781;

17           THENCE North approximately three miles along the east  
18 boundary of Sections 781, 804 and 869 to the northeast corner of the  
19 said Section 869;

20           THENCE West approximately two miles along the north boundary  
21 line of Sections 869 and 868 to the southeast corner of Section 894  
22 (which is the same as the northwest corner of Section 868);

23           THENCE North approximately one mile along the eastern  
24 boundary of Section 894;

25           THENCE West approximately one mile along the north boundary  
26 of the said Section 894 to the southeast corner of Section 954  
27 (which is the same as the northwest corner of Section 894);

1           THENCE North along the eastern boundary of Sections 954, 983,  
2 1042, 1071, 1130, and 1159 to the intersection of the said eastern  
3 boundary line of Section 1159 with the south boundary line of  
4 Section 163, Block 10, H. & G. N. R. R. Co. Survey;

5           THENCE West along the south boundary of Section 163 to the  
6 east boundary line of Section 162, Block 10, H. & G. R. R. Co.  
7 Survey;

8           THENCE North along the east boundary line of the said Section  
9 162, and of Sections 103, 74 and 15, Block 10, H. T. & B. R. R. Co.  
10 Survey to the state boundary line between Texas and Oklahoma;

11           THENCE West along the said state boundary of Texas and  
12 Oklahoma to the PLACE OF BEGINNING.

13           ~~[The Darrouzett Hospital District shall include all of the  
14 present territory of the Darrouzett Independent School District  
15 except for that part of the school district which is already in the  
16 Booker Hospital District.]~~

17           SECTION 2.03. Section 1, Chapter 561, Acts of the 63rd  
18 Legislature, Regular Session, 1973, is amended to read as follows:

19           Sec. 1. The ~~[Pursuant to the authority granted by the  
20 provisions of Article IX, Section 9, of the Texas Constitution,  
21 the]~~ Hamlin Hospital District~~[, hereinafter referred to as  
22 district,]~~ is ~~[hereby authorized to be created and established so  
23 as to be]~~ composed of all the territory and property in Jones County  
24 included within the following boundaries:

25           Beginning at a point on the North line of Jones County at its  
26 intersection with the East line of Section 87, BBB&C RR Co. lands,  
27 said point being also on the boundary of the Stamford Hospital

1 District;

2 Thence South with the East lines of Sections 87, 88, 89, 90,  
3 91, BBB&C RR Co. lands to the SE corner of Section 91, the NE corner  
4 of Section 92, same lands;

5 Thence West with the South lines of Sections 91 and 102 to the  
6 mid-point of the South line of Section 102, same lands;

7 Thence South across Sections 101 and 100 to the mid-point of  
8 the South line Section 100, same lands;

9 Thence West with the South line of Section 100 to the  
10 Southwest corner of said Section 100;

11 Thence South with the West line of Section 99, same lands and  
12 the West lines of Sections 7 and 8, GH&H RR Co. Survey to a point in  
13 the East line of the McMullen and McGloin League 336;

14 Thence S 15 deg. E with the East line of League 336 to its SE  
15 corner;

16 Thence S 75 deg. W with the South line of League 336 to the NE  
17 corner of Sub-division 12 of the L. Kratz League 335;

18 Thence S 15 deg. E with the East lines of Subdivisions 12, 17  
19 and 26, League 335 to a point in the North line of the Harrison  
20 County School Lands League 334;

21 Thence S 75 deg. W with the North line of League 334 to the NE  
22 corner of Subdivision 30, League 334;

23 Thence S 15 deg. E with the East lines of Subdivisions 30 and  
24 43 to the mid-point of said League 334;

25 Thence S 75 deg. W to the mid-point of the West line of said  
26 League 334;

27 Thence S 15 deg. E with the West lines of League 334 and 333



1 Harrison County School Lands to the SW corner of League 333 on the  
2 North line of Section 44, S. P. RR Co. Block 2;

3 Thence S 75 deg. W with the North line of said Sec. 44 to its  
4 NW corner;

5 Thence South with the West lines of Sections 44 and 43, S. P.  
6 RR to the SW corner of said Section 43 on the North line of the S.  
7 Redman pre-emption Survey;

8 Thence N 75 deg. E to the NE corner of said Redman Survey;

9 Thence S 15 deg. E with the East lines of the S. Redman and W.  
10 S. Coulson Survey 212 to the NE corner of the M. Northington Survey  
11 270 on the Clear Fork of the Brazos River;

12 Thence down the river with its meanders and with the East line  
13 of the M. Northington Survey 270 and the North lines of the J. M.  
14 Cloud Survey 269, J. C. Hunt Survey 268, the M. Fragosa Survey 267,  
15 the S. Jones Survey 266 and the A. B. Jones Survey 265 to the NE  
16 corner of Survey 265;

17 Thence S 15 deg. E with the East line of Section 265 to its SE  
18 corner on the North line of Section 9, Blk. 17, T&P RR Co.;

19 Thence S 75 deg. W with the North line of Section 9 to its NW  
20 corner;

21 Thence S 13 deg. E with the East lines of Sections 8, 13, 16  
22 same lands and crossing Section 22, same lands to a point in the  
23 North line of the G. A. Kirkland Survey 2;

24 Thence N 75 deg. E with the North line of said Survey 2 to the  
25 NE corner of Subdivision 63;

26 Thence S 15 deg. E with the East line of Subdivision 63 to a  
27 point in the North line of Dewitt County School Lands League 126;

1 Thence N 77 deg. E with the North line of League 126 to its NE  
2 corner;

3 Thence S 13 deg. E with the East line of League 126 and  
4 Section 23, Blk. 17, T&P RR to a point in the South line of Jones  
5 County;

6 Thence West with South County line of Jones County across  
7 Blk. 17, T&P RR Co. Dewitt County School Lands Leagues 125 and 149,  
8 Blks. 18, 19, T&P RR Co. to the SW corner of Jones County, the SE  
9 corner of Fisher County;

10 Thence North with the West county line of Jones County across  
11 the R. S. Spiers Survey 283, E. Miles Survey 219, J. S. Hail Survey  
12 2, Goliad County School Land Leagues 360, 359 and 358, J. Rodriguez  
13 Survey 357, I. De La Garza Survey 356, Austin & Williams Survey 355  
14 and 354, BBB&C RR Co. Blk. 1, Sections 181, 182 and 183, and others  
15 to the NW corner of Jones County and the NE corner of Fisher County;

16 Thence East with the North county line of Jones County across  
17 the W. E. Kaye Survey and Sections 171, 158, 152, 139, 134, 121,  
18 115, 106 and 87, BBB&C RR Co. lands to the place of beginning.

19 SECTION 2.04. (a) Section 1, Chapter 666, Acts of the 64th  
20 Legislature, Regular Session, 1975, is amended to read as follows:

21 Sec. 1. In addition to the boundaries described by Section  
22 1, Chapter 667, Acts of the 64th Legislature, Regular Session,  
23 1975, the boundaries [~~Pursuant to the provisions of Article IX,~~  
24 ~~Section 9, of the Texas Constitution, this Act authorizes the~~  
25 ~~creation, establishment, maintenance, operation, and financing~~] of  
26 the Higgins-Lipscomb [~~Higgins~~] Hospital District [~~of Lipscomb~~  
27 ~~County, the boundaries of which~~] are described as follows[~~, unless~~

1 ~~expansion of the district is authorized under Sections 4A, 4B, and~~  
2 ~~4C of this Act]:~~

3 "Beginning at the Southeast corner of Lipscomb County on the  
4 State Boundary Line between Texas and Oklahoma;

5 Thence West along the South line of Lipscomb County about  
6 12.5 miles to the West line of Section 77, Block 43, H&TC RR Co.  
7 Surveys;

8 Thence North along the West line of Sections 77, 100, 165,  
9 188, 253, 276, 341, 364 and 429 in said Block 43, about 9 miles, to  
10 the Northwest corner of said Section 429;

11 Thence East along the North line of said Section 429, about  
12 one mile, to the Northeast corner of said Section 429 which is also  
13 the Southwest corner of Section 451 in said Block 43;

14 Thence North along the West line of Sections 451, 518, 539,  
15 606, 627 and 694 in said Block 43, about 6 miles, to the Northwest  
16 corner of said Section 694;

17 Thence East along the North line of Sections 694, 695, 696,  
18 697, 698, 699, 700, 701, 702, 703 and 704 and an extension of said  
19 line, about 11.5 miles, to its intersection with the East line of  
20 Lipscomb County which is also the State Boundary Line between Texas  
21 and Oklahoma;

22 Thence South along said East line of Lipscomb County and said  
23 State Boundary Line, about 15 miles, to PLACE OF BEGINNING."

24 (b) Section 1, Chapter 667, Acts of the 64th Legislature,  
25 Regular Session, 1975, is amended to read as follows:

26 Sec. 1. In addition to the boundaries described by Section  
27 1, Chapter 666, Acts of the 64th Legislature, Regular Session,

1 1975, the boundaries [~~Pursuant to the provisions of Article IX,~~  
2 ~~Section 9, of the Texas Constitution, this Act authorizes the~~  
3 ~~creation, establishment, maintenance, operation, and financing]~~ of  
4 the Higgins-Lipscomb [~~Lipscomb~~] Hospital District [~~of Lipscomb~~  
5 ~~County, the boundaries of which]~~ are described as follows:

6         Beginning at the intersection of the South line of Lipscomb  
7 County with the West line of Section 67, Block 43, H&TC RR Co.  
8 Surveys;

9         Thence North along the West line of Sections 67, 110, 155,  
10 198, 243, 286, 331, 374, 419, 462, 507, 550, 595, 638 and 683 all in  
11 said Block 43, about 15 miles, to the Northwest corner of said  
12 Section 683;

13         Thence East along the North line of Sections 683, 684, 685,  
14 686, 687, 688, 689, 690, 691, 692, and 693 all in said Block 43,  
15 about 11 miles, to the Northeast corner of said Section 693;

16         Thence South along the East line of Sections 693, 628, 605,  
17 540, 517 and 452 all in said Block 43, about 6 miles, to the  
18 Southeast corner of said Section 452;

19         Thence West along the South line of said Section 452, about  
20 one mile, to the Southwest corner of said Section 452 which is also  
21 the Northeast corner of Section 428 in said Block 43;

22         Thence South along the East line of Sections 428, 365, 340,  
23 277, 252, 189, 164, 101 and 76 all in said Block 43, about 9 miles,  
24 to the South line of Lipscomb County;

25         Thence West along said South line of Lipscomb County, about  
26 10 miles, to PLACE OF BEGINNING.

27         SECTION 2.05. Section 1.03, Chapter 45, Acts of the 71st

1 Legislature, Regular Session, 1989, is amended to read as follows:

2       Sec. 1.03. The [~~Except as provided by Section 3.07 of this~~  
3 ~~Act, the~~] district is located in Bailey and Parmer counties, and has  
4 the following boundaries:

5       BEGINNING at the Northwest corner of Bailey County, Texas,  
6 said point being in the Texas-New Mexico state line:

7       THENCE East along the North County Line of Bailey County,  
8 Texas, to a point in the north boundary of Section 18, Block X, W. D.  
9 & F. W. Johnson Subdivision in Bailey and Parmer Counties, Texas,  
10 said point being the southeast corner of the Farwell Hospital  
11 District which is in Parmer County, Texas;

12       THENCE North along the east boundary of the Farwell Hospital  
13 District to a point in the east-west centerline of Section 29,  
14 Township 11 South, Range 3 East, Capital Syndicate Subdivision in  
15 Parmer County, Texas;

16       THENCE East along the east-west centerlines of Sections 29,  
17 28, 27 and 26, all in Township 11 South, Range 3 East, Capital  
18 Syndicate Subdivision in Parmer County, Texas, to a point in the  
19 East boundary of said Section 26;

20       THENCE North along the East boundary of said Section 26 to the  
21 Northwest corner of Section 18, Doud & Keefer Subdivision in Parmer  
22 County, Texas;

23       THENCE East along the north boundaries of Sections 18, 17,  
24 16, 15, 14, and 13, Doud & Keefer Subdivision in Parmer County,  
25 Texas, and continuing East along the north boundaries of Sections  
26 69, 70, 71, 72, 73, 74 and 75, Block H, Kelly Subdivision in Parmer  
27 County, Texas, to the East County Line of Parmer County, Texas;

1           THENCE South along the East County Line of Parmer County,  
2 Texas, to the Southeast Corner of Parmer County, Texas;

3           THENCE West along the South County Line of Parmer County,  
4 Texas, to the Northeast corner of Bailey County, Texas;

5           THENCE South on the county line between Bailey and Lamb  
6 Counties, Texas, to the Southeast corner of Labor 23, in League 206,  
7 Ochiltree County School Land;

8           THENCE West on the League lines, between Leagues 206 and 207,  
9 of the Ochiltree County School Lands, to the Southwest corner of  
10 Labor 25, League 206, Ochiltree County School Land;

11          THENCE jog South to the Northeast corner of Labor 1, of League  
12 203, Roberts County School Lands;

13          THENCE West on the League Line of Leagues 204, Ochiltree  
14 County School Lands, and League 203, Roberts County School Lands,  
15 to the Northwest Corner of labor 1, League 203, Roberts County  
16 School Lands;

17          THENCE South along the labor lines between Labors 2 and 1, 9  
18 and 10, 12 and 11, 19 and 20, 22 and 21, League 203, Roberts County  
19 School Lands, and continuing South along the Labor lines between  
20 Labors 2 and 1, 9 and 10, 12 and 11, 19 and 20, 22 and 21, League 202,  
21 Roberts County School Lands, to a point in the North line of League  
22 201, Roberts County School Lands, and the Southeast corner of Labor  
23 22, League 202, Roberts County School Lands;

24          THENCE West along the South line of League 202, Roberts  
25 County School Land, and the North line of League 201, Roberts County  
26 School Land, and continuing West along the South line of League 192,  
27 Foard County School Land, and the North line of League 193, Foard

1 County School Land, to the Northeast corner of League 186, and the  
2 Southeast corner of league 187, both of Swisher County School Land;

3       THENCE South on the League Line between League 186, Swisher  
4 County School Lands, and League 193, Foard County School Land, and  
5 League Line between League 185, Swisher County School Land, and  
6 League 194, Foard County School Land, and League Line between  
7 League 184, Swisher County School Land, and League 195, Foard  
8 County School Land, to the Southeast Corner of League 184, Swisher  
9 County School Lands, and Southwest Corner of League 195, Foard  
10 County School Lands;

11       THENCE West on League lines between Leagues 184, Swisher  
12 County School Land, and League 183, Floyd County School Lands,  
13 League 179, Motley County School Lands, and League 180, Floyd  
14 County School Lands, League 167, Irion County School Lands, and  
15 League 166, Irion County School Lands;

16       THENCE due West, across Section 9 in Block F, Leon Blum  
17 Survey;

18       THENCE North along the West boundary line of said Block F,  
19 Leon Blum Survey, to the Northeast Corner of Section 26, Block B,  
20 Melvin, Blum and Blum Survey;

21       THENCE West on the Section Line between Section 13 and  
22 Section 26, Block B, to the Southwest corner of Section 13, and  
23 Northwest corner of Section 26, all in Block B, aforesaid;

24       THENCE North on the Section line between Sections 12 and 13  
25 all in Block B, aforesaid, to the Northwest corner of Section 13,  
26 Block B, aforesaid;

27       THENCE East on the Section line between Sections 13, Block B,

1 aforesaid and Section 146, Block A, Melvin, Blum and Blum Survey, to  
2 the Northeast corner of Section 13, Block B, aforesaid, and  
3 Southeast corner of Section 146, Block A, aforesaid;

4 THENCE North on the Block line between Block F and Block A,  
5 Melvin, Blum and Blum Survey, to a point being the Northeast corner  
6 of Section 120, Block A, aforesaid, also being the Southeast corner  
7 of Section 107, Block A, Melvin, Blum and Blum Survey;

8 THENCE West along the Section lines, between Sections 107 and  
9 120, 106 and 119, 105 and 118, 104 and 117, 103 and 116, 102 and 115,  
10 101 and 114, 100 and 113, 99 and 112;

11 THENCE continuing directly West to the Texas-New Mexico State  
12 Line to a Point;

13 THENCE North along and on said Texas-New Mexico state Line,  
14 to the Northwest corner of Bailey County, Texas, this being the  
15 Place of Beginning.

16 SECTION 2.06. Section 1, Chapter 55, Acts of the 40th  
17 Legislature, 1st Called Session, 1927, is amended to read as  
18 follows:

19 Sec. 1. ~~[That Brazos River Harbor Navigation District of~~  
20 ~~Brazoria County, in Brazoria County, Texas, as hereinafter~~  
21 ~~described by metes and bounds, is hereby created and established~~  
22 ~~under authority of Section 59, Article 16 of the Constitution of~~  
23 ~~Texas for the purpose of making improvements for the navigation of~~  
24 ~~inland and coastal waters, and for the preservation and~~  
25 ~~conservation of inland and coastal waters for navigation and for~~  
26 ~~control and distribution of storm and flood waters of rivers and~~  
27 ~~streams in aid of navigation; that all property, real and personal,~~



1 ~~situated within said District and subject to taxation will be~~  
2 ~~benefited by the improvements to be constructed by said District,~~  
3 ~~and all orders of the Commissioners' Court of Brazoria County~~  
4 ~~heretofore made in respect to the creation of such district and the~~  
5 ~~authorization and issuance of \$1,000,000 Bonds of such navigation~~  
6 ~~district be and the same are hereby in all things ratified and~~  
7 ~~validated. — Said] Brazos River Harbor Navigation District of~~  
8 Brazoria County is described by metes and bounds [~~bounds~~] as  
9 follows, to wit:

10       Beginning at the Southwest corner of Brazoria County, being  
11 also the Southeast corner of Matagorda County, at the entrance of  
12 Cedar Lake into the Gulf of Mexico; thence with the line between  
13 Brazoria and Matagorda counties up said Cedar Lake to the upper line  
14 of the league of land granted to C. Harrison; thence Northwest with  
15 the line between Brazoria and Matagorda Counties to Lynville Bayou;  
16 thence up said Lynville Bayou and following the line between  
17 Brazoria and Matagorda Counties to the Western corner of the C.  
18 Garrett League, being a common corner of Brazoria, Matagorda and  
19 Wharton Counties; thence along the upper line of said Garrett  
20 league with the line between Brazoria and Wharton Counties to the  
21 San Bernard River; thence up said river to the west corner of the  
22 league of land on the East bank of said river granted to Wm. Prater;  
23 thence with the line between Brazoria and Fort Bend Counties along  
24 the upper line of said league to its North corner; thence southeast  
25 along the northeast line of said league, following the line between  
26 Brazoria and Fort Bend Counties, to the most westerly corner of the  
27 league of land granted to A. Darst; thence northeast along the upper

1 line of said league, following the line between Brazoria and Fort  
2 Bend Counties, to the North corner of said A. Darst League; thence  
3 east in a direct line, following the line between Brazoria and Fort  
4 Bend Counties, to the south prong of Cow Creek, and thence down said  
5 Creek, following the line between Brazoria and Fort Bend Counties,  
6 to its mouth, the confluence with the Brazos River; thence West  
7 crossing the Brozas River to its East Bank; thence up the East bank  
8 of said Brazos River to the Northwest corner of the league of land  
9 granted to Francis Bingham; thence East along the North line of said  
10 Bingham league to its northeast corner, and continuing East along  
11 the North lines of Lavaca Navigation Company survey No. 1 and H. T.  
12 & B. R. R. Co. Surveys Nos. 51, 52, 53 and 54 to the Southwest line  
13 of the Oliver Hall Survey; thence Southeast along the Southwest  
14 line of said Oliver Hall Survey to its Southern Corner; thence  
15 Northeast along the Southeast line of said Oliver Hall Survey to the  
16 West bank of Chocolate Bayou; thence down the Western Bank of  
17 Chocolate Bayou with its meanders to the entrance of said Bayou into  
18 Chocolate Bay; thence along the western shore of Chocolate Bay and  
19 West Bay to San Luis Pass at the Gulf of Mexico; and thence  
20 southwesterly along the shore of the Gulf of Mexico to the place of  
21 beginning.

22 SECTION 2.07. Section 4a, Chapter 55, Acts of the 40th  
23 Legislature, 1st Called Session, 1927, is amended to read as  
24 follows:

25 Sec. 4a. The boundaries of the navigation precincts for [~~On~~  
26 ~~and after January 1, 1961,~~] the [~~governing body of~~] Brazos River  
27 Harbor Navigation District of Brazoria County are [~~shall be~~

1 ~~composed of six Navigation and Canal Commissioners. For the~~  
2 ~~purpose of electing Navigation and Canal Commissioners, said~~  
3 ~~District is hereby divided into four Navigation Precincts]~~ as  
4 follows:

5       Navigation Precinct No. 1 shall contain that part of said  
6 District described by metes and bounds as follows:

7       BEGINNING on the East Bank of the San Bernard River near its  
8 mouth at the northwest corner of the S. F. Austin Labor, Abstract  
9 No. 34, also being the common line of Commissioners Precinct 1 and 4  
10 of Brazoria County, Texas;

11       THENCE, in a northerly direction along said common line of  
12 said Commissioners Precinct 1 and 4 to its intersection with the  
13 common line between the Retrieve State Prison Farm and the old Lake  
14 Jackson Plantation;

15       THENCE, along said common line in an easterly direction to  
16 its intersection with Oyster Creek;

17       THENCE, down center line of said Oyster Creek in a  
18 southeasterly direction with its meanders to its intersection with  
19 the east line of said Retrieve State Prison Farm;

20       THENCE, north along the common line between said Prison Farm  
21 and a 450 acre tract No. 78 to the northwest corner of said tract No.  
22 78;

23       THENCE, east along the north line of tracts No. 78 and 77 to  
24 the northeast corner of the 450 acre tract No. 77;

25       THENCE, south along the east line of said tract No. 77 to its  
26 intersection with Bastrop Bayou;

27       THENCE, down said Bayou in an easterly direction to its

1 intersection with the common line between a 400 acre tract No. 99A  
2 and a 902 acre tract No. 101;

3       THENCE, following said common line east to its intersection  
4 with the center line of the Clute-Angleton County Road No. 288;

5       THENCE, along the center line of said Clute-Angleton County  
6 Road No. 288 in a southerly direction to its intersection with  
7 Bastrop Bayou;

8       THENCE, following the northeast bank of Bastrop Bayou to the  
9 point of intersection of Austin and Bastrop Bayou, same point being  
10 also the intersection of Commissioners Precinct 1 and 3 of Brazoria  
11 County, Texas;

12       THENCE, down Bastrop Bayou in an easterly direction following  
13 the common boundary of County Commissioners Precinct 1 and 3 to a  
14 point of intersection of the common line of County Commissioners  
15 Precinct 1 and 3 with Galveston County;

16       THENCE, in a southeasterly direction following the common  
17 boundary of Brazoria and Galveston County to the Gulf of Mexico;

18       THENCE, in a southwesterly direction along the shoreline of  
19 the Gulf of Mexico to the mouth of the San Bernard River;

20       THENCE, up the East Bank of the San Bernard River to the place  
21 of beginning being the northwest corner of the S. F. Austin Labor,  
22 Abstract No. 34, and also being the point of intersection of the  
23 common boundary line of Commissioners Precincts 1 and 4 of Brazoria  
24 County, Texas.

25       Navigation Precinct No. 2 shall include all the territory in  
26 Brazoria County Commissioners Precinct No. 2 as such precinct is  
27 now established.

1           Navigation Precinct No. 3 shall include all the territory in  
2 Brazoria County Commissioners Precinct No. 4 as such precinct is  
3 now established.

4           Navigation Precinct No. 4 shall include the remaining  
5 territory situated within said District other than that contained  
6 in said Navigation Precincts Nos. 1, 2 and 3.

7           ~~[There shall be six positions or offices of Navigation and~~  
8 ~~Canal Commissioner, numbered from 1 to 6, respectively, as follows:~~  
9 ~~One commissioner (Position 1) shall be at large and shall be a~~  
10 ~~qualified resident voter of the Navigation District. He shall hold~~  
11 ~~his office for a term of two years. Two commissioners (Positions 2~~  
12 ~~and 3) shall be qualified voters and residents of Navigation~~  
13 ~~Precinct No. 1 and shall hold office for terms of two and four~~  
14 ~~years, respectively. One commissioner (Position 4) shall be a~~  
15 ~~qualified voter and resident of Navigation Precinct No. 2 and shall~~  
16 ~~hold office for a term of six years. One commissioner (Position 5)~~  
17 ~~shall be a qualified voter and resident of Navigation Precinct No. 3~~  
18 ~~and shall hold office for a term of four years. One commissioner~~  
19 ~~(Position 6) shall be a qualified voter and resident of Navigation~~  
20 ~~Precinct No. 4 and shall hold office for a term of six years.~~

21           ~~[An election shall be held in said District on the first~~  
22 ~~Tuesday after the first Monday in November, A. D. 1960, to elect~~  
23 ~~four commissioners who, together with the two existing Navigation~~  
24 ~~and Canal Commissioners whose terms have not expired, shall~~  
25 ~~constitute the governing body of the District. The person~~  
26 ~~heretofore elected as Navigation and Canal Commissioner with term~~  
27 ~~of office expiring in 1961 shall hold Position No. 2 on the~~

1 ~~six-member Commission with a two-year term of office and the person~~  
2 ~~heretofore elected as Navigation and Canal Commissioner with a term~~  
3 ~~of office expiring in 1963 shall hold Position No. 5 on said~~  
4 ~~six-member Commission with a term of office of four years.~~

5 ~~[An election shall be held in said District every two years in~~  
6 ~~accordance with Chapter 41, Election Code, for the purpose of~~  
7 ~~electing two commissioners who shall hold their offices for a term~~  
8 ~~of six years. Any candidate offering himself for a position as~~  
9 ~~commissioner shall, in filing as a candidate, indicate the number~~  
10 ~~of the position for which he is a candidate.~~

11 ~~[Requests for placing the name of a candidate on the ballot~~  
12 ~~shall be filed with the chairman of the governing body of the~~  
13 ~~District, shall be in writing and signed by the candidate or shall~~  
14 ~~be in the form of a petition signed by not less than twenty-five~~  
15 ~~qualified voters of the District. The filing period for a request~~  
16 ~~for placing the name of a candidate on the ballot is governed by~~  
17 ~~Chapter 144, Election Code.~~

18 ~~[Arrangements for each election shall be made by the~~  
19 ~~governing body and notice of the election, signed by the chairman or~~  
20 ~~secretary of the governing body, shall be published once a week for~~  
21 ~~two consecutive weeks in a newspaper of general circulation within~~  
22 ~~the District, the first publication to be not less than fourteen~~  
23 ~~days prior to the election.~~

24 ~~[The governing body shall canvass the returns and declare the~~  
25 ~~results of each election, and the candidate receiving the highest~~  
26 ~~number of votes for each position shall be elected, and shall take~~  
27 ~~office on the appropriate date, next succeeding his election. All~~

1 ~~qualified voters throughout said Navigation District shall be~~  
2 ~~permitted to vote on all candidates running for commissioner in all~~  
3 ~~Navigation Precincts.~~

4 ~~[Each commissioner shall qualify by taking the~~  
5 ~~constitutional oath of office and by making an official bond in the~~  
6 ~~sum of Ten Thousand Dollars (\$10,000.00) executed by himself and by~~  
7 ~~two solvent sureties or by a surety company authorized to do~~  
8 ~~business in the State of Texas and such bond shall be approved by~~  
9 ~~the County Judge of Brazoria County. Except as otherwise provided~~  
10 ~~herein, all vacancies in the office of Navigation and Canal~~  
11 ~~Commissioners for this District shall be filled by appointment by~~  
12 ~~the Board itself for the unexpired term. In the event that more than~~  
13 ~~two vacancies occur at the same time, the remaining Navigation and~~  
14 ~~Canal Commissioners shall call a special election to fill such~~  
15 ~~vacancies, and if they fail to do so within fifteen days after such~~  
16 ~~vacancies occur, the judge or judges of the district court or courts~~  
17 ~~of the judicial district in which such Navigation District lies,~~  
18 ~~upon the petition of any voter or creditor thereof, may order the~~  
19 ~~holding of such election, fixing the date thereof and order the~~  
20 ~~publication of notice of such election by the county clerk of the~~  
21 ~~county, and name the officers to hold the election. In any such~~  
22 ~~election held by order of the district judge or judges, the returns~~  
23 ~~of the election shall be made and filed in the office of the clerk of~~  
24 ~~the district court and he shall declare the result thereof.]~~

25 SECTION 2.08. Section 57(a), Chapter 8, Acts of the 67th  
26 Legislature, 1st Called Session, 1981, is amended to read as  
27 follows:

1 (a) The management and control of the Brazoria County  
2 Drainage Districts Nos. 4[~~7, 5, 87~~] and 11 are hereby vested in the  
3 boards of directors of those districts. In this section,  
4 "district" means the Brazoria County Drainage Districts Nos. 4[~~7, 5,~~  
5 ~~87~~] and 11.

6 SECTION 2.09. Section 1, Chapter 166, Acts of the 41st  
7 Legislature, Regular Session, 1929, is amended to read as follows:

8 Sec. 1. The boundaries of [~~That~~] Willacy County Water  
9 Control and Improvement District Number One[~~, embracing lands in~~  
10 ~~the Counties of Willacy and Hidalgo, in the State of Texas, is~~  
11 ~~hereby created and established as a conservation and reclamation~~  
12 ~~district, and which district shall have such powers of government~~  
13 ~~and the authority to exercise such rights, privileges and functions~~  
14 ~~as are conferred by Article 16, Section 59 of the Constitution of~~  
15 ~~the State of Texas, and provisions of Chapter 25, of the General~~  
16 ~~laws passed by the Thirty-ninth Legislature, at its Regular Session~~  
17 ~~in 1925, as amended by Chapter 107, of the General Laws passed by~~  
18 ~~the Fortieth Legislature, at its First Called Session in 1927, as~~  
19 ~~such general laws now exist or may be hereafter amended, except as~~  
20 ~~herein otherwise provided, and the boundary lines of such district]~~  
21 shall be as follows:

22 Beginning at the southwest corner of Lot 13, Block 87, Turner  
23 tract, a subdivision of Share 24, San Juan De Carricitos Grant in  
24 Hidalgo County, Texas;

25 Thence east with the south boundary lines of Blocks 87, 86, 85  
26 and 84, said Turner Tract at 15700 ft. the S.E. corner Lot 13, Block  
27 84, The Turner Tract and the S.W. corner Lot 13, Block 39, Jose



1 Tract No. 5, continue with the south boundary line of Blocks 39 and  
2 38 said Jose Tract, continue with the south line of Blocks 4, 3, 2  
3 and 1, Lyford Tract No. 2 to S. E. corner of Block 1, a point in west  
4 line Share 44, in all 45950 feet;

5 Thence South with the West line of Share 44, 34990 ft. to the  
6 Willacy-Cameron County line;

7 Thence in a southeasterly direction with said  
8 Willacy-Cameron County Line 20100 ft. to the most southerly S.E.  
9 corner of Share 44, the S. W. corner of Share 2 of said Carricitos  
10 Grant;

11 Thence north with the east line of Share 44 and the west line  
12 of Share 2, 11700 ft. to the N.W. corner of said Share 2;

13 Thence east with the north line of Share 2, 4600 ft. to a S.E.  
14 corner of Share 44, the S.W. corner of Block 5, of the Los Coyotes  
15 Ranch Subdivision;

16 Thence north with the east line of Share 44 and the west line  
17 of the Los Coyotes Subdivision 16000 ft. to the N.W. corner of said  
18 Los Coyotes Ranch Subdivision;

19 Thence east with the north line of the Los Coyotes Ranch Sub  
20 3300 feet to a S.E. corner of Share 44, the S.W. corner of Share 14;

21 Thence north with the east line of Share 44 and the west line  
22 of Share 14, 8500 ft. the N.W. corner of Share 14;

23 Thence east with the north line of Share 14, the south line of  
24 Share 45, 14900 ft to the S.E. corner of said Share 45, a point in  
25 the west line of Share 34;

26 Thence south with the west line of Share 34, 750 ft to the S.W  
27 corner of same an inner corner of Share 14;

1           Thence east with the north line of Share 14, and the south  
2 line of Share 34, at 12300 ft. pass the N.E. corner of said Share 14,  
3 in all 17650 ft to the S.E. corner of Lot 8, Share 34;

4           Thence north with the east line of said Lot 8, 3200 ft. to the  
5 N.E. corner of same;

6           Thence west with the north line of Lots 8 and 7, Share 34,  
7 5350 ft. to a point in the east line of Share 34, a S. W. corner of  
8 Share 64;

9           Thence north with the east line of Share 34, and 61, 17200 ft.  
10 to the N. E. corner of Share 61;

11           Thence west with the south line of Share 16, 2640 ft. to the  
12 S. E. corner of Lot 21, Share 16;

13           Thence north with the east line of Lot 21, Share 16, 2900 ft.  
14 to the N.E. corner of same;

15           Thence west with the north line of Lot 21, 22 and 23, Share  
16 16, 4300 ft. to the N. W. corner of said lot 23;

17           Thence south with the west line of lot 23, Share 16, 2900 ft  
18 to the S. W. corner of same;

19           Thence west with the south line of Share 16 and the South line  
20 of the Gulf Coast Subdivision, 7000 ft to the N W corner of Lot 4 Blk  
21 2 of the E F Hubmer Subdivision;

22           Thence south with the west line of lots 4, 5, 12 and 13, Blk 2  
23 of Hubmer's Subdivision 5280 ft to the S. W corner of said lot 13;

24           Thence East with the South line of said Lot 13, Blk 2, 1320 ft  
25 to the S. E. corner of same;

26           Thence South with the West line of Lots 3 and 6, Blk 3,  
27 Hubmer's Subdivision 2640 ft to the S W corner of said Lot 6;

1           Thence East with the South line of Lot 6, Blk 3, 1320 ft to the  
2 S E corner of same;

3           Thence South with the West line of Lot 10 Blk 3, 1320 ft to the  
4 S. W. corner of same;

5           Thence west with the north line of lots 14 and 13 Blk 3, 2640  
6 ft to the N W corner of said Lot 13;

7           Thence South with the West line of said Lot 13, Blk 3, 800 ft  
8 to the S W Corner of same;

9           Thence West with the South line of Share 64, the North line of  
10 Share 45, 6500 ft to the S E corner of Lot 20 of the Harding Gill  
11 Subdivision of Share 64;

12           Thence North with the East line of said Subdivision 10,000 ft  
13 to the N E corner of same;

14           Thence West with the North line of said Subdivision and the  
15 North line of the Beise Tract 6660 ft to the N W corner of said Beise  
16 Tract;

17           Thence South with the West line of the Beise Tract, and the  
18 West line of Share 45, 14700 ft to the N E. corner of Share 44;

19           Thence West with the North line of Share 44, 21850 ft to the S  
20 E corner of the Raymond Hallam Subdivision;

21           Thence North with the East boundary line of said subdivision  
22 7250 ft to its N E corner;

23           Thence West with the North boundary line of the Raymond  
24 Hallam Subdivision 11250 ft to the East right-of-way of the St. L.  
25 and B. M. Railroad Co;

26           Thence in a Northerly direction with the East line of said  
27 right-of-way 7325 ft more or less to the South boundary line of

1 Rodriguez Ave;

2 Thence West with the South boundary line of Rodriguez Ave  
3 2540 ft more or less to the West boundary line of First St.;

4 Thence North with the East line of Farm Lot J. G. and B, 2620  
5 ft to a point in the East line of said Lot B;

6 Thence East crossing First St and continuing with the South  
7 Boundary line of lots C, D and E 4000 ft to the N W corner of Farm Lot  
8 F, Town of Raymondville;

9 Thence South with the West Boundary line of Farm Lot F, 1860  
10 ft to the center of Hidalgo Ave;

11 Thence East with the center of Hidalgo Ave 3280 ft to the N.  
12 W. corner of Lot 3, E. B. Raymond Tract;

13 Thence South with the West boundary line lot 3, 1320 ft to its  
14 S. W. corner;

15 Thence East with the South line of Lot 3, 1320 ft to its S.E.  
16 corner;

17 Thence south with the west line of Lot 5, 1320 ft, to its S.W.  
18 corner;

19 Thence east with the south line of Lot 5, 1320 ft. to its S. E.  
20 corner;

21 Thence north with the east line of Lots 5 and 2, 2640 ft to  
22 center of Hidalgo Road;

23 Thence West with the north line of Lot 2, 1320 ft. to its N. W.  
24 corner;

25 Thence north with the east line of Lot 13, Block 47, Gulf  
26 Coast Subdivision 1320 ft to its N. E. corner;

27 Thence East with the south line of Lots 11, 10 and 9, Block

1 47, 3960 ft. to the S E corner of Lot 9;  
2 Thence south with the west line of Lot 13, Block 48, 1320 ft.  
3 to its S. W. corner;  
4 Thence East with the South line of Lots 13 and 14, Block 48,  
5 2640 ft to the S E. corner of said Lot 14;  
6 Thence north with the East line of Lot 14 and 11, Block 48,  
7 2640 ft to the N E Corner of Lot 11;  
8 Thence west with the north line of Lots 11 and 12; Block 48,  
9 2640 ft to the N W corner of said Lot 12;  
10 Thence north with the east line of Lot 8, Block 47, 1320 ft to  
11 its N E corner;  
12 Thence east with the south line of Lots 4 and 3, Block 48,  
13 2640 ft to the S E corner of said Lot 3;  
14 Thence south with the west line of Lot 7, Block 48, 1320 ft to  
15 the S W corner;  
16 Thence East with the South line of Lot 7, Block 48, 1320 ft to  
17 the S E corner of same;  
18 Thence South with the west line of Lots 9 and 16, Block 48,  
19 2640 ft to the S W corner of Lot 16;  
20 Thence East with the South line of Lot 16, Block 48 and the  
21 south line of Lots 13 and 14, Block 49, 3960 ft to the S. E. corner  
22 of said Lot 14;  
23 Thence north with the east line of Lot 14, Block 49, 1320 ft  
24 to its N E corner;  
25 Thence East with the south line of Lots 10 and 9, Block 49,  
26 2640 ft to the S. E. corner of said Lot 9:  
27 Thence south with the west line of Lot 13, Block 50 1320 ft to

1 the S W corner of said Lot 13;

2 Thence east with the south line of Block 50, and Lots 13 and  
3 14, Block 51, 7920 ft to the S E corner of said Lot 14;

4 Thence north with the east line of Lots 14, 11, 6 and 3, Block  
5 51, and east line of Lots 14, 11, Block 60, 7920 ft. to the N E  
6 corner of said Lot 11;

7 Thence west with the south line of Lots 6, 5, Block 60, and  
8 Lot 8, Block 61, 3960 ft to the S W corner of said Lot 8;

9 Thence north with the east line of Lots 7 and 2, Block 61,  
10 2640 ft. to the N E. corner of said Lot 2;

11 Thence west with the north line of Lots 2, 3 and 4, Block 61,  
12 and north line Blocks 62 and 63 and north line of Lots 1 and 2, Block  
13 64, 16600 ft. to the N. W. corner of said Lot 2;

14 Thence north with the west line of Lot 7, Block 67, 350 ft. to  
15 the S. E. corner of Lot 15, Subdivision of the El Chapote Tract;

16 Thence west with the south line of Lots 15, 14, 13, 12 and 11,  
17 of the El Chapote Subdivision, 6250 ft. to the east right of way  
18 line of St. L. B. and M. R. R.;

19 Thence in a northeasterly direction with said right-of-way  
20 line 2700 ft. to the S. W. corner of Lot 41, the El Chapote  
21 Subdivision;

22 Thence east with the south line of Lots 41 and 42, 2750 ft. to  
23 the S. E. corner of said Lot 42;

24 Thence north with the east line of Lots 42 and 49, El Chapote  
25 Tract 2640 ft. to the N. E. corner of said Lot 49;

26 Thence west with the north line of Lots 49, 50, 51 and 52, El  
27 Chapote Tract 4650 ft. to the N. W. corner of said Lot 52;

1 Thence north with the east line of Lot 1, Block 68, El Chapote  
2 Tract 750 ft. to the N. E. corner of said Lot 1, the S. E. corner of  
3 Share 29 of the San Juan De Carricitos Grant;

4 Thence west with north boundary line of Chapote League 4150  
5 ft. to the S. W. corner of Share 29;

6 Thence north with west line of Share 29 the east line of Lots  
7 8 and 1, Block 19, Harding Lindahl Gill Subdivision, 2640 ft. to the  
8 N. E. corner of said Lot 1;

9 Thence west with the north line of Harding Lindahl Gill  
10 Subdivision 18700 ft. to the N. W. corner of said subdivision;

11 Thence South with the west line of said Subdivision and west  
12 line of Lot 2, Block 23, Harding Lindahl Subdivision 3940 ft. to an  
13 inner corner in said Lot 2;

14 Thence west with north boundary line of Lots 2, 3, 4, Block  
15 23, 2275 feet to the most westerly N. W. corner of said Subdivision;

16 Thence south with west boundary line said Subdivision 10500  
17 feet to a point in the west boundary line of Lot 4, Block 29, said  
18 Subdivision the N. E. corner of Lot 1, Block 1, Narcisso Tract No.  
19 4, Subdivision;

20 Thence west with north boundary line said Narcisso Tract No.  
21 4, 5700 ft. to its N. W. Corner;

22 Thence south with west boundary line of Narcisso No. 4, 4750  
23 ft. to intersection with north boundary line San Martin Ranch  
24 Subdivision;

25 Thence westerly 7100 ft. more or less to a point in the east  
26 line of the Teniente League which point is the S. E. corner of Lot 1,  
27 Block 4, of the S. D. Reynold Subdivision of said Teniente League;

1           Thence in a northeasterly direction with the east line of the  
2 said Teniente League 12000 ft. more or less to its N. E. corner;

3           Thence in a westerly direction with the north line of the  
4 Teniente League 15500 ft. more or less to its N. W. corner a point in  
5 the east line of the Stoddard Development Company's Subdivision;

6           Thence in a northerly direction with the east line of said  
7 Subdivision 3100 ft. more or less to the N. E. corner of same;

8           Thence in a westerly direction with the north line of  
9 Stoddard Development Company Subdivision 15200 ft. more or less to  
10 the N. W. corner of same;

11           Thence in a southerly direction with the west boundary line  
12 of the Stoddard Development Company's Subdivision 16300 ft. to the  
13 S. W. corner of same; in the north boundary line of the Missouri  
14 Texas Land and Irrigation Company's Subdivision;

15           Thence in a westerly direction with the north boundary line  
16 of said M. T. L. & I. Co., Subdivision 18600 ft. to the N. W. corner  
17 of same;

18           Thence in a southerly direction with the west boundary line  
19 of said Subdivision and the Los Mestenas Grant 10560 ft. to the S.  
20 W. corner of Lot 16, Block 10, of the M. T. L. and I. Co.  
21 Subdivision;

22           Thence in an easterly direction with the south boundary line  
23 of Block 10, 11, and Lots 13, 14, of Block 12, 9240 ft. to the S. E.  
24 corner of said Lot 14;

25           Thence in a northerly direction with the east line of Lots 14  
26 and 11, Block 12, 2640 ft. to the N. E. corner of said Lot 11;

27           Thence in an easterly direction with the south line of Lots 7



1 and 8, Block 12, 2640 ft. to the S. E. corner of said Lot 8;

2 Thence in a southerly direction with the west line of Lots 12  
3 and 13, Block 13, and Lots 4 and 5, Block 26, 5280 ft. to the S. W.  
4 corner of said Lot 5;

5 Thence in a westerly direction with the north line of Lots 9,  
6 10 and 11, Block 27, 4650 ft. to the N. W. corner of Lot 11;

7 Thence in a southerly direction with the west line of Lots 11  
8 and 14, Block 27, and Lot 2, Block 28, 3300 ft. to the S. W. corner  
9 of said Lot 2;

10 Thence in an easterly direction with the south line of said  
11 lot 2, 2000 ft. to the S. E. corner of same;

12 Thence in a southerly direction with the west line of Lots 7  
13 and 10, Block 5, 2436 ft. to a point in the west line of said Lot 10,  
14 being 660 ft. south of its N. W. corner;

15 Thence in an easterly direction parallel to the north line of  
16 Lots 10 and 12, Block 5, 2275 ft.;

17 Thence in a southerly direction parallel to the east line of  
18 Lot 12, Block 29, 660 ft. to a point in the north line of Lot 13,  
19 Block 29;

20 Thence in westerly direction with the north line of Lot 13,  
21 Block 29, 900 ft. to the N. W. corner of said Lot 13;

22 Thence in a southerly direction with the west line of said Lot  
23 13, Block 29, and the west line Blks. 42 and 43, 8600 ft. to the S.  
24 W. Corner of Block 43;

25 Thence in an easterly direction with the south line of Block  
26 43 and the south line of Lot 5, Block 44, 6700 ft. to an inner corner  
27 of said Lot 5;

1           Thence in a southerly direction with the west line of Blocks  
2 44, 55, and 56 and continuing to an inner corner of Lot 4, Block 67,  
3 in all 13750 feet;

4           Thence in a westerly direction with the north line of Lot 4,  
5 Block 67 and the north line of Block 68, 5900 ft. to the N. W. corner  
6 of said Block 68;

7           Thence in a southerly direction with the west line of Block  
8 68, 5280 ft. to the S. W. corner of same;

9           Thence in a westerly direction with the north line of Block  
10 74, and the N. Line of Lots 1 and 2, Block 73, 7920 ft. to the N. W.  
11 corner of said Lot 2;

12           Thence in a southerly direction with the west line of Lots 2,  
13 7, 10 and 15, Block 73, 5280 ft. to the S. W. corner of said Lot 15;

14           Thence in a westerly direction with the north line of Lots 3  
15 and 4, Block 90 and the north line of Lot 1, Block 91, 4150 ft. to  
16 the N. W. corner of said Lot 1;

17           Thence in a southerly direction with the west line of Blocks  
18 91 and 92, 11100 ft. to the S. W. corner of said Block 92;

19           Thence in an easterly direction with the south line of Blocks  
20 92, 93 and Lots 13 and 14, Block 94, 9240 ft. to the S. E. corner of  
21 said Lot 14;

22           Thence in a northerly direction with the east line of Lot 14,  
23 11, 6 and 3, Block 94, 5820 ft. to the N. E. corner of said Lot 3;

24           Thence in an easterly direction with the south line of Lots 15  
25 and 16, Block 89, 2640 ft. to the S. E. corner of said Lot 16;

26           Thence in a northerly direction with the east line of Lots 16,  
27 9, 8 and 1, of Block 89, 5280 ft. to the N. E. corner of said Lot 1;

1           Thence in an easterly direction with the south line of Lots 13  
2 and 14, Block 75, 2640 ft. to the S. E. corner of said Lot 14;

3           Thence in a northerly direction with the east line of Lots 14,  
4 11, 6 and 3, Block 75, 5280 ft. to the N. E. corner of said Lot 3;

5           Thence in an easterly direction with the south line of Lots 15  
6 and 16, Block 68, and the south line of Blocks 67, 66, 65 and 64,  
7 23760 ft. to the S. E. corner of said Block 64;

8           Thence in a northerly direction with the east line of Lot 16,  
9 Block 64, 1320 ft. to the N. E. corner of same;

10          Thence in an easterly direction with the south line of Lots 12  
11 and 11, Block 63, 2640 ft. to the S. E. corner of said Lot 11;

12          Thence in a southerly direction with the west line of Lots 15,  
13 Block 63, 1320 ft. to the S. W. corner of said Lot 15;

14          Thence in an easterly direction with the south line of Lots 15  
15 and 16, Block 63, 2640 ft. to the S. E. corner of said Lot 16;

16          Thence in a southerly direction with the west line of Block  
17 81, 5280 ft. to the S. W. corner of same;

18          Thence in a westerly direction with the north line of Block  
19 83, 5280 ft. to the N. W. corner of same;

20          Thence in a southerly direction with the west line of Block  
21 83, 5280 ft. to the S. W. corner of same;

22          Thence in a westerly direction with the north line of Block  
23 99, 5280 ft. to the N. W. corner of same;

24          Thence in a southerly direction with the west line of Lot 4,  
25 Block 99, 1320 ft. to the S. W. corner of same;

26          Thence in an easterly direction with the south line of Lot 4,  
27 Block 99, 1320 ft. to the S. E. corner of same;

1           Thence in a southerly direction with the west line of Lots 6  
2 and 11, Block 99, 3150 ft. to the S. W. corner of said Lot 11; the  
3 center line of Mile 18 Road;

4           Thence in an easterly direction with the south line of the  
5 Mestenas Grant the center line of said Mile 18 Road 20100 ft. to the  
6 center line of Base Line Road;

7           Thence north with the center line of Base Line Road 2500 ft.  
8 to the S. E. corner of Lot 8, Block 120, of the Barr Subdivision of  
9 the Ojo de Agua Grant;

10          Thence east 4700 ft. to the most westerly S. E. corner of the  
11 Durazno Ranch;

12          Thence North 800 ft;

13          Thence East 250 ft;

14          Thence north 3300 ft;

15          Thence east 3160 ft;

16          Thence south 4500 ft. to the S. W. corner Lot 11, Block 118,  
17 of Barr Subdivision;

18          Thence East 8650 ft. along south line of Barr Subdivision to  
19 the S. E. corner of Lot 9, Block 117 Subdivision;

20          Thence North 10350 ft. to the N. E. corner of Lot 9, Block 109  
21 of Barr Subdivision;

22          Thence westerly along the north boundary line of said Barr  
23 Subdivision 20000 ft to the N. W. corner of the Barr Subdivision the  
24 S. W. corner of the Turner Tract;

25          Thence northerly along the west line of said Turner tract  
26 26600 ft. to the S. W. corner of Lot 13, Block 87, Turner Tract a  
27 Subdivision of the San Juan De Carricitos Grant, the place of

1 beginning;

2           Provided, however, that there is excepted from the above, and  
3 here and now excluded therefrom and as forming no part of said  
4 Irrigation District or proposed inclusion into said Irrigation  
5 District the following lands in Hidalgo County, Texas, and out of  
6 the Los Mestenas Grant;

7	Lot 3, Block 3	40 Acres
8	Lot 8, Block 4	40 Acres
9	Lots 3, 4, 5 and 6, Block 5	160 Acres
10	Lot 4, Block 8	40 Acres
11	Lots 1 and 8, Block 15	80 Acres
12	Lots 5, 9, 10, 11, 12, 13, 14 and	
13	15, Block 16	320 Acres
14	Lots 2, 4, 5, 9, 10, 11, 12, 13 and	
15	and 14, Block 22	360 Acres
16	Lots 1, 7, 8, 9 and 10, Block 23	200 Acres
17	Lots 5 and 6, Block 24	80 Acres
18	Lots 1, 2, 7 and 8, Block 25	160 Acres
19	Lots 9, 10, 11 and 15, Block 30	160 Acres
20	Lots 9, 10, 15 and 16, Block 31	160 Acres
21	Lot 12 and 13, Block 32	80 Acres
22	Lots 1, 2, 7, 8, 9, 10, 11, 14, 15	
23	and 16, Block 44	453 Acres
24	Lots 1, 2, 7 and 8, Block 51	160 Acres
25	Lots 11, 12, 13 and 14, Block 49	160 Acres
26	Lots 3, 4, 5 and 6, Block 50	160 Acres
27	10 Acres of Lot 1, West of R. R.	

1 all of Lot 2, Block 54 50 Acres

2 In the Town of Lasara the following described lands are also  
3 to be excluded:

4 Blocks 19 to 24, inclusive;

5 Blocks 33 to 38, inclusive;

6 Blocks 47 to 52, inclusive;

7 Blocks 61 to 66, inclusive;

8 Blocks 74 to 80, inclusive;

9 Blocks 89 to 95, inclusive;

10 Blocks 103 to 108, inclusive;

11 In the Town of Rollo the following described lands are also to  
12 be excluded:

13 Blocks 1 to 4, inclusive;

14 Blocks 8 to 49, inclusive;

15 In the town of Hargill the following lands are also to be  
16 excluded:

17 Blocks 6, 36 to 41, inclusive;

18 Blocks 50 to 55, inclusive;

19 Blocks 64 to 69, inclusive;

20 Blocks 78 to 83, inclusive;

21 Blocks 92 to 97, inclusive;

22 Blocks 106 to 111, inclusive;

23 Blocks 120 to 125, inclusive;

24 Blocks 132 to 137, inclusive.

25 And, further provided, that there is excepted from the above  
26 here and now excluded therefrom and as forming no part of said  
27 Irrigation District or proposed inclusion into said Irrigation

1 District the following described lands in Willacy County, Texas,  
2 and out of the town of Willamar, Blocks 11 to 19, inclusive, Blocks  
3 23, 25, 26.

4 And further provided, that there is excepted from the above  
5 and here and now excluded therefrom and as forming no part of said  
6 Irrigation District the following described lands in Willacy  
7 County, Texas.

8 Out of the Gulf Coast Subdivision of the Raymondville Tract:

9 Lots 6, 11 and 15, Block 62, containing 120 acres of land;

10 Lots 7, 8, 9, 10, 13 and 14, Block 64, containing 240 acres of  
11 land;

12 Lot 9, Block 65, containing 30.3 acres of land;

13 Sub Lots 1, 2, 5, 6, 7 and 8, of Lot 3 and Lot 4, and the West  
14 15 acres of Lot 5, Block 46, containing 77.2 acres of land;

15 OUT OF THE RAYMOND HALLAM SUBDIVISION.

16 Lots 5 and 6, of Block 1, and Lots 5, Block 2, containing 112 acres  
17 of land;

18 North one-half of Lot 1 and all of Lot 6, in Block 3, containing 60  
19 acres of land;

20 Lot 4, Block 4, containing 40 acres of land;

21 OUT OF THE HARDING LINDAHL SUBDIVISION OF SHARE 1.

22 Lots 11, 12, 13 and 14, Block 25, containing 160 acres of land;

23 Lots 9, 10, 15 and 16, Block 26, containing 160 acres of land;

24 Lots 1, 2, 3, 4, 5 and 6, Block 30, containing 240 acres of land;

25 Lots 1, 2, 7, 8 and N. one-half of Lot 9, Block 31 containing 180  
26 acres of land.

27 OUT OF NARCISSE TRACT NO. 4.

1 Lots 7 8, 10, 11, 12, 13, 14 and 15, Block 10;

2 Lots 1, 2, 7 and 8, Block 5;

3 Lots 1, 2, 3 and 4, Block 9;

4 OUT OF THE RAYMONDVILLE TRACT NO. 1.

5 Lots 4 and 5, of Block 4, containing 65 acres of land;

6 Lots 11, 13 and 14, Block 6, containing 120 acres of land;

7 Lots 7, 9, 10, 11 and 12, Block 7, containing 144.8 acres of land;

8 Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, south one-half of 14 and all of

9 15, Block 9, containing 460 acres of land;

10 OUT OF THE TOWN OF RAYMONDVILLE.

11 Lots 1 to 12, inclusive, in Block 56;

12 Lots 1 to 6, inclusive, east one-half of 9, all of 10 and 11, in  
13 Block 58;

14 Lots 18 to 26, inclusive, in Block 72;

15 Lots 17 to 22, inclusive, Block 64; and 100 ft. by 150 ft. out of the  
16 N. E. corner of Lot 1, Block N. owned by Dr. McCann.

17 OUT OF FARM LOT J TOWN OF RAYMONDVILLE.

18 The west 500 ft. of Lot 1 and 79 ft. By 375 ft. out of the N. E.  
19 corner of Lot 3, being the property owned by E. H. Whitney, both  
20 tracts being out of Farm Lot J. containing 3 acres of land.

21 OUT OF LYFORD TRACT NO. 2.

22 Lots 15 and 16, Block 3;

23 Lots 2 and 5, Block 1;

24 Lots 4, 5, 10, 11 and 12, in Block 4.

25 OUT OF JOSE TRACT NO. 5.

26 Lots 1, 2, 3, 6, 7 and 8, Block 39;

27 Lots 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12; 13; 14; 15 and 16; Block 38.



1 SECTION 2.10. Section 1, Chapter 306, Acts of the 45th  
2 Legislature, Regular Session, 1937, is amended to read as follows:

3 Sec. 1. The boundaries of [~~That~~] Dallas County Levee  
4 Improvement District Number Fourteen[~~, composed of territory lying~~  
5 ~~in Dallas County, Texas, is hereby created and established as a~~  
6 ~~Conservation and Reclamation District, and which District shall~~  
7 ~~have such powers of government and the authority to exercise such~~  
8 ~~rights, privileges, and functions as are conferred by Article 16,~~  
9 ~~Section 59, of the Constitution of the State of Texas, and~~  
10 ~~provisions of Chapter 21, of the General Laws passed by the~~  
11 ~~Thirty-ninth Legislature of the State of Texas, at its Regular~~  
12 ~~Session in 1925, as such General Laws now exist, or may be hereafter~~  
13 ~~amended, except as herein otherwise provided, and the boundary~~  
14 ~~lines of such District]~~ shall be as follows:

15 FIELD NOTES OF DALLAS COUNTY LEVEE IMPROVEMENT DISTRICT NO. 14,  
16 (PROPOSED, 2/15/1937)

17 BEGINNING at the Southeast corner of Dallas County Levee  
18 Improvement District No. 2 as REVISED on February 15, 1937, a stake  
19 on the West bank of the Trinity River;

20 THENCE S. 81 W. with the channel of Ten Mile Creek 9800 feet;

21 THENCE, S. 74-3/4 W. with said channel 1030 feet to the  
22 Southwest corner of said Dallas County Levee Improvement District  
23 No. 2 as Revised;

24 THENCE along the hill line as follows:

25 S. 3-1/4 W. 56 feet;

26 S. 2-3/4 E. 2757 feet;

27 S. 37 E. 1936 feet;

1 S. 17-1/2 E. 1133 feet;

2 S. 51-1/2 E. 707 feet;

3 S. 71 E. 498 feet;

4 S. 9-3/4 E. 984 feet stake in the South line of Dallas County  
5 and the North line of Ellis County;

6 THENCE East with the South line of said Dallas County and the  
7 North line of said Ellis County 16,330 feet, more or less, to the  
8 West bank of the Trinity River;

9 THENCE up said River with its meanders to the place of  
10 beginning, containing 2710 acres of land, more or less.

11 The above field notes are made and verified from the records  
12 of Dallas County, Texas, in conjunction with a survey of the line  
13 described as being in Ten Mile Creek Channel.

14 FIELD NOTES OF DALLAS COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2.

15 (REVISED-2/15/1937)

16 BEGINNING at a stake on the West bank of the Trinity River at  
17 the Southeast corner of Dallas County Levee Improvement District  
18 No. 1;

19 THENCE S. 60 W. with the south line of said District No. 1, a  
20 distance of 4926 feet to the southwest corner a tract of land  
21 formerly owned by W. H. Hilton and now owned by Bluebird Farms Co.;

22 THENCE N. 30 W. 818 feet to S. E. corner of a tract of land  
23 formerly owned by G. W. Pierce and now owned by Bluebird Farms Co.;

24 THENCE S. 60 W. with the south line of said tract 1328 feet to  
25 corner on hill line, same being the Southwest corner of said Dallas  
26 County Levee Improvement District No. 1;

27 THENCE along said hill line as follows:

1 S. 13-3/4 W. 1099 Feet;  
2 S. 8-1/2 W. at 433 feet Mrs. Jake Ginsberg's N. W. line  
3 (formerly Jim McKay) at 878 feet stake in road;  
4 S. 30E. 1526 feet;  
5 S. 59-1/2 W. 818 feet;  
6 S. 2-3/4 W. 980 feet;  
7 S. 6-1/4 W. 748 feet;  
8 S. 32 W. at 175 feet W. F. Rives (formerly W. J. Potter) East  
9 line, at 1079 feet, stake;  
10 S. 50 W. 1403 feet;  
11 S. 2 W. at 350 feet north line of the tract owned by the  
12 Trustees of the Trinity University, at 1119 feet, stake;  
13 S. 41-1/4 E. at 661 feet North line of Mrs. Lena Mae Nokes  
14 tract in all a distance of 1513 feet;  
15 S. 56-1/2 E. 665 feet;  
16 S. 23-1/2 E. 723 feet;  
17 S. 14-3/4 E. at 772 feet north line of tract now owned by the  
18 Federal Land Bank of Houston, in all a distance of 1078 feet;  
19 S. 3-1/4 W. at 314 feet edge of Ten Mile Creek bottom at 570  
20 feet stake for the S. W. corner of Dallas County Levee Improvement  
21 District No. 2, as REVISED, in Ten Mile Creek Channel;  
22 THENCE with said Ten Mile Creek channel as follows:  
23 N. 74-3/4 E. 1030 feet;  
24 N. 81 E. 9800 feet to the West bank of the Trinity River,  
25 stake for the Southeast corner of DALLAS COUNTY LEVEE IMPROVEMENT  
26 DISTRICT No. 2 as REVISED.  
27 THENCE up said Trinity River with the West bank of same to the

1 place of beginning, containing 2400 acres of land, more or less.

2 The above Field notes are made and verified from the records  
3 of Dallas County, Texas, in conjunction with a survey of the line  
4 described as being in Ten Mile Creek Channel.

5 SECTION 2.11. Section 1, Chapter 554, Acts of the 59th  
6 Legislature, Regular Session, 1965, is amended to read as follows:

7 Sec. 1. ~~The [Under and pursuant to the provisions of Section~~  
8 ~~59 of Article XVI, Constitution of Texas, a conservation and~~  
9 ~~reclamation district is hereby created and incorporated in Harris~~  
10 ~~County, Texas, to be known as "Crosby Municipal Utility District of~~  
11 ~~Harris County, Texas," hereinafter referred to as the "District,"~~  
12 ~~and the]~~ boundaries of the Crosby Municipal Utility District of  
13 Harris County, Texas, [~~said District~~] shall be as follows:

14 BEGINNING at the southwestern corner of the Lewis A. Levy  
15 Survey, Abstract No. 517, Harris County, Texas, same being a point  
16 on the northern line of the Humphrey Jackson League, Abstract No.  
17 37;

18 THENCE in an easterly direction along said northern line of  
19 said Humphrey Jackson League, being also the southern line of said  
20 Lewis A. Levy Survey, and a projection easterly thereof to an  
21 intersection with the southwestern line of the San Jacinto River  
22 Authority canal right-of-way in the B. F. Tankersley Survey,  
23 Abstract No. 770;

24 THENCE in a southeasterly direction along said southwestern  
25 line of the San Jacinto River Authority canal right-of-way to the  
26 eastern line of the Adolph Erlund 59.24 acre tract;

27 THENCE in a southerly direction along said eastern line of

1 said 59.24 acre tract, being also the western line of a 60.58 acre  
2 tract, to the northwestern line of the T & NO Railroad right-of-way;

3       THENCE in a northeasterly direction along said northwestern  
4 line of said T & NO Railroad right-of-way to an intersection with  
5 the projection northerly of the eastern line of the W. H. Miller  
6 2.15 acre tract;

7       THENCE in a southerly direction along said projection  
8 northerly of said Miller 2.15 acre tract and said eastern line of  
9 said 2.15 acre tract, being also the western line of the F. R.  
10 Curtis 6.65 acre tract, to the southeastern corner of said 2.15 acre  
11 tract on the south line of said B. F. Tankersley Survey, being also  
12 the north line of the John Quinlan Survey, Abstract No. 641;

13       THENCE in an easterly direction along said south line of the  
14 B. F. Tankersley Survey, being also the north line of said John  
15 Quinlan Survey, to its intersection with the western line of the  
16 aforementioned San Jacinto River Authority canal right-of-way;

17       THENCE in a generally southerly and southwesterly direction  
18 along said western line of the San Jacinto River Authority canal  
19 right-of-way to its intersection with a line parallel to and 200  
20 feet perpendicular northerly from the northern right-of-way line of  
21 the road along the southern line of the Robert Sebesta 38.68 acre  
22 tract in the Thos. Toby Survey, Abstract No. 791;

23       THENCE in an easterly direction along said line parallel to  
24 and 200 feet perpendicular northerly from the northern right-of-way  
25 line of the road along the southern line of the said Robert Sebesta  
26 38.68 acre tract to an intersection with the northwestern line of  
27 the right-of-way of U. S. Highway No. 90;

1           THENCE in a southwesterly direction along said northwestern  
2 right-of-way line of U. S. Highway No. 90 to its intersection with  
3 the northern line of the Victor Adam 12.02 acre tract;

4           THENCE in a westerly direction along said northern line of  
5 the Victor Adam 12.02 acre tract and its projection westerly to the  
6 western line of the aforementioned San Jacinto River Authority  
7 canal right-of-way, being also the eastern line of a 1.97 acre  
8 tract;

9           THENCE in a southerly direction along said western line of  
10 the San Jacinto River Authority canal right-of-way to its  
11 intersection with the southern line of said 1.97 acre tract;

12           THENCE in a westerly direction along said southern line of  
13 said 1.97 acre tract and its projection westerly to the western  
14 right-of-way line of the Crosby-Lynchburg Road;

15           THENCE in a northerly direction along said western  
16 right-of-way line of the Crosby-Lynchburg Road to a point 200 feet  
17 perpendicular southerly from the southern line of the Ed Ulrich  
18 44.70 acre tract;

19           THENCE in a westerly direction with a line parallel to and 200  
20 feet perpendicular southerly from said south line of the Ed Ulrich  
21 44.70 acre tract for a distance of 500 feet to a point for corner;

22           THENCE in a northerly direction along a line parallel to and  
23 500 feet perpendicular westerly from the western right-of-way line  
24 of said Crosby-Lynchburg Road to an intersection with the northern  
25 line of the B. J. Kristynik 37.30 acre tract, being also the  
26 southern line of Crosby Townsite;

27           THENCE in a generally westerly direction along said northern

1 line of said B. J. Kristynik 37.30 acre tract, being also the  
2 southern line of Crosby Townsite, to an intersection with the  
3 southeastern line of the T & NO Railroad right-of-way;

4       THENCE in a northwesterly direction perpendicular or at right  
5 angles to the centerline of said T & NO Railroad right-of-way to the  
6 northwestern line of said T & NO Railroad right-of-way;

7       THENCE in a northeasterly direction along said northwestern  
8 line of said T & NO Railroad right-of-way to the southern corner of  
9 Block Eleven (11) of said Crosby Townsite on the northeastern line  
10 of Avenue "C";

11       THENCE in a northwesterly direction along the southwestern  
12 line of said Block Eleven (11) and Block Ten (10) of Crosby  
13 Townsite, being also the northeastern line of Avenue "C", to the  
14 western corner of said Block Ten (10) on the southeastern line of  
15 First Street;

16       THENCE in a northeasterly direction along the northwestern  
17 line of said Block Ten (10) to the most northerly northwestern  
18 corner of said Block Ten (10) on the northern line of Crosby  
19 Townsite;

20       THENCE in a westerly direction along said northern line of  
21 Crosby Townsite to a point for corner at the intersection of said  
22 northern line of Crosby Townsite with a line which is parallel to  
23 and southwesterly from the westerly right-of-way line of  
24 Farm-To-Market Road No. 2100 and passes through the southwestern  
25 corner of the aforementioned Lewis A. Levy Survey;

26       THENCE in a northwesterly direction along said line parallel  
27 to and southwesterly from said westerly right-of-way line of

1 Farm-To-Market Road No. 2100 to the southwestern corner of said  
2 Lewis A. Levy Survey on the north line of the Humphrey Jackson  
3 League, Abstract No. 37, the place of beginning, and containing 700  
4 acres of land, more or less.

5 ARTICLE 3. REPEALER

6 SECTION 3.01. The following statutes are repealed:

- 7 (1) Chapter 734, Acts of the 72nd Legislature, Regular  
8 Session, 1991 (Article 4477-7k, Vernon's Texas Civil Statutes);  
9 (2) Chapter 643, Acts of the 59th Legislature, Regular  
10 Session, 1965;  
11 (3) Chapter 375, Acts of the 69th Legislature, Regular  
12 Session, 1985;  
13 (4) Chapter 726, Acts of the 65th Legislature, Regular  
14 Session, 1977;  
15 (5) Chapter 647, Acts of the 59th Legislature, Regular  
16 Session, 1965;  
17 (6) Chapter 103, Acts of the 57th Legislature, Regular  
18 Session, 1961;  
19 (7) Chapter 262, Acts of the 60th Legislature, Regular  
20 Session, 1967;  
21 (8) Chapter 12, Acts of the 70th Legislature, 2nd  
22 Called Session, 1987;  
23 (9) Chapter 877, Acts of the 62nd Legislature, Regular  
24 Session, 1971;  
25 (10) Chapter 515, Acts of the 69th Legislature,  
26 Regular Session, 1985;  
27 (11) Chapter 128, Acts of the 66th Legislature,



1 Regular Session, 1979;

2 (12) Sections 2, 3, 3A, 4, 5, 6, 7, 8, 9, 10, 11, 12,  
3 13, 14, 15, 16, 17, 18, and 19, Chapter 539, Acts of the 63rd  
4 Legislature, Regular Session, 1973;

5 (13) Chapter 59, Acts of the 62nd Legislature, Regular  
6 Session, 1971;

7 (14) Chapter 699, Acts of the 61st Legislature,  
8 Regular Session, 1969;

9 (15) Chapter 444, Acts of the 61st Legislature,  
10 Regular Session, 1969;

11 (16) Sections 1.01, 1.02, 2.01, 2.02, 3.01, 3.02,  
12 3.03, 3.04, 3.05, 3.06, 3.07, 3.08, 4.01, 4.02, 4.03, 4.04, 4.05,  
13 4.06, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16,  
14 5.01, 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11,  
15 5.12, 5.13, 5.14, 5.15, 5.16, 5.17, 6.01, 6.02, 6.03, 6.04, 6.05,  
16 6.06, 6.07, 6.08, 6.09, 6.10, 7.01, 7.02, 7.03, 7.04, 7.05, 7.06,  
17 7.07, 7.08, 7.09, 7.10, 7.11, 8.01, 8.02, 8.03, 8.04, 9.01, 9.02,  
18 9.03, 9.04, 9.05, 9.06, 9.07, 9.08, and 10.01, Chapter 221, Acts of  
19 the 71st Legislature, Regular Session, 1989;

20 (17) Chapter 550, Acts of the 71st Legislature,  
21 Regular Session, 1989;

22 (18) Chapter 513, Acts of the 63rd Legislature,  
23 Regular Session, 1973;

24 (19) Chapter 73, Acts of the 64th Legislature, Regular  
25 Session, 1975;

26 (20) Chapter 448, Acts of the 63rd Legislature,  
27 Regular Session, 1973;

- 1           (21) Chapter 680, Acts of the 68th Legislature,  
2 Regular Session, 1983;
- 3           (22) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
4 14, 15, 16, and 17, Chapter 668, Acts of the 64th Legislature,  
5 Regular Session, 1975;
- 6           (23) Chapter 220, Acts of the 71st Legislature,  
7 Regular Session, 1989;
- 8           (24) Chapter 502, Acts of the 60th Legislature,  
9 Regular Session, 1967;
- 10          (25) Chapter 191, Acts of the 64th Legislature,  
11 Regular Session, 1975;
- 12          (26) Chapter 455, Acts of the 62nd Legislature,  
13 Regular Session, 1971;
- 14          (27) Chapter 42, Acts of the 70th Legislature, 2nd  
15 Called Session, 1987;
- 16          (28) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
17 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 561, Acts  
18 of the 63rd Legislature, Regular Session, 1973;
- 19          (29) Chapter 214, Acts of the 66th Legislature,  
20 Regular Session, 1979;
- 21          (30) Chapter 424, Acts of the 66th Legislature,  
22 Regular Session, 1979;
- 23          (31) Chapter 528, Acts of the 60th Legislature,  
24 Regular Session, 1967;
- 25          (32) Sections 1A, 2, 3, 3A, 4, 4A, 4B, 4C, 5, 6, 7, 8,  
26 9, 10, 11, 12, 13, 14, 15, 16, and 17, Chapter 666, Acts of the 64th  
27 Legislature, Regular Session, 1975;

- 1           (33) Chapter 852, Acts of the 62nd Legislature,  
2 Regular Session, 1971;
- 3           (34) Chapter 43, Acts of the 57th Legislature, 1st  
4 Called Session, 1961;
- 5           (35) Chapter 125, Acts of the 60th Legislature,  
6 Regular Session, 1967;
- 7           (36) Chapter 77, Acts of the 71st Legislature, Regular  
8 Session, 1989;
- 9           (37) Chapter 275, Acts of the 66th Legislature,  
10 Regular Session, 1979;
- 11          (38) Chapter 56, Acts of the 58th Legislature, Regular  
12 Session, 1963;
- 13          (39) Chapter 591, Acts of the 61st Legislature,  
14 Regular Session, 1969;
- 15          (40) Chapter 873, Acts of the 62nd Legislature,  
16 Regular Session, 1971:
- 17          (41) Chapter 241, Acts of the 60th Legislature,  
18 Regular Session, 1967;
- 19          (42) Chapter 16, Acts of the 64th Legislature, Regular  
20 Session, 1975;
- 21          (43) Chapter 58, Acts of the 63th Legislature, Regular  
22 Session, 1973;
- 23          (44) Chapter 484, Acts of the 60th Legislature,  
24 Regular Session, 1967;
- 25          (45) Chapter 66, Acts of the 60th Legislature, Regular  
26 Session, 1967;
- 27          (46) Chapter 184, Acts of the 60th Legislature,

- 1 Regular Session, 1967;
- 2           (47) Chapter 41, Acts of the 59th Legislature, Regular  
3 Session, 1965;
- 4           (48) Chapter 51, Acts of the 71st Legislature, Regular  
5 Session, 1989;
- 6           (49) Chapter 665, Acts of the 64th Legislature,  
7 Regular Session, 1975;
- 8           (50) Chapter 466, Acts of the 60th Legislature,  
9 Regular Session, 1967;
- 10          (51) Chapter 465, Acts of the 59th Legislature,  
11 Regular Session, 1965;
- 12          (52) Chapter 546, Acts of the 71st Legislature,  
13 Regular Session, 1989;
- 14          (53) Sections 1.01, 1.02, 2.01, 3.01, 3.02, 3.03,  
15 3.04, 3.05, 3.06, 3.07, 3.08, 4.01, 4.02, 4.03, 4.04, 4.05, 4.06,  
16 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 5.01,  
17 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, 5.12,  
18 5.13, 5.14, 5.15, 6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 6.08,  
19 6.09, 6.10, 7.01, 7.02, 7.03, 7.04, 7.05, 7.06, 7.07, 7.08, 7.09,  
20 7.10, 7.11, 8.01, 8.02, 8.03, 8.04, 8.05, and 9.01, Chapter 45, Acts  
21 of the 71st Legislature, Regular Session, 1989;
- 22          (54) Chapter 872, Acts of the 62nd Legislature,  
23 Regular Session, 1971;
- 24          (55) Chapter 1316, Acts of the 75th Legislature,  
25 Regular Session, 1997;
- 26          (56) Sections 1a, 1b, 2, 3, 4, 4b, and 4c, Chapter 55,  
27 Acts of the 40th Legislature, 1st Called Session, 1927;

1           (57) Chapter 195, Acts of the 53rd Legislature,  
2 Regular Session, 1953;

3           (58) Chapter 715, Acts of the 59th Legislature,  
4 Regular Session, 1965;

5           (59) Sections 2, 3, 4, 5, 6, 7, 7A, 8, 9, 10, 11, and  
6 12, Chapter 36, Acts of the 41st Legislature, 1st Called Session,  
7 1929;

8           (60) Sections 1A, 2, 3, 4, 5, 6, 6A, 6B, 6C, 6D, 7, and  
9 8, Chapter 203, Acts of the 57th Legislature, Regular Session,  
10 1961;

11           (61) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12,  
12 Chapter 6, Special Laws, Acts of the 41st Legislature, 4th Called  
13 Session, 1930;

14           (62) Chapter 775, Acts of the 69th Legislature,  
15 Regular Session, 1985;

16           (63) Chapter 465, Acts of the 51st Legislature,  
17 Regular Session, 1949;

18           (64) Chapter 713, Acts of the 65th Legislature,  
19 Regular Session, 1977;

20           (65) Chapter 432, Acts of the 66th Legislature,  
21 Regular Session, 1979;

22           (66) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
23 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 435, Acts  
24 of the 66th Legislature, Regular Session, 1979;

25           (67) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
26 and 14, Chapter 1321, Acts of the 76th Legislature, Regular  
27 Session, 1999;

1           (68) Sections 1.01, 1.02, 1.03, 1.05, 1.06, 1.07,  
2 1.08, 1.09, 2.01, 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09,  
3 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17, 2.18, 3.01, 3.02,  
4 3.03, 3.04, 3.05, 3.06, 3.07, 3.08, 3.09, 3.10, 3.11, 3.12, 3.13,  
5 3.14, 3.15, 4.01, 4.02, 4.03, 5.01, 5.02, 5.03, 5.04, 5.05, 5.06,  
6 6.01, 6.02, 7.01, and 7.02, Chapter 1273, Acts of the 75th  
7 Legislature, Regular Session, 1997;

8           (69) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
9 14, 15, and 16, Chapter 166, Acts of the 41st Legislature, Regular  
10 Session, 1929;

11           (70) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11,  
12 Chapter 306, Acts of the 45th Legislature, Regular Session, 1937;

13           (71) Chapter 359, Acts of the 72nd Legislature,  
14 Regular Session, 1989;

15           (72) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 648,  
16 Acts of the 62nd Legislature, Regular Session, 1971;

17           (73) Sections 1, 2, 3, 4, 5, 7, 8, 9, and 10, Chapter  
18 621, Acts of the 63rd Legislature, Regular Session, 1973;

19           (74) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 559,  
20 Acts of the 62nd Legislature, Regular Session, 1971;

21           (75) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
22 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23, Chapter 633, Acts of the  
23 60th Legislature, Regular Session, 1967;

24           (76) Sections 1, 3, 4, 5, 6, 7, 8, and 9, Chapter 421,  
25 Acts of the 66th Legislature, Regular Session, 1979;

26           (77) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter  
27 700, Acts of the 74th Legislature, Regular Session, 1995;

1           (78) Sections 1, 2(b), 2(c), 3, 4, 5, 6, 7, 8, and 9,  
2 Chapter 722, Acts of the 68th Legislature, Regular Session, 1983;

3           (79) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 584,  
4 Acts of the 62nd Legislature, Regular Session, 1971;

5           (80) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 700,  
6 Acts of the 62nd Legislature, Regular Session, 1971;

7           (81) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 703,  
8 Acts of the 62nd Legislature, Regular Session, 1971;

9           (82) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
10 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 270, Acts  
11 of the 61st Legislature, Regular Session, 1969;

12           (83) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
13 14, 15, and 16, Chapter 744, Acts of the 73rd Legislature, Regular  
14 Session, 1993;

15           (84) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 347,  
16 Acts of the 62nd Legislature, Regular Session, 1971;

17           (85) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter  
18 184, Acts of the 69th Legislature, Regular Session, 1985;

19           (86) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter  
20 185, Acts of the 69th Legislature, Regular Session, 1985;

21           (87) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter  
22 186, Acts of the 69th Legislature, Regular Session, 1985;

23           (88) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter  
24 188, Acts of the 69th Legislature, Regular Session, 1985;

25           (89) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter  
26 189, Acts of the 69th Legislature, Regular Session, 1985;

27           (90) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter

- 1 190, Acts of the 69th Legislature, Regular Session, 1985;
- 2 (91) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
- 3 191, Acts of the 69th Legislature, Regular Session, 1985;
- 4 (92) Sections 1, 2, 4, 5, 6, 7, 8, 9, and 10, Chapter
- 5 192, Acts of the 69th Legislature, Regular Session, 1985;
- 6 (93) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 505,
- 7 Acts of the 62nd Legislature, Regular Session, 1971;
- 8 (94) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 686,
- 9 Acts of the 62nd Legislature, Regular Session, 1971;
- 10 (95) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
- 11 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 146, Acts
- 12 of the 61st Legislature, Regular Session, 1969;
- 13 (96) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 195,
- 14 Acts of the 62nd Legislature, Regular Session, 1971;
- 15 (97) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 654,
- 16 Acts of the 62nd Legislature, Regular Session, 1971;
- 17 (98) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 576,
- 18 Acts of the 62nd Legislature, Regular Session, 1971;
- 19 (99) Chapter 705, Acts of the 62nd Legislature,
- 20 Regular Session, 1971;
- 21 (100) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 697,
- 22 Acts of the 62nd Legislature, Regular Session, 1971;
- 23 (101) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, and 12,
- 24 Chapter 1385, Acts of the 77th Legislature, Regular Session, 2001;
- 25 (102) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, and 11,
- 26 Chapter 756, Acts of the 75th Legislature, Regular Session, 1997;
- 27 (103) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 474,



1 Acts of the 62nd Legislature, Regular Session, 1971;

2 (104) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 104,

3 Acts of the 67th Legislature, Regular Session, 1981;

4 (105) Sections 1, 3, 4, 5, 6, 7, and 8, Chapter 704,

5 Acts of the 68th Legislature, Regular Session, 1983;

6 (106) Chapter 950, Acts of the 69th Legislature,

7 Regular Session, 1985;

8 (107) Chapter 12, Acts of the 57th Legislature, 3rd

9 Called Session, 1962;

10 (108) Sections 1, 3, 4, 5, 6, 7, 7-A, 8, 9, 10, 11, 12,

11 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26, Chapter

12 506, Acts of the 54th Legislature, Regular Session, 1955;

13 (109) Sections 2, 3, 4, 5, 6, 7, 8, 9, and 10, Chapter

14 554, Acts of the 59th Legislature, Regular Session, 1965; and

15 (110) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,

16 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 751, Acts

17 of the 61st Legislature, Regular Session, 1969.

18 ARTICLE 4. GENERAL MATTERS

19 SECTION 4.01. LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE.

20 This Act is enacted under Section 43, Article III, Texas

21 Constitution. This Act is intended as a codification only, and no

22 substantive change in the law is intended by this Act. This Act

23 does not increase or decrease the territory of any special district

24 of the state as those boundaries exist on the effective date of this

25 Act.

26 SECTION 4.02. PRESERVATION OF VALIDATION MADE BY PREVIOUS

27 LAW. (a) The repeal of a law, including a validating law, by this

1 Act does not remove, void, or otherwise affect in any manner a  
2 validation under the repealed law. The validation is preserved and  
3 continues to have the same effect that it would have if the law were  
4 not repealed.

5 (b) Subsection (a) of this section does not diminish the  
6 saving provisions prescribed by Section 311.031, Government Code.

7 SECTION 4.03. EFFECTIVE DATE. This Act takes effect April  
8 1, 2009.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3166 was passed by the House on April 12, 2007, by the following vote: Yeas 142, Nays 1, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 3166 was passed by the Senate on May 15, 2007, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor